

NORTHWESTERN

Banker

DECEMBER

1942



R. F. CLARKE

President, Banking House of A. W. Clarke, Papillion
President, Nebraska Bankers Association



Pictures and Paragraphs from the Nebraska Convention

Pages 12-13-14-15



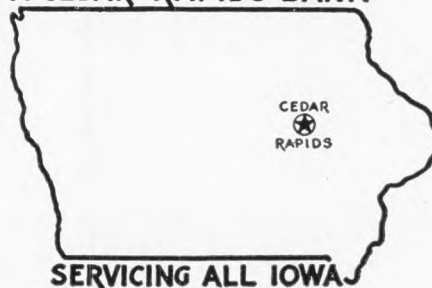
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• Today, all the resources of the Allen Wales Adding Machine Corporation are turned to the manufacture of vital war supplies for our country. When Victory comes, we will resume making Allen Wales Adding Machines which our friends tell us are the world's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

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AS America grasps the true meaning of total war the term "civilian," as it was once understood, becomes increasingly empty. Virtually everyone in the nation plays some part in keeping America going—a vital factor in achieving victory.

In this effort, loss to anyone is loss to all. Loss by fire is especially serious since the resulting damage is in man-power, machine-power, materials, or all three. We can afford to squander

none of these war essentials.

Thus America at war has an obligation to take every possible precaution against the outbreak of fire in any instance; further, to see that *all* property is adequately insured. These wise and necessary precautions will help importantly to keep America "in there punching" until the Axis is vanquished for all time.

All of us should bear in mind the urgent obligation:

Be EXTRA Careful about Fires.

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FIRE ★ AUTOMOBILE ★ MARINE INSURANCE

Help keep this faith ALIVE

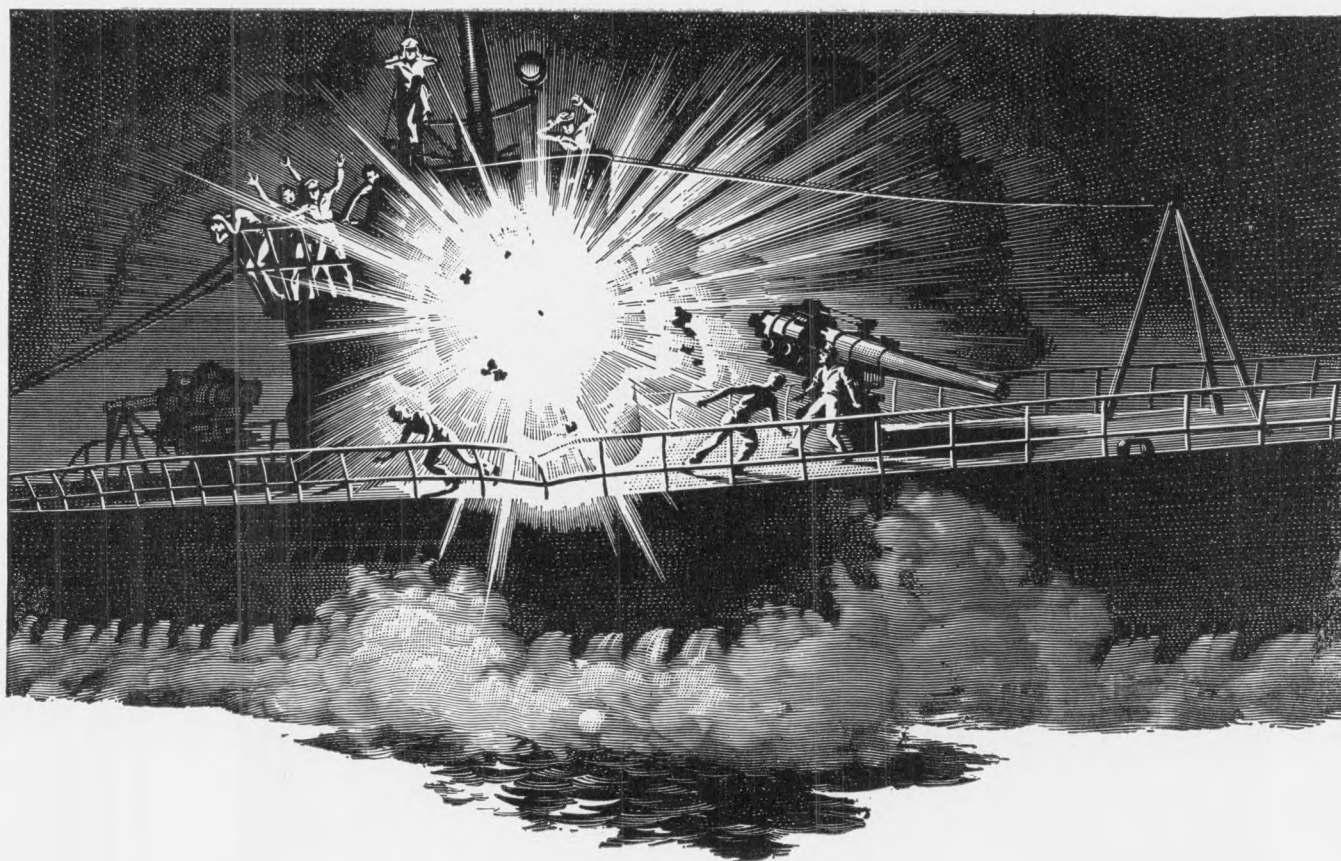


To the millions of men in our Armed Forces, December 25th, 1942, will be strangely different than any Christmas they have ever known. True, there'll be Turkey on the Table in camps throughout the land . . . and Carols sung by lusty voices . . . and a Tree . . . and Gifts from Home—but Christmas isn't really Christmas, away from family and fireside. ☆ Men, you know, are "but boys grown tall". And it is vital to this nation that the things for which Christmas stands be preserved to all of us. For these things are *part* of America's heart and spirit and will to

win. ☆ What can we do to help our boys who are giving so much for us? Here's the answer—an answer that speaks for all Humanity—the very answer our Men in Service would themselves give: **CONTRIBUTE TO THE U. S. O.**—the organization that brings our boys entertainment, recreation, good fellowship—the organization that is the closest thing to home for a service man. **AND BUY MORE BONDS**—to hasten the day when Christmas will again be Christmas, with families reunited—and Peace on Earth becomes a *fact* as well as a *prayer*.

GEORGE LA MONTE & SON, Makers of Safety Paper for Checks, NUTLEY, NEW JERSEY





What Sank this Submarine?

In an eastern state a manufacturer, in business more than a century, was producing printing presses in 1941 for an America then at peace. Came a menace to our shipping from below the seas—our Navy urgently needed guns and mounts for the ships. Could the manufacturer make gun mounts? He could and he would.

But funds were needed at once for new equipment and to hold trained personnel during the conversion period. A delay would have meant unemployment and stagnation for the community. And, even more important, precious weeks would have been lost before the necessary gun

mounts were delivered to our Navy.

So the manufacturer went to the officers of his local bank. This bank and the Chase, its New York correspondent, quickly arranged a substantial loan, enabling the manufacturer to keep his efficient organization together and to place weapons on our warcraft and freighters to battle the underseas menace.

This actual instance is not cited merely to indicate the effect of one loan; it has greater significance. It is an example of American industry and American banks working together harmoniously and effectively to win the war.

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Northwestern Banker December 1942

DECEMBER
1942

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Oldest Financial Journal West of the Mississippi River

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Across the Desk From the Publisher

Be Glad You're a Country Banker

As we enter the last month of 1942, it is our firm conviction that country bankers can look back over the past with a feeling of pride and look forward to the future, even in these times, with confidence and composure.

You can be glad you are a country banker because your business is in better shape than the average group of small business organizations across the country.

You can be glad you are a country banker because you have a higher ratio of net sound capital to appraised value of assets than banks of larger size and deposits.

You can be glad you are a country banker and that you have contributed your part to guiding your institution through the strenuous period since 1932.

The enviable position in which country bankers find themselves today was very ably presented by Leo T. Crowley, chairman of the Federal Deposit Insurance Corporation, in a recent address of his in which he said, "*The dire straits of small business, however, are not reflected in the present condition of small banks. Smaller banks, as a group, have fared better and are today in sounder condition than any other segment of small business.* Further, we find small banks today ahead, in several important respects, of the larger institutions.

"With respect to the ratio of sound capital to appraised value of assets, for example, we find that the ratio stands in inverse proportion to the size of banks—the smaller the bank, the higher the ratio. Net sound capital ranges from \$24.74 per \$100 appraised value of assets for all insured

banks with deposits of \$100,000 and less, down through \$12.21 for banks with deposits of between \$500,000 and \$1,000,000 to \$8.05 for banks with deposits in excess of \$50,000,000.

"It appears, therefore, that the country banker is in a good position to contribute fully of his skills and his resources to prosecution of the Nation's war effort. It is evident, too, *that our country bankers are to be congratulated upon the care with which they shepherded their institutions through dangerous times, guided them on the road to economic recovery, and established standards of sound operations that have given country banks their present enviable soundness.*"

So we repeat, be glad you are a country banker and that you are in a business which has done so well through these trying times, and a business *which, we are sure, under your able guidance, will continue to do so in the months ahead.*

The Future Of Installment Financing

Although installment financing has necessarily declined because of war conditions, we believe that it has always contributed to the welfare of our economic system, except in cases where it has been abused by the borrower.

There can be no doubt that installment financing will be definitely stimulated when the war is over and consumer goods, especially in the durable classification, are manufactured again in large quantities.

"During the 6 months ended June 30, 1942," according to Elmer E. Schmus, vice president, the First National Bank of Chicago, "finance companies showed a net profit on the average net worth of 9 per cent on an annual basis compared

with 11 per cent for the year 1941. These lower earnings reflect not only the sharp decline in volume, but also the influence of the lower charges as well as the higher taxes."

The record of finance companies and of banks which have personal loan or installment financing departments has been most satisfactory over a period of years, and as Mr. Schmus further points out, "The finance companies have always maintained positions of excellent liquidity, and I have confidence that the able management which has been responsible for the fine records of the companies will see to it that a proper liquidity balance is continued in order that they can satisfactorily resume their usual financing operations after the war has been brought to a conclusion."

It is our belief that the future of installment financing will be most satisfactory, even though temporarily there has been a decline in the volume of business done.

Livestock Industry Must Increase Its Wartime Production

Whatever else we may need to win the war, we must have food and meat. What the final effects of rationing and price ceilings may have on the livestock industry, of course, remains to be seen but common sense dictates that the livestock industry must increase its wartime production to take care of both the army and civilian requirements.

This entire subject was very ably discussed by Alvin E. Johnson, president of the Live Stock National Bank of Omaha recently.

Mr. Johnson believes that if meat is rationed and not competitive foods that the demand will gradually move toward the competing foods and meat will be neglected, and he believes that "this carries a threat with dire implications."

As a result of this, Mr. Johnson believes that eating habits may be changed during the war and that in the postwar economy the market for meat may be seriously reduced at a time "when larger, rather than smaller markets will be necessary for the survival of the livestock industry."

In summing up his reasons why the livestock industry must be increased, he puts it this way: "Our per capita consumption of meat and meat products has fallen before and we know the results to the livestock industry. This war presents controls never used before. It is our first experience with general rationing, but it is safe to predict that meat will lose ground on the American table. It will take years and a lot of promotion to restore it.

"That is why the livestock industry must find some way to increase its wartime production so that meat consumption among civilians, though rationed, will be of a quantity that will not tend to reduce the pre-war consumption standards.

"So far as I can see, the only quick way to increase production is to feed livestock to heavier weights.

"It can be done—in my estimation it must be done—despite price ceilings, rationing, increasing production costs and overall controls that tend to discourage heavier marketed animals.

"May I emphasize again—we have millions of four-footed war plants in this country. The country needs meat. Our Allies need meat. When are we going to put our four-footed war plants on a real wartime production schedule?"

Thus we believe that it is most important that the government give serious consideration to putting the livestock industry on a basis where its production will be increased in order to help supply the necessary amount of meat products needed to help win the war.

Playing Politics With the \$25,000 Salary Limit

The present tax law does not limit salaries to \$25,000. The plan was purely political and was based on an "order" issued by James F. Byrnes, director of economic stabilization, and approved by President Roosevelt.

The idea was to further appease labor. But to show how unnecessary and foolish such an order as this is, we should remember the following facts:

1. In 1939, the last year for which official figures are available, there were only 1,439 persons who had salaries above \$25,000.
2. For 1942, it is estimated that the number will be only 2,500 persons.
3. This order does not affect persons receiving dividends of \$25,000 or more, therefore the law is discriminatory and definitely unfair.

So we believe that this entire move was one of pure politics to further play ball with labor leaders, many of whom have made racketeering a profession and whose own unions do not have to make any report of their financial affairs to the government, while every corporation in the United States is forced to do so.

Clifford DePuy



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Directors and Employees
OF THE
CENTRAL NATIONAL BANK
& TRUST COMPANY
OF DES MOINES

Extend to You . . . their sincerest
Holiday Wishes

and with a faith common to all free Americans
are anxiously looking forward to the day when
the Christmas and New Year Holidays will
again be observed with a world at peace.



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

Northwestern Banker December 1942

Government Competition, Increased Operating Costs Discussed by *Nebraska* Bankers

Large Attendance at Forty-fifth Annual Convention Held Last Month in Omaha

MORE than 750 registrations were recorded at the forty-fifth annual convention of the Nebraska Bankers Association, held last month in Omaha, a total that greatly exceeded many other meetings held in recent years. The program, built around the solution of problems that will help to further the war effort, was full of meat. All sessions were unusually well attended.

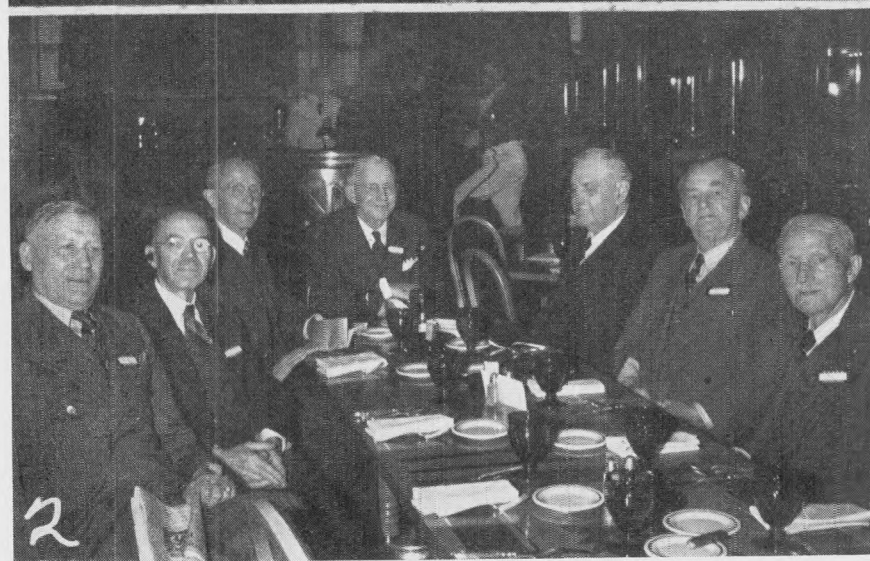
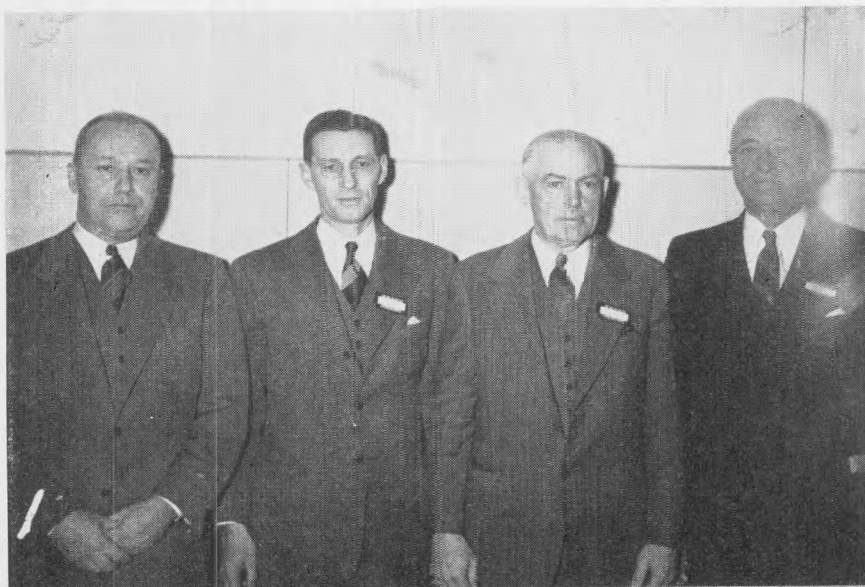
Robert F. Clarke, president of the

Banking House of A. W. Clarke, Papillion, was elected president of the Nebraska Association at the closing convention session. **James D. Milliken**, executive vice president of the Fremont National Bank, was named chairman of the executive committee; **A. L. Coad**, president of the Packers National Bank, Omaha, was elected treasurer; and of course **William B. Hughes** was renamed secretary. Members of the executive council named for a three-year term were **A. L. Vickery**,

cashier United States National Bank, Omaha, representing Omaha; **C. W. Battey**, cashier Continental National Bank, Lincoln, representing Lincoln; **Percy Baird**, president Farmers State Bank, Superior, representing Group Four; **R. L. Stout**, president First National Bank, Tekamah, representing Group Two; **J. D. Milliken**, Fremont, at large; and **E. C. Nordlund**, president Stromsburg Bank, at large.

Nebraska vice presidents for the several American Bankers Association divisions were named as follows: National Bank, **Edward Huwaldt**, executive vice president Commercial National Bank, Grand Island; State Bank, **Edgar McBride**, president Commercial Bank, Blue Hill; Savings Banks, **C. F. Witt**, South Omaha Savings Bank; and Trust, **C. Y. Offutt**, trust officer United States National Bank, Omaha. Councilmen named were **J. O. Peck**, vice president Continental National, Lincoln, and **Ray Ridge**, vice president Omaha National Bank.

Ray R. Ridge, the handsome and distinguished vice president of the Omaha National Bank, is also president of the Omaha Rotary Club and presided at the meeting of the Club held during the Nebraska Bankers



AT THE NEBRASKA CONVENTION—Reading from left to right, 1—New officers of the Nebraska Association—**R. F. Clarke**, president, president Banking House of A. W. Clarke, Papillion; **James D. Milliken**, chairman of the executive committee, executive vice president Fremont National Bank; **A. L. Coad**, treasurer, president Packers National Bank, Omaha; and **William B. Hughes**, secretary, Omaha. 2—Members of the Fifty-Year Club attending the meeting in Omaha—around the table from left to right, **H. D. Miller**, president First National Bank, Stanton; **August Zimmerer**, assistant cashier First National Bank, York; **Chas. K. Hart**, president Adams County Bank, Kenesaw; **W. H. McDonald**, chairman of the board McDonald State Bank, North Platte; **E. C. Yont**, president and cashier Bank of Brock; **A. L. Neumann**, president Farmers & Merchants National Bank, Oakland; and **J. W. O'Neil**, Omaha National Bank.

Convention. In introducing the many Rotary bankers who were present, Ray propitiously said, "I am glad to have so many of my banker friends at the luncheon today, as I have no friends in the Rotary Club."

As one of the most popular presidents the Omaha Rotary Club has ever had, we decided that Ray was a trifle facetious in his remark.

Charles R. Gossett, president of the Security National Bank of Sioux City dropped in to see his son at the University of Nebraska before coming to the Convention in Omaha. Charley's son will soon go to West Point, to which he recently received an appointment.

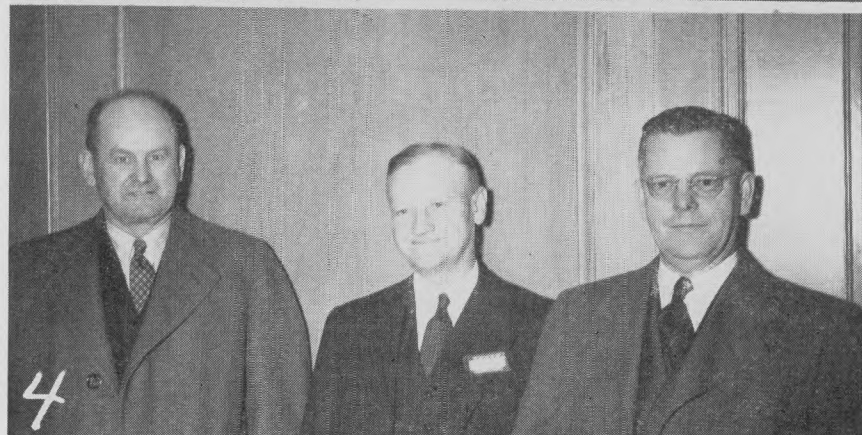
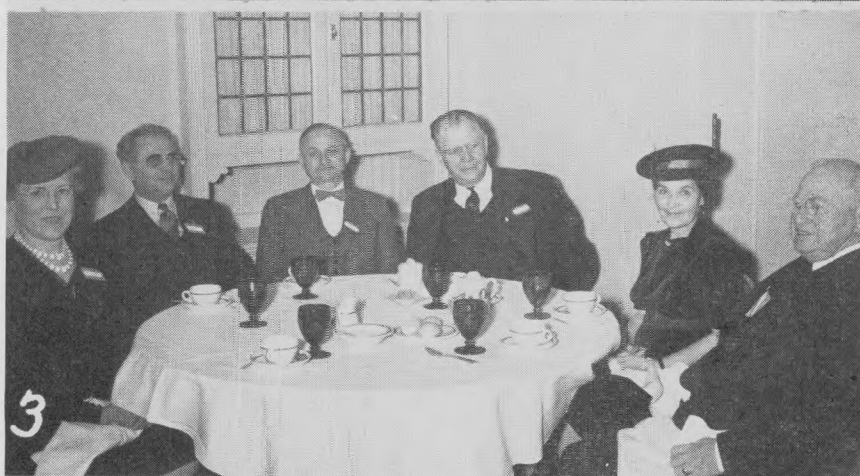
Fred W. Thomas, vice president of the First National Bank of Omaha, in telling of the campaign of **Foster May**, the Democratic Senatorial candidate in Nebraska, remarked that "November 3rd was the last of May."

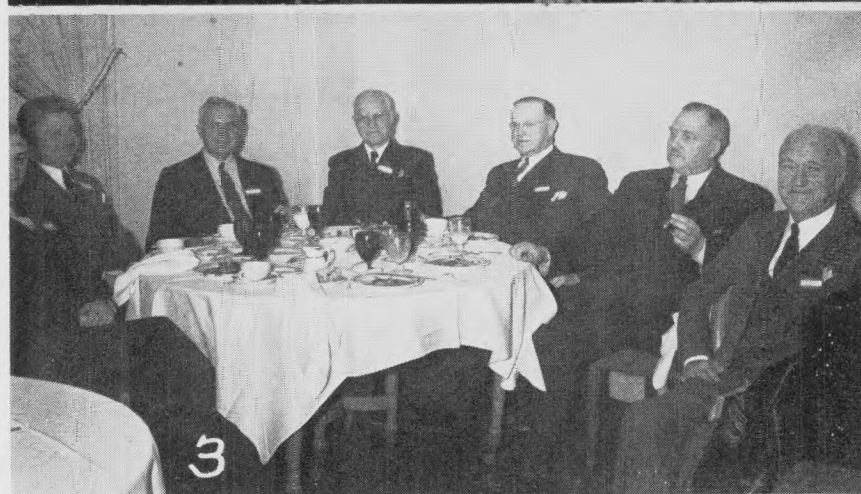
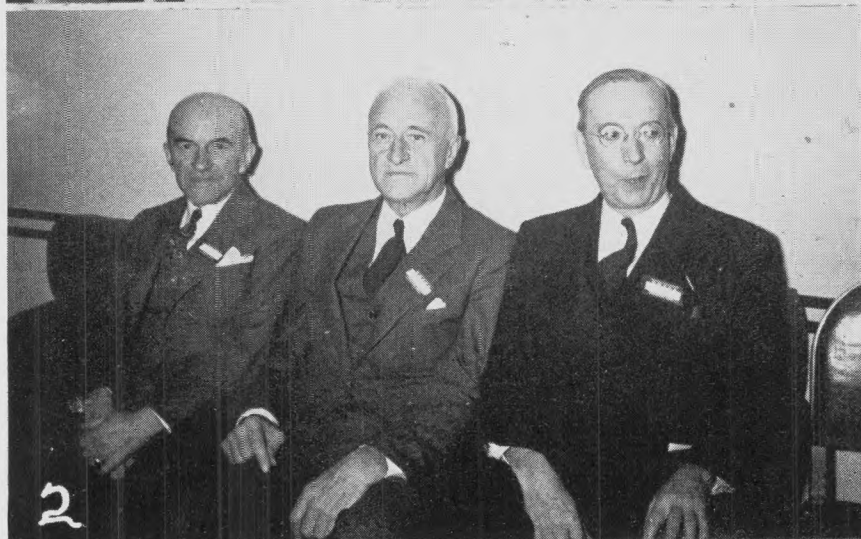
Harry C. Hausman, secretary of the Illinois Bankers Association, asked bankers at the Nebraska Convention to donate any extra fire alarms which they did not need to be used by the Great Lakes Navy Training Station. Harry said that due to the 3 Rs—regulation, red tape and restriction, the government had not furnished enough equipment to the Great Lakes Training School.

Complimenting Nebraska banks on their cooperation with Association activities during the past year, **O. A. Riley**, vice president of the Hastings National Bank, and president of the Association, said that the banks of the state had qualified 100 per cent in the sale of War Bonds and Stamps, and

AT THE NEBRASKA CONVENTION—

Reading from left to right, around the table, 1—**Major Carl Ganz**, cashier Farmers & Merchants Bank, Alvo; **Mrs. Ganz**; **Mrs. E. N. Van Horne**; **C. J. Bliss**, former Nebraska superintendent of banking; **Georgia Bliss**; **E. N. Van Horne**, president Federal Land Bank, Omaha. 2—**H. J. Bornholdt**, cashier Commercial State Bank, Wausa; and **Neil D. Saville**, cashier First National Bank, Wisner. 3—**Mrs. Emil Placek**; **Emil Placek**, president First National Bank, Wahoo; **Otto Kotouc**, president Home State Bank, Humboldt; **J. M. Sorenson**, executive vice president Stephens National Bank, Fremont; **Mrs. Dan J. Riley**; and **Dan J. Riley**, president The Dawson Bank. 4—**Harry J. Devereaux**, vice president Rapid City National Bank, Rapid City, South Dakota; **B. M. Wheelock**, vice president Security National Bank, Sioux City, Iowa; and **A. E. Dahl**, executive vice president Rapid City National Bank, Rapid City, South Dakota.





that the state had for the second consecutive time scored 1000 per cent in the ABA agricultural program. Last year banks in Nebraska subscribed for 1,700 copies of 4-H Club News, having the paper sent to young folks in their communities. During the past 12 months, Mr. Riley said, Nebraska banks had been called upon for unusual effort in almost every phase of their business, and all had responded in service in their communities to help win the war.

The absolute necessity for further sale of government securities, by bonds and tax notes through the banks was stressed by **H. G. Leedy**, president of the Federal Reserve Bank of Kansas City. The United States budget director is estimating federal expenditures of more than 84 billion dollars—of this amount it is expected that 24 billion will be raised by taxation, four and one-half billion from social security income, leaving 55.5 billion to be raised through the sale of govern-

AT THE NEBRASKA CONVENTION—

Reading from left to right, 1—This picture at the dinner meeting of the Nebraska executive council, held during the convention. Those pictured, although not in the order of appearance, are **William N. Mitten**, president Stephens National Bank, Fremont; **Henry E. Ley**, cashier State National Bank, Wayne; **Edgar McBride**, president Commercial Bank, Blue Hill; **R. H. Kroeger**, vice president Live Stock National Bank, Omaha; **L. C. Chapin**, vice president First National Bank, Lincoln; **W. H. Pierce**, president First National Bank, Shelby; **R. I. Stout**, President First National Bank, Tekamah; **Byron Dunn**, vice president National Bank of Commerce; **A. L. Coad**, president Packers National Bank, Omaha; **R. F. Clarke**, president Banking House of A. W. Clarke, Papillion; **E. W. Rossiter**, president Bank of Hartington; **H. H. Ostberg**, president Scottsbluff National Bank; **J. D. Stocker**, cashier Otoe County National Bank, Nebraska City; **B. N. Saunders**, vice president Fort Kearney State Bank, Kearney; **R. E. Knight**, president Alliance National Bank; and **R. H. Hall**, vice president North Side Bank, Omaha. 2—Three State Secretaries, **W. F. Keyser**, Missouri; **Billy Hughes**, Omaha, Nebraska; and **Harry Hausman**, Illinois. 3—Around the table, **O. A. Riley**, vice president Hastings National Bank; **C. C. Neumann**, executive vice president and cashier Farmers & Merchants National Bank, Oakland; **A. J. Jorgenson**, president American National Bank of Sidney; **J. R. Cain**, vice president Omaha National Bank; **Henry Schneider**, president Plattsmouth State Bank; **A. N. Mathers**, president Gering National Bank; and **Billy Hughes**. 4—**David Kaufman**, president Commercial National Bank, Grand Island; **Edward Huwaldt**, executive vice president Commercial National Bank, Grand Island; and **Chas. K. Hart**, president Adams County Bank, Kenesaw.

ment securities. It is the banks which will have to raise the larger portion of this latter sum, probably around 35 billion. The ability of banks to do this job will come largely from increased bank deposits. As reserves increase, these can also be used for purchase of government securities. Mr. Leedy said it might become necessary to reduce reserve requirements, to allow a greater flow of funds into securities, but that such increase would be avoided as long as possible.

William B. Hughes, secretary of the Nebraska Bankers Association, submitted probably the most condensed and briefest Secretary's Report in all the history of state bankers organizations, as it was on two sides of a sheet of paper only 4 inches wide and 10 inches deep.

The Nebraska Bankers Association now has a membership of 417 and the funds increased \$1,482 during the year, with total receipts showing \$22,095 and disbursements were \$20,687.

W. A. Sawtell, president Stock Yards National Bank of Omaha, was a major in the 148th Field Artillery in World War I and served one and one-half years in France. His father before him, **H. F. Sawtell**, was in the Field Artillery Battery from Boston, Massachusetts, and fought in the Civil War. And now, **W. A. Sawtell, Jr.**, is in the 91st Field Artillery at Camp White, Oregon, thus continuing the Field Artillery tradition of the distinguished Sawtell family.

H. M. Bushnell, president of the United States National Bank, was a classmate at the University of Nebraska with **Kenneth Wherry**, the new Republican United States Senator from Nebraska.

Senator Wherry lives at Pawnee City, Nebraska, and he and Mr. Bushnell have long been personal friends.

John A. Changstrom was chairman of the general committee on arrangements for the Nebraska convention and had a very clever plan of making the Assembly Room at the Hotel Fontenelle the "refreshment" center for friends and delegates attending the convention. This made it unnecessary for the various banks to use private rooms for entertainment purposes, as is usually done, and the new plan worked out very satisfactorily.

At an informal conference of the Nebraska Junior Bankers Association, held at the convention, it was decided that the organization should continue to function with the same officers, but a committee was named to serve in an

executive capacity for the present war emergency. Named on the committee were **B. M. DeLay**, Association president; **Chase Newmann**, Oakland; **W. H. Collett**, Crete; **A. N. Wallin**, Omaha, and **John Lauritzen**, Omaha. The Association paper, *Junior News*, will be suspended for the present so far as regular issue is concerned, but contact will be made with members occasionally as items of interest occur.

The decision to curtail activities of the Junior Association was made because more than 60 per cent of the membership has entered the armed

service, and while the organization will not be completely inactive or dormant, it will be impossible to function on as broad a scale as had been planned. When the present war is over, the Juniors will again take up active work toward cooperating with the senior association, and help in all possible ways to make themselves better bankers for the future.

Speaking on "The Wealth of the Nation," **Dr. H. C. Filley**, of the Nebraska College of Agriculture, named what he considered the four reasons for the

Interest Paid by Nebraska Banks

THE following table refers to interest rates paid by State banks in Nebraska, and is taken from examination reports submitted to the Nebraska Banking Department. While it is difficult to obtain an exact average from these figures, by taking 195 banks constituting the larger group, the average rate of interest paid would appear to be about 1.68 per cent.

TIME CERTIFICATES		SAVINGS ACCOUNTS		NO. OF BANKS
6 mos.	12 mos.	Semi-annual		
None	None	None		26
None	None	1%		1
None	None	2%		1
None	None	2½%		1
2%	2%	2%		63
2%	2%	None		38
1%	1%	1%		14
2%	2½%	2%		13
None	2%	2%		13
2½%	2½%	None		10
2½%	2½%	2½%		8
1½%	2%	1½%		10
2%	2½%	None		6
1½%	1½%	1½%		3
1½%	1½%	None		3
1%	1½%	1%		3
2%	2%	1%		3
None	2%	None		3
1%	2%	None		3
1%	None	1%		2
1%	1%	None		2
1%	None	None		1
2%	2%	2½%		1
1%	1%	2%		1
1½%	1½%	1%		1
1½%	2½%	2%		1
1½%	2%	None		2
1½%	2%	2%		2
2%	2½%	2½%		3
2%	2½%	1½%		1
2%	None	None		1
None	1%	None		1
2%	2%	1½%		2
None	2%	1½%		1
2%	2½%	None		2
None	2½%	None		1
2½%	2½%	2%		2
None	2½%	2%		1
1 Bank pays 1½%, 2% and 2½% on Time Certificates, 2% and 2½% Savings				
1 Bank pays 1% on Time Certificates local; 2% non-resident				
1 Bank pays 1½% up to \$2,500.00 plus 1% over \$2,500.00 on C.D.'s; 2% on Savings—no interest paid over \$5,000.00				
1 Bank pays 2% up to \$500.00 plus 1% over \$500.00				
1 Bank pays 1% up to \$5,000.00				
1 Bank pays 2½% up to \$100.00 on savings only.				
1 Bank pays 3% on 12 mos. C.D. accepting no new money				
1 Bank pays 2½% up to \$2,500.00—1% on next \$2,500.00—nothing over \$5,000.00 on C.D.'s—2½% on savings up to \$1,000.00				
1 Bank pays 2%—takes nothing over \$2,500.00				
1 Bank pays 2% up to \$1,600.00 plus 1% on next \$1,500—nothing accepted over \$2,500.00				
1 Bank pays 1% on C.D.'s 12 mos.—1% on savings with no interest paid on amounts under \$10.00				
1 Bank pays 1%, 2% and 2½% apparently as the circumstances strike them				



J. M. SORENSON

Why Should Production Credit Associations Be Furnished Capital *Free* to Compete With Banks?

By J. M. Sorenson

Vice President
Stephens National Bank
Fremont, Nebraska

This Very Interesting Subject Was Presented by Mr. Sorenson
Before the Annual Convention of the
Nebraska Bankers Association

IN his ninth annual report of the Farm Credit Administration at the close of 1941, Governor Black stated: "Additional field offices set up faster than ever before." It was our understanding at that time that the plan was to triple the number of associations in the United States. Is it any wonder we were concerned? **Banks and bankers everywhere are devoting a great deal of time and effort toward helping to win the war. We are always happy to do our part. It does seem, however, that while we are doing this we should not be forced to have to defend ourselves from unfair competition on the part of certain departments of the Federal Government as is necessary at the present time on account of the extraordinary aggressiveness of the Production Credit Associations. When banks were given the support of the Reconstruction Finance Corporation, they paid interest**

on all capital furnished by it. Just why these competing agencies should be furnished such capital free of charge and in exceedingly large amounts is beyond me.

Production Credit Associations operate in the exact field of commercial banks. They solicit and make only choice loans. Loans that, I believe, any bank would be glad to make and the eagerness of banks today, because of idle funds, would assure low rates to the producer.

During 1941, and so far in 1942, I know of no emergency existing necessitating a large expansion program of the PCA. During our visit with Governor Black in Washington, he asserted very positively that he would not ask for a softer snap than to sit in a bank and take loans away from Production Credit Associations. It appears to me that Governor Black is a mite inconsistent. For him to say in one breath that his organizations are

soft competition and in the next to defend the expansion program requiring these tremendous sums of capital free of charge from the government, and to also require a tremendous increase in manpower to man these organizations, to me does not seem to match up. At the present time it is my understanding that the government has loaned \$120,000,000 free of charge to the Production Credit Associations as capital and the annual report shows 4,900 people employed. Just how much capital would Governor Black be willing for the government to furnish free of charge, and how many people would he be willing to take out of the war effort, when both capital and manpower are so necessary? To me the Production Credit Associations are unnecessary. They are vicious and unfair competition. For Governor Black to set up this tremendous expansion at this time to me seems very unpatriotic.

wealth of the United States. First are our great natural resources—second, the type of people who settled this country and founded its civilization—third, because of our constitution and the laws established in the several states tying in with it—and fourth, the attitude of the people of this country toward education. For these four reasons we have eventually been able to produce more goods per capita than any other nation in the world. Wealth, the speaker said, is not so many dollars, but is a case of working hard, being thrifty, and using common sense. This country, said Mr. Filley, is going to have to get over the idea that a man

must work only a 40-hour week—such attitude is deplorable with a war to win.

There were three speakers on "Production Credit Subsidized Competition"—**E. W. Rossiter**, president, Bank of Hartington; **E. E. Placek**, president, First National Bank, Wahoo; and **J. M. Sorenson**, vice president, Stephens National Bank, Fremont. Reference to the remarks of Mr. Rossiter and Mr. Sorenson is made elsewhere in this issue. Mr. Placek gave a report on a trip made by his committee to Washington, saying that the group received a cordial reception from all congress-

men interviewed, and were promised some action. Speaking later on the program, he suggested more and better cooperation among Nebraska bankers in their opposition to PCA activities, and said that city bankers could also help out through making loans on a proportionate basis. Mr. Placek said that if worst came to worst, Nebraska bankers could organize their own Farm Credit Cooperative, and thus fight fire with fire. It is up to the banks if they want to fight, he said, but so far as he is concerned, it is a fight to the finish.

(Turn to page 43, please)

The Interest Farmers *Pay* to PCA

By C. W. Rossiter

President
Bank of Hartington
Hartington, Nebraska

*Excerpts from an address on
Production Credit Subsidized
Competition made by Mr. Rossi-
ter before the recent Annual
Convention of the Nebraska
Bankers Association in Omaha.*

PLEASE keep before you that the taxpayers, through the U. S. Treasury, gave \$120,000,000 to the Production Credit System about 1934. The Production Credit pays no interest on this sum. But, the government pays the PCCs and PCAs interest—\$3,200,000 in 1941. The whole Production Credit System is designated a government instrumentality and thus exempt from taxes.

The total cost of loans made to farmers by PCAs is not the 4½ per cent advertised. According to official figures, the average total cost is given as 5.4 per cent. Our studies in Nebraska indicate total farmers' cost is 6.2 per cent. The 1941 FCA report shows a majority of its loans are for less than \$500. According to the Ohio Bankers Association studies, a \$500 loan running 12 months costs a farmer 5.8 per cent; for six months 6.9 per cent.

There is an additional cost to these loans which they taxpayer must make up. This is covered by the interest subsidy. Figuring Class A stock alone, owned by the government, this runs about 1.75 per cent. Using any combination of figures you choose as to the actual cost to the farmer, plus this 1.75 per cent paid by the taxpayers, you have this PCA loan service cost running about 8 per cent. Can that be justified under any set of circumstances?

Take another set of figures from the 1941 FCA report. We find that \$10,726,028 represented the operating income obtained from interest on loans, loan service fees, and miscellaneous income. The sum of \$2,726,588 represented "income from the investment of *accumulated earnings* and the funds obtained from the sale of Class A and B. stock." "*Accumulated earnings*" are for the most part reserves built up from the subsidized interest income. Class A stock belongs to the government, B stock to the farmers. No return is paid on any of A or B stock—except dividends on six associations in 1940 and nine in 1941 (out of a total of 530). This income from these bonds (investments) amounts to 2.76 per cent additional interest cost on 1941 loans paid by taxpayers and farmer borrowers who hold Class B stock. Again, we get the figure of overall cost of 8 per cent plus. Where is there any real saving in this subsidized lending service?

Here is another angle: 251,071 farmers held Class B stock (not necessarily

borrowers) at the time of the annual meeting in 1941. This is 4 per cent of the total number of farmers in the U. S. A. The PCA members are less than .002—two thousandths of one per cent of the total population in the United States. Why should 96 per cent of the farmers and all the rest of the people pay this subsidy and furnish this free capital to two thousandths of 1 per cent of our population at the excessive over-all cost of 8 per cent for maintaining this unnecessary lending agency?

Should our contributions to the federal treasury, by way of payment of taxes and purchase of government securities, be abused in this manner to continue a nonessential, nonwar, bureaucratic federal unit to duplicate and compete with existing and operating private lending agencies, which do pay taxes and require no subsidy?

Does A. B. A. Speak?

Let's all listen. Let's maintain absolute silence for five seconds. Do you hear any voice from our great American Bankers Association? Do you find that A. B. A. bringing up any reinforcements or any assistance to its country bank members in this war upon us and our fight for survival? No!!! A great silence prevails. What is the A. B. A. doing in this very important matter? It remains a secret—perhaps a "military" secret.

Let us examine the PCA record on another score. Up to May, 1942, it had been operating outside the office of Budget Control. In the year 1940, in response to a call for all non-war agencies to return all borrowed funds they could possibly get along without, the Production Credit System paid into the U. S. Treasury the sum of \$15,000,000, with much publicity advertising that fact. In 1941, the PCA

took back the same sum of \$15,000,000—without the publicity which accompanied its earlier return.

Is the record of this particular transaction a yardstick by which we may measure the attitude of the Farm Credit Administration toward to the general welfare of our country?

Is not this particular act in the same category with that of the "patriotic" citizen who advertises his purchase of \$10,000 in war bonds through his own bank in November and then quietly sells them in some other city in December?

Five years ago, in 1937, the American Bankers Association had a committee report directing attention to the fact that a continuance of PCA competition constituted a direct threat "at the very roots of our American system of banking." That report was filed away and forgotten. So far as the A. B. A. is concerned, it appears, it is permanently buried.

Just a word to those who preach: "It is up to the banks to meet PCA competition." Or—"If they can't, let 'em fold up."

Could your bank compete with a privately owned bank across the street which had all its capital donated to it—no interest to pay thereon?

Could you compete with a privately owned bank which did not have to pay the taxes you have to pay?

Which had its advertising and expert propaganda paid for by another source?

Which enjoyed its share of an interest subsidy with 530 other similar banks in the amount of \$3,200,000 in 1941?

Could you meet that character of competition?

Then, how will you continue to do so when you have this same competition in the guise of a farmers' organization, completely directed and controlled by the government?

But, we must fight. We must fight this growing bureaucratic control which would do all our thinking and planning for us, and issue the edicts to be carried out. We must fight such bureaucratic control where we find it, whether in the government in Washington or the American Bankers Association in New York City. **WE MUST FIGHT TO PRESERVE THIS HOME FRONT SO THE BOYS MAY RETURN TO FIND THAT THEIR SACRIFICE ON FOREIGN FRONTS WAS NOT IN VAIN.**

Northwestern Banker December 1942

NEWS AND VIEWS

OF THE BANKING WORLD

By Clifford DePuy

DURING the last few weeks, we have had interviews with or listened to a number of very prominent men who have discussed the war and various problems related to it, and we thought you might like a quick, concise review of what they said.

Joseph C. Grew, former United States ambassador to Japan for the last 10 years and recently elected president of the Associated Harvard Club, told us:

"If Japan could defeat indomitable China, organize her present holdings, consolidate her position, Japan—not Germany, not Britain, not Russia, not ourselves—Japan could become the strongest power in the world."

Frank Smothers, foreign editor of the *Chicago Sun*:

"The recent victory in the Pacific refutes the statement we have heard that our Navy in the Solomon Islands is practically non-existent. But, we should remember this is only one victory in a section of the global war."

James Brown, for 20 years Y. M. C. A. secretary in Rumania:

"Over 85 per cent of the Rumanian population are favorable to the Allies, but they were forced to fight with Hitler because of his Iron Guards in Rumania, who forced the Rumanian authorities to declare war on Russia. Before I left Rumania a few months ago, I was arrested by a Gestapo who spoke English perfectly and told me he graduated in 1935 from the University of Chicago."

Louis P. Lochner, former Associated Press bureau chief in Germany, and the last American correspondent to leave Berlin, says:

"Air supremacy is absolutely necessary to win the war, but there is no longer any doubt as to the outcome of this war."

"The Nazi party have never had more than 43 per cent of the German people favorable to them when they had a free election, the last one being in 1936. After the first blackout, the Gestapo stole all of the election results from then to 1945, and did away with all ballot booths so that they could watch how you voted, or else."

Krishnalal Shridharani, a follower

of Gandhi and author of the book, *"My India—My America,"* believes that:

"India should be given her independence now and if the question were put to a vote of the English people, 95 per cent would vote for it."

Sir Charles Morgan-Webb, British monetary expert, disagrees sharply with Mr. Shridharani and says:

"The congress party is strong because it controls elections through the discipline of the undemocratic caste system. In 1939 the congress party forced 8 of the 11 Indian provinces to discard their democratic constitutions on the pretext the Indian people had not been consulted about declaring war on Germany."

"India did not value democracy when she had it and won't be democratic when she gets her freedom."

"Britain has given India more and more self-government, and Prime Minister Ramsey MacDonald's government offered India complete self-government 12 years ago, recommending the United States Constitution for consideration."

"An Indian committee sat for 3 years without being able to work out a system, with Gandhi fighting everyone and blocking all chances for agreement."

Dr. Hermann Rauschning, author of *"The Revolution of Nihilism,"* in a recent address on *"The Secret Aim of German National Socialism,"* said:

"Hitler is attempting to substitute National Socialism for all forms of religion in the world, if he wins, but he won't. When the breaking point comes in Germany, and it may be nearer than we think, it will come first in the Army and not with the German people. When the German soldiers feel that they are losing the war and further fighting is useless, it will be all over."

Thomas J. Nugent, vice president of the First National Bank of Chicago, helped to organize in 1904 the advertising department of his bank and was well acquainted with the late **Emerson De Puy**, then publisher of the *NORTH-*

WESTERN BANKER. Later on, **Fred Ellsworth** was advertising manager. He is now vice president of the Hibernia National Bank in New Orleans. Following Fred, **Guy Cooke**, assistant cashier of the bank, has been the very popular and efficient advertising manager. Tom, for the last 16 years, has been in the banks and banking division of the First National. He has a son, **Thomas A. Nugent**, who is 26 years of age, with the Coast Artillery in Australia, and another son, **Joe Nugent**, who graduated from Notre Dame and is in the Signal Corps at Ashland, Kentucky.

As a logical follow-up to their very successful cover for Sugar Ration Books, Mississippi Valley Trust Company of St. Louis is now giving wide distribution to a protective envelope for Gasoline Ration Books.

The front of the envelope has space for the owner's name and address, plus a reminder that War Bonds are not rationed, and that the safest place for them is in a safe deposit vault. On the back of the envelope are suggestions as to how motorists can conserve their cars and thus do their part in our war program. If you would like to see a copy of this clever and timely "protective envelope," we are sure **Ralph K. Brown**, personnel director and advertising manager of the Mississippi Valley Trust Company, St. Louis, will be glad to send you one.

William Duncan, Jr., secretary of the Minnesota Bankers Association, in a recent letter to the *NORTHWESTERN BANKER* said, "I was very much interested in the article in the November issue of the *NORTHWESTERN BANKER*, written by **Oluf Gandrud**, president of the Swift County Bank at Benson, Minnesota."

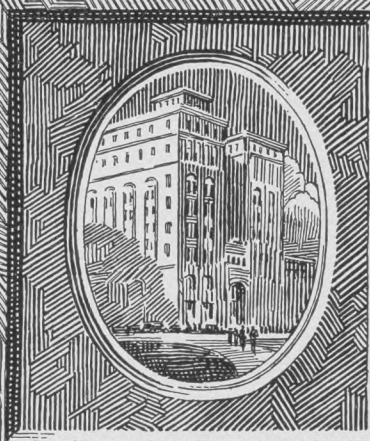
"Mr. Gandrud has the answer to meeting the competition of government agencies and it is a much more intelligent approach to the problem than trying to have 'a law passed.'"

Lord Kindersley, president of Britain's National Savings Committee, in a recent article figures that 40 per cent of the national expenditure in England during the last fiscal year was raised by taxes. He says: "This means that a man earning an income of \$200,000 per annum is left with only \$18,304 to spend, and if he spends this amount, a large slice of it goes in taxes on the goods he buys. That is a pretty effective 'soaking of the rich.'"

R. J. Stromberg, president of F. E. Davenport and Company of Omaha, is an expert on safes, locks and vault

Equipped
For All
BANKING
Needs

The Omaha National Bank



ALWAYS
AT YOUR SERVICE

Member
Federal
Deposit
Insurance
Corporation

equipment for banks. He didn't start out to be a "doctor of locks," but he did study to be a Doctor of Medicine and after graduating from the University of Nebraska in the Liberal Arts course in 1915, he studied medicine for three years. He then entered the Medical Corps of the army in World War I, but finally wound up running the business he is now in, which was established in 1881 and serves the banks of Nebraska and Iowa very effectively and efficiently.

R. H. Miller, president of the Iowa State Bank of Algona, has sent us a copy of a letter which is being mailed to all the cooperative elevators in his part of the state. As Mr. Miller says, **"I thought you would be interested to learn to what extent our government agencies are invading the banking field."**

The letter is from The Omaha Bank of Cooperatives and is addressed "To All Iowa Co-operative Elevators," and discusses the Soy Bean Loan and Purchase Program and says, "Requests are increasing each day for the bank to handle the interest-bearing sight drafts on soybeans permitting participating cooperative elevators to earn one-half of the interest that will be collected on these drafts when they are called by the Commodity Credit Corporation."

"We shall purchase from any eligible cooperative all interest-bearing sight drafts for soybeans stored in your elevator or CCC bins. Also, we shall handle for you loan papers on soybeans stored by your patrons on the farm. In both cases, we shall divide the interest on a 50-50 basis with you. For illustration, on a \$2,000 sight draft which we carry for six months, we shall collect \$15 interest. Half of it, or \$7.50, will be mailed to you for originating and sending us the papers."

Lady E. D. Simons, who is a member of the council for Manchester University, England, has been in this country studying our educational system. In a recent address before one of the Rotary Clubs she said that, **"Less than 18 per cent of all the children in England complete a secondary school curriculum."**



In England, public education is privately supported to a large extent by those who can pay tuition and those who are unable to do so are assisted from the public charity fund. Public secondary education extends only to age 14 or the equivalent of the junior high school level in the United States.

Clarence S. Rye, vice president of the Little River Bank and Trust Company of Miami, Florida, and formerly in the banking business at Northwood, in a recent letter to us, said:

"I am glad to renew my subscription to the *NORTHWESTERN BANKER*, which is such a splendid publication. I assure you that I appreciate the *NORTHWESTERN BANKER* as much as ever, notwithstanding that I am not presently residing in Iowa. Naturally, I harbor a very warm spot in my heart for that grand old state and my many friends there."

"Due to war conditions we are not anticipating the normal tourist season. There is considerable activity here, however, due to Officers' Training Schools, Naval Air Training Stations, etc., hence we find ourselves busy here."

"I shall be happy to be remembered to my many Iowa banker friends and would be pleased to have them look me up if any of them have occasion to come here."

Milton Bracker, in the *Saturday Evening Post*, asked the question, **"Where is my wandering WAAC tonight?"** and answered it by saying:

**"My girl's the kind who's sure to join
Each new organization,
So now she's off to Fort Des Moines
To help defend the nation.
And since I didn't dream I'd be
So lone and lorn a lackey,
Though she's the WAC, I fear it's me
Who's really going waacky."**

E. C. Fishbaugh, president of the Security Trust and Savings Bank of Shenandoah, was unable to attend the state convention this year and his smiling countenance was missed by many of his banker friends. In a recent letter to us, he said:

"My nephew returns from the bankers' annual round-up to report a very interesting session. He tells me of a pleasant dinner chat, during which you inquired of this writer in terms, however, of uncertain import, and with which he has twitted me since his return."

"With malice toward none and charity for all, I prefer to believe that your remarks were kindly intentioned. The most unpleasant word in our language is 'forgotten' and regardless of what you may have said, it is pleasant to know that I continue in your memory."

Professor Charles W. Williams of the economics and commerce department of the University of Louisville, is strongly in favor of advertising during wartime and believes that post-war days will probably offer "the most gorgeous period of selling activity ever seen in the United States and that financial advertising men will be given the challenge to contribute to the restoration of the best parts of a living, workable, democratic capitalism."

Robert F. Clarke, president of the Banking House of A. W. Clarke, Papillion, Nebraska, and newly elected president of the Nebraska Bankers Association, is the third generation of the Clarke family to manage their bank, which was established in 1880 in the rear of a grocery store by his grandfather, A. W. Clarke. The bank has a large territory, as it is the only one in Sarpy county and is the center of financial activity of that entire county.



SCARBOROUGH & COMPANY

Insurance Counselors to Banks

First National Bank Building, Chicago

Horace A. Smith, Iowa Representative
Des Moines, Iowa

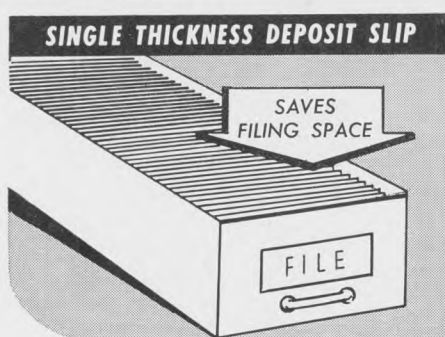
NO OTHER ENVELOPE OFFERS BANKS
 → ALL THESE IMPROVED FEATURES



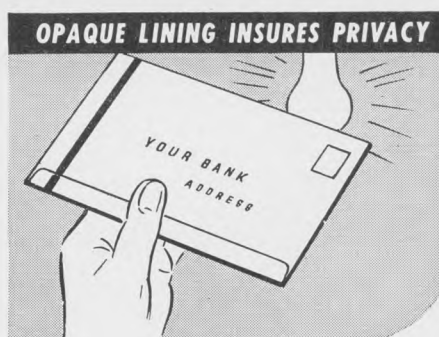
PROTECTION FOR DEPOSIT ITEMS



NO PERFORATIONS TO RIP OR TEAR



SINGLE THICKNESS DEPOSIT SLIP



OPAQUE LINING INSURES PRIVACY

The Mercury **MAIL DEPOSIT** *Envelope*

For efficient handling of mail deposits, the Mercury Envelope has received universal approval. It retains all of the simplicity of old style bank-by-mail envelopes, and introduces the improvements highlighted above.

Whether large or small, banks who are about to install a mail service, will find this system readily adaptable to their needs. Where a mail deposit plan is already in operation, a change to Mercury Envelopes can be made without upsetting the established routine. May we discuss the details and submit samples and prices?

**BERKOWITZ
 ENVELOPE COMPANY**

1912 Grand Ave., Des Moines, Iowa

Northwestern Banker December 1942

What Farmers Are Doing With An Extra Two Billion Dollars

Its Wise Use in Retirement of Debts Removes the Edge From the Inflation Menace

PROFESSOR, we have a question from a gentleman, a banker, in the gallery. Are you ready?

The \$64 question is, what are farmers doing with their extra funds? No, it's not a \$64 question. It's what are the farmers doing with nearly two billion dollars?

Why two billion? Why not 11.2 billion, which represents their net cash income in 1942?

Because, Mister, 1.8 billion dollars represents the estimated amount of funds farmers will have left after they have paid taxes, retired debts, purchased real estate, made improvements and additions to equipment, paid insurance, made gifts and contributions and purchased War Bonds.

That's quite a little residue, Professor. How much did farmers have left in 1941 after paying such items?

Only 110 million dollars were "unaccounted for" as against 1,830 million in '42. Last year they spent only 2.5 billion for these items but this year they will have 4.8 billion to spend.

By Edwy B. Reid

Director Information and Extension
Farm Credit Administration

And they will have 1.8 billion left this year?

You guessed it, Mister!

Give that man \$64, Professor, while we inquire a little into the other three billion dollars of the farmers' net income.

How may they spend that three billion?

Something like this: Personal taxes, 110; debt retirement (real estate), 540; (other) 800; purchase of additional real estate, 160; life insurance, 300; gifts and contributions, 385; War Bonds, 675 million. That calls for 120 million more to be used in payment of real estate debts and 150 more on other debts. War bond purchases may jump from 90 in 1941 to 675 million.

Taxes may increase 90 million and gifts and contributions 110 million.

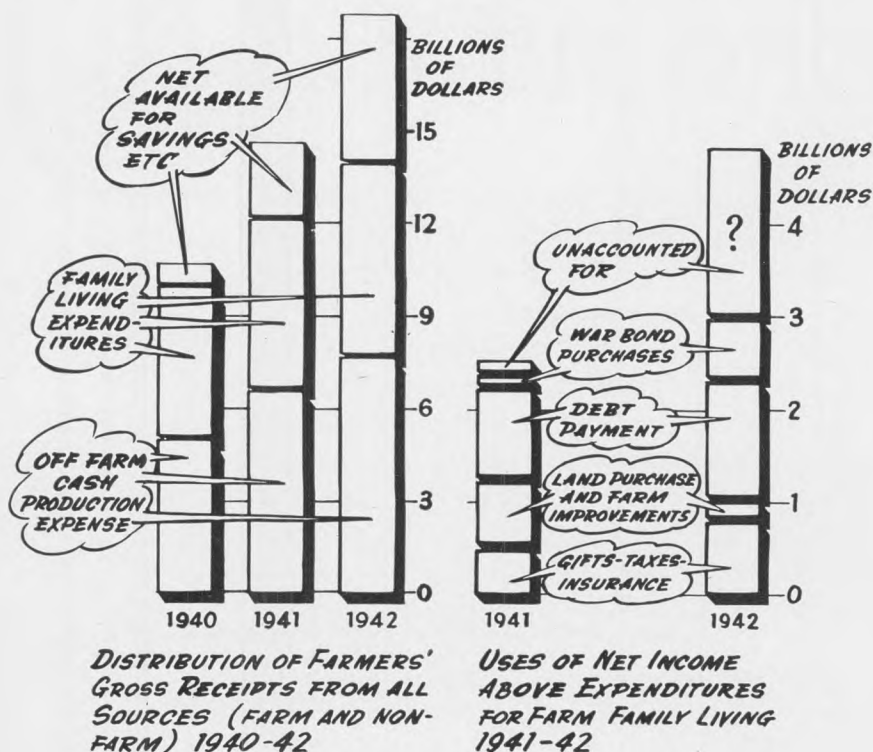
Cost of family living on farms is about 16 per cent greater than in 1941 and the cost of things farmers buy will be up some 17 per cent.

Perhaps these figures on debt payments and War Bond purchases can be upped some. There is, of course, a growing shortage of civilian supplies thus discouraging attempts to raise the standard of living materially.

As A. G. Black, governor of the Farm Credit Administration, recently pointed out, the cheapest things farmers can buy nowadays are their debts. Prices of most things farmers buy have advanced but debts can be paid at the original amount and with a smaller quantity of farm products than when the obligations were contracted. That farmers see this opportunity is borne out by the experience of many bankers, insurance agencies, and the Farm Credit Administration. For example, during the first nine months of this year entire pay-offs and payments on principal to the Federal land banks and on commissioner loans totaled \$197,000,000, an increase from \$138,000,000 for the comparable period a year earlier.

The Federal land banks are repeatedly pointing out to their borrowers the wisdom of getting out of debt or curtailing it during times of higher income. They are paying particular attention to those farmers whose economic heads are likely to be submerged in times of low prices. The banks reason that if they can get these borrowers to curtail their debts now, they will be able to weather financial storms that are likely to be encountered later. For instance, they are pointing to the reverse of the picture back in 1932. In the dairy areas they tell their borrowers that they can buy \$100 of debt now with 4,000 pounds of milk, whereas it took 7,000 pounds ten years ago. Three hundred thirty-three dozen eggs will do the trick, whereas 455 were required in 1932. In the grain territory the banks

(Turn to page 39, please)



The eyes of all America are upon the United States Treasury Roll of Honor appearing in the "Payroll Savings News." For copy write War Savings Staff, Treasury Department, Washington, D. C.

WAR BOND PAYROLL SAVINGS ROLL OF HONOR

Firms With One Hundred or More Employees Whose Workers Are Investing at Least 10 Percent of the Gross Payroll in War Savings Bonds Through the Payroll Savings Plan.

State of Company	Name of Company	Percent	State of Company	Name of Company	Percent
ALABAMA	Alabama Power Co.	10.0	KENTUCKY	Kentucky Coal & Coke Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	LOUISIANA	Louisiana Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	MAINE	Maine Iron Works Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	MARYLAND	Maryland Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	MASSACHUSETTS	Massachusetts Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	MICHIGAN	Michigan Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	MINNESOTA	Minnesota Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	MISSISSIPPI	Mississippi Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	MISSOURI	Missouri Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	MONTANA	Montana Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	NEBRASKA	Nebraska Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	NORTH CAROLINA	North Carolina Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	NORTH DAKOTA	North Dakota Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	OHIO	Ohio Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	PENNSYLVANIA	Pennsylvania Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	VERMONT	Vermont Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	WISCONSIN	Wisconsin Steel Co.	10.0
ARIZONA	Arizona Electric Light & Power Co.	10.0	WYOMING	Wyoming Steel Co.	10.0

NEW 10% WAR BOND DRIVES SWELL TREASURY HONOR ROLL

HOW TO "TOP THAT 10% BY NEW YEAR'S"

Out of the 13 labor-management conferences sponsored by the National Committee for Payroll Savings and conducted by the Treasury Department throughout the Nation has come this formula for reaching the 10% of gross payroll War Bond objective:

1. **Decide to get 10%.**
It has been the Treasury experience wherever management and labor have gotten together and decided the job could be done, the job was done.
2. **Get a committee of labor and management to work out details for solicitation.**
 - a. They, in turn, will appoint captain-leaders or chairmen who will be responsible for actual solicitation of no more than 10 workers.
 - b. A card should be prepared for each and every worker with his name on it.
 - c. An estimate should be made of the possible amount each worker can set aside so that an "over-all" of 10% is achieved. Some may not be able to set aside 10%, others can save more.
3. **Set aside a date to start the drive.**
4. **There should be little or no time between the announcement of the drive and the drive itself.**
The drive should last not over 1 week.
5. The opening of the drive may be through a talk, a rally, or just a plain announcement in each department.
6. Schedule competition between departments; show progress charts daily.
7. Set as a goal the Treasury flag with a "T."

AS of today, more than 20,000 firms of all sizes have reached the "Honor Roll" goal of at least 10% of the gross payroll in War Bonds. This is a glorious testimony to the voluntary American way of facing emergencies.

But there is still more to be done. By January 1st, 1943, the Treasury hopes to raise participation from the present total of around 20,000,000 employees investing an average of 8% of earnings to over 30,000,000 investing an average of at least 10% of earnings in War Bonds.

You are urged to set your own sights accordingly and to do all in your power to start the new year on the Roll of Honor, to give War Bonds for bonuses, and to purchase up to the limit, both personally and as a company, of Series F and G Bonds. (Remember that the new limitation of purchases of F and G Bonds in any one calendar year has been increased from \$50,000 to \$100,000.)

TIME IS SHORT. Our country is counting on you to—

"TOP THAT 10% BY NEW YEAR'S"



Save with War Savings Bonds

This space is a contribution to America's All-Out War Program by THE NORTHWESTERN BANKER

Northwestern Banker December 1942



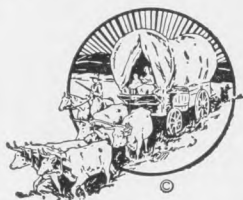
A white Christmas..

May the promise of a White Christmas be fulfilled for you this holiday season and may the "Peace on Earth" proclaimed by angels centuries ago become a reality in the year about to unfold.

Western Mutual FIRE INSURANCE COMPANY

Ninth and Grand

Des Moines, Iowa



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

Selling Life Insurance In A Shifting Market

With Probably the Highest National Income in the History of Our
Nation in 1943, Bankers Selling Life Insurance Will Find
These Selling Tips Helpful

ONE of the outstanding discussions presented at the recent annual meeting of the American Life convention in Chicago was in the agency section of the program, titled "Selling Life Insurance in a Shifting Market," by Ray E. Fuller, superintendent of agencies of the Equitable Life Insurance Company of Iowa.

In developing his topic, Mr. Fuller considered the life insurance market from the standpoint of income, occupational groups, the policy contracts to sell, and the relative importance of program and package sales. Speaking of income, he said:

"The national income in 1942 and 1943 will be the largest in the history of the country. Estimates run from \$110,000,000,000 to \$117,000,000,000 in 1942, and up to \$125,000,000,000 in 1943.

"There are more families enjoying substantial incomes and increased incomes in 1942, and probably in 1943, than at any other previous time. Not only has the national income increased, but the average family gross income has increased.

"These studies revealed that, despite increased taxes, increased living costs, and the advisability and necessity, as well as the patriotic urge to invest in War Bonds, there will be an increased amount of money available for optional spending or saving. But the opportunity for spending for semipermanent consumer goods, such as automobiles, electric refrigerators, and so forth, is greatly reduced and may disappear en-



RAY E. FULLER

tirely. The opportunity for spending for unrestrained living will be limited. This optional spending money, after taxes are taken out, must be saved and a substantial portion of it can be saved in life insurance."

Considering the market from the standpoint of occupational groups, the speaker said:

"What business and professional people, what executives, what supervisors, what plant foremen, what clerical workers, can be sold today by the underwriter? Only the underwriter can answer that question. The problem of individual prospecting still remains as it always has. The alert underwriter will answer this question by the usual

methods of prospecting through his policyholders and centers of influence, who have always yielded him prospects in the past. To the underwriter who continues to use these methods of prospecting in the present, results will be equally satisfying.

"Two other classifications should be considered by the underwriter in connection with the present situation—women and farmers. Certainly, it is obvious that the number of employed women has increased and will continue to increase. It is estimated that at least seven million additional women between the ages of seventeen and forty-four could be drafted for war work and many of these women will eventually be in war work as more and more of the younger men, now engaged in war work, will be selected for the armed forces. Furthermore, the level of compensation is the highest ever paid to women employees.

"The farmer certainly should not be neglected by underwriters capable of cultivating this market. He is reaping a real harvest. Estimated farm income for 1942 is over fifteen billion dollars—a gain of 74 per cent over 1939. This income adjusted for increasing farm costs has risen 43 per cent. His optional saving power is great. The farmer, furthermore, tends to be more conservative than the city man in his expenditures, because he has been dealing with smaller cash incomes and securing at least a portion of his living from the farm. The future of this market is



SCARBOROUGH & COMPANY

Insurance Counselors to Banks

First National Bank Building, Chicago

Horace A. Smith, Iowa Representative
Des Moines, Iowa

most promising. There will continue to be a demand for farm products after the war has ceased."

Going next to the types of policies to be sold in this shifting market, Mr. Fuller stated:

"The sale of life insurance begins in 1942 as it did in 1922 and in 1932, and as it will in 1952, with a discussion of the need for life insurance and the fixing of that need as a personal problem. Once the problem is fixed, then there are several ways of solving that problem. There may be five or six possible combinations of the savings and pro-

tection element. In seeking the solution for the individual, the conscientious underwriter will consider the income of his prospect and his future economic outlook. He sells his prospect sanely and permanently that type of insurance which he can reasonably maintain. In some cases it will necessitate term insurance, in other cases ordinary life, in other cases limited pay life, in other cases endowment insurance; in many cases a combination of two or more forms. In his desire to cover needs, the underwriter does not rely on a specific type of policy. By constantly keeping that in mind, the problem of the reconciliation of the need and the prospect's income will solve itself by discussion.

"There must be no competition with War Bonds. It may be that the underwriter should start with the assumption that the prospect is putting 10 per cent of his income into War Bonds. If his discussion yields the fact that the prospect isn't doing that well, he should urge him to step up his purchase of bonds. The underwriter may well emphasize that the current premium income is being invested in government bonds, but his emphasis should not be such as to give the prospect any reason for withdrawing his full measure of support from the bond purchase program."

The final phase of Mr. Fuller's discussion of his topic was concerned with the relationship between package and program sales. Here he said in part:

"While there are millions of new prospects whose primary insurance needs will have to be met with package sales, it is not the belief that the un-

derwriter should shy away from program sales methods. To do so would mean the sacrifice of many years of work already put in on emphasizing the needs of sound program selling. If the underwriter were now, under the press of war conditions, to 'shelve' temporarily his program sales plans to a large degree, it might take years of work later to repair the damage done. No one knows how long this war may last. If it were to last only six months, the package sales might receive most unusual emphasis for a little time without destroying much of the program selling concept which he has spent years in creating and is only now getting into action.

"Because almost everyone comprising the underwriter's market is very busy these days in direct war work, or is greatly increasing his activity in civilian life to provide his organization with the proper flow of work, the time element is especially important. Therefore, since interviews are difficult to secure and must be intensive in their nature, there will probably be an increase in package sales. Many life underwriters admit that they are not using all the time they have available. It would seem reasonable, then, that they could several times a day use additional selling effort on package sales, without impairing greatly the program selling work they are now doing. Solely, then, because of the time element, it would seem that today package sales will be used as a basis for probable future programming."—THE END.

SPECIAL OFFER TO BANKERS

Health, Accident or Hospital Insurance Paid up in Full to the Middle of next June for only \$2.00 per policy.

These policies are full cover contracts in a reliable, financially sound company of 37 years' successful service.

Write for application to

Minnesota Commercial Men's Association

Paul Clement, Secretary
2550 Pillsbury Ave.
Minneapolis, Minn.

1500 Potential Damage Suits Will Come to Your Home

Every visitor, salesman, mailman—in fact, every one who comes on your premises—brings along a possible damage suit in case of accident . . . at least 1,500 such exposures during 1943.

INSURANCE FOR SERVANTS

Pays up to \$500 Medical and Hospital Expense.

Defends against damage suits from part or full time help.

Let an Allied Mutual agent show you how a simple, low-in-cost Residence Public Liability policy will protect your legal liability for claims, including medical and hospital aid for guests. He can tell you about coverage protecting you against suits brought by servants and can furnish medical aid to such servants. See your Allied Mutual Agent or write us for details of this modern policy.

ALLIED MUTUAL CASUALTY COMPANY

Harold S. Evans, President

Hubbell Building

Des Moines, Iowa



A New Science to Lengthen Life

As wartime want ads beg for older workers, the new science of geriatrics sets out to stretch the prime of life into the sixty and seventy-year-old age brackets, according to a study by Northwestern National Life Insurance Company.

Of approximately eighteen million American men forty-five years old or over, fourteen million are now actually at work, many drawn out of retirement by the call for more manpower. But of the remaining four million, three men out of four are unfit to work, because of ill health or other disability, and many of the fourteen million at work can give only limited service.

Millions more Americans now live to age sixty-five and beyond, than in former years, but their health after fifty has been improved little, if any, says the study. Average life span is longer because of brilliant achievements in combating the diseases of infancy and youth. But there has been a corresponding steady increase in the

number of helpless, disabled oldsters in the United States.

The work of geriatrics is to protect the normal, healthy aging process. There is no reason why the average man or woman cannot be vigorous, happy and successful at sixty-five, seventy or even eighty—normal aging need not be deterioration, says the study.

Medical research in preventive geriatrics is now under way to develop a program of special health education for persons between persons between forty and sixty, in order that they will take proper care of themselves in that vital period and prepare for normal, healthy aging. Indicated for the near future is the development of special vocational education for the aged, so that they can take proper advantage of their changing powers and retain their independence. This will come as a natural extension of the work of the adult education centers already established at hundreds of American schools, colleges and universities, the study predicts, pointing out that the development of such centers, open to adults regardless of previous education, is one of the great forward steps of recent years in the field of American education.

In 1900, persons forty-five years old or over in the United States comprised slightly over one-sixth of our entire population, while in 1940 this age group had expanded to include more than one-fourth of the total population. Thus the importance of geriatrics is increasing rapidly, as compared with the already highly developed science of pediatrics, devoted to the health of infants and growing children.

Between 1930 and 1940, United States population sixty-five years old or over rose from 6,600,000 to nearly 9,000,000—an increase of 35 per cent, compared to a general population increase of slightly over 7 per cent in the same time. Meanwhile, the proportion of male workers sixty-five or over actually decreased. The proportion of workers forty-five to sixty-four years

old increased, but much less than their proportionate increase in population.

Some part of the decrease in work participation by older people in the past several decades has been due to voluntary retirement through increase in pensioning plans and greater use of life insurance retirement programs, etc., as the wealth of the country increased, the study points out. But the withdrawal of older persons from work has been mainly due to physical or mental ill health—to actual unfitness for self-support.

Today industries plead for additional manpower over the age of forty-five.

Town Mutual Celebrates 50 Years

The Town Mutual Dwelling Insurance Company of Des Moines, the largest exclusive dwelling property insurance company in America last month celebrated its fiftieth anniversary. In view of the war emergency and for patriotic reasons, the company did not stage a formal celebration of any character.

The Town Mutual is now a company with total assets of approximately \$2,140,000. It has in force a total of \$572,000,000 of insurance.

The company has a unique history.

1892---1942

Town Mutual's GOLDEN ANNIVERSARY

and today---

The Largest Exclusive Dwelling Insurance Company in America

Here is the story written by half a century of sound growth, conservative mutual management, and progressive service to the policyholder:

Over \$570,000,000 insurance in force.

Policyholders' surplus sufficient to pay SIX YEARS average losses.

Assets over \$2,130,000.

Only 4 claims contested in 50 years.

One in every 5 city and town dwellings in Iowa insured with this company.

● To the bankers of Iowa we take this opportunity to say "thank you," and to pledge our best efforts in continuing the same principles of cooperation and service in the future.



President.

Town Mutual Dwelling Insurance Co.

Hubbell Building, Des Moines

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

Men, Money, and Munitions

These are the sinews of War

As the American war effort expands from the production line to battle lines all over the World, it becomes increasingly apparent that many men, much money, and a staggering quantity of munitions will be needed to assure victory to the United Nations.

The United States possesses all three essentials, and it is daily more evident that military, industrial and banking organization have made them available for immediate use.

The Philadelphia National is proud to be numbered among the many great financial institutions which have contributed to this accomplishment.

... THE ...

PHILADELPHIA NATIONAL BANK

ORGANIZED 1803

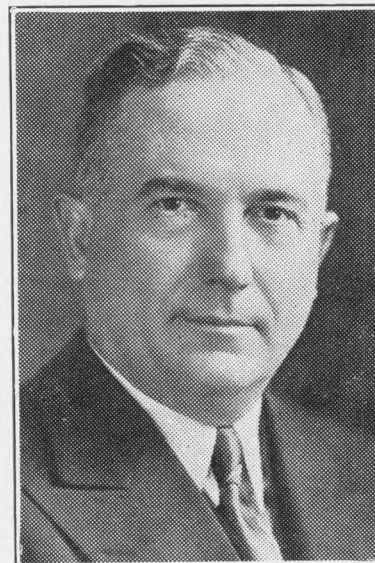
PHILADELPHIA, PA.

Resources over \$650,000,000

Member of Federal Deposit Insurance Corporation

It was organized in November, 1892, by a group of thirty-eight pioneer mutual insurance men who met in Des Moines to organize a mutual fire insurance association to write insurance on Iowa town and city dwellings exclusively. It has continued to write dwelling property insurance exclusively, but it now operates in four states, including Iowa, Minnesota, South Dakota, and Colorado.

An interesting sidelight on its Iowa business in force is the fact that approximately 20 per cent of all city and town dwellings in Iowa which are in-



B. REES JONES

sured are insured in the Town Mutual Dwelling Insurance Company.

During its fifty years, the company has had only four presidents, including C. W. Norton, C. J. Anderson, F. E. Gordon, and its present head, B. Rees Jones, under whose able management the company has made such splendid progress in recent years.

Mr. Jones began with the company as bookkeeper in 1906, working his way up through the various offices until he became secretary and general manager in 1916 at the age of only thirty-five years. He became president in 1931.

Mr. Jones is well known in national insurance affairs and in 1935 was president of the National Association of Mutual Insurance Companies.

Officers of the Town Mutual Dwelling Insurance Company include President B. Rees Jones, Vice President Lester T. Jones, Secretary F. H. Dirst, and Treasurer Grant McPherrin.

The company has a strong board of directors, including Senator Clyde L. Herring, Frank H. Dirst, Lester T. Jones, O. B. McKinney, R. J. Sullivan, R. Lloyd Young, Rex H. Fowler, Harry F. Gross, Grant McPherrin, and B. Rees Jones.

Urge Customers to Buy War Bonds

Buy Short-Term Governments Yourself



Practically all the news, from a financial standpoint, was good in November. The Republican party, which rightly or wrongly has always been considered the representative of sound money and busi-

ness, made substantial gains in the elections of November 3rd. And our own troops, along with the British, made spectacular gains in North Africa. Reports from the Solomon Islands' area were good, and reports out of Russia in the last few days indicate further troubles for the Axis powers. In short, there was practically no real bad news all month, but the markets did little.

At least that is true from the standpoint of the averages of prices for stocks. As of Monday, November 2nd, the Dow Jones average for thirty representative industrial stocks stood at 114.07—this morning (November 27th) they are 114.40 at the end of the first hour of trading. Good news helped early in the month—especially the passage of a tax bill which was not too hard on business. Over a million shares traded on November 9th and the averages climbed to 117.30—but the next day they broke a full point and there has been a slight down trend ever since.

There were three market holidays in November—but including the day before Thanksgiving there have been nineteen days of trading in November—with three still to go. As to actual gains and losses, the record is practically a stand off, with gains reported on ten days and losses on nine. And the market has continued to follow a policy which has been in evidence for the past several weeks—that is, to favor the so-called "peace" stocks at the expense of the "war babies."

Although peace talk seems premature at this time, it is logical that in a nation where there are many optimists the opening of another front in North Africa, plus some successes against

The Month's Market Maneuvers Prepared for

The Northwestern Banker

By James H. Clarke

Assistant Vice President
American National Bank & Trust Co.
Chicago

Japan, should bring out thoughts of what stocks will do best under post-war conditions. The automobile stocks, General Motors and Chrysler—the oil companies, the rubber manufacturers, the finance companies, merchandising and mail order companies, are a few examples of the types of stocks favored in a so-called "peace market". The coppers, the rails, certain aviation securities, and so forth, have suffered from liquidation in what can be termed a "peace scare". A few sharp reverses for the United Nations could change this trend quickly—but whether it is sensible or not, the stock market recently has been saying that the war in Europe should be over some time in 1943, and in the Pacific in 1944.

The government bond market has been firm. This is to be expected, of course, under present circumstances. Before this article appears in print, the Treasury will have sold four billions in short term certificates and bonds—attractive, too—to banks. But the drive will still be on to sell tax notes, War Bonds, the new "tap" issue, and so on, to institutions, trust funds, corporations and individuals. This morning we looked back through a file of these articles to see how we had stated our stand on all this financing. Since the first of the year—fortunately—we have urged banks to load up on short governments—what with loans declining and other revenues drying up. From numerous bank statements we have seen—where cash runs as high as 50 to 70 per cent of deposits—this advice has not been followed. But we still think that it is good.

Last month we pointed out that the ten largest New York banks had 25 per cent of their deposits in cash on September 25th—Chicago banks are

apparently carrying 28 to 32 per cent. Country banks who cannot see expanding loan needs in their communities should, in our opinion, expand their government bond investing program.

Municipal bonds on the whole have been slightly easier during November, although some of the revenue issues—toll bridges, gas tax bonds, and the like—have been some better. Again the "peace" market has helped such issues despite the continuation of lower earnings.

Second grade rails have also suffered from the belief that the war will be over sooner than expected—and loss of war business plus introduction of new competition will hurt. Holders of such bonds—many of them speculators—sell out quickly on news of victories. If the war lasts as long as the War Department has indicated, there are still many months of good earnings ahead for the rails. Good earnings which probably will be used very largely by the roads themselves to buy in their discount bonds and retire them.

Public utility bonds have been quite firm. The election news was interpreted as favorable to the utilities, and the tax bill in its final form was not as severe as it started out to be. The railroads, after years of regulation and criticism from every quarter, now have some friends, even in Washington. Now that the utilities have pretty well straightened around their houses in the past ten years, it is getting increasingly likely that it will no longer be popular to abuse them. It is not at all unlikely that the utilities, like the railroads, will find a few friends, and again, even in Washington.

There will be very little corporation financing of any type, however, for the duration. The emphasis will be on the sale of government bonds, and this emphasis will increase. We shall no longer find "business as usual" in our banking houses and those bankers who recognize this first will fare the best. In the larger cities, the loans made under Regulation V will help the big banks some, but out through the country, bankers are pretty much

Northwestern Banker December 1942

forced to depend on the government bond market for income. We can interpret present developments no other way. Urge your customers to buy War Bonds. Buy short term governments yourself. It's good business to do so.

Receives Commission

Edward A. Berndt, assistant trust officer of the American National Bank and Trust Company, Chicago, has been commissioned lieutenant junior grade in the United States Navy and has reported for active duty in the Bureau of Supplies and Accounts in Washing-

ton. Mr. Berndt is a graduate of the University of Illinois and John Marshall Law School. He has been a student of the Graduate School of Banking for the past two years.

Ryan Regional Manager

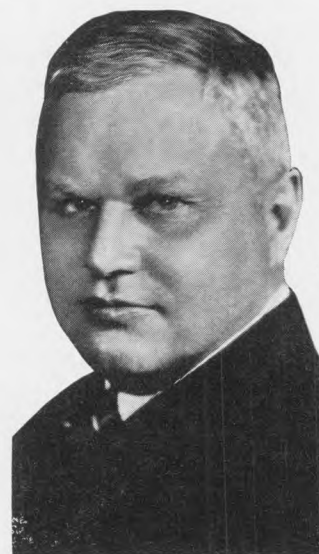
Herbert L. Horton, chairman of the Iowa Regional Victory Fund Committee, announces the appointment of L. H. (Pug) Ryan, of Ottumwa, as assistant regional manager. Mr. Ryan has for many years conducted an investment business in Ottumwa under the name of L. H. Ryan & Company.

Mr. Ryan's duties will be primarily to cooperate with the bankers of Southern and Southeastern Iowa in the promotion of sales of the various government issues and the tax savings notes, to banks, institutions, corporations and larger investors.

This appointment, made with the approval of the Secretary of the Treasury, is another evidence of the importance and size of the job the bankers of the nation must handle in the proper financing of the costs of the war effort.

Use Idle Bank Deposits

Edward E. Brown, president of the First National Bank of Chicago, in a recent statement urged corporations and individuals to use their idle bank deposits to purchase government securities. Mr. Brown is chairman of the Advisory Council of the Federal Reserve System. His statement referred to the plans of the government



EDWARD E. BROWN

to raise nine billion dollars to meet rising war expenditures.

"We believe that a corporation that is carrying a balance of ten million dollars with us should use those funds for the purchase of governments to the extent that they are not needed to finance the current operation of the business," Brown said.

"If five million dollars is enough to meet all the immediate financing needs of the business, the remainder should be used to purchase short term government securities."

Individuals should draw on their savings deposits, Brown added, to do their part in financing the government's wartime spending.

Emphasizing the desirability of meeting as large a part as possible of the government's borrowing outside

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

GMAC
GENERAL MOTORS ACCEPTANCE CORPORATION

is engaged primarily in facilitating wholesale distribution and retail sales of consumer goods manufactured by GENERAL MOTORS CORPORATION and its affiliates or sold by dealers in its products, such as automobiles and trucks; refrigeration and air conditioning appliances; lighting, power and heating equipment.

The business consists of investments in self-

liquidating credits, which are widely diversified as to region and enterprise, capital employed being in excess of eighty million dollars.

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

**GENERAL
MOTORS
INSTALMENT
PLAN**

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

EXECUTIVE OFFICE NEW YORK

BRANCHES IN PRINCIPAL CITIES

of the banks, Brown made plain that the banks themselves will of necessity furnish a substantial share of the treasury's funds.

What is not raised by tapping the savings and current income of corporations and individuals, he said, will be borrowed at the banks.

"The bank borrowing, if not directly inflationary, is at least potentially inflationary," he said. "Bank deposits will be expanded to the extent the treasury finds it necessary to rely on bank borrowings."

Brown made clear that he believes it is the patriotic duty of all bankers not only to participate fully on their own account, but to urge their customers to buy government securities. The banks, he said, should act in concert in urging depositors to lend dormant commercial deposits and savings to the Treasury.

Waibel Named Director

As part of the plans for implementing the campaign to help the United States Treasury sell the largest volume of securities ever offered by any government, C. S. Young, president of the Federal Reserve Bank, has appointed J. K. Waibel director of edu-



J. K. WAIBEL

cation for the seventh district victory fund committee. Mr. Waibel, who is advertising counsel for the Continental Illinois National Bank and Trust Company of Chicago, has been granted a leave of absence in order to devote his full time to the present drive. He will have offices in the victory fund committee headquarters at the Federal Reserve Bank. He will be associated with Francis F. Patton and Nathan D. McClure, managers of the committee.

"The American people are going to

be called upon to absorb a tremendous volume of Treasury securities in order to finance the war," Mr. Young stated, "and it is the particular job of the victory fund committees to work with the United States Treasury in securing as much as possible of the money out of current income of individuals and corporations in order to minimize the inflationary aspects of huge Treasury spending."

Decker a Major

O. P. Decker, vice president of the American National Bank and Trust Company of Chicago on leave, has been

commissioned a major in the army. He is stationed in the headquarters services of supply, Washington, where he has been serving in a civilian capacity since August.

F. A. A. Elects

Balloting by mail, for the first time in its 27-year history, members of the Financial Advertisers Association now "attending" a convention-by-mail, elected officers for the coming year as follows: President, L. E. Townsend, assistant vice president, Bank of America; first vice president, Lewis F. Gordon, assistant vice president, Citizens



WITHOUT the farmer the soldier wouldn't travel far; without the soldier the farmer would be farming for the Axis.

In 1942 the combination of good weather and the hard work of farm families all over the country produced the biggest crops on record. Those crops, together with the record breaking production of livestock, are helping win the war.

More food, fiber and vegetable oils will be needed in 1943. It's going to be a harder job. We can't count on such good weather again. The labor supply will be short and less new machinery will be available. But our farm families are out to do the job regardless of the difficulties.

Fortunately, there'll be no shortage of credit for the sound operators. City dollars will flow to farmers through the Federal intermediate credit banks and local lending institutions. Buyers of Federal intermediate credit bank debentures are, therefore, aiding in the battle of production on the farm front.

THE FEDERAL INTERMEDIATE CREDIT BANKS

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

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

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

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

Further information regarding the Debentures may be obtained from
CHARLES R. DUNN, Fiscal Agent

31 Nassau Street, New York, N. Y.

and Southern National Bank, Atlanta, Georgia; second vice president, J. Lowell Lafferty, vice president, Fort Worth National Bank, Fort Worth, Texas. It is the custom of the association to move its vice presidents up each year. The office to be filled by a newcomer to the official family is third vice president. Dale Brown, assistant vice president, National City Bank, Cleveland, Ohio, was elected to that office. Fred W. Mathison, assistant vice president, National Security Bank of Chicago, was re-elected treasurer.

In the same election, members were chosen for the board of directors. The new board includes: Merrill Anderson,

Merrill Anderson Co., New York, N. Y.; Philip K. Barker, Granite Trust Co., Quincy, Massachusetts; Leland C. Barry, Union Trust Co., Pittsburgh, Pennsylvania; Victor Cullin, Mississippi Valley Trust Co., St. Louis, Missouri; John deLaittre, Farmers & Mechanics Savings Bank, Minneapolis, Minnesota; Swayne P. Goodenough, Lincoln-Alliance Bank & Trust Co., Rochester, New York; Robert Lindquist, American National Bank & Trust Co., Chicago, Illinois; Thoburn Mills, The National City Bank, Cleveland, Ohio; Dudley L. Parsons, The New York Trust Co., New York, New York; E. A. Pierce, Merrill Lynch, Pierce, Fenner & Beane, New York, New York; Julius J.

Spindler, Farmers & Merchants Bank, Highland, Illinois; G. Lorne Spry, The Canada Trust Co., London, Ontario, Canada; E. P. Taliaferro, First National Bank, Tampa, Florida; George Wilshire, First National Bank & Trust Co., New Haven, Connecticut; K. Winslow, Jr., Seattle Trust & Savings Bank, Seattle, Washington; Miss M. M. Woltjen, Mutual Bank & Trust Co., St. Louis, Missouri.

Preston E. Reed, who presides at the association office at 231 South LaSalle Street, Chicago, Illinois, was re-elected executive vice president. Senior advisory council of the association will be named by the board of directors from a slate submitted by the nominating committee.

This EXPERIENCE may be useful to you



Since 1868 this institution has co-operated with banks throughout the middle west in extending credit facilities to sound commercial borrowers.

This experience is at your disposal without obligation.

The
LIVE STOCK
National BANK of Chicago
ESTABLISHED 1868
UNION STOCK YARDS

Member Federal Deposit Insurance Corporation

Gas Rationing Boosts Bank By Mail

Gas rationing has changed a lot of habits in this world and is changing more daily. Banking habits are no exception.

Banking by mail is the answer. A good bank-by-mail system not only increases customer satisfaction, it is easier on the banks, particularly those which are short on help or have new and inexperienced help. The Mercury mail deposit envelope, developed by the Berkowitz Envelope Company, offers banks a simplified, easy handling routine that permits taking care of a larger number of transactions with the same number of employees, and offers depositors a safe, convenient way to bank by mail.

A study in considerable detail has been made to find out just what happens in a complete bank-by-mail transaction. The depositor fills out the deposit slip in the envelope, carefully tucks the checks to be deposited under the safety flap, seals the envelope, and drops it in the nearest mail chute.

It is customary in most banks to time-stamp all the mail when it is received. The back of the Mercury envelope, where this stamp is placed, is also the back of the deposit slip, thereby making a permanent record of when the remittance was actually received by the bank. This record of day and hour the remittance was received is much more important than the time of mailing shown by the post mark on the face of the envelope.

Easily separated from other mail, the Mercury mail deposits can be worked during the slack periods of the day. The mail clerk either sends the unopened envelopes to the audit teller, or opens, sort and distributes them according to practice in the particular bank. One swoop of a letter opener along one edge opens the envelope, and the pocket holding the

deposit items and deposit slip lies flat, ready to be checked by the teller. The contents of the envelope are safeguarded by the tuck-in flap, and remain safely enclosed until the teller is ready to remove them and reconcile the amount with the deposit slip.

When the teller has done this, he simply tears the deposit slip from the body of the envelope and proceeds with the regular routine just as though the deposit had been made through the window. The deposit is standard size and single thickness, so that it does not take up extra space when placed in the files.

On the back of the envelope, the teller fills in the date, the amount of the deposit and initials the receipt. No other writing is necessary, as the depositor has already written his name and address in the proper space on the receipt.

The receipt portion of the envelope now goes to the mailing department where it is placed in an ordinary six and three-quarters window envelope, along with a new mercury envelope for the next deposit. It is not necessary to recopy the name and address, and there can be no error in returning receipt to the customer, because he himself has written the information

which shows through the window of the envelope.

Another safety feature is the opaque lining which makes it impossible for inquisitive persons to "see through" the envelope and make out the contents. The mercury envelope is also made without perforations which might catch and tear while the envelope is being handled in the mails.

Testimonial Dinner

Frank O. Watts, chairman of the board of the First National Bank in St. Louis, was given a testimonial dinner on November 20th at the Log

Cabin Club by the bank's board of directors. Senior officers of the bank were invited guests. Walter W. Smith, president of the bank, presided, and Isaac H. Orr, chairman of the board of the St. Louis Union Trust Company, presented Mr. Watts with a beautiful old English silver service on behalf of the directors and officers of the bank.

Call on Me, Too

Stranger (at door): "I'm a bill collector."

Bride: "How nice. Come in and I'll give you a handful."



W. STUART SYMINGTON

At a meeting of the Board of Directors of Mississippi Valley Trust Company held November 18, 1942, W. Stuart Symington was elected a director of the Trust Company.

Mr. Symington is president of Emerson Electric Manufacturing Company, St. Louis.

In Step With War Needs

Commercial banking facilities are often taken for granted. But, hour after hour, they speed the wheels of all industry devoted to the American war effort.

Every day, Central Hanover works with correspondents to keep the financial side of factory production in step with the Nation's wartime requirements.

**CENTRAL
HANOVER BANK
AND TRUST COMPANY**

NEW YORK



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

BUSINESS AS USUAL...

Yes, indeed---at the "Northwestern" we are maintaining our usual fast, accurate service on Transit and Collection items. We have the same problems of employment and supply that everyone else has, but in spite of this, we have maintained these services and will continue to maintain them by working harder--working longer. We solicit your business.

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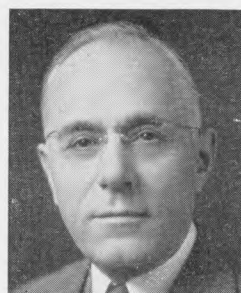
NORTHWESTERN NATIONAL BANK AND TRUST COMPANY

Minneapolis---Member Federal Deposit Insurance Corporation



L. O. OLSON
President
Minneapolis

MINNESOTA NEWS



WILLIAM DUNCAN, Jr.
Secretary
Minneapolis

Bank Interior Improved

The interior of the First National Bank of Mapleton has had some new improvements made the past month. Walls and ceilings have been refinished. The marble cage has been rearranged so that it will be more efficient for customers and officers. New light fixtures were also installed, thus making several additions which will be a decided improvement.

Hanson Elected Bank Officer

Rufus W. Hanson has been elected assistant cashier of the First National Bank & Trust Company, Minneapolis.

Mr. Hanson has been vice president of First Bancorporation, St. Paul, since 1936. Prior to that time he was employed in the credit department of First National for eight years, and in the Minneapolis office of Ernst & Ernst for four years. He will again be active in credit work in the bank.

New Clerk

Irene Donner is the new clerk at the Citizens State Bank, Clara City, replacing Laura M. Kummert, who has accepted a position at Rochester.

State Banks Called Sound

F. A. Amundson, state commissioner of banks, reported assets of 484 state banks, one saving bank and four trust companies are "the soundest in years."

In a summary of his quarterly report, submitted to Governor Harold E. Stassen, Amundson said deposits totaled \$363,061,825, an increase of \$28,420,170 between June 30, 1942, and October 2nd.

Total assets topped \$400,000,000, Amundson said, the highest since June, 1931, when they stood at \$414,000,000.

Loans and discounts for the third quarter of the year dropped \$877,843 to a total of \$139,107,806. Real estate holdings decreased \$44,579 to a new low of \$543,571.

Former Buffalo Banker Dies

Allee C. Gilbert, former Duluth city treasurer and former cashier of the Bank of Savings & Commerce, Buffalo, died last month in Duluth.

Accepts Bank Position

Robert C. Aldrich of Big Stone City resigned his position as deputy county treasurer of Grant county to accept a position at the Northwestern State Bank in Ortonville.

The bank lost two employees in the October 5th draft call, when John Sparrow and Claude Shellenbarger, Jr., were inducted into the armed forces.

Bankers Sponsor 4-H Program

Four-H members, parents, and leaders turned out nearly 350 strong at the Sherburne county 4-H achievement banquet and program sponsored by the bankers of Sherburne county.

Miss Mildred Schenck, state 4-H club agent, developed the theme, "Looking Ahead in 4-H Club Work," reviewing in short, some of the changes that are being made in club work so that every farm boy and girl of club age may be able to contribute his share towards the victory program.

L. K. Houlton conducted the program in the Elk River high school auditorium. He extended the word of welcome in behalf of the Sherburne county bankers, also congratulating the 4-H members in their achievements and gave a word of encouragement to the leaders for the work they have done with the 4-H boys and girls.

Bank Official Honored

The Insurance Company of North America, has presented to T. K. Troe of Emmons, an honorary certificate for 31 years of "meritorious service" to the company as its representative in Emmons. Mr. Troe is vice president and cashier of the First National Bank of Emmons.

He has been associated with the bank since 1906.

Heads Appleton Bank

A. E. Arntzen has been elected president of the Farmers and Merchants State Bank of Appleton. He has been serving as cashier and his promotion is to fill the position of the late E. J. Fletcher. Elmer J. Hanson, of Minneapolis, has been named cashier.

Accepts New Position

Roy L. Herhusky has resigned as assistant cashier of the Farmers and Merchants National Bank of Ivanhoe to accept a position as assistant cashier and manager of the insurance department of the Luverne National Bank at Luverne. Like the Farmers and Merchants National Bank of Ivanhoe, the Luverne National Bank is affiliated with First Bank Stock Corporation.

Bennes Assisting in Bank

Lloyd N. Bennes has assumed a position in the Northern State Bank, Thief River Falls. At the same time he will continue his duties as agent for the Lincoln National Life Insurance Company.

Changes Employment

Weston Peterson has resigned his position in the bank in Wheaton and has accepted a position in the Glenwood State Bank.

New Bank at Boyd

A new state bank, capitalized at \$5,000, opened for business in Boyd, on November 14th. A certificate of incorporation was filed with Secretary of State Mike Helm on Tuesday, October 13, 1942.

The capital stock of the new institution is divided into 150 shares, one hundred and eleven of which are held by the incorporators, as follows: O. T. Melbostad, 71 shares; A. J. Larson, 10; C. C. Elkjer, 10; John Lynner, 10; E. D. Quist and W. J. Strate, five shares each.

Members of the board of directors are: O. T. Melbostad and E. D. Quist, of Boyd; A. J. Larson, Montevideo; John Lynner, C. C. Elkjer and W. J. Strate, Clarkfield.

Boyd has not had the convenience of a local bank for a number of years, getting along with an "exchange" operated by a neighboring town bank. Businessmen have found it increasingly inconvenient, hence the petition for a state bank charter.

Mr. O. T. Melbostad will be in charge of the new Boyd State Bank.

Northwestern Banker December 1942

Banking in Honolulu

In a recent issue of *The Woman Banker* is published a letter sent to Emma E. Claus, an ex-president of the American Association of Bank Women, from Marie Gedge, assistant secretary of the Bank of Hawaii at Honolulu. The following is an interesting paragraph taken from that letter:

"Even the banks are decidedly line-conscious. We have a fairly good-sized lobby, and one day we timed a customer who was in line waiting to

have a check cashed. It took her forty-five minutes to arrive at one of the teller's windows, and she was in one of five equally long lines. Because of our location, the banks have had to do many things which other parts of the country have not had to consider. A number of months ago a regulation was made that no one could have more than \$2,000 in his possession at any time—the purpose, of course, being to prevent the hoarding of money, for that, like everything else, has to be brought into the Territory. As a result of that order thousands and thousands of dollars came pouring in, which had been held in safe-deposit boxes, mothballs, tobacco cans, etc. Our deposits at the end of the year were slightly in excess of eighty-seven millions. Within the last few months all of the regular United States currency has been recalled, and there has been exchanged for it United States currency with an imprint of "Hawaii" appearing in several places, and some of the usual distinguishing marks changed to a different color. It is, naturally, good only here and cannot be sent or taken outside of the Territory, and we are not permitted to hold any regular United States currency. All stock certificates and bonds, mainland and local, have been perforated in accordance with certain regulations and deposited in banks and trust companies for safe keeping and destruction, if necessary, and all safe deposit boxes have been ordered to be cleared of all bonds, stocks and currency before a designated date. You can see that requirements of this

kind do add to the work, already heavy, of the banks and trust companies. We, too, have our shortages—pennies, dimes, quarters and halves all have had their day of being 'out' or 'low'."

Elected Vice President

Wilfred Wottrich, who has been a trust officer of Manufacturers Trust Company for the last 10 years, has been elected a vice president and placed in charge of the bank's Personal Trust Department. He succeeds Elliott Debevoise, vice president.

Mr. Wottrich has been with Manufacturers Trust Company and its predecessor banks for the past 18 years. He is a director of several corporations, including the Yankee Baseball Club. During 1930 and 1931, he was chairman of the Bank Management Conference of New York.

Mr. Wottrich is a graduate of New York University and of the Graduate School of Banking, American Bankers Association, Rutgers University. He is vice president of the Downtown Athletic Club of New York City.

Assistant Cashier

Appointment of Vern Manahan as assistant cashier of the City National Bank, Hastings, has been announced.

His resignation as secretary-treasurer of the Hastings Production Credit Association has been accepted by the board of directors. Manahan has held the position with the association for three years.

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
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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

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TWIN CITY NEWS



T **FRANK McGUIRE**, president-treasurer of Driscoll-McGuire Co., St. Paul, is slated to become president of the Twin City Bond Club at the annual meeting December 12th at the University Club, St. Paul. Now vice president, he was picked by the club's nominating committee for promotion to the presidency.

Nominated for vice president was **Robert L. John**, secretary-treasurer of Thrall-West Company, Minneapolis; for secretary-treasurer, **Rudolph S. Juran** of Juran & Moody, St. Paul.

Six nominees were picked as candidates for the two-year term on the board of governors as Minneapolis representatives, with three to be elected.

They are: **Merrill M. Cohen** of J. M. Dain & Company, retiring secretary-treasurer; **Alton Junge**, Northwestern National Bank & Trust Company; **C. D. Mahoney** of C. D. Mahoney & Company; **Merrit W. McDonald** of Kalman & Company; **I. D. Owen**, treasurer, Allison-Williams Company, and **H. H. Wylie**, Wells Dickey Company.

Four leading bankers have been selected to membership on a volunteer committee of businessmen to supervise registration of city landlords as the first step in establishing rent controls here.

The four are: **Guy W. LaLone**, senior vice president of First National Bank & Trust Company, committee chairman; **Arnulf Ueland**, president, Midland National Bank & Trust Company; **Ralph W. Manuel**, president, Marquette National Bank, and **Clarence R. Chaney**, senior vice president of Northwestern National Bank & Trust Company.

Three Twin City banks were principals in consummating the largest

By James M. Sutherland
Special Correspondent

bank loan ever executed in the Northwest—a \$15,000,000 line of credit to help finance the war production work of Minneapolis-Honeywell Regulator Co.

Headed by **Northwestern National Bank & Trust Co.**, Minneapolis, the lending group also included **First National Bank & Trust Co.**, Minneapolis, **First National Bank, St. Paul**, and **Continental Illinois Bank & Trust Co.**, Chicago.

A Regulation V loan, it was guaranteed by the Federal Reserve Bank of Minneapolis as fiscal agent for the War Department.

Rufus W. Hanson, vice president since 1936 of First Banccredit Corporation, St. Paul, has been elected assistant cashier of First National Bank & Trust Co., Minneapolis. He was employed in the credit department of First National for eight years before going to First Banccredit.

Several St. Paul bankers served on the rent control registration committee of that city to assist registration of landlords under rent ceiling regulations of the Office of Price Administration.

They were **Martin F. Ernst**, vice president of Midway National Bank; **Alex Highland**, president of Empire National Bank, and **Harry B. Humason**, president of American National Bank.

Two new directors of the Federal Reserve Bank of Minneapolis have been elected, with their three-year

terms to start January 1. They are **F. D. McCartney**, vice president of the First National Bank of Oakes, N. D., class A director, and **Ray C. Lange**, president of the Chippewa Canning Company, Chippewa Falls, Wis., class B director.

V. E. Mikkelsen, president of Security State Bank, Minneapolis, has been elected a vice president of the Minneapolis Civic and Commerce Association for the ensuing year.

Guy W. LaLone, vice president of First National Bank & Trust Co., Minneapolis, has been re-elected treasurer of the Minneapolis Civic Council.

Both the St. Paul and Minneapolis chapters of the American Institute of Banking heard **Dr. Paul S. Cadman**, economist of the American Bankers Association, during a visit to the Twin Cities.

Dr. Cadman was one of the regular scheduled speakers at the St. Paul chapter's six-week lecture-seminar course, while he also addressed a Forum dinner of the Minneapolis chapter.

To provide closer contact between management and stockholders of Northwest Bancorporation, **J. C. Thomson**, president, is holding a series of district stockholders' meetings. With two such meetings already held, at least three more are planned.

Carl D. Strom, chief clerk at Produce State Bank, Minneapolis, since 1937, has been elected assistant cashier of Hennepin State Bank. Mr. Strom began his banking career in 1929 as a messenger for First National Bank and Trust Co., with which both other institutions are affiliated.

Northwestern Banker December 1942

Charles R. Miller, vice president and trust officer of First National Bank & Trust Company, Minneapolis, is new president of the Fiduciary Association of Minnesota. He was named at the annual meeting at Hotel Nicolett, Minneapolis.

Other officers are **E. D. Cardle**, assistant trust officer, Marquette National Bank, Minneapolis, first vice president; **S. J. Kryzsko**, assistant cashier, Winona National & Savings Bank, Winona, second vice president; **W. W. Holmes**, assistant secretary, North-

western National Bank & Trust Company, Minneapolis, secretary-treasurer.

Executive committee members are **L. E. Dunn**, corporation trust officer of First Trust Company of St. Paul State Bank, chairman; **Walter E. Kunze**, trust officer of First Trust Company of St. Paul State Bank, both of St. Paul; **Lee A. Short**, assistant secretary and assistant trust officer, First National Bank & Trust Company, and **J. Burns Allen**, vice president, Northwestern National Bank & Trust Company, both of Minneapolis.

Honor Service Men

More than two thousand men and women of The First National Bank of Chicago gave a salute last month to the men who have left the bank to enter the armed forces of the United States. Active participants comprised about three hundred of the bank's staff. The uniformed members of the Bank Red Cross Unit numbered about two hundred, and the other third was made up of the bank's chorus and orchestra. American flags, the bank's service flag with two hundred forty stars of blue and one of gold, and the roll of honor gave Armistice Day color to the occasion.

Promptly at four o'clock two hundred of the bank's girls, some in the standard white uniform of the Red Cross, others in the blue of the canteen service, marched four-abreast up the stairs and took seats at the end of the main banking lobby. A number of the men home on leave were guests of honor. The orchestra opened the program, after which James B. Forgan, a senior vice president of the bank, chairman of Chicago Chapter of the American Red Cross, and a veteran of World War 1, paid tribute to the men in the service. He also dwelt upon the duty of those whom these men represented. He urged contributions by those who could give to the blood bank of the Red Cross, and emphasized the necessity of everyone doing his best to attain victory. He mentioned that, while banking wasn't classified as an essential industry, the work of banks in the sale of war bonds and stamps, in the purchase of bonds for their own accounts, and in facilitating production and transportation was a vital contribution to war effort. Ration coupon banking, proven successful in some areas, is likely to become an added function generally. The work in which men and women in banking are engaged is one of which they may well be proud, since their efforts aid in production and expedite the movement of men and materials.

Albig to Retire

W. Espey Albig, deputy manager of the American Bankers Association in charge of its Savings Division, will retire at the end of this year, it was made known by W. Linn Hemingway, president of the A. B. A., who is president of the Mercantile-Commerce Bank and Trust Company, St. Louis.

Mr. Albig has been associated with the American Bankers Association for the past eighteen years, having joined it as deputy manager and secretary of its Savings Division in 1924.



"The Bank at the Yards"

Our Own "Gallup Poll"

Every week—as this bank serves in the Sioux City market area—our own "Gallup" poll keeps us on our toes. For bankers, shippers, and feeders, drop in constantly to visit, and tell us their problems, and to say they like Livestock National Bank service.

Our location helps, of course (right in the middle of the market) but our thorough knowledge of Sioux City as a whole enables us to handle ALL Sioux City business for our clients. Let this bank serve you, too, both down town and at the yards!

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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. Silknitter, President, Sioux City Stock Yards Company
C. L. Fredricksen, President
M. A. Wilson, Vice President
H. C. Boswell, Secretary-Treasurer, Western Contracting Corporation

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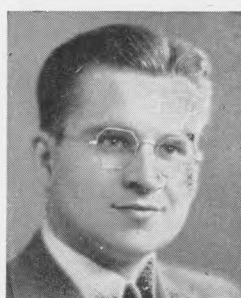
LIVESTOCK NATIONAL BANK

SIoux CITY, IOWA



H. N. THOMSON
President
Presho

SOUTH DAKOTA NEWS



GEORGE M. STARRING
Secretary-Treasurer
Huron

WHAT FARMERS ARE DOING WITH TWO BILLION DOLLARS

(Continued from page 22)

point to 263 bushels of wheat or 312 bushels of corn required a decade ago compared with 95 and 128, respectively, in 1942. Borrowers are told, "The best possession a man can have is a home free and clear." Farmers understand that language readily enough. Their trouble has been to change their "hay" into enough money to reach the desired haven.

Of course, in these days when it's everybody's duty to buy War Bonds up to the limit, the Federal land banks are not urging farmers who are in a position to easily meet their debts in the future to retire them instead of buying War Bonds. The reverse is true. They urge all borrowers to keep their debts current but those who can do so without impairing their business are asked to put all their spare cash into bonds. Those whose economic position is precarious are urged to get their debts in carrying shape. Those in between these positions are urged to do both; buy bonds and retire debts. Recently the 800,000 borrowers were circularized on this basis.

Sometimes the 1,830 billion of "un-accounted for" farmers' money, mentioned earlier, is called the inflation wedge. It has caused a deal of worry. Thus far it does not seem to have been warranted. Farmers, where they could, seem to have stepped up their living in about the same way any group would that came into more money. But there has been no splurge—no spree which might even be considered their economic wedge. In fact, the things which they would buy if they could are becoming scarce as merchants' shelves are depleted.

Next year with prospects for perhaps half a billion more net income—estimated well in advance—may bring new problems, but with farmers busy paying taxes, buying bonds until it hurts, and worrying about price ceilings, labor, equipment, supplies, transportation, and marketing problems, the predicted spending spree is likely not to materialize. Also, it is a long time between now and next harvest and the next year's net income of farmers may be nothing like the current guess!

It's true, of course, that in some areas, particularly in the middle west, farming has staged a wonderful comeback. It is equally true that it does just that periodically. In between the comebacks, however, are prolonged dry spells. It takes a good deal of the income from the good years to balance

Northwestern Banker December 1942

Prominent Banker Dies

Funeral services were held at Emery for Leo Shroeder, who died of a heart attack.

Mr. Shroeder was a charter member of the Emery Volunteer Fire Department, the first clerk of the city council, which office he held for many years, and a member of the first band ever to be organized in Emery.

He became vice president of the Farmers Bank in 1917 and has been liquidating agent for the Emery State Bank and the Farmers Bank since its closing.

"2 Million Mark"

The Bank of Belle Fourche, which opened for business December 6, 1937, has shown a phenomenal growth in business the past five years. Bank footings recently went over the "two million mark."

The end of the first month of business, back in December, 1937, showed total deposits of \$75,121.68. October, 1941, its deposits went over the first million with a total of \$1,141,970.11, and on October 31, this year, that bank's deposits were near the two million mark, with a total of \$1,922,000.01.

H. W. Clarkson is president; G. Q. Runkel, cashier; F. M. Fladmoe, assistant cashier; on the board of directors besides the president and cashier are L. R. Chiesman, F. M. Clarkson, Wm. Marty, E. W. Clarkson, Dan McCutchen.

New Assistant Cashier

H. E. Halligan of Bryant is the newly installed assistant cashier at the Oldham State Bank, entering upon his new position last month.

Federal Land Bank Changes

Harry Burrish came from Omaha to take Mr. Brakke's place as district real estate salesman for the Federal Land Bank at Woonsocket. Mr. Brakke is being transferred to the Brookings territory.

New Bank Clerk

LaVonne Davidson is the new clerk at the First National Bank in Parker. Delbert Church plans to go to Long Beach to work in the Douglas factory.

Bank Debits Up

Business activity in Brookings during the first nine months of this year stands 29 per cent above that for the like January-through-September period a year ago, while business activity in September is 20 per cent above that for September, a year ago, according to bank debit totals reported to the Federal Reserve Bank of Minneapolis.

Bank debits, for the most part, represent checks against depositor's accounts in payments for goods, services and debts, and therefore the bank debit volume for a locality is considered a good indicator of general business conditions. Under present war conditions, expanding payrolls and large government expenditures are important factors in the expanding debit volume.

Throughout South Dakota bank debit totals for the first nine months of this year attained a volume which is 25 per cent above the volume recorded for the similar nine months last year while volume for September of this year stands 21 per cent above that for September, 1941.

Complete Cost Manual

The Bank Management Committee of the South Dakota Bankers Association has recently completed the bank cost manual, which is a simplified method of figuring small bank costs. The book is published by the South Dakota Association, and the figures and conclusions therein are based upon an analysis of 70 reporting South Dakota banks. Through the use of the manual, Secretary George Starring says "you may determine your true costs, and then be able to install adequate service charges to cover them, plus a profit."

the bad. Farmers are still paying on old accounts. Back in 1932, 51 per cent of the loans of the 12 Federal land banks were current; now they are about 87 per cent. Also farmers have been making good programs in paying back taxes. Thus the goal of a debt-free farm is almost universally attractive. That is why more of the "inflation wedge" money is likely to be used to improve farmers' financial positions.

In the short-term credit field, too, there are evidences of farmers' desire to get out of debt. More and more

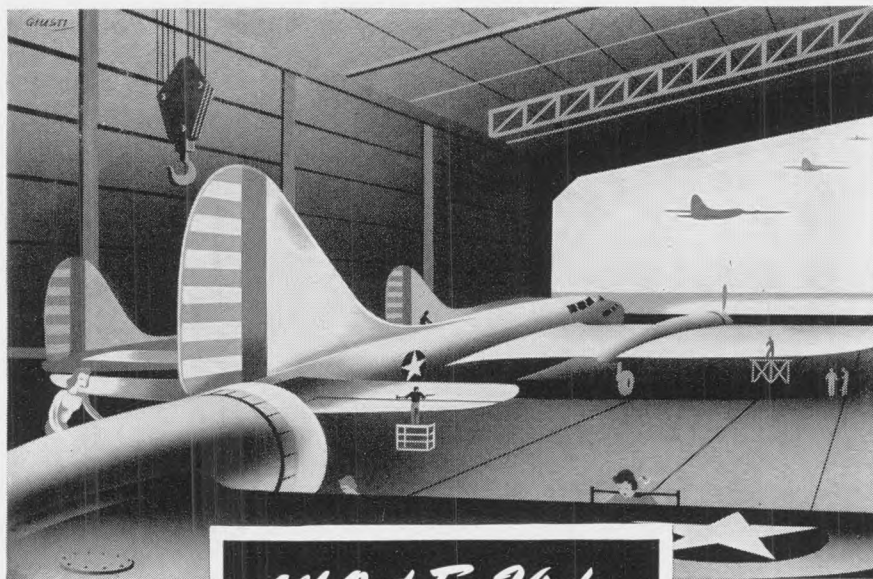
farmers are going on a cash basis as they get able to do so. Total short-term credit outstanding may be climbing somewhat, but there are indications that it is caused more by larger loans to fewer farmers and ranchers.

Such debts, if allowed to increase and pyramid as they did during and following the last war, can be just as inflationary as anything else, and they should be watched carefully. After World War No. 1 these debts, for the most part, had to be rewritten into farm mortgage debts. This brought such debts to their dizzy peak from

which they toppled, taking banks and individuals with them.

That sort of catastrophe probably will be averted this time if all lenders look sharply to the use to which short-term loans are being put.

So, the Professor's question of what are farmers doing with the extra two billion dollars isn't answered categorically, but it's certain that a good deal of it is being used wisely in retirement of debts and the so-called inflation wedge seems to have been rather ineffective. It ran into farmers' hard common sense and that dulled its edge.



All Out For Victory

TO achieve the goal which the nation has set for itself—uncompromising victory in the shortest possible time—there must be a minimum of delay in every step of the production program. The working time of management, already overburdened, must be further conserved and devoted to production problems.

In banking, too, speed and efficiency are more than ever essential. The American National Bank and Trust Company of Chicago stands ready to cooperate with correspondent banks in every possible way to save time for them as well as for their customers.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

LA SALLE STREET

AT WASHINGTON

Member Federal Deposit

Insurance Corporation



OUR BUSINESS IS TO HELP BUSINESS

Nebraska News

Cashier Transferred

H. E. Lichty, cashier of the Bank of Hyannis for the past five years, has been transferred to the Guardian State Bank of Alliance. Walter Stroud of Alliance will be the new cashier at Hyannis.

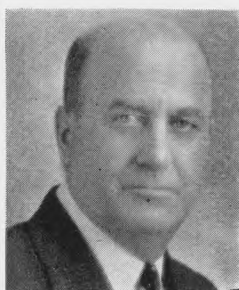
Bank Interior Rearranged

The interior of the Banking House of A. W. Clarke, Papillion, has been entirely worked over in an effort to systematize and make more efficient the space available for the ever increasing volume of business transacted in this pioneer financial institution.

The bookkeeping department has been changed from the south side to the west end of the floor space and all the typewriting machines, adding machines and bookkeeping machine, a newly added equipment, are arranged in a compact space. The paying and receiving tellers' window are also arranged in this part of the office while the desks of the president, cashier and other officials are in the south part of the former bookkeeping department, while the general lobby has been considerably enlarged for the convenience of the patrons.

Stalp Heads West Point Bank

Gerhard Stalp, 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 was also elected vice president. Other directors are Earl Reppert, J. A. Jerman and W. T. Knievel.



J. O. MILSTEN
President
Belfield

NORTH DAKOTA NEWS



C. C. WATTAM
Secretary
Fargo

Nebraska News

Directors' Meeting

At a meeting of the directors of the Farmers & Merchants National Bank, Ashland, the business affairs of the bank were reorganized following the passing of Ernest Wiggenhorn, who for many years served in the capacity of president of the bank.

Edwin A. Fricke is the new president; W. E. Harnsberger, First Vice President and Cashier; Lt. C. H. Wiggenhorn, Second Vice President; Miss Dorothea A. Ehrenhard, Assistant Cashier. Miss Miriam A. Wiggenhorn is a new member of the Board of Directors.

"Billie" Pfister in Bank

William Pfister has accepted a position in the American State Bank of New Castle. "Billie" as he is known to his friends, is being aided in his work by the use of a sort of motorized coaster chair or stool which he, with the help of J. E. McKeney, have been constructing during their spare time the past summer.

To strangers who do not know "Billie" Pfister, this special chair is necessary for him because he suffered an attack of infantile paralysis when a youngster and has not been able to walk. He is also owner and manager of the Castle Theatre in New Castle.

Adopt "PAYC" Plan

Officers of the Stephens National Bank of Fremont and the Fremont National Bank have announced the installation of a new type checking account system identified as the "PAYC" (Pay-As-You-Check) checking account plan.

Resigns Bank Position

Keith Ahart, assistant at the Citizen State Bank of Clearwater for the past several months, severed his connections with that institution recently. He has accepted a similar position with a bank in Kansas City.

Prominent Banker Dies

Ernest A. Wiggenhorn of Ashland, died last month in Omaha of pneumonia and complications, after a 10 days' illness. Born and reared in Ashland, he was a member of one of the oldest and most prominent families there. He was president of the Farmers & Merchants Bank and a member of the Masonic Lodge.

Northwestern Banker December 1942

Former Banker Dies

Harry Lord, former Park River banker and well known in Walsh county, died recently at his home in Cando.

Million Dollar Deposits

The Citizens State Bank of New England has passed the million dollar mark in deposits, according to its recently released financial statement.

The Citizens State has been for some years the only bank in New England and it gets a lot of business from eastern Slope county. Officers of the institution are: J. F. McEntee, president; A. F. McEntee, vice president; A. O. Lona, cashier; Anna K. Martin, assistant cashier; Gudrun B. Jacobson and Perpetua G. Gartner, bookkeepers.

Converted to State Bank

The First National Bank of Buffalo, Cass county, has been converted to a state bank and will hereafter be known as the First State Bank of Buffalo.

The bank was established in 1885 by the late S. G. More as a state bank and was converted to a national bank in 1903.

Officers continue as before, with Mrs. A. L. Peterson as president; W. C. Peterson, vice president, and J. W. Chapman, cashier.

A. I. B. Annual Banquet

More than 120 members and guests who attended the annual banquet of the Fargo chapter of the American Institute of Banking learned something of the problems faced by newspapers during wartime.

H. D. Paulson, editor of *The Fargo Forum*, speaking on News Censorship, explained to the group why much of the war news appears to be late and why many of the happenings which may be common knowledge in a community are barred from the public prints because their publication might benefit the enemy.

Clarke Bassett, vice president of the

Merchants National Bank and Trust Company, was toastmaster. Other speakers included Robert Rutherford, executive secretary of the Minneapolis chapter, who stressed the importance of the educational courses being offered by the AIB; Fred A. Irish, president of the First National Bank and Trust Company; R. H. Butterwick, vice president of the Dakota National Bank, and Earl L. Shaw, president of the Fargo National Bank.

Mott Bank Shows Increase

The report of the condition of the Commercial Bank at Mott at the close of business October 17th showed footings passing the million dollar mark, officials announce.

Large increase in bank footings at this time is due to the improvement in agricultural conditions in this area. With the largest crop in history harvested and threshed, with excellent prices for livestock, cream and produce, farmers of the area, who have stayed with their land through the drought years, are being repaid at last partly for the hardships they have passed through, bank officials said.

Elected Vice President

J. C. Hoffert of the Foster County State Bank of Carrington was elected vice president of the southeastern district of the North Dakota Bankers Association, at a meeting at Valley City.

Northwest Group Elects

O. N. Stenehjelm of the First International Bank, Watford City, was elected president of the Northwest Bankers group at their convention held in Minot.

The banks of North Dakota are going "all out" in the war effort, was the theme of the Minot meeting.

Other officers elected at that time included T. A. Solheim, Minot, secretary-treasurer, and C. P. Kjelstrup also of Minot, to the executive committee.



Food for Freedom

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

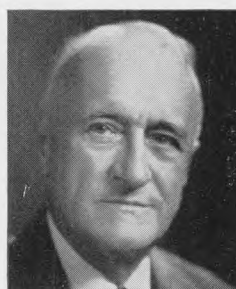
MEMBER F. D. I. C.

Northwestern Banker December 1942



R. F. CLARKE
President
Papillion

NEBRASKA NEWS



WM. B. HUGHES
Secretary
Omaha

The 1942 Convention

(Continued from page 16)

A panel on "Earnings and Expenses During War Time," conducted by **Wade R. Martin**, Nebraska director of banking, was of unusual interest to those attending. Mr. Martin was assisted by **Edward Huwaldt**, Grand Island; **J. R. Kenner**, president of the Thayer County Bank, Hebron, and **V. E. Dolpher**, president of the First National Bank, David City.

Mr. Martin opened the discussion by saying that the loan picture in banks was rapidly changing—deposits are up, and loans are down. Operating expenses are increasing—higher taxes, materials are more costly—a great deal of new help at higher wages—expense connected with sale of War Bonds and Stamps—and increased cost of servicing depositors who are making more use of banks. He named five points for banks to consider, first, adequate service charges—second, reduction or elimination of rates on time money—third, review operating expense and cut down or eliminate—fourth, greater effort in developing new loans—and fifth, study cash position, to determine how much to invest in government bonds.

As his part on the panel discussion, Mr. Huwaldt described banking conditions as they related to communities having war industries. Banks in these cities are obliged to remodel and enlarge banking rooms; payroll is usually up 15 to 20 per cent because of need for new help who demand more money to start, and this makes it necessary to increase salaries of all clerical help. Of course, more equipment is needed to take care of extra work. More supplies of all kinds are consumed. More cash on hand is required, so more burglary and robbery coverage must be carried and, of course, there has been an increased demand for safe deposit boxes. Mr. Huwaldt estimates his bank has spent \$15,000 to \$20,000 in order to take care of increased business

brought about by increased government payroll, while earnings from loans and service charges have not kept pace.

Reduction of interest on time deposits was the subject of Mr. Kenner's talk on the panel. He believes banks can only pay interest rates in comparison with amount of earnings, but he does not think interest rates should be eliminated entirely. To do so would cause loss of some accounts, and Mr. Kenner thinks the bank owes it to many customers who stuck through the tough time, to pay them a little something for their money. He recommended elimination of six months' money, and no interest on small savings, and to accept these only for six months or longer.

Mr. Dolpher spoke on the development of new loans, and to get new loans for his bank, he makes good use of his board of directors. Many times directors are farmers—if the banker were to approach a farmer with suggestions for better farm management, or a different way of operating the farm, he would receive little attention. But let one of the directors of the bank, who is a farmer, make the approach, and the prospective customer will listen. This helps to make new loans, but also makes better loans out of the ones already on the books. Help the youngsters in your community to buy calves, said Mr. Dolpher. These kids will grow up some day, and be your customers, and the attention you give the boy often helps the father to be a better cattle feeder. Look ahead—wealth comes from what is produced from the soil, not buried in it.

Ellsworth Moser, executive vice president of the United States National Bank of Omaha, sent to all of the 700 guests and delegates a list of those who attended the Nebraska Bankers Convention. This list has previously been presented to the delegates during the

convention, but time did not permit such an arrangement this year, so the list was mailed to the delegates after the meeting, and was very much appreciated by everyone who received it.

A panel discussion of live stock producing and feeding concluded the convention program. **E. A. Kelloway**, secretary of the Omaha Live Stock Exchange, reviewed the background of the present livestock price structure, commenting that he thought the ceiling on hides and wool was too low. The livestock slaughter this year will be the largest in the history of the nation, but the supply will still be short.

Frank Miller, of the rural economics department of the University of Nebraska, explained what is meant by the term parity, saying parity is based on the price the farmer pays for the things he needs to operate his farm and provide for his family, the prices for farm products being based on the five-year period from August, 1909, to July, 1914.

According to **Marvel Baker**, in the animal husbandry department of the University, also a member of the panel, the meat business is in a sound position, but we won't get all the meat we want to eat until the war is over. The need now is for more pounds of meat and not so much for quality and finish. Mr. Baker suggested the feeding of more plain cattle—get the beef, but if necessary, sacrifice the quality. The banker and the feeder can go along much as usual, of course, keeping credit sound at all times.

Among resolutions adopted at the Nebraska convention were the following:

"Our country is engaged in a worldwide war, the winning of which demands the closest cooperation and the severest sacrifices on the part of all American citizens and organizations, without exception.

"Therefore, on behalf of each and every member bank, we pledge a complete, patriotic effort of bankers as individuals and institutions. We promise the fulfillment of their part in business and agriculture and in any other activities concerned with the war effort.

"We further pledge that we will subordinate any personal interest to the furtherance of this war effort, whether it be at the request of our government or on our own initiative."

"Whereas, an abnormal and unnecessary expansion has been made in Production Credit Associations and field offices, amounting to an increase of 53 per cent during 1941, and

"Whereas, numerous new branch offices have unnecessarily been added since January 1, 1942, and

Northwestern Banker December 1942

"Whereas, the Production Credit Corporation and Association are aggressively seeking, with the help of a subsidy from the government and resultant unnecessary cost to taxpayers, agricultural loans that comprise the necessary and essential earnings to banks in agricultural districts, and

"Whereas, the capital furnished to the Production Credit Corporation and Associations and bond interest from the United States Treasury of nearly \$3,000,000 annually would be of great assistance to taxpayers in financing the war, and a material reduction in the personnel of the Production Credit

Corporation and Associations would help relieve the labor shortage during this emergency.

"Therefore, Be It Resolved by the Nebraska Bankers Association in session November 11th-12th, 1942, Omaha, Nebraska, that the funds now subsidizing these Corporations and Associations be withdrawn, and that manpower necessary to the war effort be freed and thus place the Production Credit Division of the Farm Credit Administration on a truly self-supporting basis, and

"Be It Further Resolved, that the officers of the Nebraska Bankers Association be authorized and directed to proceed as necessary to secure a Congressional investigation of the Farm Credit Administration."

"Whereas, the American Bankers Association has offered no direct opposition to the subsidized competition of the Production Credit Association, and

"Whereas, it has ignored the pleas of country bankers to take the lead and initiative in combating this unfair competition, and has consistently obstructed the efforts of the Nebraska Bankers Association, and the efforts of individual country bankers to bring the matter to the attention of the proper authorities at Washington and obtain the necessary relief.

"Therefore, be it resolved that the Nebraska Bankers Association solicit the help and assistance of other State Bankers Associations and other existing organizations and individual country bankers throughout the Nation, in resisting, opposing and combating the unfair competition of the Production Credit Associations and other subsidized governmental agencies."

"This country is now engaged in a life and death struggle for the preservation of democracy and the American Way of Life, and every worker is requested and expected to do his and her utmost in this defense program. Many bank employees are being called into the Service, and banks are being called upon for ever increasing cooperation with the government's defense program, and it is becoming increasingly difficult for banks to replace their trained employees. For these reasons, we believe that the 40-hour week should be suspended for the duration of the war so far as it affects banking, in order that the employees, as well as the employers and other officers not in active military service, can make a greater contribution to our united war effort without penalty on the employers."—THE END.

Business Is Good In Sidney



THE two pictures above were taken in **The American National Bank of Sidney, Nebraska.** The upper one shows the lobby of the bank on a busy evening. Because of the Government ammunition depot near Sidney, the bank is open Friday and Saturday evenings from seven to nine, and will often cash a thousand checks an evening. The payroll on Friday will run from \$60,000 to \$75,000.

The lower picture shows a group in the lobby of the bank incident to one of the largest CCC wheat loans on record. From left to right, those pictured are **Don Jorgenson**, vice president of the American National Bank, now in service; **C. W. Smith**, in charge of wheat loans for CCC; **Charles Deaver**, one of the owners of the wheat; **D. W. Reynolds**, cashier of the bank; **George Barlow**, vice president of the bank; **George Fleming**, another wheat owner; **A. J. Jorgenson**, president of the American National Bank; and **Ray Babcock**, another wheat owner. The wheat was purchased standing, and from 40 to 50 combines harvested 135,000 bushels. The money involved amounted to \$168,000.

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HOWARD BUFFETT, Omaha investment banker, a Republican, was elected to Congress from the Second Nebraska District by five thousand votes over the Democratic Congressman seeking re-election, Charles McLaughlin, also of Omaha, and no one was more surprised than Buffett.

He didn't think he had a chance, and on the morning after the election he had a statement ready to hand out congratulating McLaughlin. But he hadn't written a statement to use in case he won, so he had to write one later.

One of the receptions given for Buffett was by the Congenial Couples' Class of Dundee Presbyterian Church at Omaha. Buffett has taught the class for several years.

Pneumonia was fatal last month at an Omaha hospital to **Ernest A. Wiggenhorn**, 65, president of the Farmers and Merchants National Bank of Ashland, Nebraska, and one of Ashland's first citizens.

Member of one of Ashland's oldest families, Mr. Wiggenhorn for 16 years had served as city treasurer there and headed a bank which had been founded by his father in 1883. In addition, he had banking interests in western Nebraska.

He was graduated in 1898 from the University of Nebraska, where he was a member of Phi Kappa Psi fraternity. Three children survive, two daughters and a son, the latter in the army.

FLOYD S. McCaffree, 59, a former director of the Federal Land Bank of Omaha and a prominent real estate broker and cattle operator at Scottsbluff, Nebraska, many years, died in a Scottsbluff hospital of a stroke. He went to Scottsbluff from York, Nebraska, in 1905, organized the Scottsbluff National Farm Loan Association

and had been a mayor of Scottsbluff. A native of Spirit Lake, Iowa, he attended Morningside College at Sioux City, and from 1901 to 1903 was editor of the Havelock, Iowa, *Item*.

His two sons are at Kelly Field, Texas: Lieutenant Robert H. McCaffree and Private Edwin C. McCaffree. His wife and a daughter, Mrs. D. G. Klas, Tulsa, Oklahoma, also survive.

Under general chairmanship of **W. Dale Clark**, president of the Omaha National Bank, the Omaha Community and War Chest Fund soared to \$804,307 or \$17,077 beyond the goal,

at the final report luncheon of the campaign. Volunteer workers held a victory celebration. It was the second time Mr. Clark had led a Community Chest drive over the quota.

Presentation of the state of Nebraska's memorial scrolls to survivors of fifteen Omahans who have died in service in this war highlighted Omaha's Armistice Day observance in the city auditorium. The presentation was made by **Lieutenant Colonel J. F. McDermott**, who is on leave for the duration from his duties as vice president of the First National Bank of Omaha. The scrolls are signed by Governor Dwight Griswold.

Major W. B. Millard, Jr., on leave for the duration from his duties as vice president of the Omaha National Bank, was re-elected secretary-treasurer of the Ak-Sar-Ben board of governors at the annual meeting. During his absence, W. D. Lane will serve. J. E. Davidson, president of the Nebraska Power Company, was re-elected president. James P. Lee, former Omaha banker, was re-elected a governor. His Majesty's Council elected E. F. Pettis president, J. L. Thurmond vice president, James B. Moore, secretary-treasurer.

Five of six principal business indicators at Omaha showed increases for the week ending November 7th,

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HEALTH**

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Elms
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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.**

compared with the previous week, and all were higher than the same period last year.

For the week, bank clearings showed a gain of 42.6 to lead all other indicators. Bank debits increased 36 per cent, the second largest gain.

For the year to date, bank clearings are up 37.8 per cent, bank debits 29 per cent.

Affairs of four Omaha small-loan companies, which, it was alleged in court, charged from 100 to 300 per cent interest, are being wound up by

A. C. R. Swenson, attorney, who was named custodian.

Chief remaining job was the mailing of checks totaling more than \$24,000 to 3,000 borrowers who made payments on their loans voluntarily after the companies had been taken over by the state. The court later ruled that these voluntary payments should not be accepted.

Two of the companies—Industrial Finance Company and Prairie Loan Company—were closed by order of Attorney General Walter Johnson of Nebraska in June, 1940. Earlier, these

two had taken over the affairs of two other companies.

The state charged that, while the companies themselves stayed within the then small-loan law and charged no more than 30 per cent interest, they got more by subterfuge.

For instance, it was charged that persons borrowing from Industrial Finance were required to have their notes "guaranteed" by the Personal Guaranty Company. Charge for "guaranteeing" a \$10 loan for one month was \$1, it was alleged. The state claimed, and the court ruled, that Industrial Finance and Personal Guaranty were both owned by the Miller Management Company of Nashville, Tennessee.

The court decision ousted Miller Management from Nebraska.

Will R. Johnson, general manager of the Northwestern Bell Telephone Company, president of the Omaha Community Chest and a director of the Stockyards National Bank of Omaha, has been elected a regent of the University of Omaha. He recently was elected a vice president of the telephone company.

On the board of regents, he succeeds A. H. Clarke, former manager of the Bemis Bag Company at Omaha, who recently was transferred to Indianapolis.

Gwyer H. Yates, former president of the United States National Bank of Omaha and now an official of a new war industry at Vancouver, B. C., has written Omaha friends that Omaha and Nebraska are receiving much notice because of the successful Nebraska plan in the scrap drive and the appointment of **William M. Jeffers**, president of the Union Pacific system, as rubber czar.

He praised Ak-Sar-Ben's war activities. "I am more than proud to still be a member of Ak-Sar-Ben and will sound its praises wherever I may be," he wrote.

Carl Falk, junior member of the Omaha investment banking firm of Buffett & Company, has been elected president to succeed Howard Buffett, who was elected to Congress in the recent election.

In a statement following his election, Mr. Falk said:

"The financial services of the business will be continued along the same conservative pattern that has been responsible for the growth of our firm."

Mr. Falk has been an executive of the company since it was formed in 1931.

READY
WILLING
and ABLE

*to serve every need of
correspondent banks*

MISSISSIPPI VALLEY TRUST COMPANY
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Member Federal Deposit
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87 Years
of Banking Experience



Lincoln Locals

DEPOSITS in Nebraska state banks increased 26 per cent during the past nine months, according to a statement released by **Wade Martin**, director of the state banking department. Total deposits on September 30th, date of the last bank call, were \$115,557,798 compared with \$86,156,195 December 31, 1941. This is a gain of \$29,471,831, most of which is represented by an increase in the deposits of individuals which amounted to \$85,071,675 and showed an increase of \$28,467,629 over December 31, 1941.

The previous bank call, made June 30th, showed deposits of \$94,316,317. That was an increase of \$17,814,011 over the \$76,502,306 reported June 30, 1941. The increase in deposits from June 30th to September 30th is \$21,206,340. Deposits of individuals on the latter date amounted to \$64,865,133.

There was an increase in loans made by banks amounting to \$5,974,566 between the call made December 31, 1941, and the last call. Total loans on September 30th were \$53,372,435 against \$47,397,869 on December 31, 1941, and \$41,107,600 on June 30th.

Total resources of the 276 banks reporting in the last call amount to \$128,757,407 compared with \$107,497,766 on June 30th and \$99,040,764 December 31, 1941. Resources passed the \$100,000,000 mark in June for the first time since 1931. They have \$22,475,812 invested in United States government bonds.

Martin's report also showed that state banks have continued to pay off their RFC loans. These have been reduced by \$176,000 during the past nine months. RFC loans still outstanding amount to \$422,750 compared with the high of \$2,050,000 in 1934.

The surplus fund, undivided profits and reserve accounts of the banks also showed an increase. Surplus funds were up from \$3,050,144 on December 31, 1941 to \$3,301,143 on September 30, 1942, a gain of \$250,998. Undivided profits increased from \$1,623,021 to \$1,788,713, a gain of \$165,691 and reserves were up from \$443,303 to \$538,652, an increase of \$95,349.

G. F. Roetzel of Kansas City, supervisor of the Federal Deposit Insurance Corporation, and **D. W. Woolley**, vice president of the Kansas City Federal Reserve Bank, spoke before a meeting of the bank examiners for Nebraska recently.

Roetzel, who supervises the examination of insured banks for a five-state area, alternates in six months' periods his own examiners with the eight state examiners.

Woolley spoke to the group on the

regulations governing the installment loan system, an emergency credit system installed under Federal law.

Consideration of a protest of **Lincoln Joint Stock Land Bank** against the closing of a county road near one of its farms in the vicinity of the Lincoln Air Base and a claim for damages to the sum of \$800 therefor occupied a major portion of the time at a recent county board meeting.

The land bank, represented by **W. E. Barkley**, president, and Jack Price and Frank Peterson, attorneys, indicated that the additional distance it is necessary to travel now in order to reach city and markets would figure up to more than \$100 a year. They claimed they had not been notified of the closing and that they "would rather have a road than damages."

County commissioners, on advice of the county attorney's office, rejected the claim after considerable discussion in which Commissioner Mitchell took the other two board members to task for moving to close these roads in his district without hearing date for protestants and without providing other roads to take the place of the one closed. He voted "no" on the motion to reject the claim.

NEBRASKA NEWS

Pages 40-41



OUR LOCATION

Situated in Nebraska's state capital, this bank can do more than serve you efficiently as a correspondent. It can render you constant service on matters that deserve personal attention. The experience and contacts of our officers along this line offer you such extra cooperation whenever you need it.

YOU'LL FIND SUCH HELP HERE IN LINCOLN

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

December 9, 1942

THIRTY-FIFTH ANNIVERSARY

LIVE STOCK NATIONAL BANK

of OMAHA, NEBRASKA

Capital Stock December 9, 1907 (opening date)—\$100,000

Statement as of September 30, 1942, reflects the combined efforts
of the entire personnel during these thirty-five years to render
conscientious, intelligent and effective service to all customers.

Statement of Condition September 30, 1942

RESOURCES		LIABILITIES	
Loans and Discounts	\$ 8,793,137.86	Capital Stock (Common)	\$ 500,000.00
Bonds and Other Securities	108,281.93	Surplus (Earned)	750,000.00
Stock in Federal Reserve Bank	37,500.00	Undivided Profits	164,217.64
Banking House and Fixtures	1.00	Res. for Taxes, Interest, etc.	221,948.38
Other Real Estate	None	Unearned Discount	6,862.37
U.S. Gov. Securities	\$11,201,794.70	Dividend Payable Sept. 30, 1942	7,500.00
(Less than Market Value)		Deposits:	
Cash, Sight Exchange and due from		Banks (Net)	\$16,296,020.35
Fed. Res. Bank	11,038,779.11	Other Deposits	13,232,945.86
	22,240,573.81		29,528,966.21
	\$31,179,494.60		\$31,179,494.60

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H. C. KARPF
Vice President

W. P. ADKINS
Chairman

HOWARD O. WILSON
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Asst. Cashier

C. G. PEARSON
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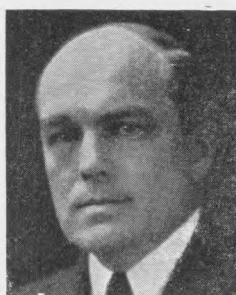
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Council Bluffs

IOWA NEWS



FRANK WARNER
Secretary
Des Moines

Story County Bankers Elect

Gilbert L. Henry, assistant cashier of the Nevada National Bank, was elected president of the Story County Bankers Association at a meeting in Nevada recently. He succeeds G. Roger Alley, cashier of the Ames Trust and Savings Bank.

Mr. Henry, who had served as vice president the past year, was succeeded by William H. Brown, assistant cashier of the Story County State Bank of Story City and manager of the Zearing office.

Mr. Brown, past secretary-treasurer, was succeeded by Henry R. Martin, assistant cashier of the Union Story Trust and Savings Bank of Ames.

Banking Hours Change

Banking hours for both Estherville banks changed recently. The new time for opening is 9:30 in the morning and they will close at 3:00 in the afternoon. Heretofore the banks have opened at 9:00 a. m., and closed at 4:00 p. m.

Improvements at Farmers State

A crew of workmen have been engaged in installing complete new fixtures in the Farmers State Savings Bank of Independence. Of the most modern design, they will enable a more efficient handling of customers with a minimum of time. As soon as installation is completed, the interior will undergo a complete redecoration, completing an improvement that

makes it second to none. Cost of the project will total \$1,500.

Atlantic Finance Company Sold

Sale of the Atlantic Finance Company to the Iowa Finance Company was announced by W. Dean Vogel, who has accepted a position with the Livestock National Bank in Omaha. F. C. Taylor of Omaha and formerly of Avoca is taking over management of the finance company. He has been with the Iowa Finance Company for several years.

Mr. Vogel will be connected with a new department created by the Livestock National to promote commercial deposits and loans throughout the Omaha territory. Prior to establishing the Atlantic Finance Company several years ago, he was employed with the Atlantic State Bank.

Deposits Show Gain

Iowans are paying off their bank loans so rapidly that the income of Iowa state banks from interest is dropping \$200,000 a month, according to M. W. Ellis, state superintendent of banking.

Commenting on a report on the condition of Iowa chartered banks for the first three quarters of the year, Ellis said:

"The salient features of the report are the continued increase in deposits and the decrease in loans, and the fact that the purchase of bonds other than governments is virtually at a standstill.

"In spite of the general reduction in the rate of interest allowed on time deposits," Ellis continued, "and the investment during the first three quarters of 1942 by the customers of Iowa banks of \$124,444,510 in war savings bonds, interest bearing deposits increased \$2,678,181.

"Most of the increase occurred in the third quarter.

"The increase in demand deposits in the third quarter was more than one and one-half times the increase in the first half of the year."

Iowans cut down their bank loans \$24,827,621 during the first three quarters. About half of the decrease was in the third quarter.

Reports from the 544 state banks showed that in the first nine months capital funds increased \$2,344,343; interest bearing certificates \$2,678,181; demand deposits \$66,279,671 (of which approximately 40 million dollars was in the third quarter); cash \$22,639,819 and United States securities \$71,111,495.

Ellis said certificates from the treasury department have been sent to all Iowa banks in recognition of their helpful service in the distribution of war savings bonds.

After Working Hours

A business man who recognizes the demands of emergency farm production during the war and does his added bit is Dwain Lloyd, Hornick banker. "Bankers' holidays" and "bankers' hours" are things of the past to him.

Lloyd spent the Armistice day holiday from the bank aiding Ed Helmig, farmer, with corn picking. The holiday appearance at the farm did not represent a one-day service offer. Lloyd began helping with husking three days before that.

New Vice President

James C. Jenson, treasurer of Pottawattamie County since 1936 and formerly county banker, was elected vice president of the State Savings Bank, Council Bluffs, at a special meeting of directors, as announced by C. Blanchard, president.



SCARBOROUGH & COMPANY

Insurance Counselors to Banks

First National Bank Building, Chicago

Horace A. Smith, Iowa Representative
Des Moines, Iowa

Defending America with Christmas

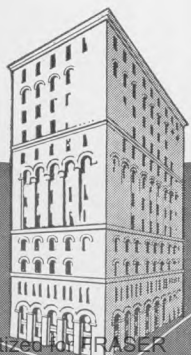
ST. NICK'S 1942 pack may not have the full bulge of peace-time, but this Christmas Eve will find him carrying a precious gift to homes and families the country over . . . a gift of freedom . . . a guarantee of future happiness . . . a gift of War Bonds and War Stamps.

Symbols of the American way of living, War Bonds and War Stamps express the true spirit of Christmas. They spread cheer on the home-front. They back up America's fighting men on far-flung battle fronts. So, this year, Iowa bankers will play a bigger part in Iowa's Christmas shopping.

Through the sale of War Bonds and War Stamps . . . and in many other vital ways, bankers are making important contributions to America's all-out war effort. In doing these things, no banker seeks special recognition. No roll of drums or fanfare of trumpets is needed to arouse our patriotism.

Yet all these things count. They add up to a worthwhile total. They help to supply the financial power for our war effort that is geared to Victory.

Member Federal Deposit Insurance Corporation



BANKERS TRUST

Buying . . . *Thanks to Their Banker*★



★ One of the many war responsibilities shouldered by Bankers

COMPANY

6th and Locust
Des Moines



Jenson succeeds the late Hubert L. Tinley.

His position as vice president becomes effective as of December 1, 1942. When his tenure of office as county treasurer is completed on January 1, 1943, Jenson will become an active officer of the institution.

Tipton Bank Cited

The Tipton State Bank has recently received a certificate of appreciation from the Federal Reserve Bank of Chicago for display in the bank as an emblem of meritorious service rendered by the bank in the furtherance of the war effort through the sale of war savings stamps and bonds.

The certificate is signed by Henry Morgenthau, Jr., secretary of the United States Treasury.

Bank Cashier Enlists

Ed F. Miick, cashier of the Peoples Trust & Savings Bank of Riverside, enlisted in the navy. He came to Riverside a short time ago from Washington, where he was associated with a bank and maintained his home there. He succeeded Hubert E. Doud in the Riverside bank.

Ruthven Bank Cited

Ruthven State Bank has been given a certificate of appreciation from the Federal Reserve Bank in Chicago, Illinois, for meritorious service given by the bank in helping out the sale of war bonds. The certificate was signed by Henry Morgenthau, Jr., secretary of the United States Treasury department.

Vice Chairman

The appointment of Phil A. Dietz, president of the Walcott Trust & Savings Bank, as vice chairman of the war bond campaign being conducted by Scott County farmers, was announced by R. A. Koch, chairman of the rural areas.

New Assistant Cashier

With 29 years of actual banking and insurance experience to his credit, L. H. McClurg of Wall Lake has accepted the position as assistant cashier at the Farmer's Savings Bank.

Mr. McClurg for 25 years was cashier at Underwood, Iowa, and for the past three years has been engaged in the insurance business at Wall Lake.

New Service Charges

New service charges for checking accounts in Marshall County banks became effective October 26, following a meeting of the county bankers association at which the step was found necessary as an emergency measure to cope with the altered economic situation growing out of the war.

The new schedule, it is revealed, provides for a maintenance charge of 50 cents monthly on any checking account which falls below a minimum of \$100 balance during the month. One free check will be allowed for each \$20 of a minimum balance, either above or below the \$100 figure, and four cents will be charged for each additional check.

Fairfield Bank Elects

Ralph Eastburn, who has served as executive vice president of the Iowa State Bank and Trust Company, Fairfield, since 1939, has been named president of the board by the directors. He succeeds the late R. D. Hunt who had served as president.

Edmund B. Hunt, general manager of the Fairfield Glove and Mitten Company, has been named a member of the board of directors to fill the vacancy. R. Bruce Loudon was elected vice president of the board. W. B. Griffin, Jr., is cashier of the bank.

Addition to Figge Family

Mr. and Mrs. V. O. Figge are the parents of a son, born early last month.

Mr. Figge is president of the Davenport Bank & Trust Company. Mrs. Figge was Miss Elizabeth Kahl before her marriage. They have three other children, two boys and a girl.

Former Banker Dies

Ralph A. Clark, 63, former banker and insurance man in Elkhart, died at his home last month. He had been in ill health eight years.

In 1902, the year that Mr. Clark was admitted to the Iowa bar, he organized the former Corn Exchange Savings Bank here. In 1917-18 he was a member of the Polk County Exemption Board.

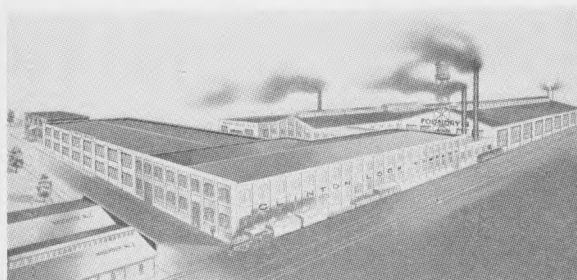
More Pennies

Cedar Rapids banks report a decided increase in the amount of pennies handled at tellers' windows since the government appealed to the public to aid in relieving the copper shortage.

Many of the pennies, bankers say, have been brought in by youngsters who have been saving them over a

The Clinton Lock Company

One of the pioneer industries of the state, has been established in Clinton since 1875. Its chief products are builders hardware, which consist of many varieties and styles of locks for all requirements for building construction, from the simplest rim type to the intricate master-



keying and grand masterkeying cylinder types that are used on hotels and large apartment buildings. Besides the lock section of this industry they manufacture many other hardware items that are sold through the hardware trade.

The production of this product necessitates the operation of brass and iron foundries, plating and polishing, tool and die, machine and press, assembling and packing departments.

They serve the entire United States, maintaining sales offices in Los Angeles, San Francisco, New York City, Nashville, Tenn., and Baltimore, Md.

CITY
FIFTH AVENUE
SOUTH-226

NATIONAL BANK
of Clinton, Iowa

CLINTON, IOWA

Member Federal Reserve
System and Federal Deposit
Insurance Corporation

period of months, even years, and who are now urged by patriotism to turn them in.

One bank reported the receipt of between \$150 and \$200 in pennies from individuals the last few days. Another bank reported one individual had turned in \$38.50 in pennies, and that another had exchanged \$115 in pennies and other small coins for currency.

Bank Cashier Dies

Asa T. Davis, 55, cashier of the Fidelity Savings Bank of Marshalltown, died at the Ottumwa hospital after an illness of more than a year. He had been in the hospital only nine days, but had been receiving treatment in Ottumwa since October 17, 1941.

Mr. Davis had been connected with the Fidelity Bank since December, 1908, when the bank was located at the corner of First Avenue and Main Street. He served as a bookkeeper and teller until 1913, when he became assistant cashier and was elevated to the post of cashier in 1917. When his health failed a year ago he was given a leave of absence from the bank.

Lyon County Bankers Meet

Election of officers was the main business transacted at the annual meeting of the Lyon County Bankers Association held in Rock Rapids.

R. W. Rossow, cashier of the George State Bank, was reelected president of the organization and Carl Lehmann, assistant cashier of the Rock Rapids State Bank, was reelected secretary.

Only routine matters in connection with the operation of banking houses were considered by the group after the dinner meeting.

New Employee

Miss Carol Mitchell, who had been stenographer and bookkeeper with the Pomeroy State Bank for the past three years, recently resigned to accept a similar position with an Aberdeen, South Dakota, bank, in order that she might be located near her home which is Wessington, South Dakota.

Miss Jean Bohbrink, of Manson, Iowa, has accepted the position left vacant by Miss Mitchell.

This bank completed its 50th year in business last June. John F. Gutz,

president of the institution, has been with the bank now going on 49 years and R. C. Berry, cashier, going on 45 years.

Bank Elects

Officers elected at the annual bank meeting of the stockholders of the Maynard Savings Bank were: John Meyer, president; L. D. Rowley, vice president; L. H. Buenneke, cashier, and Paul Harrison, assistant cashier.

John Meyer, L. D. Rowley, Frank Schmitt, E. H. Stewart, A. L. Evans,

Gene Creamer and Otto Schmidt were chosen directors.

Page County Group Elects

W. H. Longman of the Security Trust & Savings Bank was elected president of the Page County Bankers Association at a meeting at Clarinda. Eighteen bankers were guests of the Clarinda bankers.

DeLos Quist of the First National Bank of Essex was chosen vice president and R. J. Swanson of the Citizens State Bank, Clarinda, elected secretary.



"All-Out" Cooperation

In the new War Economy this bank is geared to go "all out" for final victory.

Whether it be regular correspondent service—farm, live stock or commercial items in Sioux City—or Defense contract financing—we are well prepared to give you the fullest measure of cooperation.

V Buy
United States
War Bonds
at this Bank

A. G. Sam, President

J. P. Hainer, Vice President

J. R. Graning, Assistant Cashier

Fritz Fritzson, Vice Pres. and Cashier

E. A. Johnson, Assistant Cashier

J. T. Grant, Assistant Cashier

W. F. Cook, Auditor

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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.


Write to
E. H. WARNER
Secretary and Manager

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. Hanson
Managers



**HOTEL
RADISSON**
MINNEAPOLIS

Attending from Shenandoah were Mr. Longman, E. C. Fishbaugh, Robert Fishbaugh, H. E. Ross, J. F. Christiansen, and Ray Lagerquist.

Changes and Promotions

Marvin Potter, assistant cashier of the First State Bank of Lynnvile, has moved to Cedar Rapids with the Collins Radio Co. Miss Dorothy Vander Pol was promoted to assistant cashier. Rev. Frank Lemons is assisting part time, with Miss Lena Meppelink entering the organization as bookkeeper.

Visit Son in Service

C. V. Nelson, cashier of the Farmers & Merchants Savings Bank, Waterville, and Mrs. Nelson, visited their son at Camp Carson, Colorado. Their son is Robert S. Nelson, who was formerly assistant cashier of the Farmers Savings Bank, Walford, Iowa, and at the time of his induction into the army was associated with the Bank of America branch at Taft, California.

New Treasury Financing A Challenge To Every Banker

The announcement by the United States Treasury of government financing program for December and January involves the largest single unit borrowing in all history, overshadowing any of the liberty or victory loans of World War I.

The total asked for and the terms of the various issues were not made known before we go to press. What is important to dwell on here is the opportunity afforded to the banker to sell to his customers and friends a type of security that fits any requirement.

Every community has an individual investor who wants the 2½ per cent income afforded by the treasury bond of 1963-68 or the war bond series F or G. Many communities have a merchant whose inventory cannot be replaced and is forced into a cash position. The one-year ⅞ per cent certificate, the 1¼ per cent six and one-half year bond or the tax savings note series C afford a liquidity to meet any such temporary conditions.

This is a selling job, and no salesmen were ever given a finer inventory to work against. It is a selling job which, if done properly, will benefit the nation, the customer and the banker. It is as essential to the war effort as firing a gun. It is a challenge to every banker and one which every banker will accept.

Bank Employees Hold Meetings

First of a series of monthly meetings of the Forum Dinner Club, composed of employees of six Sioux City banks, was held recently. Each bank will sponsor a meeting.

Sponsoring the first meeting, was the Security National Bank. D. P. Shull spoke and entertainment was provided by representatives of the sponsoring institution.

A series of six weekly meetings, forming a short course study of banking, also has been arranged by the club, in conjunction with the board of directors of the Sioux City chapter, American Institute of Banking.

Speakers will be bank cashiers. They are R. E. Brown, Security National Bank; E. E. Erickson, Toy National; W. G. Nelson, Livestock National; Fritz Fritzon, First National; C. T. McClintock, Woodbury County Savings, and A. J. Bertelsen, Morning-side Savings Bank.

The first study meeting was held October 28th. A committee representing women bank employees, of which Miss Zell Lee is president, assisted with the forum program. A. G. Nelson, vice president of the institute board of governors, is publicity chairman.

Johnson Promoted

Arnie J. Johnson, who has been employed in the Roland office of the Story County State Bank for the past few years, has been promoted to the position of assistant cashier. Thomas F. Jacobson, who has held the position of assistant cashier, is now on leave of absence from the bank while attending a special school at Des Moines preparatory to entering the signal corps reserves of the United States Army. Mr. Johnson has had considerable experience in the banking business, having been associated with the former First National Bank at Roland several years ago.

Consolidation

The two banks of Guttenberg have consolidated to form a new institution known as the Security State Bank. For many years Guttenberg has been the only town in the county having two banks.

The stockholders of the Clayton County State Bank and of the Guttenberg State Bank will be the stockholders in the institution. The capital structure will be about \$76,000, comprising capital stock, surplus and undivided profits.

All of the deposits in both banks

• IOWA NEWS •

have been taken over by the Security State Bank and are insured by the Federal Deposit Insurance Corporation.

The building of the Guttenberg State Bank, being somewhat larger, will house the new bank. However, until renovation of the building is completed, business will be conducted in the Clayton County State Bank building.

The officers and directors have been chosen from the officers and directors of the old institutions.

It is felt that this move is for the good of the community and it has the approval of the State Banking Department.

New Service Charges

New service charges for checking accounts in Marshall County banks became effective this Fall, following a meeting of the County Bankers' Association at which the step was found necessary as an emergency measure to cope with the altered economic situation growing out of the war.

The new schedule, it is revealed, provides for a maintenance charge of 50 cents monthly on any checking account which falls below a minimum of \$100 balance during the month. One free check will be allowed for each \$20 of a minimum balance, either above or below the \$100 figure, and four cents will be charged for each additional check.

Joins Federal Reserve

The Tipton State Bank is now a full-fledged member of the Federal Reserve System and, as such, becomes the beneficiary of all privileges that accrue to banks that occupy such a position.

The officers of the bank are J. W. Edge, president; R. D. Swartzlender, cashier.

Bank Auditor Dies

A resident of Sioux City 35 years, Clarence C. Fowler, 72, died at his home recently after a short illness. He was auditor of the Toy National Bank, where he had been employed since 1907.

Vacancy Filled

R. Bruce Gemmill has resigned from his position as assistant cashier of the Ida County State Bank of Ida Grove. Mr. Gemmill's resignation was accepted and in appreciation of his many years faithful service was presented with a handsome Hamilton wrist watch.

Cecil E. Lund, of Boone, Iowa, has been appointed to fill the vacancy in the bank and has taken up his new duties. Mr. Lund was formerly in the banking business in Laurens, Iowa, and for the past few years has been employed by the *Register and Tribune* Company as a district manager of the rural carriers.

New Assistant Cashier

J. A. Smith has resigned as assistant cashier of the State Savings Bank at Cantril and has accepted a position

in the tax commission office in Des Moines.

Mr. Smith served as assistant cashier of banks at Cantril for 20 years.

George L. Norris is the new assistant cashier.

Haugen Resumes Bank Connection

N. E. Haugen, who for the past seven years was a partner in the Decorah Furniture Co., has taken a position with the Decorah State Bank, which brings him back into banking circles

Season's Greetings



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Union Stock Yards • Chicago

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Oldest and Largest in Des Moines

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To Sell
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D. R. WESSLING, PRESIDENT

Des Moines, Iowa

again. He was connected with the National Bank of Decorah for a long period. This bank was taken over by the Decorah State about nine years ago, and Mr. Haugen went with the latter institution then, remaining with the bank for about two years when he became a partner in the Decorah Furniture Co. He is highly capable and has had much banking experience.

Former Iowa Banker Dies

J. P. Buscher, former Rock Rapids banker, died very suddenly, at Wichita, Kansas, according to the information received in Rock Rapids. Cause of his death was not given.

Mr. Buscher came to Rock Rapids after the World War I and became cashier and vice president of the First National Bank. Later he was president of that institution. About 15 years ago the Buschers moved to Wichita, Kansas, where Mr. Buscher was in the oil business. The past few years he has been general manager of St. Joseph's Hospital at Wichita.

Andrew Arent, Jr. Joins V.O.C.

Andrew Arent, Jr., who has been serving as executive vice president of the Harlan National Bank at Harlan, has left for training in the volunteer officers corps. He has been associated with the Harlan National Bank for the past nine years. In 1937 Mr. Arent was selected as cashier for the Harlan National Bank and was one of the

youngest men in the state to serve as cashier of a bank of the size of Harlan National Bank. He served as cashier until 1940, and at that time was elected executive vice president of the institution. This position he has continued to hold until his resignation preparatory to entering the service as a volunteer officer candidate.

Since going to the Harlan National Bank, Mr. Arent has seen the institution grow in size until the assets of the bank exceeded \$1,500,000, April 4, 1942.

New Officers

New officers of the Washington and Louisa County Bankers Association are: President, Malvin Roth, of Wayland; vice president, Lee Holland of Washington, and secretary-treasurer, Charles Hoover of Brighton. They will be installed at the November meeting.

Woodbury County Bankers Elect

Officers of the Woodbury County Bankers Association, named at a dinner meeting of the group last month, are: A. M. McMaster of Correctionville, secretary-treasurer; H. W. Hays of Lawton, vice president, and W. G. Nelson of Sioux City, president.

From Indianola

W. N. Grant, vice president of the Peoples Trust & Savings Bank, Indianola, reports that Gerald Beymer, an assistant cashier of the bank, has been called for army service. Also, corn picking and bean harvest are all finished in his locality, with a bumper crop of both in the bin.

Valley Savings Bank Enlarges Banking Space

Frederick M. Morrison, president of the Valley Savings Bank, Des Moines, has announced that the bank is enlarging its quarters and making extensive improvements.

A large room adjoining the rear of the bank and fronting on Fourth street is being converted into a location for the transit and proof department and the bookkeeping department, both of which will be moved from the balcony on the banking room. In addition, one large and four small private booths are being constructed for customers of the safety deposit department.

Other improvements include remodeling of the directors' room, modernizing offices of the bank's officials, and substitution of counter-type bank fix-

Institutional Funds Invited

- Current dividend rate—3%
- Insured safety
- Assets now over \$18,500,000

Write for our financial statement

**TWIN CITY FEDERAL
SAVINGS & LOAN ASSOCIATION**

Minneapolis, Minn. St. Paul, Minn.

20th year planning advertising programs for banks and trust companies. Member Financial Advertisers Association.

tures for the tellers' cages, which have been removed.

Deposits of the Valley Savings Bank are now \$7,681,000. The officers are: Frederick M. Morrison, president; J. R. Astley, cashier; and Winfield W. Scott, vice president.

Payroll Savings

Employers who are giving their time and effort to the furtherance of payroll savings systems are going far to insure the success of the voluntary plan for selling war savings bonds. The voluntary sales plan, as opposed to compulsory savings, is based upon the American principle of free enterprise—of selling a product to a customer who is willing to buy it. It demonstrates, moreover, that business methods are the best way of getting our big job done, and that private organizations and individuals can cooperate with the government in the accomplishment of this task.

There is a patriotic move involved, too, in voluntary buying. Putting their money into war savings bonds is the only way open to many Americans for giving assistance in the fight against the Axis. To take from them the ability to do this voluntarily would deprive them of an important outlet for pent-up patriotism. This is evidenced by numerous instances of people who speed up their bond buy-

ing when the entrance into active service of some relative or friend brings to those at home a fuller realization of what the armed forces are doing.

Business and industrial companies who are becoming issuing agents for series E bonds are not only helping this genuinely American plan of selling war savings bonds, but are placing the firm's name before the public as an unselfish contributor to the war effort, and an integrate factor in our national strength.

Lasting

She was sitting on his lap, and she weighed six pounds less than a Buick.

"Are you sure, dearest, that I'm the right woman for you?"

"Absolutely, little one. You've made a big impression on me."

Vital Question

In a small town where two brothers are engaged in the retail coal business a religious revival was held and one of the brothers got converted. For weeks he tried to persuade his partner to join the church. One day he asked:

"Why can't you get religion and join the church like I did?"

"It's a fine thing for you to belong to the church," replied the other, "but if I join the church who'll weigh the coal?"

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SALES**

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Years of

**Low Cost
Hail
Protection**

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

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

Northwestern Banker December 1942

IN THE DIRECTORS' ROOM

Sympathetic

Prof.: "If there are any dumbbells in the room, please stand up."

A long pause, then a lone freshman stood up.

"What, do you consider yourself a dumbbell?"

"Well, not exactly that, sir, but I hate to see you standing all alone."

Lamentable

"My poor brother has just reached the end of his rope."

"Where are you going—to cheer him up?"

"No, to cut him down."

Good Girl, Mary!

Mary walked up to the bank clerk's window and said: "I would like to buy some traveler's checks."

The clerk asked: "What denomination, please?"

Mary replied: "Methodist."

Slim Chance

A college graduate, who, for certain reasons, wished to obtain a job without the aid of friends and from someone to whom he was a stranger, came to New York. He proceeded to a certain business office, and asked to see the manager. While waiting, he chanced to ask the office boy:

"Any chance around here for a college man?"

"Well," was the cheering reply of the lad, "there will be if the boss doesn't raise my salary to \$10 by Saturday."

Heart-rending

The man had lost a five-dollar bill. Sadly he entered the advertisement office of the local newspaper and handed in the notice he wanted inserted in the "Lost and Found" column.

The adtaker almost guffawed when he read, "Lost, a \$5 bill. Sentimental value."

Obedient

During a battle a general of a Negro regiment noticed that one of his dusky men seemed to be devoted to him and followed him everywhere. At length he remarked: "Well, my man, you have stuck by me well during this engagement."

"Yes, suh!" said the colored soldier. "Mah ol' mommer back in Alabama done tol' me to stick wid de generals an' Ah'd be OK. Dem generals nevvah gets hurt, she says!"

Northwestern Banker December 1942



Two of a Kind

English Prof.: "Give me an example of a paradox."

Someone: "Two M.D.'s."

Nerve

Liza: "The nerve of dat lady, offerin' me \$8 a week to do her wash."

Sambo: "What does she think yo' all is, a college graduate?"

He Could Sympathize

"Hey, you, where are you going? Pull over to the curb," said a traffic officer to a timid driver who, obeying directions from the back seat, had entered the wrong end of a one-way street. Immediately a woman in the rear seat chimed in:

"That's right, officer. He's been speeding all day, and I knew he'd be arrested. It just serves him right!"

"Your wife?" asked the officer with a sympathetic look at the scared driver.

The driver nodded.

"Drive on, brother," said the policeman.

As Pat Viewed It

Two young Irishmen had just gone into the trenches during the World War, and their captain promised \$1 for every one of the enemy they killed. Pat was asleep when he was awakened by Mike shouting, "The Germans are charging! Wake up!"

"How many are there?" shouts Pat.

"About 50,000," says Mike.

"Begorra," shouts Pat, jumping up and grabbing his rifle, "our fortune's made!"

Coincidence

I crept upstairs, my shoes in hand,

Just as the night took wing—

And I saw my wife, four steps above,

Doing the same darned thing.

Different With Rookie

"I have a pain in my abdomen," said the rookie to the army doctor.

"Young man," replied the medico, "officers have abdomens, sergeants have stomachs; YOU have a belly-ache."

Waiting for It

The cavalry recruit was instructed to bridle and saddle a horse. Ten minutes later the sergeant-major came along for his mount and found the recruit holding the bit close to the horse's head.

"What are you waiting for," he roared.

"Until he yawns," answered the recruit.

Mushy, What?

Blessings on thee, pretty miss;
Quaker maid I long to kiss.
With thy merry waton quips,
And thy quirking lipstick lips.
All that sort of thing connotes
That thee knows thy Quaker Oats.

Knew His Generals

The teacher was greatly pleased to find her class so alert. "Who," she asked, "was the great French general in the World War?"

"General Foch," was the reply.

"Who was the great German general?"

"General Hindenberg," another replied.

"Who was the greatest of all the generals—an American general?"

"Two of them," replied Bill.

"Name them," said the puzzled teacher.

"General Motors and General Electric."

Misunderstood

Several men were traveling by train. Presently one produced a large fruit cake, which he devoured greedily.

Time passed. Suddenly he began groaning and doubling himself up and straightening out again. When this had gone on for some time, a friend asked him:

"Smatter, Jim?"

"That cake I ate," groaned the sufferer. "It had nuts, and I think the missus forgot to shell them."

"Lor!" said his friend. "And can you crack 'em just by bending?"

Soused

A man was fumbling at his keyhole in the small hours of the morning. A policeman saw his difficulty and came to the rescue.

"Can I help you to find the keyhole, sir?" he asked.

"Thash all right, old man," said the other, cheerily, "you just hold the house still and I can manage."

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Illinois
National Bank
and
Trust Company
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Our Opportunity...and **OUR OBLIGATION**

Financing of today's War is the largest, most important fiscal undertaking in history.

Banks of Iowa have an opportunity to help by investing in Government securities for their own portfolios . . . by urging customers to buy United States War Bonds and Tax Savings Notes.

Banks of Iowa have an obligation to help because our wholehearted cooperation is essential to quicker Victory and the restoration of peace.

The Banks of Iowa and the citizens of our State were never in stronger financial position than they are today. Funds are available in Iowa for purchase of a large amount of Government securities . . . today's best investment. It is the Banker's opportunity . . . and obligation . . . to sell these securities to our people . . . thousands of whom are asking, "What can I do to help?"

During the last World War, Iowa won acclaim by being the first state in the Nation to go "over the top" in the third, fourth and fifth Liberty Loan drives.

Iowa won't be found lagging in today's emergency. But close cooperation, careful planning and hard work are necessary to maintain Iowa's leadership.



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& TRUST COMPANY

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