

NORTHWESTERN *Banker*

MARCH
1947



Annual Bond
and Investment
Survey—Page 28

AT THE COUNTRY BANK CONFERENCE IN OMAHA—See page 18

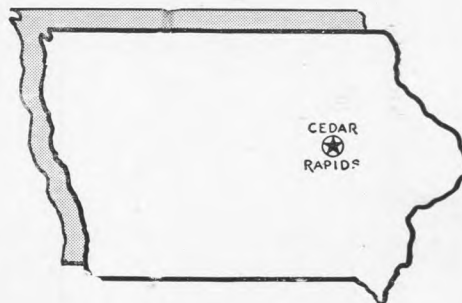


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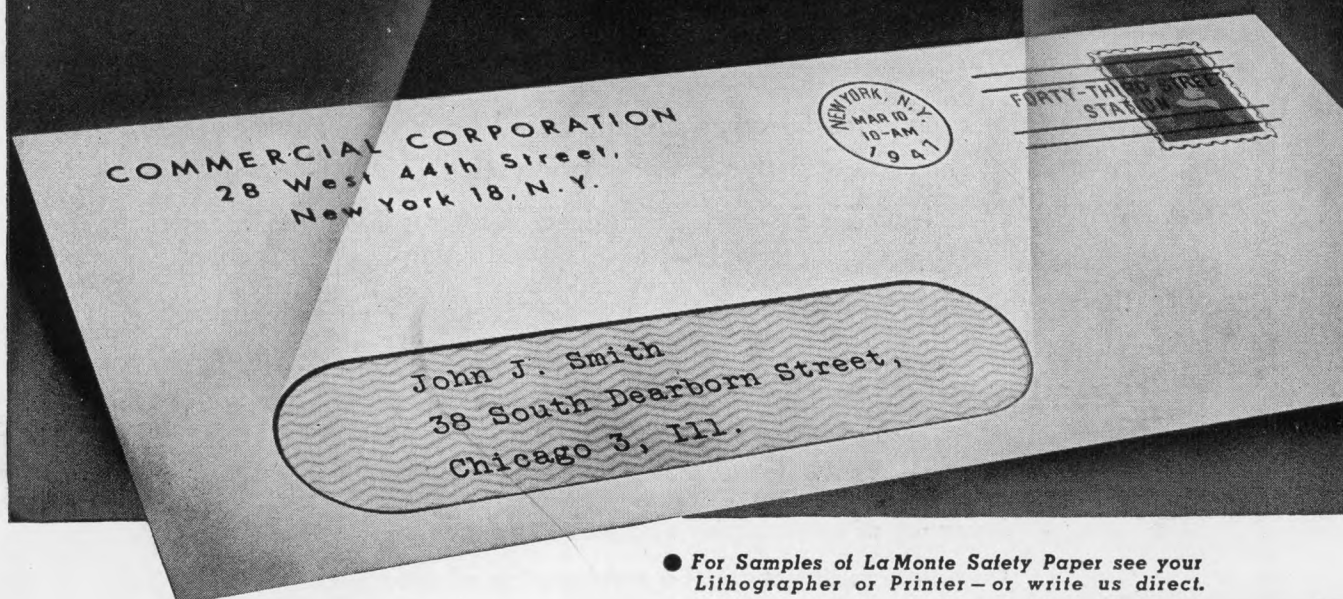
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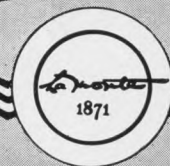
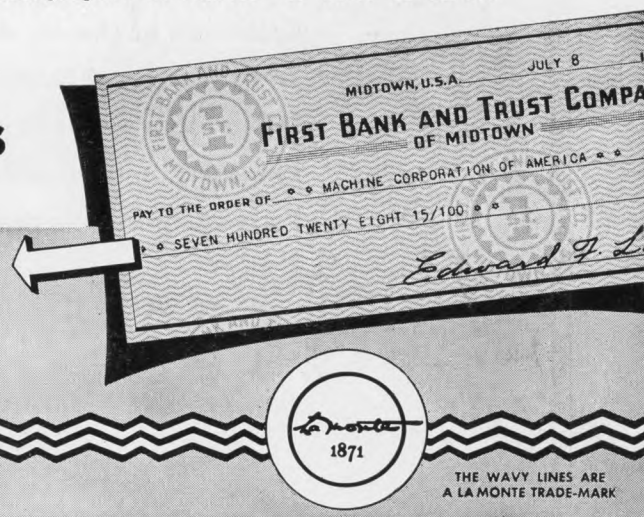
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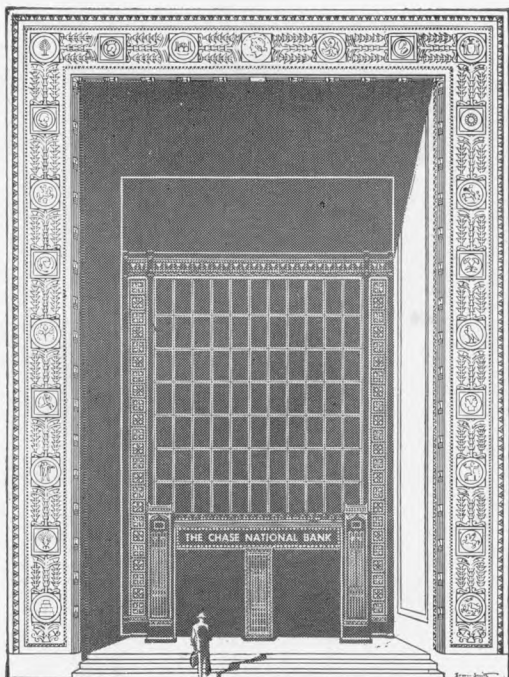
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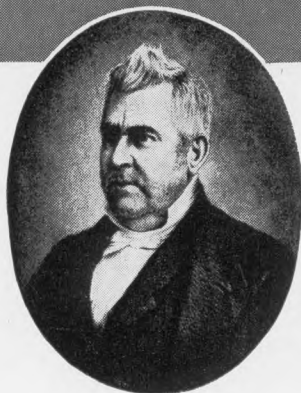
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"Buena Vista"

HOME OF
JOHN M.
CLAYTON



"BUENA VISTA," so-called in honor of Zachary Taylor's victory at the battle of that name during the Mexican War, was built near Wilmington, Delaware by John Middleton Clayton in 1846. This large rambling brick house with its approach through a magnificent avenue of trees is still in the builder's family and is now owned by his grand-nephew, Senator Clayton Douglass Buck. Many famous paintings still hang in "Buena Vista," including the distinguished portrait of Queen Elizabeth painted by Nicholas Hilliard in 1850, and several others painted by the renowned American artist, Gilbert Stuart.

John Clayton, Chief Justice of Delaware, United States Senator and Secretary of State under Zachary Taylor, was graduated from Yale College with the highest honors of his class. He then

studied law and was admitted to the bar in 1819. The skill with which he handled his cases and his remarkable powers of oratory soon made him the outstanding lawyer of his state. In 1828 he was elected to the Senate by the Whigs, and as the youngest member of that body he soon established an enviable reputation for himself as an orator. He continued to serve in the Senate until 1836, during which time he aided Henry Clay in putting through his famous tariff bill and was instrumental in effecting the satisfactory settlement of the Ohio-Michigan boundary dispute.

After his retirement from the Senate, Clayton became Chief Justice of Delaware for two and one-half years. Later he became interested in scientific farming and won an international reputation as an agriculturist. In 1845, he was again elected to the Senate where he served

brilliantly until he was appointed Secretary of State by President Taylor. In this capacity, one of Clayton's important contributions to his country was the program he prepared for opening up trade relations with the Orient which Commodore Perry used as a guide during his expedition to Japan. However, his greatest achievement in the diplomatic field was the famous Clayton-Bulwer Treaty with England, which settled disputes which were apparently leading to war with that country in 1850.

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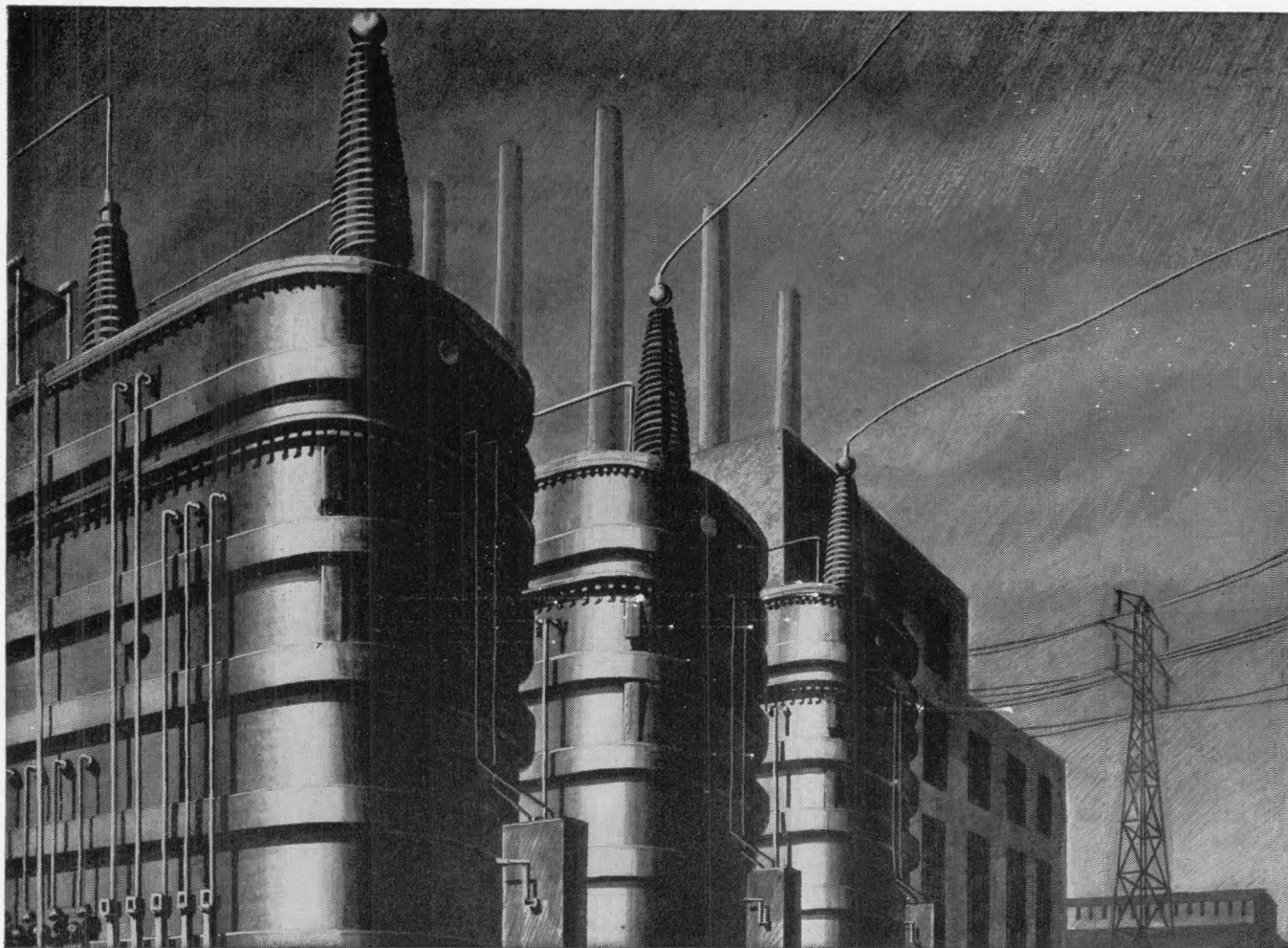
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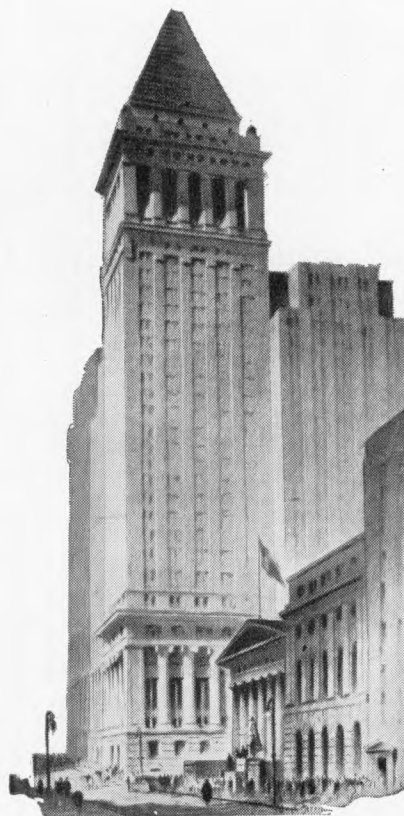
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BANKERS TRUST COMPANY

NEW YORK

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Dear Editor



The following letters are from Northwestern Banker readers. Your views and opinions on any subject will be gladly published in this column.

"To Feel at Home"

"To see the familiar and welcome NORTHWESTERN BANKER is all it took to make me really feel at home on the new job."

Robert Lindquist, Vice President, LaSalle National Bank, Chicago, Illinois.

"One of the Outstanding Publications"

"I always enjoy reading the NORTHWESTERN BANKER, as I am firmly of the opinion that it is one of the outstanding publications of its kind."

Charles H. Griesa, Vice President, The Inter-State National Bank, Kansas City, Missouri.

Editor's Note—Thanks very much.

"Correct With One Exception"

"In reading your January issue of the NORTHWESTERN BANKER it was interesting to read your article on page 70. In the main it contained correct information—with one exception—my nickname, by which I am called by nearly all of my friends throughout Iowa, happens to be 'Ted' instead of 'Red.'"

Samuel P. Sandy, President, Wellman Savings Bank, Wellman, Iowa.

Editor's Note—Sorry "Ted," but glad you are out of the "Red."

"Continuity of Improvement"

"The NORTHWESTERN BANKER comes to me as an old friend. The years have put no mark on it save continuity of improvement, better news and editorial content, better advertising and printing; plus better coverage. During the early thirties when banks were dropping off by scores and hundreds the future of the regional banking magazine seemed as obscure as did that of banking. Both emerged from the evil days to reach new heights, to gain alike in scope and esteem. Courage and vision were essential in both fields.

"That these attributes were not only present, but were characteristic of both

(Turn to page 82, please)

NORTHWESTERN Banker

DES MOINES

Oldest Financial Journal West of the Mississippi • 52nd Year • No. 716

IN THIS MARCH, 1947 ISSUE

EDITORIALS

Across the Desk from the Publisher..... 12

FEATURE ARTICLES

Dear Editor 11
Frontispiece 15
The Month of February We Spent in Texas..... *Clifford De Puy* 16
What They Said at the Country Bank Conference..... 18
Country Bank Conference Pictures..... 19
Your G. I. Loan Question Box..... *Walter T. Robinson* 20
About Bankers You Know—T. B. Strain..... 21
Are Repairs on a Tractor Subject to a Mechanic's Lien—Legal..... 22

BONDS AND INVESTMENTS

How Banks Are Investing Their Funds—
A NORTHWESTERN BANKER Survey..... 28
Government Securities and the Money Market..... 31
Treasury Bonds May Carry Higher Interest..... *Raymond Trigger* 33
Increased Production Will Promote Prosperity..... 37
The Mortgage Financing Outlook..... *John H. Fahey* 41

INSURANCE

The Country Banker Can Be a Good Life Salesman.....
George I. Beasing 51
What Do You Think?..... 54

STATE BANKING NEWS

Minnesota News 57
Twin City News..... 59
South Dakota News..... 63
Sioux Falls News..... 63
North Dakota News..... 65
Nebraska News 67
Omaha News 71
Lincoln Locals..... *Fred L. Fassett* 73
Iowa News 77
Iowa Group Meeting Dates..... 77
Group Meetings in Sioux City and Burlington..... 80
Group Meeting Pictures..... 81
Sioux City News..... 86

IN THE DIRECTORS' ROOM

Short Stories—Supposed to Be Funny..... 90
Conventions 90

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527 Seventh St., Des Moines 9, Iowa, Telephone 4-8163

CLIFFORD DE PUY
Publisher

RALPH W. MOORHEAD
Associate Publisher

HENRY H. HAYNES
Editor

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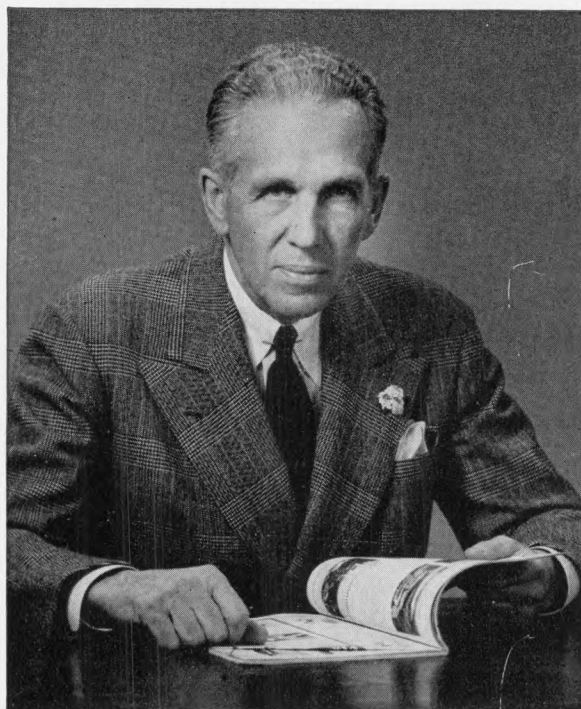
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NEW YORK OFFICE

Frank P. Syms, Vice President, 505 Fifth Ave., Suite 1806

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Northwestern Banker, March, 1947



Across the Desk From the Publisher

Dear J. R. Davis:

With some of our economists and business leaders predicting a depression, a recession and bad business ahead, we were interested in your optimistic report which you presented as vice president and director of sales and advertising for the Ford Motor Company and in which you expressed the opinion that we face a bright future if we can keep production high and prices in line.

As you said: "We are again entering the good, wholesome competitive atmosphere of a buyer's market where the consumer is boss, where laziness, inefficiency and slipshod ways will no longer be good enough—today's phrase of 'That's it, brother, take it or leave it,' will change to, in fact is already changing to, 'Hold everything, brother, I have what you want.'"

"If 1946 was a year of confusion, I believe 1947 can be the first year of a decade of unprecedented opportunity. Yet some people are worried by such a prospect. They are afraid it may mean a boom followed by a bust. I see no reason for such fears. I believe we are already moving from a seller's market, which had some appearances of a boom, to a buyer's market, which will, in my opinion, be far from a bust. As a matter of fact, I contend that the kind of a buyer's market we now face is a healthy market—a market where the emphasis will be on the consumer. Those are

the conditions which made America great, and which will make it greater. I see no reason why the next decade should not be that kind of a decade—healthy, prosperous and a progressive period for all of us. But, we've got to avoid the present wild and fantastic scramble for money wealth. We've got to substitute product wealth."

Yes, indeed, Mr. Davis, the increased production of goods which you call "product wealth" must be substituted for the mere increase of dollars and especially so if increased prices result in a smaller buying power from each dollar.

Let's hope as you predict that the next decade will be one of progress and prosperity.

Dear W. F. Kelly:

Your rosy prediction for the consumer credit business carries with it the thought that precautions are in order with this ever mounting volume of time sales.

In your capacity as vice president in the time sales division of the Pennsylvania Company of Philadelphia, you know what the consumer credit outlook is, and as you say: "The consumer credit business will be bigger than ever, and if we can remember and use our experiences of past years, it will be as profitable as ever. The tremendous increase of personal installment loans in the past year indicates that the public is spending more than it is taking in.

"Perhaps the best remedy is to apply the old remedy, tested by experience, which is to watch your personal lending closely in good times. We can afford to forget about our problem of building personal loan volume and concentrate on a judicious selection of our risks.

"If the consumer credit business is to be made a bigger business, it should influence us to stop worrying about the volume, to eliminate ruinous rate-cutting and assume that there will be enough business to go around. We can expect more and more publicity and governmental attention in the form of regulation.

"So far, with few exceptions, regulation has been lightly applied and publicity has been favorable; yet we know that the installment finance business has been anything but free from unfair practices. Loading of rates with 'packs' for dealers, misrepresentation of insurance coverages, unfair repossession methods and other abuses from now on will receive an increasing amount of public attention, and governmental regulation will follow.

"Consumer credit is a grand opportunity for private banking to sell itself to the public. It also represents a great risk to private banking if it is poorly administered.

"The really important problem with which we have to contend today and tomorrow in this business is the matter of rates. Gross return today on installment sale credit both before and after distribution of dealer reserves is substantially lower than the return which prevailed prior to 1941."

The question of building a large volume of consumer loans, as you emphasize, Mr. Kelly, is not as necessary today as it used to be since there is a tremendous demand for personal loans, therefore, finance companies and banks with personal loan departments must watch more closely than ever the loans which they do make.

Also, since there is such tremendous competition for consumer credit business, the loaning rates are likely to come down and this means that risks must be watched more carefully than ever.

Dear Allen Sproul:

Your discussion of personnel and other banking problems in your recent speech presented some very interesting points which all bankers can heed and follow.

As president of the Federal Reserve Bank of New York, your observations are most timely.

The great progress which we have made in efficiency and the use of time-saving machinery has all helped to give us more leisure and yet we must not overlook the fact that there is a great deal of unrest and a great many problems yet to be solved between employers and employees.

Bank employees must share in the benefits which they help to create.

Among your observations were these: "During the last half-century, we have greatly shortened working hours and greatly increased our hours of leisure. Our failures certainly have not been in the magnitude of our gains. They have been in the fitfulness of our progress, in our haste to use increased production to satisfy immediate consumption needs, and in the distribution of our gains among various groups in the community.

"How have we achieved these tremendous gains? We have achieved them in large part by increased efficiency in the use of our time, our materials, and our capital equipment. That is the way we must look for future gains.

"In so far as banks are concerned, we as managers must be alert to improve organization and administration, to place the best possible tools in the hands of our workers, and to see to it that bank employees, as a group, share with other wage earners in the fruits of progress—increased real incomes and increased leisure."

Certainly, Mr. Sproul, the "fruits of progress" must be shared with bank officials and bank em-

ployes if the financial institutions of America are to continue to make the progress in the future which they have made in the past.

Dear Bankers of America:

With a trend towards government ownership of railroads, utilities and banks in other parts of the world, it is pleasing to note that in recent cross sections of opinion in this country, the average citizen is today less interested in having the banks, for example, government owned than at any time in the last few years.

A recent public poll showed these very favorable figures concerning whether the government should or should not own the banks:

| Banks | Yes | No | Undecided |
|------------|-----|-----|-----------|
| 1936 | 36% | 56% | 8% |
| 1945 | 27 | 61 | 12 |
| 1946 | 26 | 66 | 8 |

Thus today 66 per cent of the people interviewed voted "no" when they were asked the question if they would like to have the United States government own the banks.

This indicates that the public relations policy of the bankers of America is showing results in their favor.

No banker, however, should feel smug or complacent about the favorable public trend but should try even harder to help his institution serve its customers better, more efficiently and more courteously than at any time in the past.

Even labor union members voted 62 per cent against government ownership of railroads and their opinions were also included in the 66 per cent who opposed the federal control of banks.

As one authority puts it, "England's Labor government has embarked on a sweeping program of nationalization of electric power, coal mines, transportation and other key industries. By contrast the American workers, including those who belong to labor unions, vote by a substantial majority in favor of continued private ownership. In fact, the viewpoint of the working man in that respect is closer to that of employers and business men than in many issues.

"The two groups, who so often war over other matters, agree in their allegiance to the basic principle of private ownership."

So we say, let the bankers of America continue the fine work they are now doing in promoting better public relations with their customers so this favorable trend may continue.

Clifford DePuy

Northwestern Banker, March, 1947



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WHERE THE PROMPT, EFFICIENT HAND-
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TRANSIT ITEM IS AN INVIOABLE RULE**

"Iowa's Friendly Bank"

**THE CENTRAL NATIONAL
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Northwestern Banker, March, 1947



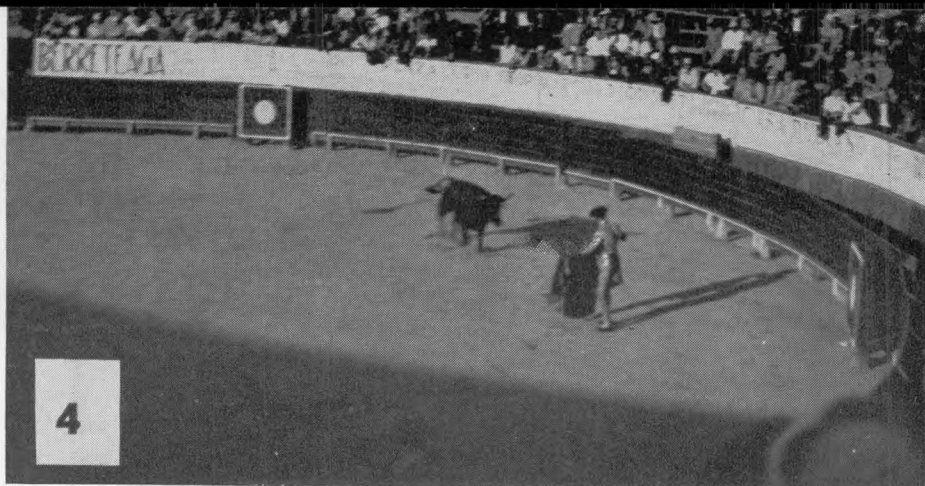
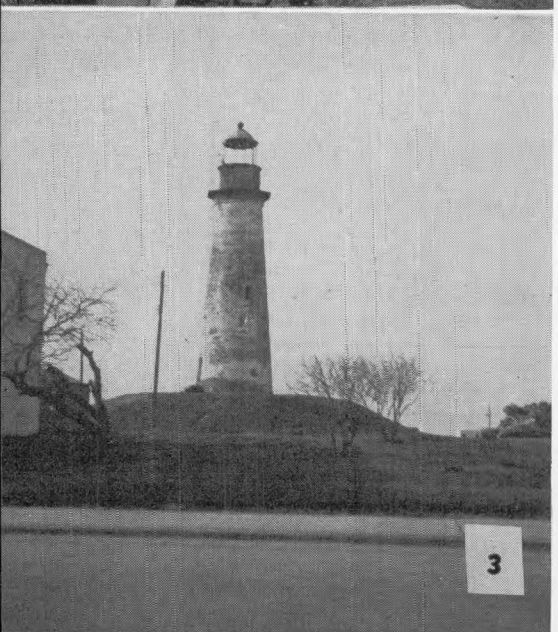
A GRATEFUL PAL

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

Northwestern Banker, March, 1947



Bull Fights and Banana Boats

By **CLIFFORD DE PUY**
Publisher
The Northwestern Banker

TEXAS is a land of citrus, sagebrush, cattle, cash, courtesy and "damnyankees" who have made good.

Texas is a state of contrasts—a state of barren waste lands, of fertile valleys, of dirty, dusty city streets, of clean fast growing progressive communities, of backward Mexican border towns, of acres of gushing oil wells; Texas is a land of opportunity and of disappointment.

Texas is an empire—throbbing and pulsating with a progressive spirit of enterprise and accomplishment.

The cities of Texas in the order of their population are: (1) Houston, (2) Dallas, (3) San Antonio, (4) Fort Worth, (5) El Paso, (6) Austin, (7) Galveston, (8) Corpus Christi. We didn't quote the 1940 U. S. Bureau of Census figures which are the last "official" ones because we didn't want every Chamber of Commerce telling us we were wrong.

The Bull Fight. It was Sunday aft-

1—Leaving the snowdrifts for southern sunshine. Mrs. F. B. McAnaney, left, and Mrs. Clifford De Puy, in front of the De Puy residence in Des Moines, just before starting on 3,500-mile motor trip.

2—Two "damnyankees" in front of Shary Yacht Club, Port Isabel, Texas. Clifford De Puy, publisher of the Northwestern Banker, and F. B. McAnaney, district examiner, Federal Home Loan Bank Administration, Des Moines.

3—"The Old Lighthouse" at Port Isabel, Texas—a landmark of that town of 1,307 population.

4—A little "Capework" by the matador in the arena at Matamoros, Mexico, during a Sunday afternoon bull fight.

ernoon. The hot southern sun was beating down (It hadn't been out for a week) on the last day of the "Charro Fiesta," the Mardi-Gras of Brownsville.

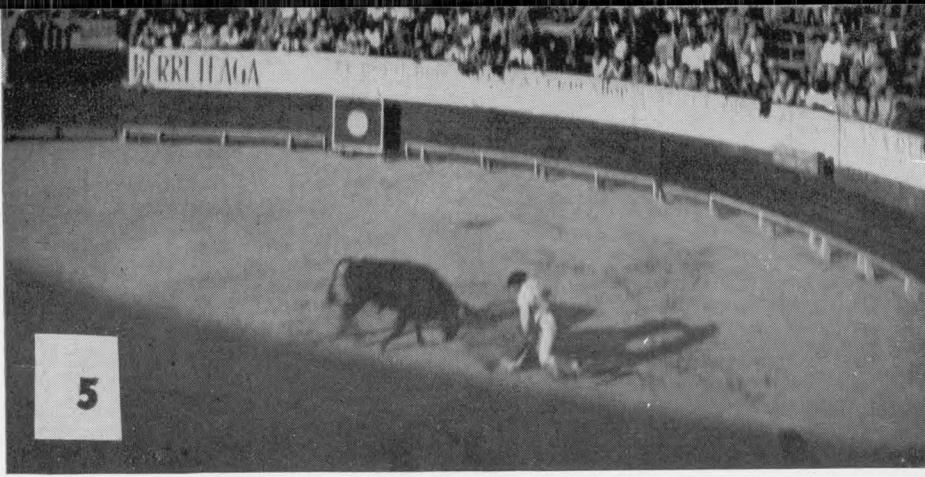
Along the streets and in the parks strolled the bearded boys with sideburns, whiskers and mustaches arranged and trimmed in designs to attract attention, in the hope of winning first prize at the "Brush Court." By their sides in gay and glittering Mexican costumes were their American Senoritas, laughing and flirting as they stopped at the Coney Island concessions to buy the usual popcorn, peanuts and ice cream sandwiches.

It had been a week of fun, and who cared how tired they were, or how dirty and dusty the streets.

Last night, and for three other nights, they had danced to the South American rumbas of the 32 piece band directed by the internationally famous Xavier Cugat, who was on hand in person "to the tune" of \$27,500.

At mid-afternoon the autos, busses and taxis all turned their radiators toward the International Bridge across the Rio Grande and made one long, continuous line as they headed for "Plaza De Toros" in Matamoros, Mexico, where the Bull Fight was to take place at 4:00 p. m.

Tickets were \$4.25 "General Admission Sun," \$7.50 "General Admission Shade" and \$10.50 "Reserved Seats Shade," and since we had come south for the sun, we bought the \$4.25 tickets, but before the fight started it was 5:00 p. m. and most of the ring was in the shade anyway.



Can you imagine a football, baseball or track meet starting one hour late in "The States"? In Mexico the people apparently do not care and we are sure the bulls appreciated living a little longer.

As we waited, Mexican boys sold "eye shades" to those directly facing the sun, while others sold seat cushions, Mexican beer and the ever-present colored candy bars carried on a large piece of heavy board and all exposed to the dirt and wind—maybe some day they will hear of cellophane.

Suddenly the off-tune band strikes up a few stirring notes and the main gate to the bull ring opens and the "Gala Bull Fight" is officially started as the principal participants—all except the bulls—parade around the arena like Roman Warriors before a battle.

The poor bulls, 5 in all, never really have a chance and are each stabbed to death in about 15 minutes apiece.

It looks like cruelty to dumb animals, as these, at first high spirited, bulls finally are covered with blood and bleeding from their wounds and exhaling blood from their nostrils, eventually fall in a heap and are soon dragged away by two men with a team of horses.

It is cruel—but the Mexicans say we sometimes kill our fine young men playing football so perhaps we are the "crazy ones."

Ricardo Balderas was the "leading man"—the **Matador** and his capework brought cheers from the crowd as this tall, dark, good-looking young man in his tight black and silver costume of knee breeches, sometimes danced near the bull, sometimes did a slow rumba—moving his feet only a few inches as the raging bull rushed by, missing him only by inches as he gracefully side-stepped, ducked or moved his body so he escaped being gored, as the bull lunged at the red cape.

Before the bull is finally given the "stab of death" by the Matador, he has been pierced by a long spear carried by **Picadores** who enter the ring on decrepit old blindfolded horses covered

with pads. Also **Banderilleros** stand in front of the bull and as he dashes towards them, they implant two long spears in his neck and then jump quickly aside. This, to us, took nerve and skill as these **Banderilleros** have no cape to distract the bull's attention.

After each bull is killed the Matador struts proudly before the crowd and receives the plaudits of the multitude—he has made another "home run"—he has pitched a "no-hit game"—he has played the course "in par"—he hopes to make more money next time because of his improved technique and higher rating—the applause helps.

It is 6:00 p. m. and long shadows from the setting sun are cast across the bull ring as the crowd of 2,000 spectators leave after bull number 5 has gone to his rest on his way to become not a "hamburger" but perhaps a "bullburger."

Auto horns shriek, taxis honk and everyone fights to be first in line as they return over the International Bridge through the customs and back to the United States where they "shoot the bull" but he isn't killed.

The Banana Boat. "Yes, we have bananas" — bunches of them — big bunches—green bunches—a boat load of them—300 tons of bananas, direct from Honduras.

The "**Amapala**" loaded with bananas from Central America swings easily and slowly alongside the dock at Port Brownsville as the pilot with the skill of a professional eases his ship in pre-

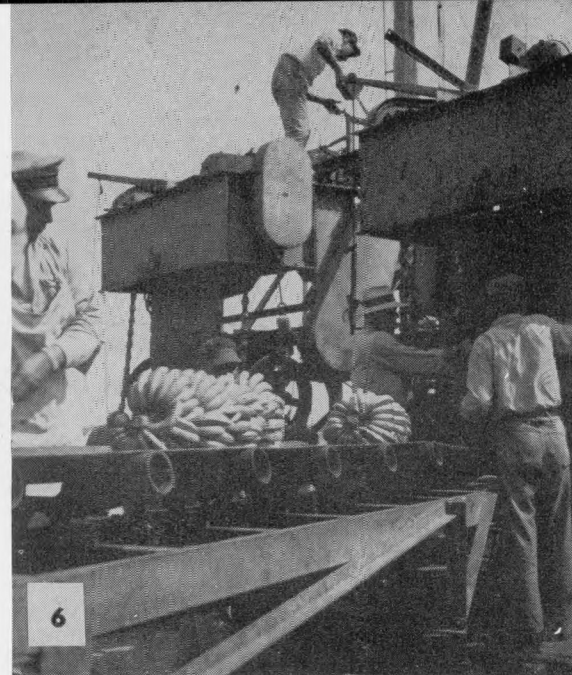
(Turn to page 26, please)

5—Just before the lunge by the bull, which leaps for the cape as the **matador** steps quickly aside, at the "**Plaza de Toros**" in Matamoros, Mexico.

6—"Yes, we have bananas," and they are being unloaded from a boat at the Port of Brownsville, Texas, by an endless chain basket machine which picks up each bunch of bananas in the boat and deposits it on the conveyor on the dock.

7—**Bananas on conveyor** at Port of Brownsville on their way across the dock to waiting trucks, autos and trains.

8—**Bananas being loaded** in a big truck at the end of the conveyor which brought them from the boat.



Northwestern Banker, March, 1947

What They Said at the Country Bank Conference

All Phases of Smaller Bank Management and Operation Discussed at Mid-Continent Meeting in Omaha

NEARLY 1,000 bankers from eleven states in the upper midwest came to Omaha, Nebraska, last month to attend the Mid-Continent Country Bank Conference sponsored by the American Bankers Association Small Business Credit Commission in cooperation with the Agricultural Commission and the Country Bank Operations Commission of the Association.

The two-day meeting in Omaha was a grass-roots conference — grass-roots in that those attending live close to the soil, and close to their customers, and in that the speakers got right down to the ground and gave their listeners many dollars for every dime it cost to make the trip to the Nebraska metropolis. There should be more meetings like this one.

Here are excerpts from what some of the speakers said at the conference:

"PROGRAM OF SERVICE"

C. W. BAILEY
President
American Bankers Association

"This is not a time for careless lending for the purchase of farm land. When the farmer needs a piece of land to square out his line or to carry him out to the big road, and pays cash for it,

ON THE COVER

Seated—C. W. Bailey (left), President American Bankers Association, and president First National Bank, Clarksville, Tenn.; and Richard W. Trefz, member ABA Country Bank Operations Commission, and president Beatrice (Neb.) State Bank.

Standing—Dr. Earl L. Butz (left), director Agricultural Economics, Purdue University; and Robert M. Hanes, past president American Bankers Association, and president Wachovia Bank & Trust Co., Winston-Salem, North Carolina.

there is not much to be said; but mortgaging land that is paid for in order to buy more land at the present high prices is unwise and should, in the interest of the farmers themselves, not be encouraged by banks.

"This is not to say that a loan to a farmer on a good farm properly appraised and the payments properly amortized is not a good loan. Such a loan is truly self-liquidating.

"Banks have reason to be interested in this problem, for they are now the principal lenders in the long-term farm mortgage field. As of September 1, 1946, they were making three times as many farm mortgage loans as were the Land Bank System or the insurance companies and are making more than is being made by individuals. However, the banks are screening their loans appropriately. The fact that the loans of banks are being based on sound appraisals and are being properly amortized is evidence of the high quality of the loans being made.

"The production value of the farm is still the real value. That must ever be kept in mind.

"Still another challenge to country banks is an investment in the farmers of tomorrow. Every country banker should be active in 4-H Clubs, the Future Farmers, and all other youth projects. The members of these groups are the finest flowers of agriculture. Here is practical agricultural education at its source. Our obligation to better farming, our obligation to banking, requires that we support these activities with credit and encouragement. And here is our opportunity to ac-

(Turn to page 44, please)

At the Country Bank Conference in Omaha—→

A NUMBER of bankers from the upper midwest who attended the recent ABA Country Bank Conference in Omaha are pictured on the opposite page. Reading from left to right they are:

1—**Phil Krogh**, Stockyards National Bank, Omaha; **Crawford Mortensen**, president, Nebraska State Bank, Ord, Nebraska; **L. Nevin Lee**, vice president, Bankers Trust Company, Des Moines; **John V. Haas**, assistant cashier, Northern Trust Company, Chicago; **William N. Mitten**, president, Stephens National Bank, Fremont, Nebraska; **Fred Aldrich**, vice president, Continental National Bank, Lincoln, Nebraska; and **Richard Dunlap**, vice president, Commerce Trust Company, Kansas City.

2—**H. N. Thomson**, vice president, Farmers & Merchants Bank, Presho, South Dakota; **George Henry**, assistant cashier, First National Bank, Minneapolis; **Jack Patton**, vice president, Mitchell National Bank, Mitchell, South Dakota; **B. L. McCartney**, South Dakota manager, U. S. Cheek Book Company, Sioux Falls; **D. E. Crouley**, vice president, Northwestern National Bank, Minneapolis; **Carroll Lockhart**, vice president, First Citizens National Bank, Watertown, South Dakota; and **L. C. Foreman**, president, Corn Exchange Bank Elkton, South Dakota, and president, South Dakota Bankers Association.

3—**A. O. Swasand**, cashier, Farmers Savings Bank, Vincent, Iowa; **Marvin Selden**, vice president, Merchants National Bank, Cedar Rapids, Iowa; and **O. B. Lundgren**, cashier, Burnside Savings Bank, Burside, Iowa.

Northwestern Banker, March, 1947

4—**Florence Freer**, First National Bank; **Lois Denton**, Nebraska Bankers Association; and **Norma Dollen**, United States National Bank, all of Omaha.

5—**R. L. Smith**, president, Stock Yards National Bank, South St. Paul; **Gordon Nesbit**, president, First National Bank, Fargo, North Dakota; and **Frank Welch**, president, Peoples Savings Bank, Cedar Rapids, Iowa.

6—**William H. Whitman**, vice president, American National Bank & Trust Company, and **Verne L. Bartling**, assistant vice president, First National Bank, both of Chicago.

7—**C. W. Bailey**, president, American Bankers Association, and president, First National Bank, Clarksville, Tennessee; and **Ray R. Ridge**, senior vice president, Omaha National Bank.

8—**Dale Smith**, assistant cashier, Central National Bank & Trust Company, Des Moines; **Claude L. Stout**, president, First National Bank, Cameron, Missouri; and **Frank Warden**, vice president, Central National Bank & Trust Company, Des Moines.

9—**James P. Johnson**, Continental Illinois National Bank & Trust Company, Chicago; **D. K. Snyder**, vice president, Stockyards National Bank, Kansas City; and **Dale Ainsworth**, vice president, City National Bank, Kansas City.

10—**Frank P. Powers**, president, Kanabec State Bank, Mora, Minnesota; **Robert E. Pye**, the new secretary of the Minnesota Bankers Association, Minneapolis; **Max Stieg**, cashier, Dairy-men's State Bank, Clintonville, Wisconsin; and **L. O. Olson**, vice president, Midland National Bank, Minneapolis.



Your G. I. Loan Question Box

Eight Questions and Answers on Transfer of Title, Application of Interest, and What to Do in Case of Default

By **WALTER T. ROBINSON**
Iowa Loan Guarantee Officer, who
answers the things you want to
know about the Servicemen's
Readjustment Act

Q. Does the transfer of title to the property by operation of law or otherwise after creation of a lien thereon to secure a loan which is guaranteed, invalidate the guaranty?

A. Such transfer of title does not in any way affect the guaranteed status of the loan, unless the holder releases the veteran from personal liability or, without consent of the administrator, alters the contract to any extent that would release the security.

Q. Does the lack of merchantable title necessarily invalidate the guaranty?

A. No. While Sec. 36:4325 (b) of the regulations places a rigid responsibility upon lenders with respect to merchantability of title, it is clearly determined that the protection afforded to a lender under an outstanding guaranty will not become lost in the event there is subsequently discovered a defect in the title to the property purchased with the proceeds of the loan, but that the reduction in the amount payable on the guaranty in any such case will be limited to the amount of any loss to the government consequent upon such defect. The lender is not precluded from perfecting title in any case at his own expense.

Q. What is the proper application of the amount equal to first year's interest on the guaranteed portion of the loan which is paid by the government?

A. While regulations require that the amount be applied upon the loan, a recent administrative decision has taken a liberal view of its application. It is called a gratuity payment and, at the request of the veteran, may be applied on interest, principal, or a combination of any of the factors that got to make up the monthly payment on the note. While it is not necessary

that the obligation be delinquent for such utilization, it is apparent that if this amount were endorsed on the principal of the note, it would serve as a reserve for a rainy day.

Q. Who is entitled to the gratuity payment when the property has been transferred before the check has been



WALTER T. ROBINSON
Answers Your Questions

received by the lender, and, if the lender endorsed the check payable to the veteran, what would the policy be in arriving at the amount of claim if the loan subsequently defaulted?

A. The 4 per cent payment subsequently paid to the holder of the obligation should be applied upon the loan. This is so even though the benefit thereof may or will accrue to the transferee who purchased subject to the mortgage or assumed payment thereof. This item should have been adjusted at the time of sale closing. However, if the loan has been paid in

full, the lender should cause payment to be made to veteran on whose behalf the payment is made. If the lender caused payment to be made to the veteran, in lieu of applying it on the loan, it would be our policy in the event of claim to reduce the indebtedness by the amount of the 4 per cent payment, and compute the amount payable on the reduced indebtedness.

Q. What is the legal consequence of the language shown substantially as follows in a note secured by a guaranteed loan to a veteran: "In the event the title to the premises described in the mortgage given to secure this indebtedness is divested in whole or in part by reason of sale, death, or otherwise, then the payment of said indebtedness may be due and payable at the option of said mortgagee."

A. The wording of the act and regulations shows plainly beyond any possibility of doubt that the above language conflicts with the provisions of the regulations and statute, and hence unenforceable, anything in the note or mortgage to the contrary, notwithstanding.

Q. May a supervised lender submit an application for loan guaranty on VA Forms 4-1802, 4-1822, and 4-1842, Applications for Guaranty on Home, Farm and Business loans, respectively, and seek prior approval of the type given on VA Form 4-1867, Certificate of Approval?

A. If a supervised lender wishes to obtain prior approval of a loan it should submit loan in same manner as non-supervised lender, notwithstanding the fact that forms established prescribe such as being for non-supervised lenders only. Prior approval is not to be confused with "Prior Confirmation." A loan made by a supervised lender in accordance with the

act and regulations may be submitted for prior determination by the Veterans Administration of the three following requirements only, namely: 1. Veteran's eligibility, 2. Amount of guaranty or insurance credit available to veteran, and 3. Eligibility of the purpose of the loan. Prior approval of a loan is based upon a consideration of all pertinent factors, including character and general ability of veteran to repay the obligation.

Q. Is a minor, unless married, eligible for the issuance of a Certificate of Eligibility, Form 4-1870; and, if so, can a guaranteed or insured loan be made to a minor?

A. We have here two questions. The eligibility of the minor veteran pertains to his record of service and determines his eligibility for benefits under Title III of the act. The fact that he may be eligible to make a loan under the act does not mean that he makes a legal contract under the statutes of the state. It is entirely the responsibility of the lender to determine the contractual rights of borrower. Our certificate of eligibility does not certify as to such rights, but only as to his eligibility under the act. Under present Iowa statutes the disability of minority has not been removed.

Q. What action must be taken by the holder of the obligation, and by the administrator in the case of either an actual default, or an impending default, and what are the steps to be taken?

A. First. It is the responsibility of the holder to investigate immediately, and determine a practical way to eliminate the default. He will endeavor to work out a solution of the problem to preclude necessity of his filing suit. This effort may result in:

- (a) Extension of the loan.
- (b) Postponement of action with approval of the administrator.
- (c) Postponement of action without approval of the administrator.

If the holder fails to obtain the consent of the administrator to postpone action, he must proceed within two months toward the liquidation of the security, and upon his failure to proceed with this, the administrator may pursue any legal or equitable remedies and may fix a date beyond which no further charges may be included in computing guaranty claim or an insured loss.

Second. The administrator may be notified of an impending or actual default at any time. The holder is re-

(Turn to page 42, please)

About Bankers You Know



T. B. STRAIN

President, Continental National Bank of Lincoln, Nebraska

"Analyze all loans to avoid losses in the future."

A GREAT many top-ranking banking officials have entered the banking business with a legal background. One of the outstanding financial executives of the middlewest who has this valuable legal training is T. B. Strain, president of the Continental National Bank of Lincoln, Nebraska. He attended the University of Nebraska Law College and passed the state bar examination in June, 1930.

Well known to all of his associates is Mr. Strain's ability for keen, precise thinking. It is characteristic in his business dealings that he never makes snap judgments and decisions without first giving equal consideration to every factor. Rather than consider expediency essential at all times, he realizes the necessity for grasping the long-range perspective as protection for the future. Typical of this frame of mind is Mr. Strain's comment on what he considers today's most important banking problem:

"During the past few years the lending of money has not been much of a problem. Today there is competition for loans of all kinds and competition as to rates is just as keen. The bankers will want to serve their communities but it is my opinion that careful consideration will have to be given in analyzing all loans if we are to avoid losses in the future."

Mr. Strain is well equipped to counsel with Nebraska bankers about their particular problems for he has lived in the Cornhusker state all his life. He was born in Creighton on August 15, 1892. After attending high school there he worked in the Breslau State Bank, holding the position of cashier when he transferred in the same capacity to the Farmers State Bank of Brunswick. He was associated with the First Trust Company of Lincoln for several years where he gained valuable experience in bonds and investments

(Turn to page 68, please)

Northwestern Banker, March, 1947

LEGAL

Are Repairs on a Tractor Subject to Mechanic's Lien?

Q. The superintendent of the farm of a South Dakota banker drove one of his employer's caterpillar tractors into a garage and had it filled with gasoline and oil. In addition he purchased from the garage man a clutch plate for one of the trucks used on the farm. A dispute arose over other matters and the garage man sought to impose a mechanic's lien on the tractor for the gasoline, oil, and clutch plate. Could he do so?

No. In South Dakota a caterpillar tractor is not subject to a mechanic's lien for gasoline, oil, and a clutch plate where the clutch plate is purchased to repair a truck and not the tractor, since gasoline and oil are nonlienable items and the clutch plate, though a lienable item, is not used in the repair of the tractor. The South Dakota Supreme Court so held in a similar decision recently.

Q. Gerdall, a banker, sought to purchase a farm in Iowa owned by Mrs. Amanda Brown. In checking the title he discovered that the State Board of Social Welfare claimed a lien against the property on account of certain old age assistance furnished Mrs. Brown's husband. The assistance, however, was furnished to him before he married Amanda. Was the lien valid?

No. The Iowa statute providing that old age assistance furnished shall constitute a lien on any realty owned by either husband or wife does not create a lien on the wife's realty for assistance furnished to her husband prior to their marriage. To hold one spouse liable for old age assistance rendered the other spouse, the assistance must be furnished during the time the marital relation existed. It has been so held by the Iowa Supreme Court in a recent decision.

Q. Holbert was employed by a bank. The hiring was verbal and nothing was said regarding what could be done by him with reference to confidential information received by him in his employment in the event such employ-

This and Other Timely Legal Questions Are Answered by the LEGAL DEPARTMENT

ment should be terminated. The employment was terminated and he went to work for another bank. Could he use such information for his new employer to the detriment of his former employer?

No. The law is well settled that one of the implied terms of a contract of employment is that the employee will hold sacred any trade secrets or other confidential information which he acquires in the course of his employment, and that therefore an employee who has left his employment is under an implied obligation not to use trade secrets or other confidential information which he has acquired in the course of his employment, for his own benefit or that of a rival, and to the detriment of his former employer. Cases so holding may be found in Arkansas, Florida, Illinois, Michigan, Ohio, and other states, as well as the federal courts.

Q. Brunner died in Nebraska leaving a farm as the principal assets of his estate. In order to pay Brunner's debts, his administrator, with appropriate court approval, mortgaged the farm to a local bank under the statute in that state which permits such actions by personal representatives of decedents. The mortgage was not paid and the bank foreclosed. As an incident to the foreclosure it sought to hold the administrator for any deficiency. Could it do so?

No. Only the mortgaged property is bound for the repayment of a loan obtained by the personal representative of a decedent under authority of a statute authorizing him to mortgage realty with the permission of the court to obtain money to pay debts, succession taxes, cash legacies, and costs of

administration. The Nebraska Supreme Court has specifically so held in a recent decision.

Q. A corporation in the business of manufacturing drugs became bankrupt and Jordan, a banker, was appointed trustee. In going through the bankrupt's books he developed that certain preferential payments had been made to its president. He sought to recover these and had to sue to do so. Was he entitled to interest on the amount of the preference from the date of the commencement of his action as a part of his recovery?

Yes. A trustee in bankruptcy suing to recover the amount of a preference received by a person from a bankrupt is entitled to recover interest from the date of the commencement of his action. It has been so held by the United States Supreme Court and other courts in various decisions in which the question has arisen.

Q. Maybell, a banker, also operated an automobile agency. In this last named line of business he hired Brockton as salesman. The terms of the employment were that Maybell would advance to Brockton a certain sum each week and that these advances would be charged to and deducted from certain agreed commissions on each car sold by him. There was no express or implied agreement that Brockton would repay to Maybell any excess of advances over commissions earned. In such circumstances could Maybell, as a general rule, recover from Brockton any such excess?

No. As a general rule, where a contract of employment provides for advances to an employee which are to be charged to and deducted from the commissions agreed by the employer to be paid to the employee as they may accrue, the employer cannot, in the absence of either an express or an implied agreement or promise to repay any excess of advances over the commissions earned, recover from the employee such excess. Specific holdings

Complete Banking Service



THE OMAHA NATIONAL BANK

Member Federal Deposit
Insurance Corporation

Northwestern Banker, March, 1947

to this effect may be found in Georgia, Illinois, Kentucky, Louisiana, Minnesota, Wisconsin and other states. Alabama, incidentally, holds to the contrary.

Q. Suppose that, in the preceding question, Brockton laid down on the job and did not actively engage in selling activities on behalf of Maybell with the result that he breached the agreement to the extent that he disqualified himself from earning the advances. Should Maybell be permitted to recover from him in such circumstances?

Yes. The rule that a total drawing

account paid in excess of commissions earned can be retained by the employee is different when, during the time the drawing account was operated, the employee was guilty of such a breach of the agreement as to disqualify him from earning the advances; in such a case there is an implied duty to repay such advances.

Q. A bank made a \$5,000 loan to Jones, taking back his promissory note due in 60 days, together with certain bonds as security. The note was not paid as it came due and the statute of limitations commenced to run thereon. Later the bank sold the bonds and

applied the proceeds to the note but these did not satisfy it in full. Jones did not specifically authorize such application or otherwise do anything to recognize the indebtedness. Would the bank's action of applying the proceeds to the note interrupt the running of the statute of limitations on it, as a general rule?

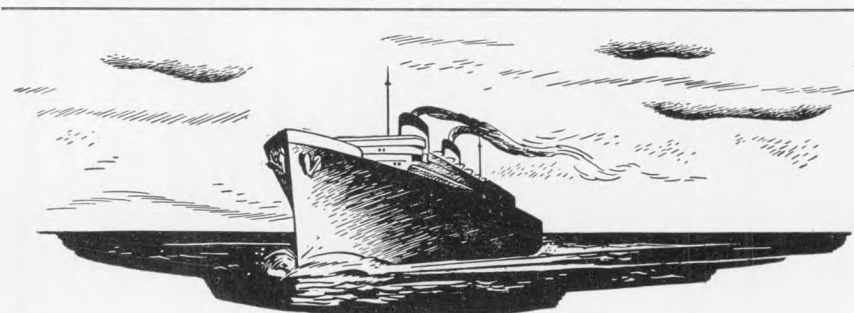
No. The general rule in situations similar to those outlined in the question is that, in the absence of express authorization, the application of proceeds derived from property given as security on an indebtedness to such indebtedness does not interrupt the running of the statute of limitations. It has been so held in Minnesota and other states. Louisiana and a few other jurisdictions hold to the contrary.

Q. The son of a Missouri banker was employed in that state in a job which was subject to the unemployment compensation law. As an incident to the job he became a member of a labor union. Later the job was abolished and he became unemployed. There was available to him another job but he refused to accept it because he contended that it would cause him to lose his standing as a union member or to lose his union permit. Was he entitled to unemployment compensation?

No. In an analogous case it was held recently by the Missouri Supreme Court that the refusal of a claimant for unemployment compensation benefits to accept employment on the ground that it would cause him to lose his standing as a union member or as the holder of a permit from his union disqualified him from obtaining such benefits.

Q. Burnie, a North Dakota banker, owned 50 shares of stock in a building and loan association. He endorsed the certificates in blank and handed them to Nowata, telling him that, unless he instructed him to the contrary prior to his death, Nowata was to have them. Burnie collected the income from the stock during his lifetime and subsequently died without giving Nowata any contrary instructions. Was the gift to Nowata valid?

No. The North Dakota Supreme Court so held in an analogous case recently, pointing out that, in order to make the gift a valid one, Burnie should have divested himself of all dominion over the stock and invested Nowata with such dominion and that, since this was not done, the gift failed. —The End.



Sharing our knowledge of FOREIGN TRADE FINANCE

The resumption of international trade has raised many questions about the credit instruments through which a large part of this trade is financed. To correspondent banks and customers transacting overseas business, The First National Bank offers the cooperation of its Foreign Banking Department.

Officers of this department can render sound advice based on long experience, on credit arrangements, remitting funds, exchanges in foreign monies, risks involved in import and export transactions. This bank's network of foreign banking contacts, developed through eighty years, enables us to offer unusual service in matters of foreign collections and remittances. In addition, information is available regarding the financial responsibility of business houses throughout the world.

FOREIGN BANKING DEPARTMENT

The First National Bank of Chicago

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, March, 1947



You Get the Money *Quickly*

The proceeds of live stock sales in Chicago are speedily transferred to your bank if routed through us. The stock yards postoffice is just across the street and the advice is mailed on the day of receipt.

All you need do is ask your shippers to instruct their Chicago commission firms to route through this bank the money received from live stock sales. We shall be pleased to send you instruction cards.

The **LIVE STOCK** *National BANK of Chicago*

ESTABLISHED 1868
UNION STOCK YARDS

Member Federal Deposit Insurance Corporation

Bull Fights and Banana Boats

(Continued from page 17)

cision like manner within a few inches of the wharf.

Suddenly the dock is alive with customs officials, other men in uniform, carrying important looking brief cases and hundreds of "extra workers" who have waited all morning because they heard that a "banana boat" would arrive some time "around noon" and they wanted a job helping to unload.

Now the canvas coverings over the two holds of the boat—one at each end—are uncovered. Then the big conveyors are put in place with one end in the bottom of the ship, and the

other connected to a long, flat belt conveyor which reaches clear across the dock to waiting fruit trucks, trains and vans at the other side.

Presently the machinery gets in motion and the bunches of bananas start coming up out of each end of the boat in an endless stream like a green volcano pouring forth its unripened fruit.

Each canvas section carries one bunch and looks like the cradle for a baby. As the bunches reach the top of the boat and are deposited on the flat belt conveyor, they are checked by commission men, and sorted by other

men for their degree of ripeness although to our untrained eyes they all looked very green.

The owner of the "Amapala" is paid for delivering the bananas and has no interest in the market price. For this load of 300 tons he was paid \$17.50 per ton or \$5,250 and the trip took him about two and a half days.

If weighing facilities are not available at the loading port in Central America, they are counted by "the stem" and then sold by "the pound" when they are purchased by wholesale fruit dealers up here.

In about three hours the long, green serpent-like line ceases to move or wiggle—yes there are **no bananas** on board—the ship is unloaded—the big trucks filled to the roof start for Houston, San Antonio and other points not so far distant.

The "extra help" melts away—the dock is cleared—and all is quiet again until the next banana boat is seen coming into port—except that a few tarantulas which have escaped detection until now are quickly killed as they appear among the "banana culls" piled at the end of the conveyor.

Yes, we have bananas—and they grow up—not down as you see them.—The End.

Named Vice President

N. Baxter Jackson, president of the Chemical Bank and Trust Company, has announced the appointment of Leonard M. Horton as a vice president. Mr. Horton is active in the handling of the bank's Wall Street business. He started working in the Street in 1929 and has been with the Chemical Bank since 1932. He was first made an officer in 1941.

Dividend

The board of directors of The First National Bank of Chicago at a recent regular meeting declared a dividend of \$2.00 per share on the capital stock of the bank, payable April 1, 1947, to stockholders of record March 24; also a dividend of \$2.00 per share payable on July 1, 1947, to stockholders of record June 24, 1947.

To Air Condition Quarters

The Kroeschell Engineering Company has announced that they have contracted with the American Bank and Trust Company of Chicago to extend air conditioning throughout the bank's seven floors. To be included in this arrangement are the vaults of the American National Safe Deposit Company, and the equipment will have sufficient capacity to expand the air conditioning to the eighth and ninth floors when the bank finds this additional space necessary.

We Invite
Accounts from Banks

Harris Trust and Savings Bank

Organized as N. W. Harris & Co. 1882 • Incorporated 1907

115 West Monroe Street, Chicago 90

Member Federal Deposit Insurance Corporation

4 steps in good public relations . . .



1 Your tellers are friendly, know many of their customers by name. That's personalized service.



2 You give the same consideration to small borrowers as to large ones. That's good public relations.



3 You give sound and careful advice to long-term investors. That makes friends for your bank . . .

4 You can complete your personalized bank service with
"INDIVIDUALIZED" checks

A special surface design on Hammermill Safety adds protection to checks and helps "identify" your bank to the public

Hammermill is supplying special design safety paper to many banks with their emblems part of the paper itself. You also can have individualized check paper. See your check supplier for suggestions. Or send for samples of "individualized" checks and sample book showing wide range of colors and background patterns. Just address a note on your bank letterhead to Safety Paper Division, Hammermill Paper Company, 1513 East Lake Road, Erie, Pennsylvania.



ANNUAL INVESTMENT SURVEY

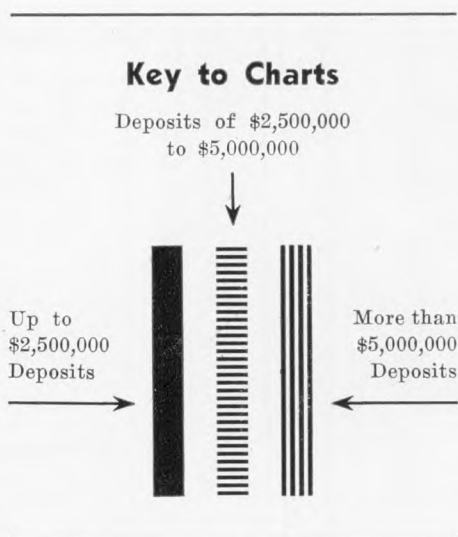
How Banks Are Investing Their Funds

Results of a Survey Made Among 2,000 Banks of the Middlewest on What Types of Securities Make Up Their Investment Portfolio

A NORTHWESTERN BANKER SURVEY

BANKS of the upper midwest will buy more investment securities this year than they have for several years past, according to a survey just completed by the NORTHWESTERN BANKER among 2,000 banks in this area. Banks in Iowa, Minnesota, Nebraska, North Dakota and South Dakota submitted information from which the analysis was made.

The charts on this and the opposite page graphically display the response to the five questions bankers were asked to answer. To bring the analysis into sharp focus, banks replied to the several questions on the basis of three deposit classifications—"Deposits under, \$2,500,000", "Deposits of \$2,500,000 to \$5,000,000", and "Deposits over \$5,000,000", which will permit our read-

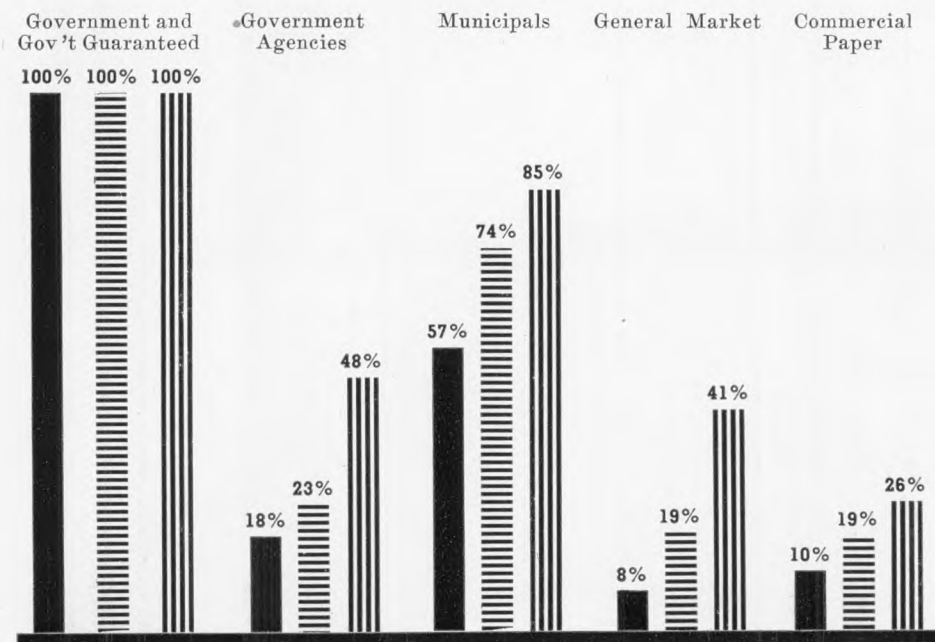


ers to better apply the answers to the investment set-up in their own bank.

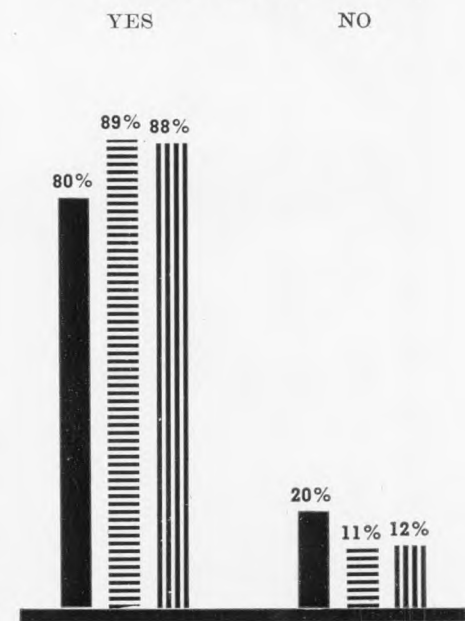
Before you start your interpretation of the several charts, please note carefully the "Key to Charts" on this page, which illustrates the three different styles of bars showing each deposit classification. Further reference to these classifications in this article will be to "small, medium, and large" banks. Note also that for the purpose of this survey, local and real estate loans are not included in any of the percentage or other figures appearing on the charts. Reference is to bonds and other securities only.

May we call your attention first to Chart No. 4, where bankers answer the question—"Does Your Bank Plan to Buy More or Less Securities This

No. 1. In What Type of Securities Does Your Bank Have Its Funds Invested?



No. 2. Do Your Customers Ask Your Advice on Purchasing Stocks and Bonds?



Northwestern Banker, March, 1947

Year?" Of the small and medium sized banks replying, more than two-thirds said they would buy "more" securities this year, while the large banks were about equally divided between "more" and "less." Comments from bankers answering this question were "We expect our account to be stable, probably reinvestment only" and "It will depend upon our deposit trends and our local demand for funds." Across the board, however, banks plan to buy more securities this year than they did in 1946.

Chart No. 1, "In What Type of Securities Does Your Bank Have Its Funds Invested?" represents the investment portfolio of the small, medium, and large banks replying to the question, broken down into the five types of securities shown.

All banks replying have their funds in one or more of the five types of investment listed in the chart. The percentage figures indicate the extent to which the banks in this area have bought each of the types listed.

Obviously all banks have some funds invested in Government and Government Guaranteed issues, so the replies for this type are 100 per cent. Not so many banks hold Government Agencies issues, as will be noted in the chart where only 18 per cent of the small banks say they have funds in this type of security, although 48 per cent of the large banks have bought such issues.

Percentages for Municipal holdings go up again, indicating that along with Governments, many banks have

bought Municipals for their investment portfolio.

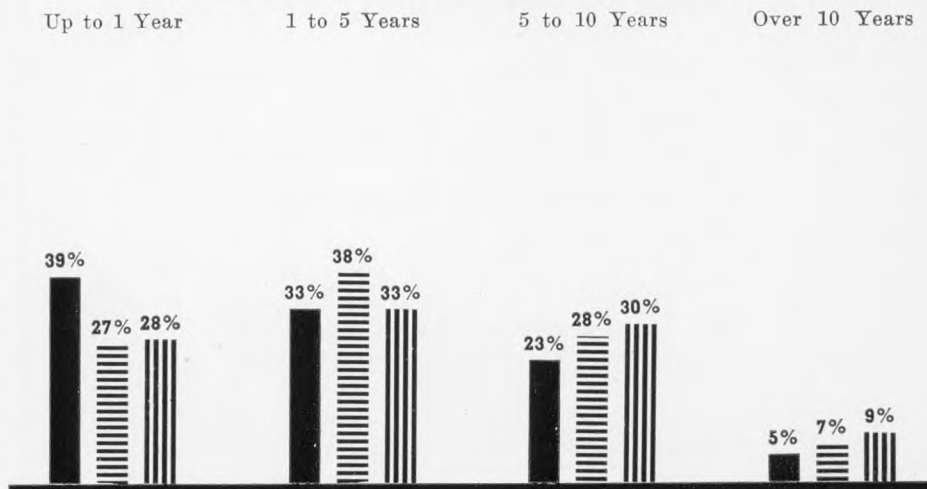
Chart No. 2, "Do Your Customers Ask Your Advice On Purchasing Stocks and Bonds?" indicates the high regard with which bankers are held in their communities when from 80 per cent to 90 per cent of those replying said that they were so consulted. Individuals in the smaller cities and towns are fortunate to have a place to go where they can obtain intelligent financial information.

Chart No. 3, "Of Your Government Bonds, What Percentage (approximately) Mature as Follows?" shows that the greatest percentage of all banks, small, medium, and large, have such

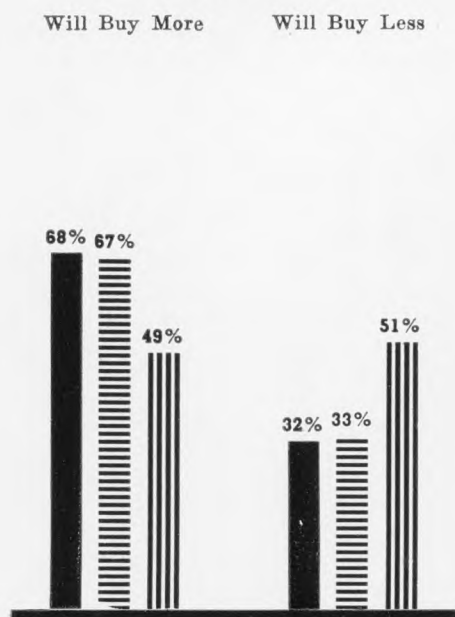
maturities grouped in the 1-to-5 Year bracket with only a five point spread in the percentage figures. With the possible exception of the 39 per cent Up-to-1 Year maturity for the small bank, all maturities of Government bonds held by banks hold rather steady percentage-wise through the 5-to-10 Year maturity date, and then drop off sharply when the maturity exceeds the 10-year period. One banker in the large bank classification comments that "Governments purchased will be of maturities of less than five years."

Chart No. 5, "What Type of Securities Will You Buy For Investment This Year?" is related to Chart No. 1. Chart No. 1 shows how banks have had

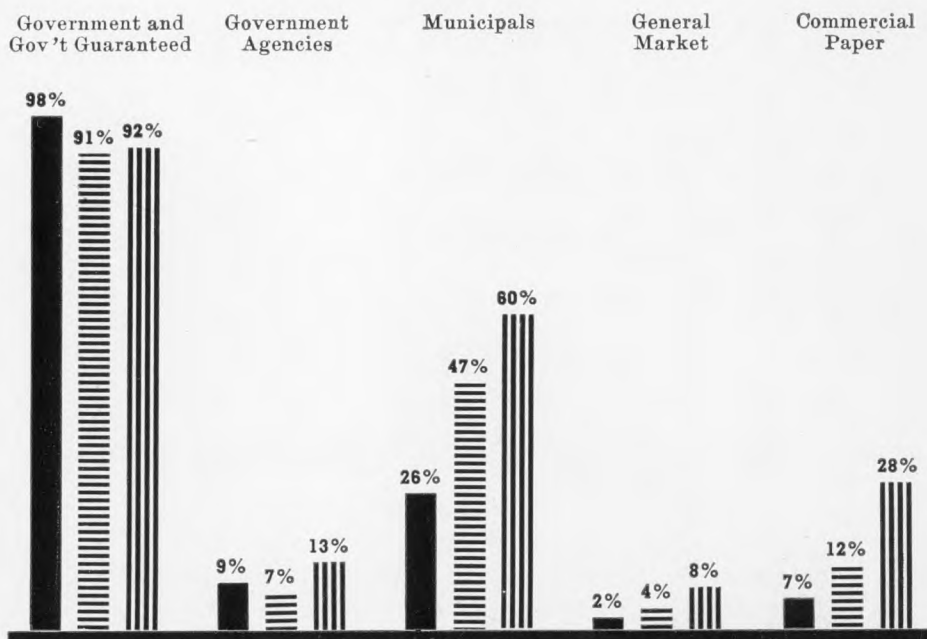
No. 3. Of Your Government Bonds, What Percentage (approximately) Mature as Follows?



No. 4. Does Your Bank Plan to Buy More or Less Securities This Year?



No. 5. What Type of Securities Will You Buy for Investment This Year?



their funds invested—Chart No. 5 looks into the future and reveals how banks propose to apportion their investments among the five types of securities listed.

Comparing Government and Government Guaranteed issues in the two charts, it appears that there will be a slight falling off in such purchases for the balance of this year. Neither do as many banks expect to buy as many issues of Governmental Agencies as they have in the past, and this is particularly noticeable in the case of the large institutions. This same trend is

also indicated in General Market issues, and applies to all banks, small, medium, and large.

Under the heading of Commercial Paper, the large banks expect to buy more during the next few months than in the past, probably because there will be more paper coming onto the market as production of durable goods increases.

Summarizing the replies received from banks to this highly important survey, as analyzed in the charts, it appears that banks in this great, rich middlewestern area will buy more in-

vestment securities this year; their purchases of Government issues will with little exception not exceed a 10-year period; and the banker is definitely established as the investment consultant of his community.—The End.

Joins Des Moines Firm

Paul H. Cunningham, Jr., recently joined the staff of Wheelock & Cummins, Des Moines investment banking firm, where among other duties he will call on banks throughout Iowa. He is the son of Paul Cunningham, United States Congressman from the fifth district of Iowa.

Paul, Jr., graduated from Missouri Military Academy, attended Monmouth



PAUL CUNNINGHAM, JR.
To Call on Iowa Banks

College, and later completed an investment banking course in Denver sponsored by the Investment Bankers Association of America. Before coming with Wheelock & Cummins, he was associated with the investment firm of Peters, Writer & Christensen, Inc., of Denver.

Dividend

The board of directors of Investors Selective Fund, Inc., open-end investment company, has declared a dividend of 7 cents per share for the first quarter of the current fiscal year, E. E. Crabb, chairman of the board, announced. The current distribution, derived exclusively from interest and dividend income, is payable March 20, 1947, to share holders of record as of February 28, 1947.

Investors Syndicate is the principal underwriter and investment manager for Investors Selective Fund, Inc.

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Northwestern Banker, March, 1947

Government Securities and the Money Market

IN ITS annual review of government securities and the money market the bond department of Bankers Trust Company of New York, points out that the large scale retirement of government securities was the principal influence on money and banking conditions in 1946.

As a result of the Treasury's debt retirement program, according to the study, there has been a net shrinkage of \$15.6 billion in bank holdings of government securities; government deposits have been reduced from \$24.6 billion to \$2.7 billion and the steady downward trend of interest rates in the early part of the year was halted.

In a discussion of debt management the study calls attention to the fact that over half of the \$177 billion of marketable government securities outstanding are due or callable within five years, including about two-thirds of the amount held by the commercial banks.

"Even if a Treasury cash surplus of several billion dollars should accumulate each year," the writers state, "it will be possible to pay off only a small portion of the marketable debt maturing or callable in 1947 and later years; the remainder will have to be exchanged for other Treasury securities."

"If the Treasury continues its present practice of converting into certifi-

cates all maturing or callable issues not redeemed in cash, the reduction of the short-term debt achieved in 1946 will be undone within a relatively short time."

What approach the Treasury may be expected to take to the problems of debt management over the next sev-

eral years will depend to some extent upon the condition of business and the economic environment in which the Treasury's policies are carried out. If inflationary forces predominate, the Treasury can offset the effects on the money supply by reducing the bank-held debt and distributing a greater

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share to the public. Under conditions of deflation, on the other hand, the money supply in the hands of the public can be expanded and funds released for consumption or private investment by checking or eliminating sales of government securities to the public and permitting commercial bank holdings to increase.

"During 1947, neither the volume of demand deposits nor net operating earnings of commercial banks are expected to show much change from the previous year," the writers conclude. "Although there are a number of uncertainties in the business picture,

there are many elements of underlying strength in the economy which encourage the hope that any near-term adjustment in business will be in the nature of a mild recession, mostly in nondurable goods, and not a severe or prolonged depression.

"Real Income"

The "real income" of the American people at the start of January, 1947, was \$1.06 or 6 cents more on the dollar than a year earlier, according to Investors' Syndicate in a study of what people earn and spend.

"Higher wages, salaries, investment and 'other income,' or cash income generally, has enabled the average family to fare well in regard to cash," family to fare well in regard to cash." The larger cash incomes, however, have not been translated into public purchasing power, because of living costs.

James A. Cummins

James A. Cummins, 54, Des Moines investment banker, died last week in Hot Springs, Arkansas, after a heart attack.

He apparently was in good health, having fully recovered from a previous heart attack four years ago.

Mr. Cummins, a lifelong Des Moines resident, was president of the investment securities firm of Wheelock & Cummins, Inc., which he formed with the late L. F. Wheelock. He had been president since 1943.

His father, James C. Cummins, was a longtime secretary and president of the Equitable Life Insurance Company of Iowa.

An engineering graduate of the University of Wisconsin, Mr. Cummins saw service in World War I.

In 1922 he entered the investment banking business in Des Moines.

He was a past president of the Iowa Investment Bankers Association and at the time of his death was a member of the Eighth district committee of the National Association of Security Dealers.

Surviving besides Mrs. Cummins are four sons and a sister.

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Refunded Treasury Bonds and Notes May Carry Higher Interest

Almost Six Billion of Such Issues Come Due, or Callable, in the Second Half of 1947

By RAYMOND TRIGGER
Investment Analyst
New York City

THE size of the country's debt is staggering, but that is water over the dam. Nothing can be done now about borrowing that was obligatory during the war. But there is more to the federal debt than mere bulk. Its composition can be altered as a matter of policy. It can remain live inflationary tinder, or it can be partly sterilized.

Everyone in all walks of life is affected by the size of debt and no less by the federal debt policy. Among groups that were notably affected by federal debt policy during and since the war, not the least is the country's commercial banking system. Very broadly, the changed position of the banks can be sketched in a few words.

The war transformed the banks from short term lending institutions, from lenders of money to facilitate trade and production on terms which were essentially self liquidating, to investment institutions, holding extremely large portfolios of government bonds with average maturities of from five to ten years.

In the five years from mid-1941 to mid-1946, the government was obliged to borrow 214 billion dollars. Something like 60 per cent was secured from non-bank lenders, around 10 per cent was obtained from Federal Reserve Banks and the remaining 64 billions, or 30 per cent, from commercial banks. The effect of these enormous operations on commercial banks becomes more apparent when restated from the point of view of the change in the make-up of the country's commercial banks' assets.

Fiduciary Agents

Thus, in the years from 1939 through 1945, the percentage of total loans and investments represented by government obligations rose from about one-third to about three-quarters. Obviously, the extent to which commercial bankers shifted assets from traditional advances to commerce and industry to governments is the measure by which they have made their total assets "risk-

This is a discussion of factors affecting your investment portfolio. If you have any questions, or if you find yourself in disagreement with comments herein, your letters, addressed to the NORTHWESTERN BANKER, will be welcome and will be answered here if the subject matter is of general interest. Under no circumstances will the editor of this column discuss specific securities.

less." From the viewpoint of safety and from the standpoint of depositors, there can be no complaint. But it has made the banks to an alarming extent merely fiduciary agents of the government and it has created an enormous amount of potential inflation tinder. Prices, wages and capital values of all sorts have risen to an inflationary extent; a vast threat exists in the situation. The threat would easily become a reality were the rate of the turnover of deposits to rise.

The commercial banks would have to stand by helplessly; not at fault perhaps, but in a futile and unhappy position certainly.

Excess Cash

The federal government, however, is not without the means to do a great deal to prevent any such inflationary development. One step would be to reduce outstanding debt. It was easy to do that in 1946 to the extent that the Treasury had excess cash on hand. Some further reduction may be seen in 1947, at least in the early part of the year. The test will be to what extent certificates of indebtedness are retired or rolled over. The April and June maturities likely will be 100 per cent rolled over and the reduction of federal debt with excess cash will have come to an end.

Such economies as are possible by the federal government will alleviate,

too. But whether federal spending is at the 30 or 37 billion dollar level, the figure is dangerously high if spending is to be "balanced" by taxes. If not so balanced, the Treasury will be forced to borrow, thus retracing steps by which debt was reduced in 1946 and the forepart of 1947.

There remains one powerful action open to the authorities. They can do much to move federal debt from commercial banks to non-bank investors. There is not too much hope that much will be undertaken along these lines in the near future because it would involve higher over-all interest costs for the federal government.

The two schools of thought on the handling of the federal debt are too far apart to warrant the expectation of a complete reversal of position by the authorities. As long as they can go rolling along "rolling" over one-year %s, and as long as the potential dangers inherent in commercial bank holdings of federal debt remain potential and until long-term investors make out a stronger and more dramatic case for their need for higher earnings from investments, not a great deal can be looked for. Additionally, of course, the Treasury and the Federal Reserve are headed by financiers who have long endorsed the "cheap" money policies now in force.

There is, however, always room for a compromise. What would appear to be an unusually favorable opportunity for the authorities to go a little way toward putting the federal debt on a more conservative basis will be presented later in the year.

Notes Coming Due

As it happens, almost six billion of Treasury bonds and notes, and not counting bills and certificates, come due, or callable, in the second half of 1947. The securities carry interest coupons ranging from 1½ per cent to 4½ per cent. Here, then, a refunding operation, perhaps not on so permanent a basis as 20-year 2½s ineligible for banks, but at least considerably differ-

ent from the established one-year %s with which maturities have been met for the past year or so, might be employed without doing great damage to the feelings of the "cheap and short" advocates, although perhaps not completely satisfying the more orthodox camp.

There are at least two reasons for a more conciliatory attitude on the part of the present authorities. One is that there will be more and louder criticism of the frozen short-term structure as evidenced by the %s rate for bills and %s for certificates.

There are, of course, cracks in the rigid short-term rate structure on all sides. Wherever possible, natural forces have seeped through, or edged around, the artificial barriers imposed

by Washington. If the official rates on bills and certificates are allowed to work a little higher by the play of normal money market forces, refunding of the last half-year's maturities on something longer than a one-year basis may seem a little less unpalatable.

Another reason is that the administration seeks permanent legislation to enable the Treasury to sell direct to the Federal Reserve Banks up to five billions of governments. This privilege was granted in World Wars I and II, but is now due for a natural death on March 31st. It is, obviously, the worst form of printing press money because it has a partial disguise. Nonetheless, if limited to a total of a billion, or two, it would be correspondingly less dangerous. It could be that, in the give

and take of a Democratic administration and a Republican Congress, the Treasury may get part of what it wants in exchange for retreating somewhat from its present extreme position on federal debt policy.

Higher Interest Rates

These trends and portents, faint though they may be as yet, are significant to the commercial banks because they add up to a warning of moderately higher interest rates in general. Prices of longer governments could give way a little, but the effect on corporate bond prices might be even more noticeable.

The vulnerability of corporate bond prices—even including top quality issues—is double that of governments. Both will move with the general interest rate, of course; but corporates appear, additionally, to be too close to governments under any conditions. If governments hold steady, for example, the differential should still widen. And, if governments do decline moderately, corporates should drop more.

Another factor that the prudent investment manager will keep in mind is that the differentials within the corporate group are likewise distorted. The medium and lower grade obligations are, judged historically, too close to the upper-medium and top-grades.

Thus, the investment portfolio manager who accepts the probability of gradually rising interest rates and corresponding price adjustments will proceed to shorten maturities and upgrade the entire portfolio.

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But, even if the proposition of higher interest rates is rejected and no effort is made to shorten maturities, there is still ample justification for improving over-all portfolio quality.

Life Companies

A development that appears to be gaining momentum and bears upon the problems of every investor is the activity of life insurance companies in a field to which they were only admitted last year. They may invest up to 3 per cent of assets in income producing properties and are proceeding to do so. The assets of the life companies (one exceeds eight billions) are so huge that 3 per cent is a much more potent sum than might immediately be thought.

Ramifications of the new development include the diversion of business from the investment banking field and, to that extent, mean a reduced supply of new corporates for ordinary investors. The life companies buy a property from a retail chain organization, for example, and lease it back for a long term of years. The chain store company, of course, is thus supplied with additional working capital and, consequently, will not have recourse to commercial bank loans or to floating debentures on the investment market.

Further, the life companies will net a larger return from these real property operations than are afforded, with comparable safety, from investments. In turn, this will increase the supply of outstanding bonds, if the life companies choose to sell, or reduce the demand by life companies for new issues. In either case, the pressure is for lower prices for corporates.

Another development of interest to investors is the fairly lively resurgence of railroad equipment obligations. These securities have one of the best records of any group of American corporate obligations if, indeed, they do not stand at the head of the list.

Rail Equipment

During the war, the purchase of much needed new rail equipment was necessarily deferred. In recent months, though, manufacturers of rolling stock have been in a position to accept new business and the railroads have to a great extent financed them with serial obligations specifically secured by pledge of the rolling stock. Except in the blackest months of the deepest depressions, rolling stock used on railroads is always able to earn its keep. If a particular road finds itself over-supplied and goes bankrupt, the rolling stock usually can be leased to another railroad. Since actual title to the equipment is normally vested in a trustee, there is no bar to such action.

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Finally, rail equipments are always serial issues, which means that the holder can look forward to regular repayments, regardless of the general level of the corporate bond market. Frequently, the shorter maturities of new rail equipment issues are priced so high that they interest only the larger central reserve city banks, but the five to ten year maturities (which shorten a year annually, of course) are entirely suitable to banks outside the largest financial communities. One of the interesting minor angles of these securities is that the five to ten year maturities are, from the first year on, better secured than the early maturi-

ties. This is because the loan is limited to, say, 80 per cent of cost and is being steadily reduced by amortization. Thus, at the end of five years, the total of the remaining outstanding certificates is no more than 40 per cent of the value of the pledged rolling stock if it is assumed that the original equipment had a useful life of 20 years. It is just, or almost as valuable when five years old as when new.

So, at the start, the security is 125 per cent; but at the end of five years, it is 250 per cent. If the pledged rolling stock is arbitrarily depreciated 20 per cent, the ratio of collateral to remaining indebtedness is still 2 for 1.

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Field Representative

Appointment of Richard O. Weyrauch as a field representative in the investment department of First National Bank of Minneapolis was announced by Henry Atwood, president. In his new position, Mr. Weyrauch will travel extensively throughout southern Minnesota and western Wisconsin and will specialize in municipal and government bond offerings and related matters.

Mr. Weyrauch has been associated with First National Bank and the



RICHARD O. WEYRAUCH
On Road for First National, Minneapolis

former Minneapolis Trust Company since 1931. He served in the bank's investment department from 1935 to 1943, and since then has been in the bank advisory division of the department of banks and bankers. At the present time he is vice president of the First National Group Club, made up of employees of the bank and its affiliates in Minneapolis, Robbinsdale and Edina.

Succeeding him in the First National's bank advisory division is Styrk S. Omlie, who joined the bank in 1933 and since 1940 has been a member of the investment research staff of First Service Corporation.

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| California |1 1/4 | 2-1-64 | 1.25 |
| East Bay Mun. Util. Dist., | | | |
| Spec. Dist. No. 1, California |1 3/4 | 2-1-65 | 1.70 |
| Los Angeles, Calif., Harbor |4 1/2 | 10-1-66 | 2.00 |
| Metro. Water Dist. of So. | | | |
| California |4 1/4 | 2-1-69 | 2.00 |
| Connecticut |1 1/4 | 6-1-68 | 1.20 |
| Baltimore, Maryland, Sewer |4 | 10-1-67 | 1.65 |
| Boston, Massachusetts |4 1/4 | 7-1-68 | 2.00 |
| Detroit, Michigan |2 3/4 | 10-15-61 | 2.10 |
| New Jersey |4 1/2 | 7-1-63 | 1.65 |
| Newark, New Jersey |3 1/4 | 6-1-66 | 2.10 |
| New York State |4 | 1-1-62 | 1.30 |
| New York City, N. Y. |2 1/4 | 5-1-62 | 1.30 |
| Cleveland, Ohio |4 1/2 | 5-1-66 | 1.75 |
| Philadelphia, Pennsylvania |1 1/4 | 1-1-65 | 1.75 |
| Providence, Rhode Island |4 | 12-1-62 | 1.90 |
| Houston, Texas |2 | 11-1-64 | 1.90 |

Increased Production Will Promote Prosperity

Investment Bankers Tell What They Believe Is Necessary to Keep America Advancing Along the Road of Progress

TO OBTAIN the views of financiers on the economic status of this country as we near what might be termed the end of the reconversion period following the late war, The NORTHWESTERN BANKER asked these investment bankers the following question:

"In your opinion, what major steps should be taken to insure continued prosperity in the United States?"

Their replies read as follows:

H. K. Farrar, Smith, Barney & Company, New York City:

"Probably the most important step that could be taken to insure continued prosperity in this country would be a shift in national tax policy away from social objectives in the direction of economic objectives.

"A nation is prosperous or unprosperous to the extent that it produces goods and services for its people. Production in the modern mass production economy requires tools. The addition of tools requires savings. Savings must come out of income. To the extent that taxes penalize savings and interfere with the accretion of tools for production they are harmful in an economic sense no matter how desirable in a social sense.

"The United States is and has been a great economic nation, not because of wealth of natural resources, not because of any inherent genius or superior intelligence of its people, but because of all the nations in the world it has gone farthest in building efficient tools for production. The high level of corporation taxes and the confiscatory taxes on high individual incomes have markedly reduced the flow of income into the kind of savings that add to the producing tools of the nation.

"We have before us the prospect of the possibility of a decade or more of highly prosperous conditions in which the producing genius of the American people can be used as a fulcrum to raise the standard of living of the whole world. But if that is to take place the accent must be on production, not on consumption, as the unfortunate social experiments of Russia and Great Britain too well attest.

Prosperity results from the free functioning of a national economy that enjoys a state of health because all the parts are in balance. We have come a long way toward restoring balance to our economy in recent months, but a major distortion that remains is the heavy burden of taxation upon corporation incomes and high individual

THE UNITED STATES WILL CONTINUE TO PROSPER WHEN

—The Accent Is on Production and Not on Consumption.

—Labor and Business Realize the Necessity of Reliance Upon Each Other.

—We Continue to Work for International Cooperation and Understanding.

—Our Fiscal Policy Combines a Low Level of Federal Spending and Taxes Offer a Maximum Incentive to Investment and Business.

incomes. To the extent that the social objective of equality of consumption may yield to the economic objective of production for profit, both economic and social objectives may be realized, because of the resultant contribution to the prosperity of the nation as well as the world."

Harold E. Wood, Harold E. Wood & Company, St. Paul, Minnesota:

"As one of the thousands of modest business men who are not actively participating in politics, but are vitally interested in the continued prosperity of this country, I am happy to give you my opinion of what major steps should be taken to insure continued prosperity in the United States. Here they are:

"Amend present laws to effectuate free and equal treatment for labor and management.

"Extend company-sponsored insur-

ance and pension plans, and profit-sharing mechanisms.

"Start now on a program of moderate and periodic rent adjustments, that the transition to a free housing market will be accomplished without drastic dislocation.

"Eliminate racketeering and restricted trade practices in the building industry.

"Encourage low cost and pre-fabricated building.

"Cut cost of government by eliminating inefficiency and discarding unessential functions.

"Emphasize reduction of federal debt rather than tax cutting, although some decrease in taxes should be effected.

"Steadfastly continue to work for international cooperation and understanding. Continue the by-partisan support of our State Department in its firm attitude toward Russia.

"Stimulate international trade through further extension of reciprocal trade treaties, and through the extension of foreign credits, both governmental and private, on sound, realistic bases.

"Devote greater time in our educational systems to international relations.

"Distribute the benefits of technological improvements through price reductions.

"Amend the regulations governing securities and the securities markets to make easier the flotation of new issues, thus promoting the development of a broader capital market."

Aubrey G. Lanston, vice president, First Boston Corporation, New York City:

"Granting that the current dollar value of goods and services produced, and the national income is a total which should illustrate prosperity, I nevertheless hope that we are able to attain a fundamentally sounder economy in the future than that which exists. Sound economy requires less distortions in the over-all price structure, greater freedom from worry over shortages, undue labor demands, and the fact that the debt management and fiscal policies may not measure up to the necessary standards.

Northwestern Banker, March, 1947

"The first requirement for a period of sustained prosperity is a fiscal policy which combines the lowest possible level of federal and other government expenditures to the end that debt may be retired in an amount appropriate to the concurrent business situation and that taxes (including their structure) may offer a maximum rather than a minimum incentive to capital investment and business executives. The prospects, for such a fiscal program, are not too encouraging.

"The second requirement is that labor and business recognize the necessary reliance of each upon the other.

Capital and management cannot produce without a healthy, contented labor force. Labor cannot achieve lasting gains, nor can it continue as a freely organized force, nor can the commonly-accepted degree of American individual freedoms continue—unless capital and business management are given the utmost encouragement.

"We have available all of the essential ingredients for a prolonged prosperity. Whether we succeed depends upon the exercise of unselfish discipline, moderation, and common sense by the whole of the American people." —The End.

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With Investors' Syndicate

V. J. Green, football coach at Drake University in Des Moines for 14 years prior to his resignation last November 28th, has been named Central Iowa distributor of Investors' Syndicate, investment firm of Minneapolis.

Mr. Green will have his office in Des Moines, 424 Liberty Building.

A teammate of Harold (Red) Grange, Mr. Green was graduated from Illinois in 1924. He came to Drake from Oklahoma City University in 1933.

Mr. Green's district includes 22 counties in central Iowa.

Assistant Vice President

Edward T. Hetzler has been elected an assistant vice president by the board of directors of Bankers Trust Company, it was announced by S. Sloan Colt, president of the bank.

Mr. Hetzler, who is a member of the advertising and public relations department, began his career with Bankers Trust Company in 1923. He was elected assistant treasurer in 1928. He was graduated from Yale University in 1923.

Iowa Bond Purchases

Investments in United States savings bonds by Iowa purchasers during 1946, as compared with redemptions, reflected even a brighter picture when the Federal Reserve Bank of Chicago released figures on the sales of series E, F and G bonds and the redemptions of series A through E redemptions for the year.

Roger F. Warin, state director of the savings bond division of the treasury department, announced that a total of \$207,900,217 was invested in E, F and G bonds during 1946, and total redemptions, including bonds which have matured, were \$105,411,675. Sales of bonds were 197.23 per cent of redemptions.

"These figures appear not to present a true picture of sales and redemptions, since we do not have cash-in statistics for series F and G bonds," Warin said. "However, the Federal Reserve Bank doesn't believe there are enough redemptions of the F and G bonds to justify the expense of tabulating them.

"Another point to remember," Warin said, "is that the sales figures are for 1946 only, while the redemptions cover all savings bonds sold since 1935."

Iowa county led the state in sales of E, F and G bonds as compared with A-E redemptions, with 392.26. Other leaders, all of them going over the 300 per cent mark, were Adair, Winnesaukee, Plymouth and Washington, in the order named. Warin pointed out that at the end of the first six months of 1946, Iowa showed sales 175 per

cent of cash-ins, and at that time Wineshiek topped all other counties with 359.87 per cent.

"Most encouraging phase of these comparative figures," Warin continued, "is the statewide interest in buying and holding United States savings bonds. More than half of the counties in Iowa recorded sales of more than 200 per cent of redemptions, and not one county had a sales record of less than 100 per cent of cash-ins."

Saturday Closing

The board of directors of the Chase National Bank has authorized year-round Saturday closing of its head office and branches in New York City, commencing on Saturday, April 5th, in accordance with the permissive provisions of the amended New York State law signed by Governor Dewey.

Income Larger

Gross income of the Burroughs Adding Machine Company in 1946 was larger than in any prewar year and amounted to \$46,521,239 as compared with \$38,193,284 in 1945, according to a report issued by John S. Coleman, president of the company:

Net earnings for the year were \$1,992,149 or 4 per cent of the total income from sales and equivalent to 39 cents per share of capital stock, Mr. Coleman said, as compared with \$1,259,051 or 3 per cent of total income and 25 cents per share in 1945.

Burroughs gross income during 1946 grew steadily throughout the year

Iowa Investment Bankers Meet



PICTURED above are the new officers of the Iowa Investment Bankers Association, elected at the 1947 annual meeting of the organization held in Des Moines. From left to right they are: **Carl Stutz**, president, secretary The White Phillips Company, Davenport; **Harry Graefe**, first vice president, president Graefe & Company, Des Moines; **L. H. Ryan**, second vice president, Iowa representative William Blair & Company, Ottumwa; and **Sherman W. Fowler**, secretary and treasurer, assistant vice president Iowa-Des Moines National Bank & Trust Company, Des Moines.

Elected to the board of governors of the Iowa Investment Bankers Association for a three-year term were **Thomas L. Crabbe**, president Thomas L. Crabbe & Company, Cedar Rapids; **Walter E. Vieth**, Vieth, Duncan & Wood, Davenport; **Harry Graefe**, Des Moines; and **Sherman Fowler**, Des Moines.

Including several investment bankers from Chicago, about 70 attended the annual meeting.

from \$10,139,984 in the first quarter to \$13,443,008 in the fourth quarter—an increase of 32 per cent. Second quarter gross income amounted to \$10,973,784 and third quarter, to \$11,684,202.

Dividends of \$2,747,300 or 55 cents per share were paid in 1946.

Johnnie Is Smart

Johnnie was four. Willie was the baby. Mother wanted to give Willie the last banana. As a clinching argument she said, "Think how many bananas you had before baby was born." "Yes, but think how many he will have after I am dead."

INVESTMENT SECURITIES

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and
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Thomas L. Crabbe & Co.

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Cedar Rapids, Iowa

Over 20 years experience

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**THE NATIONAL COMPANY
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500 First National Bank Bldg.

Members
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GREETINGS

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Iowa Bankers Association



from

M. Wittenstein & Co.

Dealers in

Securities of
Iowa Corporations and
General Investments.

Southern Surety Bldg.
Des Moines 9, Iowa

Workers Need a "Stake" in Business

AMERICAN business and industrial management is not doing effective work in educating its own personnel in the economic foundations that underlie the American way of life, Merrill Lynch, Pierce, Fenner & Beane, national investment firm, warns in its seventh annual report made public by Winthrop H. Smith, managing partner.

"Too few organizations have given their workers a tangible stake in the success of the business or made them feel individually important," Charles

E. Merrill, directing partner, states in a signed foreword. "With the present experience of England and France before us, it is tragic that business in America has accomplished so little in this respect."

Mr. Merrill cautioned, "If America is not to go the way of much of Europe, the mass of the people must realize their economic stake in our present system, must find in it the opportunity and emotional outlet that people abroad think they see in the socialist state. The perils we face

from ignorance and misunderstanding can be more serious than those we faced in war."

Discussing the security markets of 1946, the Merrill Lynch Report said of the increased speculative activity early in the year, "Too many people, ignoring our slogan 'investigate then invest,' were inspired by rising prices to 'take a flyer' in the market. In the early autumn many investors became apprehensive lest mounting labor strife and higher prices tumble our house upon us. The inevitable reaction forced security prices down.

"We believe wholeheartedly," the report says, "that the interest of the investor—the man holding securities for income—must always be our primary concern. Risk is, of course, inherent in investment. For this reason we believe that our tax laws, particularly those applying to capital gains, should encourage rather than discourage investment. Capital needs incentive to pioneer and work just as surely as do individual men. We do not approve, however, nor will we join in any effort to encourage a return to unbridled speculation in securities."

The report praised the effort being made by James J. Caffrey, chairman of the Securities and Exchange Commission, to simplify and define existing rules and regulations governing the issuing and trading in securities. "One of the major objectives of our firm is to take the mystery out of finance," the Merrill Lynch Report said. "We hope we can help Mr. Caffrey in his similar endeavor."

Anniversaries

Walter H. Pauge, purchasing agent, and J. L. Dunkley, credit department, Union Bank and Trust Company, of Los Angeles, are celebrating their twentieth anniversaries with that institution, while Lucile Snyder, senior note collection teller, is celebrating her tenth anniversary.

Pauge and Dunkley both entered the employ of the bank in the spring of 1927.

Miss Snyder, a native of Canada, became associated with the bank in the spring of 1937 as utility stenographer and notary public, later being promoted to her present position.

Sure Cure

"How can you cure someone of snoring?"

"Easy. By good advice, cooperation, kindness and stuffing an old sock in his mouth."

MUNICIPAL AND CORPORATION BONDS GENERAL MARKET STOCKS

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MR. BANKER AND YOUR INCOME TAXES!!!

Outstanding bankers today are decreasing their holdings of fully taxable securities and are increasing their investment in municipal bonds with TAX-FREE income for greater final net PROFITS. Call, write or phone for further details.

RAVENS CROFT & COMPANY

Specializing in Municipal Bonds for Institutional Investment

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The Mortgage Financing Outlook

By **JOHN H. FAHEY**
Federal Home Loan Bank
Administration

THINK present interest rates on home mortgages are likely to hold during 1947. There are proposals for reductions on some types of private rental housing loans. I doubt very seriously the advisability of cutting such rates. They could easily have the effect of alarming executives of lending institutions and restricting the amount of money which would be made available.

Interest rates on long-term amortized home mortgages, in my opinion, are now too low to be safe. Management of unquestioned ability and integrity is vital to the soundness and success of our savings institutions. The vast majority of them are managed by men of character who know their business and who recognize their trustee responsibility for the protection and conscientious management of other people's money. These executives are fairly well compensated in most cases. There are far too many savings institutions of average size, however, which do not have enough income from their mortgages at present rates.

They cannot command the services of the kind of men they need, provide necessary reserves to cover inevitable losses, and also pay a reasonable return to the millions of small savers who furnish the great bulk of the money which builds our homes. Men and women who save a few dollars at a time are the owners of nearly all our savings institutions, and they are not today receiving the consideration and encouragement they should have.

In response to public sentiment, Congress fixed a mortgage rate of 4 per cent on homes for veterans, with a complete guarantee by the Veterans Administration against loss to the lending institution. The law reflected the intent of the people of the United States to favor the veteran as compared with other borrowers and to do everything practicable to enable him to secure a worthwhile home. We cannot disregard the fact, however, that in too many cases lending institutions have relied entirely on the Veterans Administration guarantee and have not adequately protected either the veteran or the public interest. Overlending has unquestionably stimulated real estate speculation and an inflationary market.

In my opinion it is unsafe and unwise to establish interest rates on long-term amortized mortgages for home owners generally below 5 per cent.

As a result of the complete change of the home mortgage pattern in this country since 1933, influenced by the Home Owners' Loan Corporation long-term loan with a flat 5 per cent in-

terest rate, and the Federal Housing Administration insurance plan, the interest cost on home mortgages to the average family has been nearly cut in half. Second and third mortgages with their extreme rates have been practically wiped out. The resulting annual savings to home owners totals hundreds of millions of dollars. As yet there has been no saving to the home purchaser in any other direction.

Municipal and General Bonds



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Municipals



GREENWAY & CO.

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OMAHA, NEBRASKA

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.

The
**PUBLIC
NATIONAL
BANK**
AND TRUST COMPANY
OF NEW YORK
ESTABLISHED 1908

MEMBER

New York Clearing House Association
Federal Deposit Insurance Corporation

MUNICIPAL BONDS

(Iowa and Illinois)

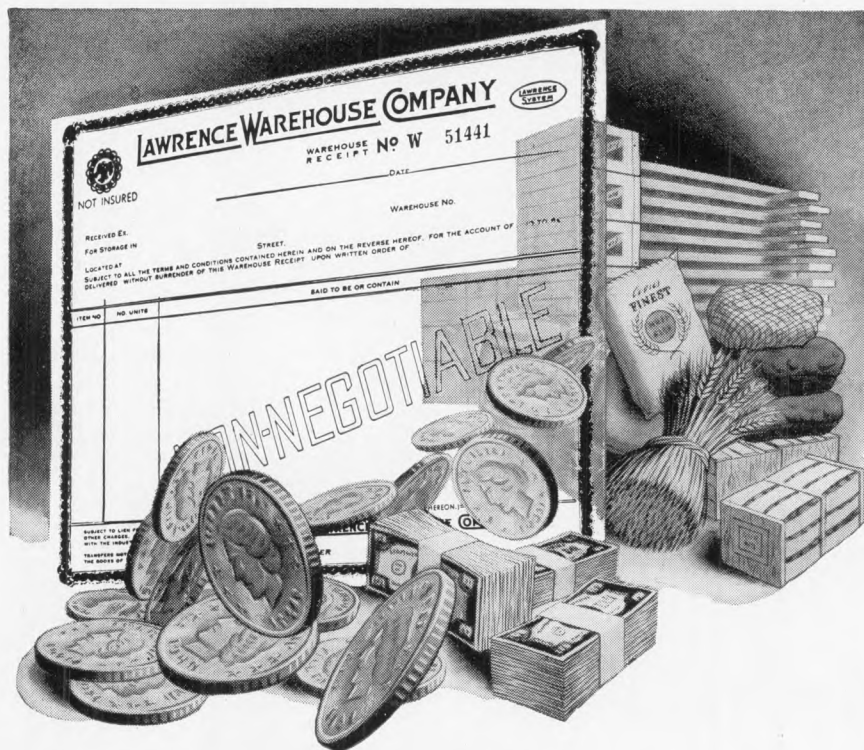
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CITY

SCHOOL
REVENUE

THE WHITE-PHILLIPS CO., INC.

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Davenport, Iowa

First National Bank Bldg.
Chicago, Illinois



OF COURSE YOU CAN LOAN MORE MONEY SAFELY!

Lawrence Field Warehouse Receipts provide a
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SAFE...Third-party control of collateral means safety. Back of Lawrence Field Warehouse Receipts are the financial integrity, know-how and 33 years experience of Lawrence Warehouse Company.

SURE...Seldom do we encounter an inventory which, because of inherent peculiarities, cannot be handled. While every field warehouse is different, the principle of field warehousing remains the same. That's why you can safely recommend field warehousing in connection with any business seeking credit expansion. You can avoid saying "no!" with Lawrence Field Warehousing.

For 33 years we have been helping banks and lending agencies expand their loan opportunities. By providing a way to use idle dollars in inventories, we are contributing to the expansion and success of many enterprises. Banks and lending agencies are growing with them.

We are prepared to advise loan officers contemplating inventory financing as an extension of their services. Send for your copy of this booklet.



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NEW YORK 5, N. Y.
72 Wall Street

Kansas City 7, Mo.
933 Mulberry Street

YOUR G. I. LOAN QUESTION BOX

(Continued from page 21)

quired to give notice to the administrator on any default which remains uncured for as long as six months, or on an extended loan, for as long as two months. A claim may be filed at any time after the default has continued uncured for a period of three months, and at that time you may give notice of your intention to foreclose. Such notice should be in writing, and delivered by registered mail to the loan guarantee office. After giving notice you are to wait 30 days before taking any action which would terminate the debtor's rights in the security, except upon express waiver by the administrator. However, prompt action may be taken where the property has been abandoned or is otherwise subjected to extraordinary waste or hazard, and our mutual interests are in jeopardy. When immediate action is taken because the debtor has transferred or abandoned the property, or otherwise subjected it to extraordinary waste or hazard, or where the appointment of a receiver is justified, and notice is not given in advance to the administrator, then notice of such action must be given by registered mail to him within 10 days thereafter on Form 1874, or by a letter explaining the situation.

Third. If the holder does not commence action as prescribed above, the administrator, upon receiving information of a default, may request the holder to begin action. Failure of the holder to begin this action gives the administrator right to begin and prosecute to completion any action or proceedings in his name, or in the name of the holder. The costs and expenses will be advanced and paid for by the administrator and charged, including a reasonable amount for legal services, against the guaranteed or insured indebtedness or the proceeds of the sale of the security, to the same extent that the holder would without the consent of the administrator. The administrator may require the holder to transfer and assign the loan and security to the administrator upon receipt of full payment of the balance due to the date of such assignment. Failure of the holder to comply with the request would result in loss of guaranty or insurance of such loan.

Fourth. As to the effect of Sec. 36: 4320 of the regulations which provides that administrator upon receipt of notice of sale may have the property appraised and require lender to credit a certain amount upon the indebtedness on account of sale, this is to pro-

tect the administrator. After payment of the guaranty by the administrator, unless the lender wishes to acquire the property at a price in excess of the balance due, it would not be necessary for him to bid more than the balance due at the foreclosure sale to protect his interests, but what of the administrator's interest? He also has his guaranty at stake and hopes to recover all or part of it. Let us assume that the debt were reduced from \$6,000 to \$3,000 as the result of the payment of the guaranty, and that the market value of the property is now \$5,000. If only \$3,000 were bid by the lender a third party bidder could conceivably buy it for \$3,001 thus paying the lender in full to be sure, but leaving only \$1.00 available to the government as a refund of its \$3,000 outlay on the guaranty. The administrator can protect his interest, at least to the extent of the value of the property in this case, by requiring a \$5,000 credit to the indebtedness on account of the sale. This induces participation in competitive bidding by the lender and precludes the sale to a third party bidder for less than the fixed amount. If the property is sold for more than \$5,000, the lender credits the account with the net proceeds of the sale and remits to the administrator all in excess of his net debt. Should the lender acquire the property at the sale he has two alternatives, (1) remit \$2,000 to the administrator and keep the property, or (2) accept \$3,000 from the administrator and convey the property to him. If the first alternative is chosen, the lender will own the property at its estimated market value, and the administrator has lost \$1,000 on his guaranty. The \$2,000 refund to the administrator is the difference between the amount fixed for the accounting, \$5,000, and the net indebtedness, \$3,000. If the second alternative is used, the administrator acquires the property for \$6,000, \$3,000 of which was paid under the guaranty, and the other \$3,000 pays off the balance of the indebtedness. The loan has been made whole, and the administrator will still lose \$1,000 if the property is subsequently sold at its estimated market value of \$5,000. This "upset price" or "stop loss" as fixed by the administrator, based upon appraised market value, fixes a basis for settlement.—The End.

Well Trained

Woman resident in China, to her house boy: "You should knock before bringing my linen into the bedroom."

House boy replies: "That's all right, Missy. Every time come, lookee through keyhole. No dressed, no come in."

FOCAL POINT

for Co-ordinated Regional
Service



MILWAUKEE

Wisconsin's Bank for Banks

This outstanding bank — established in 1853 — serves as Milwaukee depository for over 85 per cent of all the banks in Wisconsin!

With unparalleled correspondent "coverage" of Wisconsin, the First Wisconsin National Bank of Milwaukee is not only "the point of prompt collection" for Wisconsin checks and drafts, but also the focal point for unique Co-ordinated Regional Service keyed to the needs of national corporations operating branches, sales divisions, distributorships, retail outlets or other units in this area.

Bankers as well as business executives are invited to write for further information.

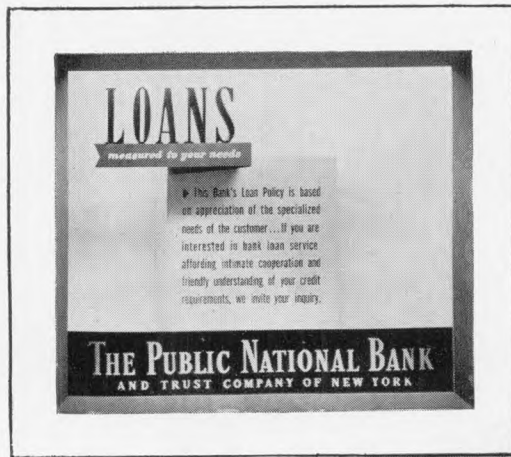
**FIRST WISCONSIN
NATIONAL BANK**
of Milwaukee

MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

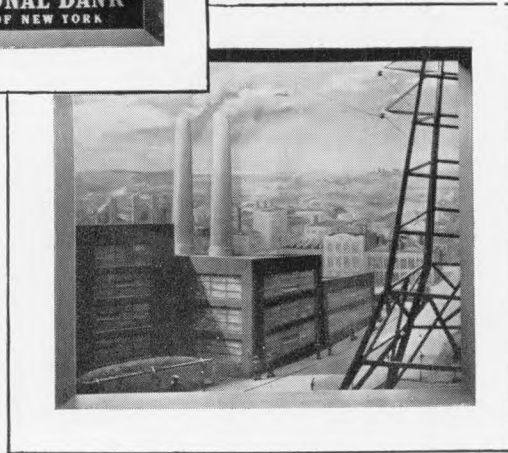


Northwestern Banker, March, 1947

New Type Window Displays



Two types of window display employed by the Public National Bank, New York City.



PEDESTRIANS passing the Broadway office of The Public National Bank and Trust Company of New York at Broadway and Twenty-fourth Street, are manifesting unusual interest in the striking new window displays the bank is using for promotion.

All of the spacious windows on the Broadway frontage of the building are

devoted entirely to the new and unusual displays, which are dramatic and picturesque diorama or third-dimensional structures.

The illustrative subjects are not drawings or photographs, but are actual scale models of the various subjects employed, giving the displays depth and pronounced realism.

To promote the bank's commercial loan services, a large factory, built to scale, is shown, complete in every detail. Appropriate third-dimension copy panels set forth the services succinctly. Another such diorama is devoted to copy only, and highlights the completeness of the bank's services and facilities. Special lighting effects give added interest to all the windows.

The three-dimensional structures are of large proportions, but are portable and can be moved about and installed in the windows of any of the bank's 26 offices in the Greater New York area.

WHAT THEY SAID AT THE CONFERENCE

(Continued from page 18)

quaint the farmers of the future at their impressionable time of life with the kind of services banks render to agriculture, and establish relationships that will last through the years."

"AGRICULTURAL OUTLOOK"

DR. EARL L. BUTZ
Head of Agricultural Economics
Purdue University

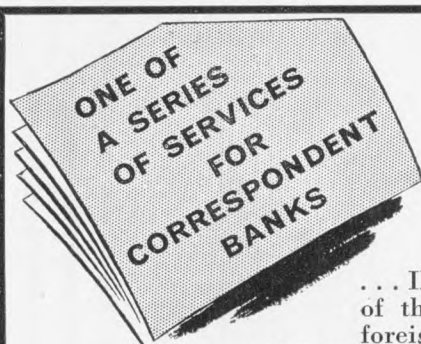
"Prices of U. S. farm products, on the average, have probably passed their postwar peak and may be expected to work moderately lower during the coming year.

"The high point came last October, following the relaxation of price controls, when the U. S. farm-price index stood at 257 per cent of the 1935-39 average. The farm-price index has declined about 20 points since the October high.

"Farm product prices will fluctuate around their present levels during the first part of 1947, but may be expected to decline some in the latter part of the year. This will be especially true if 1947 is another year of large crop production. The expected decline in the latter part of 1947 will be neither as rapid nor as drastic as that which occurred in 1920; it will be more in the nature of a cost-price realignment than a recession.

"The general level of prices in the United States, other than farm prices, may continue to rise slightly through the first few months of 1947 and will be followed by an adjustment which will carry prices back to about their 1945 levels (not prewar). This price reaction will come when the volume of civilian production begins to catch up with effective civilian demand, and when the flow of relief supplies to Europe begins to subside.

If we can get through the period of price adjustment in late 1947 and early 1948 without surrendering our system



COMPLETE FOREIGN BANKING SERVICE...

... INCLUDING remittances to all parts of the world, foreign letters of credit, foreign collections, and foreign travel arrangements ... PLUS the knowledge and counsel of our Foreign Division ... are offered here for your use in serving your customers.

CENTRAL NATIONAL BANK IN CHICAGO

C. F. KUEHNLE, President

Senior Vice-Presidents

Gus L. Nelson

Harold H. Stout

CORRESPONDENT BANK DIVISION

Vice-Presidents

Alfred O. Clave

Arthur A. Ellerd

Earl H. Sollenbarger

Member Federal Deposit Insurance Corp. Member Federal Reserve System.

Northwestern Banker, March, 1947

of free enterprise for a complicated system of government price supports, the period predicted above should be followed by a long spell of relative prosperity. The price level will remain relatively high (1945 level) for at least a decade—perhaps longer. This will be an era of relatively good business and satisfactory rewards for efficient management. Farming will be profitable on economic-sized unit farms which are not burdened with excessive fixed charges."

"PERSONAL LOANS"

RICHARD W. TREFZ
President
Beatrice State Bank
Beatrice, Nebraska

"Quacks and pseudo-leader-economists are working day and night trying to change the economic pattern that has made this nation the wonderland of the world. One of the first targets for attack will be the banking system.

"We have one effective counter weapon: carrying our services to the greatest number of people; making our banks truly an effective force in the struggle for the survival of our capitalistic system by making it possible for every honest, deserving man and woman to become a capitalist according to every one's limitations. Are we going to rely on our strengthened capital structure or relatively high liquidity as a last weapon of defense? No! Our one and only defense is the moral obligation implied by the charter granted by a sovereign people, to serve the greatest number to the best of our ability; honestly, fairly, and efficiently. Let our future be guarded, not by a dusty, musty roll of parchment, but by the recognition of our continued contribution to the pulse beat of our nation's economy.

"The personal loan efficiently and cordially extended to the millions of our people will be one of the surest means of entrenching the chartered banks in the hearts of our people; it will assure the continuity of the titanic task assigned to the thousands of small banks to remain a workshop of creative activity, one of the strongest links in the chain of the Republic."

"SMALL BUSINESS"

ROBERT M. HANES
Past President
American Bankers Association

"Several years ago the dreamers told us that we would not make loans to business, especially small business. Now that we have demonstrated that we are making these loans by the figure facts of the case, they are hinting that we might be granting too many loans—that we are inflating the economy. I deny that charge.

**DIRECT
ROUTING
of California
Transit Items**

Correspondents may send cash letters directly to any of Bank of America's branches, saving days in the presentation of checks. A unique service available only through

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
MEMBER FEDERAL RESERVE SYSTEM

"We have continuously stated that our program did not mean unsound lending procedures or the making of poor grade loans. It did and does mean that every loan presented to a bank will be scrutinized by the bank officer with the real determination to exhaust every means of making the loan sound and bankable before declining it.

"We must merchandise credit just as any other business merchandises its wares. Loans must be made to fit particular needs. Every application for credit from small business, as well as large business, is different in some respect. Our job is to give the small business man the kind of credit he needs.

"Banks can be both aggressive and sound. Today there is a growing demand for bank credit on a more diversified scale, and logically it is expected that modern banking will provide such service to deserving people. This emphasizes the need for banks to explore ways and means of making a greater variety of credit applications bankable.

"We are now in a period of new competition, new products, new markets, new customers, new merchandising methods, new packaging and display ideas, and new lending requirements. It is an obligation of banking to invite small business men to discuss their financial needs and to give them the benefit of sound advice when a loan is not the solution to their problem.

Small business should be assured that banks are ready and anxious to do their share in helping to solve their business and financial problems."

"CREDIT INFORMATION"

WARREN GARST
Cashier
Home State Bank
Jefferson, Iowa

"In our credit information we need a comparative statement that will give us and our borrowing customers as well a better idea as to the net progress they are making. We have found that some farmers make a decent profit, pay a fair income tax, and think they are doing well. They proceed to spend all their surplus. One thing we need to watch is to see that farmers value their property, both real and personal, at similar values from year to year.

"Why should country bank credit files be improved? What is the benefit to the bank? A good credit file gives you more than 'dollar and cents' information. Your farm customer wants to borrow \$500 today; but if you sit down with him and figure out his needs, as many bankers are now doing, you may find that he will need to borrow \$1,200 to get through the season. A good credit file will be of real help on that point. The part of the file that gives you this information also tells you what sort of a farmer your friend is. Is he using fertilizer? His budget should show that item if he is not, and it should tell something about his crop ability and his farm program. Does he use adequate amounts of commercial feeds? The budget figures tell that story also. A credit file that shows the acreage of the various crops which he will raise this year tells you if he is planning high-profit crops or if he is drifting along on old-time habits.

"In all files there should be a comparative statement. Some banks which do not have a comparative statement say that they do not want any extra work. From six years' experience we find that it takes about ten minutes a year per customer and it gives us, and our customer, too, a better idea as to the progress he is making.

"In all credit files there should be a comment sheet. Many of us know details about our farm customers and let it go at that. There is no use kidding ourselves; this comment or history sheet is the hardest thing to get done. In one bank, the girl who posts the notes polices the history sheet. The bank examiner told me that when they examine the bank, they get all the information they need from the credit file and almost never have to ask the bank officer to go over the lines of credit."

INCREASE THE SCOPE OF YOUR CUSTOMER SERVICE

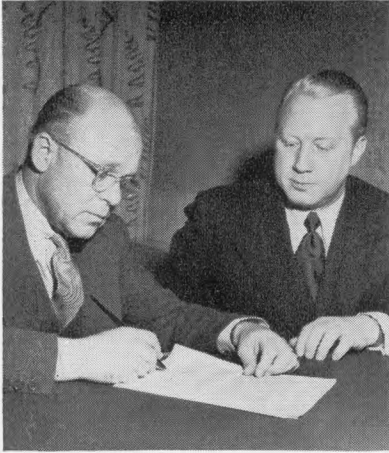
As a correspondent of The Northern Trust Company you will be able to offer your customers a greatly expanded service in many respects. You can share in our credit information and benefit from our fact-finding facilities. In some instances we can participate in loans to your customers. If you have no foreign department we can often be of valuable assistance. Our Bond Department is always ready to be helpful in giving quotations and in the purchase and sale of United States Government, State and Municipal bonds. In fact, whatever your needs may be, as a correspondent of this bank you are assured the cooperation of all our departments. We cordially invite your inquiry regarding the benefits of a connection here.

THE NORTHERN TRUST COMPANY

50 SOUTH LA SALLE STREET, CHICAGO 90, ILLINOIS

Member Federal Deposit Insurance Corporation

TAKES TO TELEVISION



Winthrop H. Smith, (left), managing partner of Merrill Lynch, Pierce, Fenner & Beane, Wall Street's largest investment firm, signs contract with Frank Stanton, (right), president of the Columbia Broadcasting System, for the first television show sponsored by a financial house. The broadcast over WCBS-TV in New York City featured "Money at Work," a new film produced under the auspices of the New York Stock Exchange for use in its educational program. Mr. Smith personally introduced the film, which detailed the operations of the Stock Exchange and explained its role in our economy.

"WORKING TOGETHER"

W. A. McDONNELL
Vice President
Mercantile-Commerce Bank
St. Louis

"In the early days of American banking the correspondent relationship originated with the need of small banks for safe depositories, domestic exchange and note redemption facilities. Later, the city banks, principally those in New York City, began to extend seasonal credit to the smaller banks against a pledge of notes, generally for the purpose of financing the movement of agricultural crops. Still later, when the check largely displaced currency as a medium of exchange, the function of check clearance was added to the expanding list of services which made up correspondent banking.

"Correspondent banking—this working together of large and small banks—has withstood every change in its status and threat to its existence, and down through the years has been continually strengthened and expanded.

Today the functions of a city correspondent are almost as broad as commercial banking itself. In other words, the small country bank with the aid of its city correspondent can render to its customers practically every type of banking service which the large metropolitan institution makes available to its customers.

"By voluntary cooperation we achieve that efficiency for the system

as a whole which is attained under the more highly centralized systems of other countries either by legislative act or executive order. Every bank—large, medium or small—has a tremendous stake in preserving and enlarging correspondent banking—this tie that binds banks together—this voluntary force which molds us into a banking system. It is the American substitute for nationwide branch bank-

A Correspondent Exists...

TO GIVE SERVICE

The basic reason for every correspondent relationship is service, whether it be the routine type or the all-inclusive kind.

Choose Mississippi Valley Trust Company as your correspondent and be assured of service in the broadest sense. Our correspondent service began 92 years ago...experience will prove to you that it is literally without end.

MISSISSIPPI VALLEY TRUST CO.

92 YEARS OF BANKING EXPERIENCE

ST. LOUIS 2, MISSOURI

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Did you know that our Cash Letter Policy not only gives protection but enables you to cut operating expenses substantially? Ask us for details. You will not obligate yourself.

FIRST NATIONAL BANK BUILDING • CHICAGO 3, ILLINOIS • STATE 4325

Scarborough & Company

Insurance Counselors



to Banks

Northwestern Banker, March, 1947

ing. It is the American answer to nationalization of banking. It is a vital part of the American democratic system of free enterprise. Let us guard it jealously."

"OUTSIDE FARM PROGRAM"

M. C. TOWNSEND
Vice President
Fremont National Bank
Fremont, Nebraska

"What needs to go into an outside agricultural program? Well, several things:

"We need sufficient information about farms in our respective communities—about their productive ability,

about the farmers who farm the land, something about their farming operations and management systems.

"We need adequate financial statements for farm borrowers.

"We need up-to-date credit files on our farm customers which will tell at a glance whether or not they are good or bad risks.

"We need more personal farm-to-farm visits to our customers. I read somewhere that it was not the shine on your trouser seat but the worn places on your shoes that counted in farm contacts. I believe it is true, because there is no doubt but that observations made by a trained man

on a farm are far more accurate than the financial statement resting in the president's desk. It is desirable to have both, but many times observations on farm management can be made, only accurately, right out on the ground. Then, too, farm visits break down the indifference that many farmers have toward their bankers, and that indifference is understandable. If a representative of his local bank gets out and visits a customer on his own land and gets a little mud on his shoe and talks over mutual problems, a strong personal relationship is built up which will mean the difference between getting or not getting the business—and in addition accurately judging the reliability of the customer."

1892 — 1947

FIELD WAREHOUSE RECEIPTS

By

WILLIAM H. BANKS WAREHOUSES, INC.

REDUCE ELEMENT OF RISK in connection with your INVENTORY LOANS.

Our staff of experts available and shall be pleased to discuss all questions in connection with this type of loan.

Please write, or telephone, our offices for information.

OFFICES: 209 S. La Salle Street, Chicago, Illinois
Telephones: STAt 0204-0205

"PUBLIC RELATIONS"

C. W. GREEN
Director Public Relations Council
American Bankers Association

"Country bankers are in an excellent position to bring about a better understanding between banks and the public because they serve more than half of the people of the nation. The million retail merchants located along the small town Main Streets who handle 40 per cent of the national retail sales of the country are mighty important customers of the small bank.

"The last census shows that one-third of all manufacturing plants are located in Main Street communities, and to their banking needs can be added those of more than half of the factory workers. So it is apparent that the country bankers and their customers represent the backbone of the nation.

"Practically every one of America's banks is located in the middle of the community which it serves. It sits at the hub of the town, and like a wheel around its hub, the economic life of the town likewise revolves around the bank. Through deposits, drafts, discounts, mortgages, loans, and currency exchange, the bank is connected to virtually every enterprise on Main Street and down the side streets.

"At least half of the families in town have a checking account or savings account in the bank. So likewise does the Woman's Club, the Boy Scout troop, the Congregational Church, the post office, the Rotary Club, and so on down through the social and economic web of the community. Suddenly to pull out the bank from its hub position would virtually uproot the whole structure. No wonder John Doe takes it for granted that the Hometown National Bank 'belongs' to Hometown.

"And what an opportunity is thus offered to the bank to cement its rightful place in the community. There is

Effective co-ordination

of all departments assures rapid, efficient handling of every type of banking transaction. You are invited to use any or all of our facilities.

CITY NATIONAL BANK **AND TRUST COMPANY of Chicago**

208 SOUTH LA SALLE STREET

(MEMBER FEDERAL DEPOSIT INSURANCE CORP.)





The Main London Office, shown at left, is located at 32 Lombard Street—a thoroughfare famous for its centuries-old association with British and international finance.

Below—Big Ben and the Houses of Parliament.



Our Main London Office reaches the *Half Century* mark

Established in March, 1897, as one of the earliest branches of any American bank in Europe, our Main London Office has provided uninterrupted service throughout a period witnessing the strains and dislocations of two World Wars. Other branches, in England and on the Continent, are our London branch in Bush House, and our branches in Paris and Brussels.

These branches afford to American banks, companies, and travelers and residents abroad, the facilities of American banks with American methods,

with intimate knowledge of European conditions and enjoying long-established relationships with important European banking and business organizations.

To our correspondents in the United States the services of these branches are of special value in connection with foreign trade financing, service to their officers and customers who travel, and for first-hand information on conditions abroad. We welcome inquiries regarding any phase of our service.

Guaranty Trust Company of New York

140 Broadway, New York 15

Fifth Ave. at 44th St.
New York 18

Madison Ave. at 60th St.
New York 21

40 Rockefeller Plaza
New York 20

LONDON
32 Lombard St., E. C. 3
Bush House, W. C. 2

PARIS
4 Place de La Concorde

BRUSSELS
27 Avenue des Arts

Member Federal Deposit Insurance Corporation

Northwestern Banker, March, 1947

Financial Statement

of

IOWA'S LARGEST CASUALTY INSURANCE AND BONDING COMPANY

As of December 31, 1946

OFFICERS

J. W. Gunn
President-Treasurer

John F. Hynes
Vice Pres.-Secretary

DIRECTORS

Dr. D. E. Baughman
Fort Dodge, Iowa

W. H. Brenton
Pres., Brenton Bros.
Des Moines

H. L. Hjermstad
Pres., Citizens Fund
Fire Insurance Co.
Red Wing, Minn.

Dr. L. E. Kelley
Physician & Surgeon
Des Moines

Frank Kohrs
Pres., Kohrs Packing
Company, Davenport, Iowa

Carl Muehlaupt
Secy., Central Service
Company, Des Moines, Iowa

Amos C. Pearsall
General Manager,
Pittsburgh-Des Moines Steel
Company, Des Moines, Iowa

W. Z. Proctor
Attorney at Law
Des Moines, Iowa

H. W. Read
Secy., Iowa Valve Company
Oskaloosa, Iowa

R. W. Weitz
Contractor
Des Moines, Iowa

M. J. Wilkinson
Supt. of Agents
Des Moines

R. W. Wood
Physician & Surgeon
Newton, Iowa

ASSETS

| | |
|---|-----------------|
| United States Government Bonds*... | \$ 6,395,064.81 |
| Other State and Municipal Bonds*... | 1,539,028.82 |
| No bonds owned by the Company have ever been in default either as to interest or principal. | |
| Real Estate—Home Office Building... | 117,992.80 |
| Cash in Banks..... | 1,346,376.34 |
| Real Estate Mortgages—F H A..... | 149,391.32 |
| Stocks & Federal Savings Certificates | 56,770.00 |
| Premiums Receivable—Not past due.. | 1,320,685.93 |
| Current Balances due from Agents and Policyholders. | |
| Interest Accrued | 29,719.55 |

TOTAL ADMITTED ASSETS...\$10,955,029.57

RESERVES

| | |
|--|-----------------|
| Reserve for Claims..... | \$ 4,492,995.42 |
| Funds set aside to fully pay all incurred and expected losses. | |
| Reserve for Unearned Premiums.... | 3,450,926.06 |
| Funds set aside to return to every policyholder the unearned premium in event of cancellation. | |
| Reserve for Taxes—State and Federal | 302,243.49 |
| All Other Reserves..... | 584,956.18 |
| Included in this Reserve is a sufficient amount to pay earned dividends on all participating policies. | |

TOTAL LIABILITIES\$ 8,831,121.15

Reserve for Contingencies..... 300,000.00

SURPLUS over ALL Liabilities..... 1,823,908.42

\$10,955,029.57

*Amortized Values.

Employers Mutual Casualty Company DES MOINES

Automobile, Plate Glass,
Public Liability Insurance



Workmen's Compensation
Fidelity and Surety Bonds

probably no other single type of business which enjoys such an array of natural opportunities to serve the public or to enjoy better relations with the public, because there are no other enterprises whose services affect so much of John Doe's daily life.

"Obviously, banking must do two very important things in the immediate future: (1) expand its services to be helpful to more people, and (2) tell more people of the services that banks have to offer."—The End.

Vice President Retires

Guy C. Philips, vice president of Mississippi Valley Trust Company, St. Louis, and a banker for 44 years, retired last month.

Born in Arkansas, Mr. Philips became associated with Mississippi Valley in 1917, as the bank's representative in that state. On February 11, 1920, he was elected a vice president of the trust company, where he has specialized in the handling of oil loans.

Prior to coming to St. Louis, Mr. Philips was active in Arkansas banking. From 1909 to 1914 he was cashier of the Citizen's Bank of Fayetteville, and from 1914 to 1917 served as an Arkansas state bank examiner.

New Chase Officers

Edward J. Donahue, William S. Du Bois, Nicholas J. Murphy and Carl W. Weis have been made vice presidents of The Chase National Bank.

Clement A. Bramley, Jr., Francis X. Driscoll, William Hannewald, Howard R. Mears, Jr., Frederic G. Norton, William R. Reddington and Victor E. Rockhill were promoted to second vice presidents of the bank.

Churchill Humbled

This is a story they tell on Winston Churchill. It seems that when Churchill was Prime Minister, he took a taxi to one of his broadcasts and asked the taxi man to wait.

"I'm sorry," said the cabby, "I can't wait for you. I've got to get back to the cab stand. Mr. Churchill is going to speak and there's a radio there."

Churchill beamed. "Do you think highly of Churchill?" he asked the cabby.

"Oh, yes, sir," the cabby replied, "I think he is the greatest man in the world today."

This pleased Churchill so much that he handed the driver a five-pound note. The cabby looked at the money, then back at the Prime Minister. He lowered his voice to a whisper.

"Listen," he said, "to hell with Churchill—I'll wait for you!"

INSURANCE

The Country Banker Can Be a Good Life Salesman

He Knows Everyone in His Community, and Is Familiar With Their Financial Affairs

By GEORGE I. BEASING
Guarantee Mutual Life Ins. Co.
Omaha

IN MOST of the midwestern "country" towns of 2,500 or less people, the banker usually plays a leading role in the economic lives of the individuals, not only of the town in which he lives but the surrounding countryside. He is looked to for active help and leadership in business organizations such as the Chamber of Commerce. If there are service clubs, he takes part in their activities. He usually participates in the city government, serving as alderman, mayor, member of the board of public works, or what have you. Then you have the "betterment" societies, churches, garden clubs, schools, fairs, and so forth. If he is on the beam, he is active in these organizations.

This is all aside from his regular duties as custodian of the financial assets of the community, so you can see that the country banker, like the country doctor, really plays a big part in the community life of the smaller towns. In fact, I have been told, and I believe it from my own observation, that you can judge the caliber of the local banker just by looking over the town. If it is active, progressive and up and coming, you will find the banker on his toes, taking care of the community needs. When you see a town "run down at the heel," with empty buildings, poor streets, dilapidated fronts, and other signs of deterioration, you will find that the banker is in a rut, putting cold water on every enterprise, and in general is a "sour puss."

Now, where does the country banker fit into the life insurance picture? First of all, he must have an incentive to write life insurance. The answer to that, laying aside all high-minded ideals of service to mankind, is that he needs money. If he is content with his salary, which is usually small, or has plenty of outside income, he had better forget the life insurance business. The second thing that he needs

to do the job is the ability to work. If he is lazy, even a need for more money will not stir him up enough to get the job done. Life insurance is work if any sizeable amount is to be sold. In order to reap any benefits he



GEORGE I. BEASING
 Says Country Bankers Can Sell

will have to keep many after-hour appointments.

If your country banker meets the above requirements, he is the logical man in the community to take care of its life insurance needs. He is the financial adviser to whom everyone goes for advice sooner or later. Many times it is not only for help in financial and business affairs but for legal advice on wills and land sales or what have you. Many farmer customers will ask for advice on when to sell grain or livestock or when to buy feeder cattle. He also knows the size of their families and their ability to pay. All of these things give the banker a considerable advantage and build prestige with his customers.

To become a good insurance adviser the banker must educate himself along insurance lines. He should learn what it will or will not do, tax saving plans for the wealthier customers, protection plans for the poor man with a family, and so forth. He should subscribe to a good tax service. Articles in the various trade journals are a

valuable source of information and inspiration.

He can usually sell a good share of his insurance at his desk while talking to customers. However, in many cases he will have to make a call at the home. While the customer is in the bank talking to him he can mention life insurance and ask to come out to the home and talk the thing over. Most farmers' wives know all about their husbands' business and they also like to know about the life insurance angles. Many times it is a good plan to take the good wife along and make a visit out of the call. Farmers are nearly always glad to have company. During the past, many wives have been opposed to life insurance, and many of the conservative older generation did not believe in it, so there was a good deal of resistance to overcome; however, this is fast being dissipated. I think that National Service life insurance has been partly responsible. There have been claims paid in every community and the news gets around; also, there have been some sizeable claims paid by private companies, so that the younger generation has a better understanding of life insurance and will buy readily. I have noticed that the subject of life insurance is taken up in regular school studies. Nearly every year I make a talk on life insurance before the local high school class studying American problems.

Another advantage that the banker has over any other agent is in the taking of a note for the first premium. This is especially true with the farmer customer, for his income is seasonable and as he does not always have the money on hand, the banker can arrange to carry him until his money is available; then when the renewals come up he will not hesitate to ask for a loan to carry the premium if necessary. In fact, I nearly always suggest that I will help him through on

Northwestern Banker, March, 1947

the renewal each year, which, of course, is mutually profitable.

In writing country business I have found that the non-medical privilege is a very great help. A farmer usually dislikes going to the doctor unless he is cleaned up, so I always have better luck writing him on the non-medical basis if he meets the requirements. If an examination is required, I have found that the farmer applicant usually comes to town all cleaned up on Saturday evening and that is the ideal time for an appointment if the doctor will cooperate.

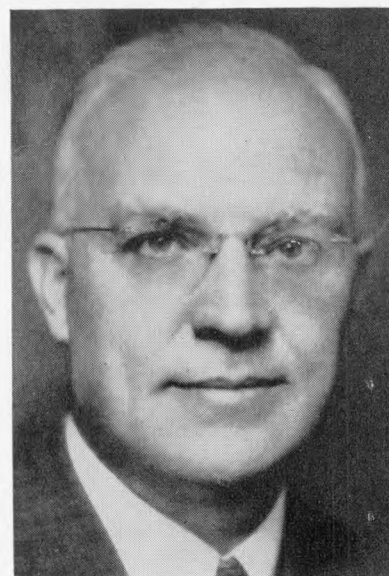
Summing it all up, I personally believe that a country banker is the best

man to write life insurance in towns of 2,500 or less.—The End.

Flood of New Business

Paul Clement, secretary and general manager of the Minnesota Commercial Men's Association of Minneapolis, reports that his firm experienced excellent business during 1946. He says, "While claims have picked up some with increased sickness and accidents during the past few months, we have had a remarkable flood of new business thus far in 1947. We have received 1,092 new members which is the greatest number we have ever written in an equal period of time."

In its annual report for the year-end, the Minnesota Commercial Men's Association lists resources at \$427,340. This is made up of \$102,875 in cash, \$105,745 in U. S. government bonds, and \$126,269 in municipal bonds.



PAUL CLEMENT
Reports Many New Members

The association has in reserve for the protection of members the sum of \$361,951.

Another Year of Growth Shows

GAINS IN ASSETS

GAINS IN RESERVES

GAINS IN SURPLUS FUNDS

GAINS IN PREMIUM INCOME

GAINS IN INSURANCE IN FORCE

Financial Statement—January 1, 1947

ASSETS

| | |
|---|-----------------------|
| Cash and Bonds..... | \$2,372,100.71 |
| First Mortgage Loans on Real Estate..... | 2,680,892.51 |
| Home Office Building and Other Real Estate..... | 202,035.15 |
| Stocks | 708,340.54 |
| Loans to Policyholders and Other Secured Loans..... | 122,910.05 |
| Interest and Rents Due and Accrued..... | 26,134.83 |
| Net Premiums in Course of Collection..... | 90,073.71 |
| Total Assets | \$6,202,487.50 |

LIABILITIES

| | |
|---|-----------------------|
| Policy Reserves | \$4,567,206.23 |
| Reserves for Policyholders Dividends..... | 134,150.97 |
| Premiums Paid in Advance..... | 297,147.02 |
| Other Reserves and Liabilities..... | 194,428.21 |
| Total Liabilities | \$5,192,932.43 |
| *Surplus to Policyholders..... | 1,009,555.07 |
| Balance | \$6,202,487.50 |

*Includes Capital Stock of \$204,398.67.

POLICYHOLDER'S NATIONAL LIFE INSURANCE COMPANY

SIOUX FALLS, SOUTH DAKOTA

Continues Growth

Employers Mutual Casualty of Des Moines had further substantial growth in 1946, with written premium volume exceeding \$9 million, a 43 per cent gain over the 1945 figure of close to \$6½ million, which in itself was \$1½ million in excess of the 1944 premiums.

The assets increased \$1,800,838 in the year to a total of \$10,955,033. This was a gain of 19.6 per cent, compared to the 17 per cent increase in assets in 1945. Surplus and contingencies reserve increased to \$2,123,908.

The underwriting profit last year was \$193,178, and investment gain \$218,943, or a total of \$412,121 combined gain from underwriting and investments. Dividends to policyholders and federal income taxes absorbed the major portion of these gains.

The assets included cash in banks \$1,346,376, a gain of about \$289,000; bonds \$7,934,093, increase over \$1 million; stocks \$56,770; premiums in collection \$1,320,686; real estate (home office building) \$117,993; real estate mortgages \$149,391.

Reserves included: Claims \$4,492,995, increase \$709,212; unearned premiums \$3,450,926, increase \$943,306; taxes \$302,243, gain \$93,488; all other re-

serves (for commissions, dividends, etc.) \$584,956, increase \$53,757. The reserves aggregated \$8,831,121, compared to \$7,031,358 in 1945, or a gain of \$1,799,763 in the year. Reserve for contingencies, which is not included in that total, is \$300,000.

Employers Mutual operates exclusively on the agency plan, doing a multiple line business in 23 states. It was founded in 1911, has had a steady, conservative growth and for a number of years has occupied its own ultra-modern home office building in Des Moines.

J. W. Gunn is president, John F. Hynes, vice president and secretary; H. A. Watson, assistant secretary-treasurer; M. J. Wilkinson, superintendent of agencies.

Branch offices are maintained in Chicago, Omaha, Minneapolis, Wichita, Philadelphia, Denver, Lansing, Michigan; Charlotte, North Carolina; Jackson, Mississippi; Dallas, Texas, and Kansas City, Missouri.

Need More Help

Employment demand for "white collar" workers shows a nationwide increase compared with a year ago; women applicants are scarce in many cities, but male job seekers are much more numerous than last year, according to a survey of private employment agencies in 44 U. S. cities, made by Northwestern National Life Insurance Company.

Greatest increases in volume of job offers are reported by employment agencies in Boston, New York, Pitts-

burgh, Detroit, Cleveland, Cincinnati, Columbus, Indianapolis, and Kansas City, but definite gains in demand are observed by agencies in many other cities, the report shows. Women are wanted chiefly as typists, stenographers, bookkeeping machine operators, and for general office work, while the bulk of the calls for men are for accounting, sales positions, and general office work.

Men job applicants are much more numerous than a year ago in most cities reporting; some agencies report their flow of incoming male job seekers is double or treble that of a year ago, with the greatest increases in New

York, Jersey City, Indianapolis, Miami, Kansas City and Los Angeles. The only sections of the United States where the number of women applicants has increased is in cities on the Pacific Coast and in the southwest. A Cincinnati employment agency reporting in the survey declares that the shortage of women help there is the worst in 25 years; agencies in Cleveland report very few women applicants.

Turn Me Over!

First cannibal: "Gosh, I forgot the roast! The missionary is burning."

Second same: "Holy smoke!"

1946--ANOTHER GOOD YEAR FOR ALLIED MUTUAL and FOR OUR AGENTS

STATEMENT OF ASSETS AND LIABILITIES As of December 31, 1946

| ASSETS | | | |
|---|----------------|----------------|--|
| Bonds (Amortized Value) | | | |
| Government | \$2,010,598.61 | | |
| Iowa County | 19,278.03 | | |
| Railroad (Government Guaranteed) | 121,318.29 | | |
| Miscellaneous | 10,000.00 | \$2,161,194.93 | |
| Federal Savings and Loan Certificates | | 71,500.00 | |
| Deposits (not on interest) | | | |
| Central National Bank and Trust Company, Des Moines | \$ 271,963.05 | | |
| Iowa-Des Moines National Bank & Trust Co., Des Moines | 25,000.00 | | |
| The Grundy National Bank, Grundy Center, Iowa | 5,000.00 | | |
| Earlham Savings Bank, Earlham, Iowa | 5,000.00 | | |
| Farmers State Bank, Luverne, Iowa | 5,000.00 | | |
| Iowa State Bank, Des Moines, Iowa | 5,000.00 | | |
| Cash in Office | 400.00 | 317,363.05 | |
| Agents' Balances (Under 90 Days Old) | | 213,627.01 | |
| Reinsurance Recoverable on Paid Losses | | 954.57 | |
| Interest Accrued | | | |
| Bonds | \$ 9,388.33 | | |
| Federal Savings & Loan (Dividends Declared) | 843.75 | 10,232.08 | |
| Total Admitted Assets | | \$2,774,871.64 | |

| LIABILITIES | | | |
|--|----------------|--|--|
| Reserve for Liability and Workmen's Compensation Claims | \$ 505,932.42 | | |
| Reserve for All Other Claims | 266,656.00 | | |
| Estimated Expenses of Investigating and Adjusting Claims | 29,440.00 | | |
| Reserve for Unearned Premiums | 1,235,442.04 | | |
| Reserve for Taxes and Miscellaneous Items | 99,428.00 | | |
| Reserve for Dividends | 4,668.56 | | |
| Funds Held Under Reinsurance Treaties | 2,050.54 | | |
| Total Liabilities | \$2,143,617.56 | | |
| *Surplus to Policyholders | 631,254.08 | | |
| Balance | \$2,774,871.64 | | |
| *Includes \$250,000.00 Guaranty Fund. | | | |

Bankers:

We specialize in writing automobile and fire insurance.

Special bank service and attractive proposition for banker agents.



CENTRAL STATES MUTUAL INSURANCE ASSOCIATION

Mt. Pleasant, Iowa

E. A. HAYES, President

O. T. WILSON, Secretary

Established 1929



ALLIED MUTUAL CASUALTY COMPANY

Harold S. Evans, President

Hubbell Building

Des Moines 7, Iowa



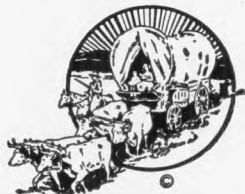
PROTECT and SAVE

It is your responsibility and your privilege to offer to your clients protection at a savings.

We offer you the opportunity to secure for your clients the very best complete insurance coverage for their every investment in dwellings, household goods, mercantile establishments and their contents and a full line of automobile and truck insurance.

Won't you investigate our Agency Contract plan today?

WESTERN MUTUAL FIRE INSURANCE COMPANY



NINTH & GRAND DES MOINES 8, IOWA

"Mutual Insurance Is American Insurance"



Question: Do you think bank interest rates on loans are too low in proportion to the amount of risk involved?

L. V. Widmark, executive vice president Farmers & Merchants National Bank, Ivanhoe, Minnesota: "Interest rates on 'risk loans' are too low IF banks are to give proper credit to borrowers when risks become greater, which they will when farm commodity prices drop."

A. C. Stenson, vice president and cashier Citizens Bank of Colome, Colome, South Dakota: "No. But if banks had to depend on revenue from interest on loans entirely, with the pres-

ent volume of loans and low interest rate it might be rather hard to make a profit. With the various service charges believe that we can get along."

A. L. Kout, president First Nashua State Bank, Nashua, Iowa: "I think they are not. In these times of inflated values, nearly every loan we make is for more than we wish it were, but it takes so much money to buy anything or to do anything, if we wish to make loans we must make them that way. We decline quite a number of applications, when we think they are too heavy."

"Then, when collection of much of our paper is made it may well be that there might be some loss or shrinkage, and by now earning a little more, and putting it into reserves for such purpose, it seems to us they are not too low."

C. E. Nelson, cashier, American National Bank, Kimball, Nebraska: "I think that taking into consideration not only the risk involved, but also other conditions prevailing at the present time, interest rates obtained on loans are quite adequate."

"It seems that the 1½ per cent rate received by banks on Commodity

A MILLION

Unless our crystal ball is playing us false, a million people this year will buy De Luxe Personalized Pocket Checks. Now we don't know what this means percentage-wise because we don't know how many personal checking accounts there are in this country, but we submit that a million of anything is a whale of a lot.

Translated into money saved by banks it means a cool half million dollars. Translated into the convenience of bank people it means two hundred million checks with "easy to read" printed names. Translated into public relations it means a host of friends.

When a million people buy a thing it must be good. When the price of

such a product holds steady in the face of inflationary trends someone must be employing manufacturing economies. When bankers from coast to coast endorse it enthusiastically one could almost conclude that it had "arrived".

Has it arrived in your bank? If not, perhaps one of our little advertising folders inserted in your monthly statements would give it the necessary impetus. We will gladly supply you, without charge, with as many as you need. Maybe you have used several enclosures and are now ready for the "Free Fifty" presentation to your customers. If so, write us for details or discuss it with our representative.



Manufacturing Plants at:

NEW YORK, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL

Credit Corporation wheat and potato loans is rather low when taking into consideration the work involved, even though the element of risk is removed."

H. E. Hadley, president, Nevada National Bank, Nevada, Iowa: "Banks should never make doubtful or questionable loans on the theory that the interest rates are high enough so that the bank can afford to take extra risks for that reason. At the present time

borrowers are repaying very nearly 100 per cent. It would appear therefore that present interest rates are not too low in proportion to the risk involved.

"It may be that for other reasons the interest rates are too low but it is my considered judgment that moderate rates of interest are better than high rates, both for banks and for their communities. Moderate interest rates encourage business, high rates discourage and stifle business. As in all business the desirable thing is volume at a fair profit. The manufacturer does better for himself and the community when he produces a large volume at a small profit per unit rather than few units at a large profit per unit. The same rule holds in banking."

T. A. Tollefson, cashier, First National Bank, Dickinson, North Dakota: "Interest rates on well secured term loans are adequate and in keeping with the risk involved and the present rate of interest being paid on savings deposits, except, however, in being restricted to the contract rate in this state of 7 per cent, the rate is too low on small personal loans where a greater risk is involved, as well as additional book-keeping and time consumed in servicing such loans. Well improved farm and city real estate loans, based on deflated values, now command a rate of from 4 to 6 per cent at present."

George C. Kumpf, cashier, Bank of Leigh, Leigh, Nebraska: "I think that the interest rates in this territory are about right at this time. Ninety per cent of our borrowers are farmers and they are in the best financial condition. They have plenty of security to offer for their loans and they are entitled to a good rate, because we know that the loan will be paid at maturity."

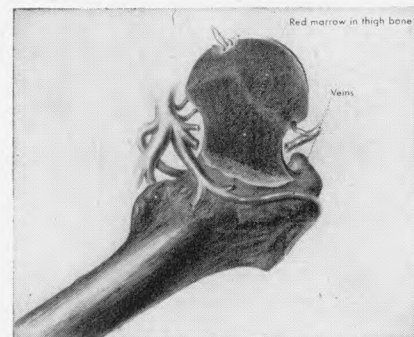
In Chicago Office

Because of increased demand for field warehousing in the Chicago area and contemplated expansion in the mid-west during 1947, Philip L. Butler, assistant vice president of American Express Field Warehousing Corporation, has been transferred from the eastern division to the mid-western division and will make his headquarters in the Chicago office, 120 South La Salle Street, according to Clyde B. Owens, vice president of the organization.

Unkind Words

She: "My worst sin is vanity. I spend hours every day admiring my beauty."

He: "That's not vanity—that's imagination."



Longer life for people past 40

Most people have had, or will sometime have, anemia.

In younger individuals this condition is usually easy to correct: young bone marrow has great capacity to make new blood. For those over 40, it calls for more concern.

Anemia is a deficiency in quantity or quality of red blood cells. It can result from malnutrition, including lack of minerals, chiefly iron; from infection, glandular dysfunction, loss of blood; from lack of balance between production and destruction of red blood cells.

So-called "pernicious anemia," which only 20 years ago was invariably fatal, is still formidable because if not diagnosed early it may affect the nervous system. But thanks to modern liver therapy, death or paralysis from pernicious anemia is now virtually unknown.

Anemia is best detected by hemoglobin determination. If examination reveals low hemoglobin, your physician, after proper diagnosis, now has at his disposal effective remedies for correcting this condition. Anemia's conquest gives further promise to the man or woman of 40 for another 30 years or more of enjoyable, purposeful living.

Getting the most out of those years requires financial independence, best provided through savings and life insurance. Your NWNL agent, paid not primarily for how much insurance he sells you but for what you keep in force, has every reason to provide you with just the right kind and amount, measured by what you need and can afford.

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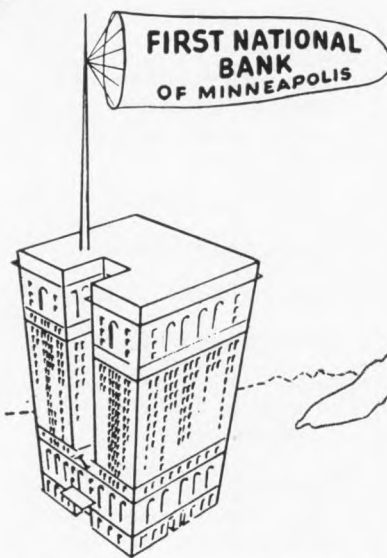
Northwestern Banker, March, 1947

New next-door neighbors:

ALASKA and MINNEAPOLIS!



Thanks to Northwest Airlines' new *inside* route to Alaska—direct from Minneapolis—First National Bank of Minneapolis now delivers FASTEST service on checks and collection items between U.S. banks and Alaska points . . . service that's *days faster* than before. Forward all Alaska checks and collection items straight to us. Correspondents receive *immediate credit*.



FIRST NATIONAL BANK OF MINNEAPOLIS

HENRY E. ATWOOD, *President*

Department of Banks and Bankers

M. O. GRANGAARD, *Vice President*

K. T. MARTIN, *Assistant Vice President*

G. S. HENRY, *Assistant Cashier*

J. J. MALONEY, *Assistant Vice President*

J. M. DOWNES, *Assistant Cashier*

C. E. CORCHRAN, *Assistant Cashier*

Member Federal Deposit Insurance Corporation

Northwestern Banker, March, 1947



A. W. SANDS
President
St. Paul

Minnesota NEWS



ROBERT E. PYE
Secretary
Minneapolis

Elected Balaton Cashier

V. G. Schaffer, formerly assistant cashier, has been elected cashier of the Farmers and Merchants State Bank of Balaton, Minnesota. His election was announced following the annual meeting of the board of directors. Mr. Schaffer served more than two years in the U. S. Navy before returning to the bank.

40 Years of Progress

Forty years of business progress of the Farmers State Bank of Lake Benton, Minnesota, reflect the substantial growth of that flourishing community. When President C. M. Soderlind released the complete report for 1946 figures, it showed deposits of \$981,641 and capital structure of \$72,812. Total resources are \$1,054,454.

In the year end report of 40 years ago, deposits were only \$14,008 with \$10,017 in capital stock and undivided profits.

Other officers of the bank besides President Soderlind are M. I. Kirkeeng, vice president; W. A. Soderlind, cashier; Virginia Soderlind and Phyllis Dahl, assistant cashiers. Chris Olsen, C. M. and W. A. Soderlind and Mr. Kirkeeng comprise the bank's directorate.

Bankers Express Optimism

Minnesota bankers recently indicated 1947 may be a more booming business year than record breaking 1946.

A large part of the 200 persons attending the eighth annual Minnesota bankers conference in Coffman Memorial union at the University of Minnesota were optimistic about this year's trade.

"There never has been so much money in the northwest before," J. M. Downes of the First National Bank of Minneapolis, averred. "It will be a long time before there is any decline sufficient to bring conditions down to the level we call normal."

The faculty included B. H. Beckhart, director of research, Chase National Bank, New York City; N. K. Carnes, general manager, Central Cooperative Association, St. Paul; W. L. Calvert,

director of research, Farm Credit Administration, St. Paul; Swayne P. Goodenough, vice president, Lincoln Rochester Trust Company, Rochester, New York, and president, Financial Advertisers Association; and F. B. Mattingly, manager, credit and collections department, International Harvester Company, Chicago.

New Association Secretary

Robert E. Pye, prominent Medford, Minnesota, banker, was elected secretary of the Minnesota Bankers Association when a special meeting was



ROBERT E. PYE
New Minnesota Secretary

held at the association's headquarters in Minneapolis.

Mr. Pye succeeds the late William Duncan, Jr., and is the eleventh secretary of the association, which was organized in 1889. Mr. Pye has had 14 years of Minnesota country banking experience, and three years of military service with the U. S. Navy.

He started his banking career with the State Bank of Morristown, becoming cashier of the First State Bank of Stanton one year later. After six years in Stanton, he became cashier at the First State Bank at Medford and since has been vice president of both the Morristown and Medford banks.

During the war, he served two of his three years with the Navy overseas in the South Pacific, in the Marianas, Marshalls and the Philippines. He was honorably discharged a lieutenant, senior grade.

Buys Bank Building

The Olmsted County Bank and Trust Company of Rochester, Minnesota, has purchased the building it has occupied for nearly 11 years.

Since August, 1936, the Olmsted bank has been housed in the building constructed in 1918 by the First State Bank, which was liquidated in 1930 when the Kahler Corporation purchased the structure to provide liquid assets for the benefit of depositors of the First State Bank.

Hold Area Meeting

Officers from Plainview, Wabasha, Lake City, Rochester, Hammond, Dover, St. Charles and Eyota banks were the guests of Clarence Talen and the Elgin State Bank at a dinner in Elgin, Minnesota, last month.

A round table discussion of the banks' position in the conduct of auction sales was held. Albert and Joe Maas, auctioneers, who were also guests of the host bank, explained their methods of conducting sales and advertising and renewed their pledge of complete cooperation with local banks in clerkship of all sales conducted by the Maas Brothers auctioneering company.

New Alexandria Cashier

V. L. Thompson, formerly cashier of the First State Bank at Benson, Minnesota, assumed his duties as cashier of the Farmers National Bank in Alexandria last month. He succeeds G. M. Grabow, who left to assume his duties as vice president of a bank at Havre, Montana.

In announcing the arrival of Mr. Thompson, A. C. Schneiderhan, president of the bank, also revealed that Harold Ormseth, formerly teller of the bank, has joined the examining staff of the First Service Corporation of Minnesota.

Fire in Shakopee Bank

Damage expected to exceed \$3,000 resulted from a fire of undetermined origin in the basement of the First National Bank building at Shakopee, Minnesota, last month.

Rafters and subflooring beneath the bank directors' room were charred and extensively damaged, electrical and telephone wiring was rendered useless, and a large stock of bank supplies was burned and damaged by water and smoke.

Elected to Medford Bank

Miss Ann Draper, in charge of the insurance department of the State Bank of Morristown, Minnesota, for the past five years, has been elected assistant cashier of the First State Bank of Medford. Miss Draper will also have charge of insurance at the Medford bank.

Itasca Bankers Elect

William G. King of the First National Bank of Grand Rapids, Minnesota, was elected president of the Itasca County Bankers Association at the annual dinner and meeting last month in the Club Alamo in Grand Rapids. Mr. King succeeds H. J. Dockstader of Bovey.

Other officers elected are: Robert Cameron of the First National Bank

of Deer River, vice president; Milton Fider, Grand Rapids State Bank, treasurer; Marc Adams, First National of Deer River, secretary.

Edwin Brickson Retiring

Edwin Brickson, for 41 years an official of the Adrian State Bank, Adrian, Minnesota, of which he is now president, has announced his intention to retire from active participation in management of the affairs of the bank.

Mr. Brickson, who began his banking career at Ft. Dodge, Iowa, 54 years ago, helped organize the First National Bank in Wilmont in 1900. In 1906 he moved to Adrian as cashier of the Adrian State Bank, in which position he served until 1919, when he was elected president.

Ben E. Holtdorf, Sioux City, Iowa, has been elected cashier. Otherwise the bank personnel remains the same, according to H. G. Knips, vice president, with Mr. Brickson as president, Mr. Knips as vice president, W. E. Martson and Hilda Carlson, assistant cashiers.

Named Northfield President

Arthur M. Peterson, cashier, has been elected president of the State Bank of Northfield, Minnesota, to succeed Louis Peavey, who resigned recently to accept the presidency of the Fergus Falls National Bank and Trust Company. Arthur Peterson, formerly assistant cashier, has been named cashier.

The Minnesota Commercial Men's Association had a very successful year during 1946. The statement below indicates its strong financial position. Liberal sickness and accident policies paying from \$25.00 to \$75.00 a week for disability with \$5,000 for accidental death are available for select risks at a very low cost. A hospital policy covering hospital and surgical expenses is also provided.

Statement of December 31, 1946

| RESOURCES | | | LIABILITIES | |
|-----------------------------|---------------|---------------------|--------------------------------------|---------------------|
| | % | | | |
| Cash | 24.07 | \$102,875.01 | Disability Claims Pending..... | \$ 18,436.00 |
| U. S. Government Bonds..... | 24.74 | 105,745.00 | Unearned Assessments | 41,568.75 |
| Municipal Bonds | 29.55 | 126,269.00 | Reserve for Taxes, Unpaid Bills..... | 5,384.54 |
| Railroad Bonds | 4.13 | 17,600.00 | RESERVE FOR PROTECTION OF | |
| Stocks | 3.51 | 15,013.75 | MEMBERS | 361,951.24 |
| Endowments, Cash Value.... | 4.92 | 21,022.75 | | |
| Savings and Loan Deposits.. | 2.31 | 9,887.07 | | |
| Real Estate | 4.35 | 18,600.00 | | |
| Interest Receivable | 0.44 | 1,863.81 | | |
| Market Value Over Book | | | | |
| Value of Stocks and Bonds | 1.98 | 8,464.14 | | |
| TOTAL | 100.00 | \$427,340.53 | TOTAL | \$427,340.53 |

Write for Applications and Literature

MINNESOTA COMMERCIAL MEN'S ASSOCIATION

PAUL CLEMENT, Secretary

2550 PILLSBURY AVENUE

MINNEAPOLIS 4, MINNESOTA



Twin City News

J. M. McClure, president and treasurer of the Minneapolis Iron Store, has been elected a director of the First Hennepin State Bank of Minneapolis.

Glenn H. Greaves has been elected president of the St. Anthony Park State Bank, succeeding the late **Andrew Boss**. Mr. Greaves, who was cashier of the bank, has been succeeded by **John D. Hunt**, who was assistant cashier.

E. O. Jenkins, formerly president of the First National Bank of Great Falls, Montana, was elected a vice president at the annual meeting of the First Bank Stock Corporation. The corporation stockholders voted a dividend of 40 cents a share, continuing the 1946 rate of payment.

Northwest Bancorporation directors at their annual meeting elected **Arthur Evans** and **Carl Voight** vice presidents. Mr. Evans has been manager of the bond department and Mr. Voight was an assistant vice president. **William B. Bell** was named assistant comptroller and **H. Raymond Horn** was named chief examiner.

Fred Paul of the First Trust Company of St. Paul has been named by the Twin City Bank Auditors & Comptrollers to succeed **Dellos Palmer** as president. Mr. Palmer, who was cashier of the Chicago-Lake State Bank of Minneapolis, has gone to the First National Bank of Chippewa Falls, Wisconsin.

Two new directors were named at the annual meeting of the Marquette National Bank of Minneapolis. They are **Matthew J. Levitt**, Minneapolis attorney, and **Randolph E. Haugan**, general manager of Augsburg Publishing House of Minneapolis.

F. H. Kriz, president of the First National Bank of Hopkins, has been elected chairman of the board. **W. A. Zastrow**, who was vice president, has been elected president. **S. H. Severson**,

By E. W. KIECKHEFER Special Correspondent Northwestern Banker

cashier, was elected a director and **William L. Moran** was elected assistant cashier.

Leonard R. Oberg has been elected vice president and cashier of the First Bloomington-Lake National Bank of Minneapolis. He has been cashier of the bank since 1933.

D. E. Crouley, vice president of the Northwestern National Bank of Min-

neapolis, told the Minnesota Soil Conservation Association recently that bankers are behind the soil conservation program and may be counted upon to lend their help to preserve this national asset.

Elmer T. Anderson, president of Anderson Chevrolet Company of Minneapolis, and **A. Bernhard Lindahl**, president of Lindahl Motor Company of Minneapolis, have been elected directors of the Fourth Northwestern National Bank of Minneapolis.

J. Cameron Thomson, president of the Northwest Bancorporation, has been named first chairman of the Min-

POINTS OF CONTACT IN CENTRAL and SOUTH AMERICA

THE Royal Bank of Canada provides complete and experienced banking service throughout Central and South America where we have been established for over 32 years. Our officers speak the language, know the people and their ways of doing business. They can open doors for your customers. Our branches in 19 of the important cities in Central and South America offer valuable points of contact in this important area. Your inquiries are invited.

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Branches throughout Canada and Newfoundland, in the West Indies, Central and South America—Offices in London and Paris

Total assets exceed \$2,000,000,000

nesota Community Research Council. **Julian B. Baird**, president of the First National Bank of St. Paul, was elected treasurer.

Farmers & Mechanics Savings Bank of Minneapolis has promoted **Herman J. Arnott** from secretary to vice president and secretary and **William A. Kramer** from assistant treasurer to treasurer.

James T. Williams, Jr., sales manager of the Creamette Company, has been chosen a director of the First Hennepin State Bank of Minneapolis. —The End.

Fill Director Vacancy

James C. Nelson has been elected a member of the board of directors of the Security State Bank, Albert Lea, Minnesota, to succeed the late A. O. Torgerson.

Other members of the Security State Bank's board of directors are Oscar Dahl, M. K. Hartz, A. S. Lund and E. O. Lund.

E. O. Lund, Bricelyn banker, was re-elected president, and his brother, A. S. Lund, executive vice president at the annual meeting. Other officers are E. H. Weber, cashier; Janice Hanson, teller; and Shirley Paulson, bookkeeper.

Moves Up to Presidency

Lee H. Everett was elected president of the Minnesota National Bank, East Grand Forks, Minnesota, at the annual meeting, succeeding A. G. Bjerken of Grand Forks, who continued as president of the Red River National Bank of Grand Forks. Both banks are members of the First Bank Stock Corporation.

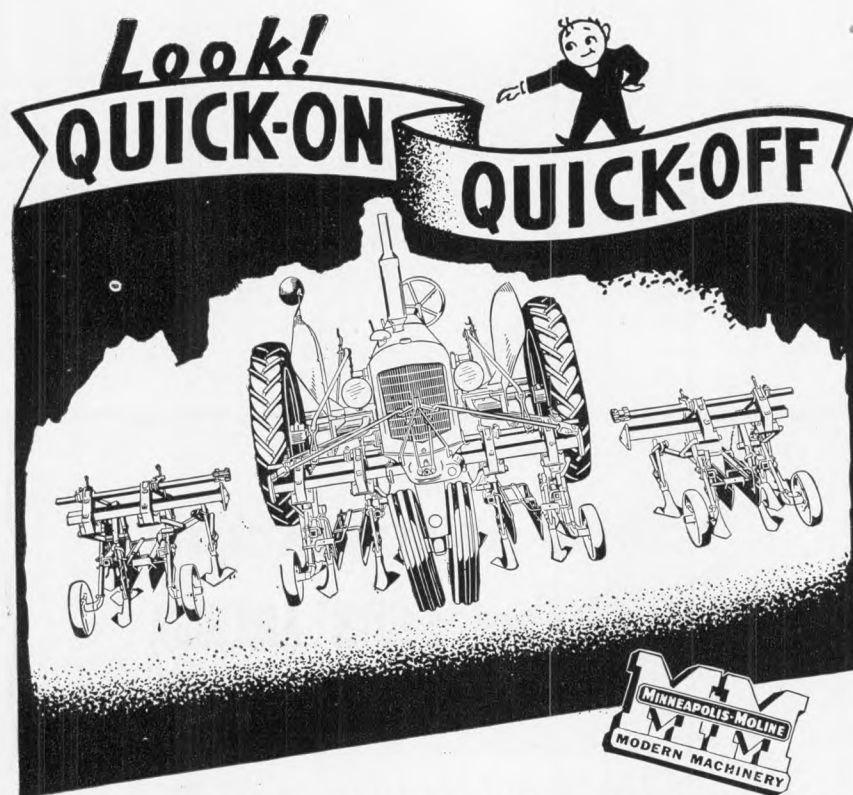
Clara S. Bakke, former assistant cashier, was moved up to the post of cashier, succeeding Mr. Everett. Howard Gravseth and John Malmberg were re-elected assistant cashiers and Miss Jean Robertson continues as auditor.

Henry G. Giese was re-elected vice president and directors are Mr. Everett, Mr. Bjerken, Mr. Giese, J. B. Bingham, Albert O. Rudh and Adolph Lund.

Joins Faribault Bank

The appointment of Philip R. Day of North St. Paul as manager of the instalment loan and insurance department of the State Bank of Faribault, was announced recently by John Carlander, the bank's president.

Mr. Day was formerly employed by the Empire National Bank and Trust Company of St. Paul, where he served



If you pride yourself on having all the up to date answers on modern farming you should be familiar with the many advantages of MM Quick-On—Quick-Off cultivator and planting attachments.

Built to fit MM Universal tractors, MM cultivators are made in two, four and six* row sizes. To convert from two to four row the outside frames and gangs are simply bolted on. Adjustment up to 44 inches for wide row spacing is made by merely loosening the clamp and sliding the gangs along the square frame bars. The Quick-On—Quick-Off cultivators have high clearance and are available with hand or power lift and a choice of sweeps, shovels or spring tooth attachments, for both front and rear gangs.

With the cultivator mounted near the front wheels, and Visionlined Design of MM tractors the operator has full operating visibility and is seated comfortably low to the rear of drive wheels for added SAFETY.

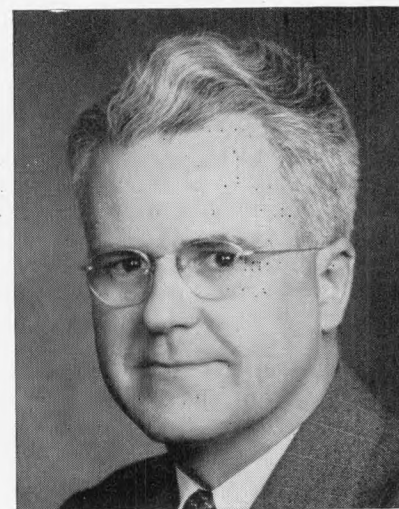
For precision planting the cultivator may be changed over to a drill planter by the removal of the cultivator shanks and mounting the planting attachment on the cultivator frame.

When the job is finished, the tractor can at once be used for other jobs, since Quick-On—Quick-Off tools are easily removed. MM offers a complete line of these tools for more profitable farming in any territory. Many parts of MM Quick-On—Quick-Off Units are interchangeable, saving you money because you buy less equipment to handle all the jobs.

MM Dealers everywhere are now embarked on a new program of specialized sales and Service of MM Modern Machinery.

*Special four and six row cultivators for "Z" and "R" Tractors available for narrow row crops such as beets and beans.

MINNEAPOLIS-MOLINE POWER IMPLEMENT COMPANY
MINNEAPOLIS 1, MINNESOTA, U. S. A.



PHILIP R. DAY
With State Bank of Faribault

for 20 years in various departments, including the savings, safe deposit and instalment loan departments.

A year after his graduation from St. Paul's Johnson High School in 1925, Mr. Day began his banking career with the National Exchange Bank, which shortly thereafter became the Empire National Bank and Trust Company.

Since 1936, Mr. Day has been an active member of the St. Paul chapter of the American Institute of Banking, holding all chapter offices before serving as its president in 1940 and 1941.



LEONARD LINDBERG, mayor of Richfield, Minnesota, was the first customer of the Richfield State Bank when it opened for business last month. He is shown presenting a check to **President Selmer L. Jerpak**, left, and Vice President and Cashier **William G. Kirchner**. The insurance department is supervised by **Lloyd M. Wickre**.

Four Men Promoted

The following directors were re-elected at the annual stockholders meeting of the Security National Bank and Trust Company of Faribault, Minnesota: Lynn Peavey, George E. Kaul, B. W. Cowperthwait, D. D. Coughlin and Roger Peavey.

Four members of the bank staff were promoted by the board. Charles MacKenzie, Jr., was elevated from cashier to vice president; John Petteys from assistant cashier to cashier; Alton Deney and Carl Beireis, tellers to assistant cashiers. Other assistant cashiers are Herbert W. Krenz and Howard Barrett. Roger Peavey is president.

Houston Bank Elects

At a meeting of the directors of the Houston State Bank of Houston, Minnesota, recently, Wallace McMillan was advanced from the position of vice president to president of the bank, succeeding J. C. Kelly. Other officers elected were J. C. Kelly, chairman of the board of directors; J. E. Redding, vice president; P. F. Johnson, vice president and cashier; J. J. Kelly, assistant cashier, and Ethel Mae Green, bookkeeper.

Widmark Named President

L. V. Widmark, Ivanhoe, Minnesota, was named president of the Farmers and Merchants National Bank there

at the annual meeting of the stockholders. Mr. Widmark succeeds H. J. Tillemans, Minneota, who now holds the position of chairman of the board of directors.

J. M. Kaczrowski was promoted to vice president and cashier, and Stanley Dastych was again named as assistant cashier.

New Assistant Cashiers

Officers and directors of the First National Bank of Rochester, Minnesota, were re-elected at the annual meeting of stockholders when Carl Frank and Roy Reifsnider were elected assistant cashiers.

Officers re-elected are M. M. Hayden, president; L. J. Fiegel and R. A. Bezoier, vice presidents; E. A. Cegal, cashier, and K. W. Hagaman, assistant cashier. Directors, in addition to the president and vice presidents, are C. M. Judd and Roy Watson.

Warren Bank Elects

R. J. Schirber was advanced to the presidency of the State Bank of Warren, Minnesota, at the annual stockholders' meeting.

He succeeds G. J. Johnson of St. Paul, who resigned to accept a directorate in the institution.

J. W. Sands, who has served as cash-

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To meet the foreign banking requirements of your customers you need not maintain accounts in foreign countries if you use the comprehensive services which our Foreign Department offers you. We are prepared to:

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- transmit funds to any foreign country by mail, airmail, or cable;
- furnish data regarding exchange regulations, and credit information on foreign buyers and sellers;
- equip you with all the necessary forms bearing the name of but one bank—your own—and without cost to you.

You are invited to consult with us regarding any phase of our foreign facilities for banks.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

LA SALLE STREET AT WASHINGTON
Member Federal Deposit Insurance Corporation



ier of the bank, was elevated to vice president, while Delos Austinson was elevated from assistant cashier to cashier. Mrs. Olga Peterson was re-elected as an assistant cashier. W. O. Braggans resigned as a vice president of the bank and was elected to serve as a director. Other directors re-elected include Mrs. O. H. Taralseth and Clayton Olson.

Heads Hastings Bank

Ben J. Bahls, prominent business man in Hastings and Cottage Grove, Minnesota, was elected president of the Hastings National Bank at the an-

nual meeting of the board of directors. Mr. Bahls replaces Theodore Cook, who retired after serving as head of the bank since September 7, 1938.

Other officers of the bank elected are: L. P. Kingston, vice president; R. E. Orchard, cashier; Francis Woxland, assistant cashier, and Rita Matsch, assistant cashier.

Chisholm Election

George L. Train, longtime president of the First National Bank of Chisholm, Minnesota, was elected to the post of board chairman and Jake Osbolt to the post of president.

Other officers named included Michael Baich, vice president; Ed Wheelcor, cashier; and the following as assistant cashiers: O. L. Baldrice, Alex C. Johnson, and Mary A. Sartori.

At the meeting of stockholders, the board of directors named included: Mr. Train, Mr. Baich, Alfred Maturi, Dominic Maturi, Harry K. Goldenberg, Mr. Wheelcor and Mr. Osbolt.

Alexandria Bank Meeting

At the annual meeting of the Alexandria State Bank in Alexandria, Minnesota, Geo. E. Buscher was elected to the office of president.

M. A. Lukken, former president, was elected chairman of the board.

Other changes include the election of Edith E. Johnson and J. T. Syvrud to the office of vice presidents and Paul W. Bergien to cashier. Edith Johnson formerly was cashier and Mr. Bergien was assistant. Mr. Syvrud has been a member of the board. W. H. Berry is the assistant cashier.

Zastrow Named President

Walter A. Zastrow was elected president of the First National Bank of Hopkins, Minnesota, at the annual meeting of the board of directors.

Mr. Zastrow succeeds Frank H. Kriz, president and director since 1940, who was named chairman of the board.

Other officers were Otto Cermak, vice president; Svante H. Severson, cashier; Mrs. Dorothy Bergman, assistant cashier, and William Moran, assistant cashier.

Retired

Bert H. Lang, vice president in charge of the soil products department of the First National Bank in St. Louis for more than 25 years, has retired from active duties, but will continue to serve in an advisory capacity.

Regional Conference

J. A. Hauck, cashier of the State Savings Bank of Ionia, Ionia, Michigan, and president of the Western Michigan Conference of the National Association of Bank Auditors and Comptrollers, has announced that the Western Michigan Group will be host to the Tenth Mid-Continent Regional Conference of the National Association in the city of Grand Rapids, Michigan, on April 7th, 8th and 9th. Hauck announced the appointment of J. H. Reinking, cashier of the Peoples State Bank of St. Joseph, St. Joseph, Michigan, as general chairman.

Just Thinking of Mother

"Oh, Lord," prayed Patsy, "I'm not asking for a thing for myself, but please send mother a son-in-law."



SPECIALISTS!

CARL L. FREDRICKSEN
President

MARK A. WILSON
Vice President

WILLIAM G. NELSON
Vice President

WILLIAM C. SCHENK
Asst. Vice Pres. and Cashier

CLIFFORD L. ADAMS
Asst. Vice President

JOHN S. HAVER
Asst. Cashier

JAMES L. SMITH
Asst. Cashier and Auditor

KINLEY W. SMITH
Asst. Cashier

For more than 52 years, this bank, located in the Sioux City Stock Yards, has served the live stock and farming interests of the great Sioux City market area.

You can see why our specialized experience helps you. If your bank is agricultural as are most banks in this territory, our location and experience enable us to handle your Sioux City items, 100 per cent.

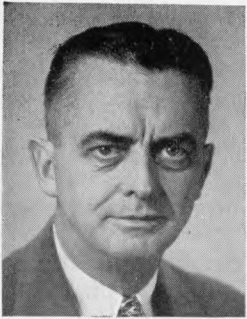
THE

**LIVE STOCK
NATIONAL BANK**

OF SIOUX CITY, IOWA

MEMBER F.D.I.C.

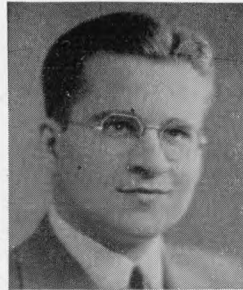
The Bank at the Yards



South Dakota NEWS

L. C. FOREMAN
President
Elkton

GEORGE M. STARRING
Secretary
Huron



President of Huron Bank

William M. Griffith, former vice president, is the newly elected president of the Farmers and Merchants Bank of Huron, South Dakota, and Charles E. Barkl, former president, is the new chairman of the board of directors.

The new official capacities were decided at a recent election meeting of the board.

L. L. Steele, former assistant cashier, will be the new vice president.

Heads Civic Group

L. H. Ickler, president of the Aberdeen National Bank, Aberdeen, South Dakota, has accepted reappointment as chairman of the municipal affairs committee of the Aberdeen Civic Association. Also reappointed to the committee were Armour F. Grover and Sterling J. Jermstad. This committee in 1946 made a study and presented recommendations to the city commission for installation of parking meters and parallel parking. The group's objectives for 1947 include furtherance of plans for an overhead or underpass for Milwaukee tracks on Main Street, adjustments in traffic control and improved cleanliness of streets and alleys.

Addresses College Students

W. M. Willy, president of the Security Bank and Trust Company, Madison, South Dakota, spoke to students at Eastern Teachers College at a special assembly recently.

If young people were to follow what the older folks suggest, civilization would remain static; youth must make its own business ventures, but it can learn by its errors and not make the same mistake twice, said the speaker.

In discussing factors which made for business success, Mr. Willy emphasized that ability to make friends readily is one of the most important things in any business success.

William A. Schaetzel

William A. Schaetzel, 73, Elk Point, South Dakota, resident for 30 years while in the banking business, died there recently.

Mr. Schaetzel was born at Freeport, Illinois, but at the age of two accompanied his parents to Sioux Falls. He received his education there, being graduated from the old Sioux Falls high school, and lived there until moving to Elk Point in 1917. In Sioux Falls he was employed by the Sioux Falls Savings Bank.

Surviving are the widow; a daughter, Mrs. J. Schils, Sheboygan, Wisconsin; one sister, Mrs. E. D. Skillman, Sioux Falls, and two grandchildren.

Assistant Cashier Resigns

Viola Fordyce, assistant cashier of the Community State Bank of Hayti, South Dakota, resigned last month. She has been employed in that bank for five years.

Miss Charlotte Shanard

Funeral services were held last month for Charlotte Shanard, who was killed instantly in an automobile crash in Georgia. Miss Shanard, secretary to Robert Driscoll, president of the First National Bank of the Black Hills of Rapid City, South Dakota, was returning from a vacation in Florida with Mr. and Mrs. Claude C. Anderson, both of whom were seriously injured. Mr. Anderson is vice president of the First National Bank.

Miss Shanard was well known in the towns of Faith, Sturgis and Deadwood where she had taught school prior to her position at the bank.

Sioux Falls News

SOUTH DAKOTA bank deposits are still mounting skyward. A comparative abstract on the condition of state banks in the last quarter of 1946, released by Banking Superintendent **Verne Abeel**, showed a gain of \$4,627,344 in that period.

The December 31st figures showed the 134 state banks and trust companies had total deposits of \$216,504,060.

The mounting trend of bank deposits has been continuous in South Dakota since early 1944. The aggregate has more than doubled since that time.

The rate of increase in the last quar-

ter of 1944 was less rapid than in previous periods since the banks began to bulge three years ago. While no official reason is attached to the lower rate of increase, there is speculation in many quarters as to what is really happening.

One possible reason for the declining rate of increase is that farmers still are holding a large part of their 1946 crop and considerable livestock.

They probably are putting more money into purchase of available goods, supplies of which were restricted in the war period, instead of into bank accounts.

In the last quarter of the year, too, their income tax payments were heavy, and it may be that considerable money being received within the state is being kept in old socks and other places in the home.

Aggregate deposits in the 134 state banks were \$107,688,245 on April 13, 1944. Between June 30, 1945, and December 31st the same year they jumped by \$2,452,025, the largest increase in any period during war and postwar prosperity.

C. A. Christopherson, chairman of the board of directors of the Union Savings Bank, Sioux Falls, was re-elected treasurer of the Minnehaha county chapter of the American Red Cross.

Ralph M. Watson, president of the Northwest Security National Bank, Sioux Falls, was re-elected president of Le Elbon Club, a Shrine organization. Retiring as a director of the club at the beginning of its new year was **Tom S. Harkison**, president of the National Bank of South Dakota.

All officers and directors of the Sioux Valley Bank in Sioux Falls were re-elected at a postponed annual meeting, **President Erling F. Haugo** announced.

Major Clare E. Guintier, a former teller at the First National Bank & Trust Company, Sioux Falls, is now an instructor at the Air Tactical School, Tyndall Field, Florida.

T. N. Hayter, vice president of the First National Bank & Trust Company, Sioux Falls, accompanied by Mrs. Hayter, recently went to Miami Beach, Florida, to spend a few weeks' vacation.

John McQuillen, vice president of the Northwest Security National Bank, is registration chairman for the state convention of the American Legion, to be held in Sioux Falls June 8th-11th. **Tom S. Harkison**, president of the

National Bank of South Dakota, is assisting the general convention director as member of an advisory board.

Panel discussions emphasizing agricultural subjects, home financing, installment loans and legislation concluded a four-state conference of Northwest Bancorporation executives in Sioux Falls.

Session leaders were **John de Jong**, Des Moines, vice president of the Iowa-Des Moines National Bank & Trust Company; **John McCumber**, vice president and cashier of the Stockyards National Bank, Omaha; **R. E.**

Driscoll, Rapid City, South Dakota, president of the First National Bank of the Black Hills; **O. L. Johnson**, president of the Farmers & Merchants State Bank, Tracy, Minnesota; **Clarence Witt**, president of the South Omaha Savings Bank; **Ralph M. Watson**, president of the Northwest Security National Bank, Sioux Falls, and **DeWitt Malvin**, vice president and manager of the Belle Fourche office of the First National Bank of the Black Hills.

Heading the legislative round table were **Douglas G. Swale**, vice president of the First National Bank, Mason City, Iowa; **John Shrader**, president of

the First National Bank, Marshall, Minnesota; **Austin L. Vickery**, assistant vice president of the United States National Bank, Omaha, and **C. H. Lockhart**, vice president of the First Citizens National Bank, Watertown, South Dakota.

J. Cameron Thomson, Minneapolis, Banco president, presided at sessions which drew approximately 60 bankers from 32 banks in South Dakota, Iowa, Nebraska and southwestern Minnesota. He gave the opening address at the banking executives' two-day conference, reviewing 1946 operations of the Northwest Bancorporation and discussing economic factors of the future.

Carl E. Voight, Minneapolis, assistant Banco vice president, gave a report on installment and G. I. loans.

W. C. Duffy, in company with Mrs. Duffy, spent a three-weeks' vacation in Florida and other parts of the south. On the return trip Mr. Duffy, who is president of the Union Savings Bank in Sioux Falls, attended the country bankers' convention in Omaha.

Tom S. Harkison, president of the National Bank of South Dakota, Sioux Falls, was in Omaha the latter part of February for a mid-continent country bankers' conference sponsored by the American Bankers Association.

Frank Cinkle, vice president of the National Bank of South Dakota, Sioux Falls, accompanied by Mrs. Cinkle, left February 22nd for Los Angeles to spend a month's vacation.

New Trust Folders

The advertising department of the First National Bank of Chicago has recently issued three unusual and very attractive four page folders for its trust department. On each the cover page is given over entirely to a photograph and only the third page contains any advertising copy aside from the bank's address on page 2 and the "1st" trade mark on page 4.

One folder is entitled "Enduring" and its cover page features the Lincoln Memorial in Washington, D. C.

Another one is entitled "Vigilance" and on its cover appears an unusual photograph of a lighthouse.

The third is entitled "Strength" and is a picture of a portion of the Boulder Dam.

Two other recent productions of the First National advertising department are six-page folders each on the credit, economic and exchange conditions of the Netherlands and of Belgium.

These are part of a series of such folders to be gotten out on various foreign countries.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

FINANCIAL STATEMENT

December 31st, 1946

ASSETS

| | | |
|--|------------------------|---------------|
| Cash in Banks | \$ 3,053,722.76 | |
| Investments: | | |
| Bonds of United States Government | \$14,874,610.43 | |
| State Bonds | 149,336.39 | |
| Preferred Stocks | 6,446,535.00 | |
| Common Stocks | 10,142,784.00 | 31,613,265.82 |
| Capital stock of National Surety Marine Insurance Corporation, a wholly owned subsidiary | 1,728,462.27 | |
| Premiums in Course of Collection, Not over 90 Days Due | 1,583,075.01 | |
| Accrued Interest | 59,227.08 | |
| Reinsurance and Other Accounts Receivable | 49,912.98 | |
| Home Office Building | 500,000.00 | |
| TOTAL ADMITTED ASSETS | \$38,587,665.92 | |

LIABILITIES, CAPITAL AND SURPLUS

| | | |
|---|------------------------|--|
| Reserve for Losses and Loss Adjustment Expenses | \$ 5,011,135.82 | |
| Reserve for Unearned Premiums | 9,554,121.94 | |
| Reserve for Commissions, Expenses and Taxes | 1,931,692.32 | |
| Capital Stock | \$ 2,500,000.00 | |
| Voluntary Reserve for Fluctuations in Security Prices | 1,379,502.84 | |
| Surplus | 18,211,213.00 | |
| Surplus to Policyholders | 22,090,715.84 | |
| TOTAL | \$38,587,665.92 | |

Investments are carried on the basis prescribed by the New York Insurance Department—bonds being carried at amortized or investment values and stocks at values based on rates promulgated by the National Association of Insurance Commissioners. If investments were carried at the December 31st, 1946 market quotations, total assets, voluntary reserve for fluctuations in security prices and surplus to policyholders would be increased by \$730,035.82.

Bonds carried at \$1,155,500.00 are deposited as required by law.



North Dakota NEWS

C. W. BURGESS
President
Edgeley



C. C. WATTAM
Secretary
Fargo

Heads Minot Bank

Al R. Weinhandl, for many years a resident of Mandan, North Dakota, has been named president of the First National Bank of Minot, which now rates as the second largest bank in the state.

Mr. Weinhandl is the fourth man to hold the executive post in the Minot bank since its foundation. He succeeds Dr. A. D. McCannel, who was made chairman of the board of directors.

Mr. Weindahl was cashier of the First National Bank of Mandan when he resigned to accept a position with the Bancorporation at Minneapolis, going from Minneapolis to Minot in July of 1945.

Schirber Re-elected

P. J. Schirber was re-elected president of the James River National Bank of Jamestown, North Dakota, at the annual meeting of the stockholders held at the bank.

A. J. Rulon is vice president, E. W. Hauser, cashier, and members of the board of directors are: Clifton Johnson, Mr. Hauser, Mr. Schirber, A. J. Linn, Mr. Rulon and H. R. Struble.

Munich Bank Elects

A successful year of operation, an all-time high total for the bank's statement footings, and a high figure for the capital, surplus and undivided profits total were reported at the annual meeting of the stockholders of the First State Bank of Munich, North Dakota. All directors of the bank were re-elected at the stockholders' meeting and the officers were re-elected at the directors' meeting which followed.

L. E. Callahan, Y. A. Nelson and John J. Hillman were re-elected directors. Mr. Callahan continues as president, John J. Hillman as cashier and Michael Hoffman, assistant cashier.

Name New Director

Gordon S. Larson, cashier of the First State Bank of Park River, North Dakota, was elected a director of the institution, replacing C. W. Blaine of Cavalier, who resigned. The vice pres-

ident of the bank will be named at a later date. K. D. Bennett is president. Capital stock of the Park River Bank has been increased from \$25,000 to \$50,000.

Charles W. Ross

Charles W. Ross, formerly president of the Red River National Bank and Trust Co. in Grand Forks, North Dakota, died while at his post as president of the Merchants National Bank of Aurora, Illinois.

Mr. Ross, who was 65, became president of the Aurora bank in 1934, shortly after leaving Grand Forks.

He went to Grand Forks from Chicago in 1911 as cashier of the Northern State Bank, leaving that position in 1916 to work with the F. S. Sargent Co. in the city. In 1927 he returned to the bank as president, serving in that capacity until the bank was taken over by the First Bank Stock Corporation in 1929, under the name of Red River National Bank and Trust Co. He then became president of the new company.

In 1929 Mr. Ross was elected president of the Grand Forks Commercial Club. In 1931 he left Grand Forks to accept the presidency of two banks in the Chicago area.

St. Louis

The First National Bank in St. Louis announced the following elections and promotions: Stuart H. Smith, a territorial officer, from assistant vice-president to vice-president; George F. Engel, from assistant vice-president to vice-president; John I. Hayward, from assistant auditor to assistant vice-president; Edw. C. Anderson, E. S. Jones, John J. O'Meara, Leonard J. Schrewe, Harry L. Smith and Clarence W. Wright to assistant cashiers. Messrs. O'Meara, Schrewe and H. L. Smith are territorial officers.

North Dakota Gains

January was another topnotch business month in Fargo, according to the monthly summary of the federal reserve bank in Minneapolis, which lists bank debits for Fargo up 41 per cent

from the total for January of a year ago.

Fargo debits totaled \$72,051,000, exceeding Sioux Falls, South Dakota, by about one and one-half millions and equalling 80 per cent of the total for Duluth, Minnesota. For January, 1946, the Fargo totals were \$51,148,000.

January debits for other towns and percentages of gain over the previous January follow:

| | | % |
|-------------------|----------|------|
| | Debits | Gain |
| Bismarck | \$26,698 | 19 |
| Devils Lake | 4,580 | 40 |
| Dickinson | 4,681 | 16 |
| Grafton | 5,467 | 19 |
| Grand Forks | 19,359 | 28 |
| Jamestown | 6,048 | 37 |
| Lisbon | 1,292 | 15 |
| Mandan | 3,474 | 22 |
| Minot | 15,670 | 30 |
| Valley City | 4,393 | 31 |
| Wahpeton | 4,229 | 49 |
| Williston | 7,354 | 19 |

Cando Bank Election

Election of H. B. Baeverstad and Reuben Parker to the board of directors of the First State Bank of Cando, North Dakota, was announced by Gordon McRae, president, following the annual meeting of stockholders and directors held recently. They will succeed F. A. Foley of Rolla and A. O. Aune of Langdon.

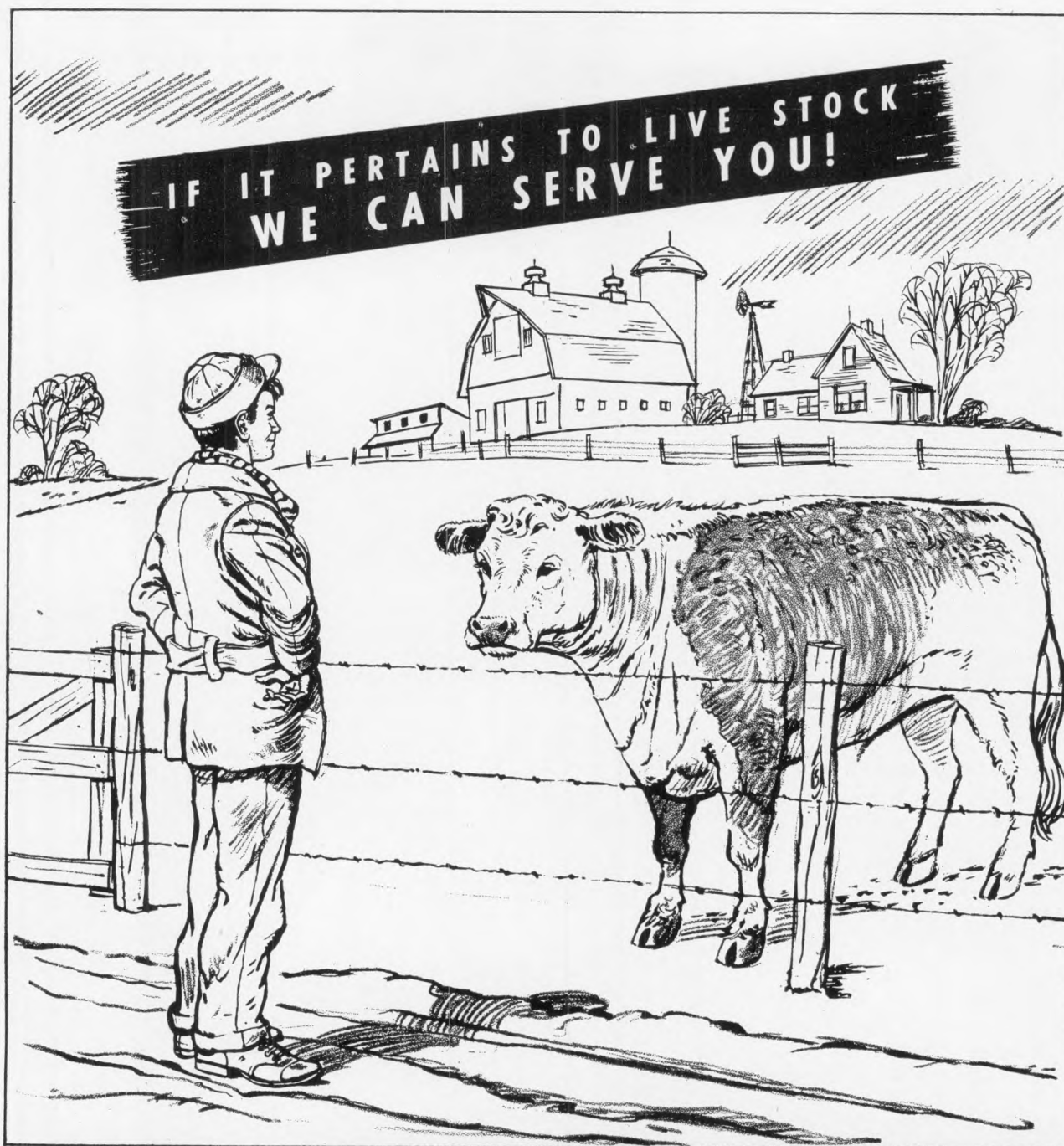
Mr. Baeverstad also was elected vice president of the bank. Both he and Mr. Parker are well known throughout Towner county. In addition to their business and farming interests, Mr. Baeverstad is a member of the state legislature and Mr. Parker a county commissioner.

Mr. McRae also was re-elected president of the bank and a member of the board of directors. Other officers who were renamed are C. N. Davis, cashier, and Carroll C. Denton and Gladys Metz, assistant cashiers.

Announces Promotions

Manufacturers Trust Company, New York, announces that John L. O'Halloran of the bank's Foreign Department has been elevated to the rank of vice-president.

At the same time it was also announced that the following have been promoted from assistant secretary to assistant vice-president: John C. Boehm, advertising department; Leonard D. Draper, Jr., investment analysis division; Joseph C. McNally, business development department; William E. Nieman, out-of-town business development department, and Albert S. Thomas who is in charge of the bank's office at 711 Lexington Avenue.



Stock Yards National Bank

Omaha, Nebraska

MEMBER, F. D. I. C.

Northwestern Banker, March, 1947



GLEN T. GIBSON
President
Gibson

Nebraska NEWS



CARL G. SWANSON
Secretary
Omaha

Big Gain in Two Months

George Barlow has been advanced from vice president to executive vice president with the American National Bank in Sidney, Nebraska.

Capital structure has been increased to \$230,000 as against \$190,000 total at time of the December 31, 1946, bank call. Capital stock is \$130,000 and surplus is \$130,000. Deposits have gained more than a half million since the start of the year and on March 4th they were \$7,209,859 compared to \$6,686,001 at the year-end call. A 10 per cent stock dividend in the amount of \$10,000 and the issuance of 400 shares of common stock with par value of \$50 per share were responsible for the main capital increase.

Increase Capital Stock

At the January meeting of the Bank of Mullen, Nebraska, the stockholders approved a stock dividend of 100 per cent from surplus, increasing the capital stock to \$50,000 and \$20,000 surplus. The Bank of Mullen opened in January, 1936, with capital of \$25,000 and has shown steady gains. Deposits in the last call statement were \$1,392,407.

All officers were re-elected at the meeting and they are: C. J. Abbott, president; Don E. Hanna, vice president; LeRoy Abbott, vice president, and W. H. Bramer, cashier.

On Stock Yards Board

Henry C. Karpf, president of the Live Stock National Bank of Omaha, was elected a member of the board of directors of the Union Stock Yards Company of Omaha, at the annual meeting last month. Mr. Karpf is well qualified as a member of this board. In addition to his banking interests, he is one of the leading cattle and sheep raisers in western Nebraska.

Columbus Group Elects

H. F. Garhan, cashier, Farmers State Bank, Rising Sun, Nebraska, was elected president of the Columbus Regional Clearinghouse Association when the group held the annual dinner meeting in Columbus recently. He served

as vice president last year. L. F. Novak, cashier, Bank of Brainard, was elected to the executive board, representing Butler county. Over 50 members representing some 20 banks in the territory were present. A general discussion was held on loans to veterans, led by Howard Burdick, cashier of the Central National Bank of Columbus. Assisting were Chet Grau of the Veterans Administration and V. E. Dolpher, president of First National Bank, David City.

Blair Bank Holds Election

At the annual stockholders meeting of the Washington County Bank in Blair, Nebraska, directors elected for the ensuing year were Charles D. Saunders, John F. Davis, George T. Hedelund, W. D. Hosford, Jr., Earl L. Jenkins and W. B. Roberts.

The directors met and elected officers as follows: Charles D. Saunders, president; George T. Hedelund, vice president; Stanley J. Bednar, cashier, and Earl L. Jenkins, assistant cashier.

Capital stock was doubled and now totals \$70,000 with a surplus of \$45,000.

Completes 40th Year

B. V. Hanson, vice president of the First National Bank of Holdrege, Nebraska, celebrated his 40th year with the institution and his sixty-third birthday on February 14th.

Officers, directors and fellow employees of the bank joined in rendering him a birthday party in honor of the occasion.

Mr. Hanson went to work as a bookkeeper for the bank in April, 1907. Two years later he was made a teller.

He became assistant cashier and director of the bank in January, 1918, and was elected vice president of the bank in 1942.

Frank E. Crawford

Frank E. Crawford, 63, associated with the First National Bank of York, Nebraska, for more than 25 years, died at Kearney at the home of his brother, last month.

Mr. Crawford had been in failing health for some time and moved to

Kearney a month earlier to make his home with the brother.

A native of Buffalo county, Mr. Crawford joined the First National Bank staff following World War I. He had been an assistant cashier since 1937.

He is survived by his wife. A son preceded him in death.

Service Charges Out

The Nebraska Supreme Court early this month upheld a 1945 state law requiring banks to cash checks at par.

Reversing a district court ruling that the law was unconstitutional, the Supreme Court held "no part of provision of the federal constitution was ever intended to take from the states the right to properly exercise their police powers."

Emil Placek, president, First National Bank, Wahoo, Nebraska, who brought the original case and had argued an exchange charge on out-of-town checks was essential to survival of country banks, said he may appeal to the United States Supreme Court.

Mid-west Clearinghouse

J. L. Carter, cashier, Overton National Bank of Overton, Nebraska, was elected president of the Mid-west Nebraska Regional Clearinghouse Association at a regional annual meeting held last month. Mr. Carter succeeds Horton Munger, vice president, First National Bank of North Platte.

E. A. Adams, vice president, Bank of Brule, was re-elected vice president and Robert Crawford, assistant cashier of the North Platte First National Bank, was elected secretary-treasurer, succeeding George Taylor, assistant cashier of the McDonald State Bank.

Forty members were present at the meeting, representing 10 towns in the region: Sutherland, Wallace, Gothenburg, Brady, Ogallala, Stapleton, Overton, Brule and North Platte. Chairman E. J. Loutzenheiser, of Gothenburg, and M. D. Keller, of Ogallala, composed the nominating committee.

Elect Bancroft President

The stockholders of the First National Bank of Bancroft, Nebraska, held their annual meeting recently. Claus Peters was elected president, replacing John Hermelbracht, Sr., and Conrad Beineke was elected vice president. Albert Carlberg and Jack Munderloh were elected directors to fill vacancies caused by the deaths of G. H. Harms and John Hermelbracht. Other officers of the bank were re-elected, and they are A. G. Zuhlke, cashier, and G. H. Harms and W. G. Munderloh, assistant cashiers.

Half Million Increase

Broken Bow, Nebraska, bank deposits have increased more than half a million dollars during the year 1946. According to bank statements published, total deposits in the three banks are \$6,923,243 as compared with \$6,367,200 a year ago.

Joins Crete Bank

Les Parker joined the staff of The City National Bank of Crete, Nebraska, as assistant cashier following the annual meeting of shareholders of the bank.

Mr. Parker went to Crete in November after serving for 15 years as cashier of the Citizens State Bank in Dorchester. He is a native of Saline county.

The resume of the past year's business was presented at the meeting by the officers and the usual cash dividend was voted. Directors elected were John Rothmuller, B. F. Aron, Robert

K. Kuncel, John J. Smejkal, F. J. Stejskal, Herbert G. Smith, and John E. Mekota. Officers elected were John Rothmuller, president, and B. F. Aron, vice president and cashier.

Beatrice National Bank

Keith Roberts was elected to the staff of assistant cashiers at the annual meeting of the Beatrice National bank, Beatrice, Nebraska.

Other officers and directors were continued in their former capacities, and they are:

Wallace Robertson, chairman of the board; D. W. Cook, president; E. C. Austin, executive vice president; H. T. Weston, vice president; W. W. Cook, cashier; J. H. Doll, R. D. Mudge, W. W. Decker and R. H. Grupe, assistant cashiers.

Directors are D. W. Cook, H. T. Weston, W. H. Kilpatrick, Jr., E. C. Austin, D. S. Dalbey, J. M. Kilpatrick,

H. S. Wilson, J. H. Scheve, Wallace Robertson, W. W. Cook, George P. Cook and W. B. Morton.

Beatrice First National

All officers of the First National Bank, Beatrice, Nebraska, were re-elected at the firm's 71st annual meeting held last month.

Officers include W. C. Black, president; E. T. Howey, vice president; Harold R. Dietemeyer, cashier; L. D. Bonham, H. Fay Sandritter and Vernon R. Mulig, assistant cashiers.

Three new members were voted to the board of directors, including Samuel M. Rinaker, Chicago; Clyde B. Dempster and Wyman Kenagy.

Former board members re-elected include Mr. Black, Mr. Howey, Mr. Dietemeyer, Mr. Bonham, Melvin Bekins, Omaha, and M. S. Hevelone.

BANKERS YOU KNOW

(Continued from page 21)

and in the trust field. In 1937 Mr. Strain was elected president of the Continental National Bank.

He was married to Fern A. Witmer June 18, 1914, and they have twin daughters, Jo Anne and Jeanette.

Civic groups have found Mr. Strain's talents a valuable asset in Lincoln's progress. They put his analytical mind to work when he was made chairman of the City Planning Committee and later chairman of the Community Chest. In addition he has served as president of the Chamber of Commerce, the Lincoln Alumni Association and the University of Nebraska Foundation.

Mr. Strain is a Republican and in his leisure hours finds pleasure in his hobby of cooking. He is a member of the Masons, Elks, Scottish Rite, Lincoln Country Club, Sigma Phi Epsilon Fraternity (Past Grand Historian), Presbyterian Church, Reserve City Bankers Association, Robert Morris Associates and the American Legion.



In Lincoln—The Continental—

YOU are certain to notice the prompt and courteous service that you receive from the "Continental," the friendly bank, located at Nebraska's capitol city. Our many departments, staffed by well-qualified officers, stand ready to assist our correspondents at all times. It will be a pleasure for us to serve you.

The
**CONTINENTAL NATIONAL
BANK
of
LINCOLN**

Member Federal Deposit Insurance Corporation

First National Bank of Omaha

Oldest National Bank From Omaha West

Member Federal Deposit Insurance Corporation

Northwestern Banker, March, 1947



Complete Correspondent Facilities

MUNICIPAL BONDS CORPORATION BONDS and STOCKS

JOHN DOUGLAS & CO., INC.

Omaha, Nebraska

530 Insurance Building

Phone: Webster 2281



**Where do you send your Kansas City area,
Southern, Southwestern and Western items?**

Our night and day transit service, coupled with a network of railway and air mail service radiating in all directions, thus forming a natural traffic gateway, enables us to handle your transit items with a considerable saving in time.

We invite you to take advantage of our exceptionally fine service.

THE INTER-STATE NATIONAL BANK

Kansas City 15, Missouri

Member Federal Deposit Insurance Corporation

Northwestern Banker, March, 1947

Raise Surplus Account

C. E. Pearson, vice president, Genoa National Bank, Genoa, Nebraska, announces that the surplus of the bank has been increased from \$30,000 to \$50,000 making surplus and undivided profits total \$55,209 and the capital \$50,000. Deposits are listed in the year end release as \$2,048,373. John Elm is president of the Genoa National, E. L. Burke, Jr., executive vice president, W. M. Winell, cashier, and Eva K. Ford, assistant cashier.

Only Savings Bank

Clarence F. Witt, president, South Omaha Savings Bank, announces that at a recent meeting the bank increased its capital structure by \$50,000 to meet with the demands of increased business. It is interesting to note that the South Omaha Savings Bank is the only savings bank in the state of Nebraska.

At Chase National

Francis Ross, vice president of the Chase National Bank, has been placed in charge of correspondent bank activities covering the Dakotas, Minnesota, Iowa, Nebraska, Kansas and Missouri.

E. A. Locke is taking over Chicago, southern Wisconsin and northern Illinois activities.

Roland Irvine, vice president of the Chase, continues to head all country bank activities.

On Florida Trip

James S. Neely, vice president, City National Bank and Trust Company, made his annual trip to Florida to visit the spring training camps of the various baseball clubs. This yearly visit is an old custom of Mr. Neely's and is an index of his unusual interest in his hobby of following the doings of professional baseball.

Coffman Retires

Ernest G. Coffman, vice president and widely known representative of the First National Bank in St. Louis in several southern states for twenty-four years, retired on March 1st in order to devote his time to personal business interests.

BANKS Bought and Sold

Confidentially and with becoming dignity

BANK EMPLOYEES PLACED.

40 Years Satisfactory Service

THE CHARLES E. WALTERS CO.
OMAHA, NEBRASKA



OMAHA bank clearings for the week ending January 22 led the nation in percentage gain over the same 1946 week.

Dun & Bradstreet reported that Omaha banks cleared a total of \$123,762,000 for that week. That is a gain of 43 per cent over the like week in 1946.

Omaha bankers said their business volume has been "extremely heavy" and said that the high bank clearing figure shows that Omaha business is strong. Store sales, they said, have been high.

A bidding group headed by **Halsey, Stuart & Company, Inc.**, of Chicago and New York was awarded the Omaha Public Power District's 42 million-dollar electric revenue bond issue.

Halsey Stuart's bid for the issue, \$42,020,995.80, was the high bid. Overall interest rate cost to the district for the life of the entire issue will be 1.98 per cent.

Only two groups bid. The other proposal was submitted by the **First Boston Corporation**, with **Smith, Barney & Company** and **Harriman, Ripley & Company**, all of New York City, and associates.

Two appointments of officials at the First National Bank of Chicago hold Omaha interest.

Guy C. Kiddoo, a vice president of the bank, was promoted to head a division in the commercial department. He is the son of **H. G. Kiddoo** and a former Omaha banker.

B. G. McCloud, Jr., a grandson of Mrs. R. H. Olmsted, was elected an assistant vice president. Mr. McCloud is a son of the president of the Chicago bank.

J. Francis McDermott, vice president of the First National Bank of

Omaha, and a former chairman of the war bond division, spoke at a dinner meeting of the Better Omaha Club at the South Side Turner Hall.

The industrial committee of the 1947 Douglas County Red Cross campaign is headed by **A. J. Rhodes**, it was announced by E. C. Schmidt, general drive chairman. Mr. Rhodes is associated with the Omaha National Bank.

A. D. Marvel, Hastings, was elected president of the Nebraska Association of Small Loan Companies. Other officers are **Edgar Reynold**, Grand Island, first vice president; **J. H. Mack**, Scottsbluff, second vice president; **Jay Cherniack**, Omaha, treasurer; **R. W. Gohde**, Lincoln, secretary.

Mrs. Denman Kountze was elected president of the Omaha Visiting Nurse Association for 1947. Other new officers include **Mrs. Casper Y. Offutt**, first vice president and **Mrs. Ellsworth Moser**, second vice president. Elected a board member was **Mrs. W. B. Millard, Jr.**

A. L. Coad was elected president of the Omaha Clearing House Association at the annual meeting.

Dale Clark was elected vice president, **Carl G. Swanson** was renamed secretary-treasurer. He also is manager. Mr. Coad is president of the Packers National Bank. Mr. Clark is president of Omaha National Bank.

Fred W. Thomas has been appointed chairman of the regional advisory committee of the Reconstruction Finance Corporation. He is a vice president of the First National Bank of Omaha.

Mr. Thomas has been a member of the RFC committee many years and is now ranking active member in service.

Carl Falk, of Omaha, president of Buffet & Co., investments, was elected a director of the Associated Hospital Service of Nebraska.

OFFERING
COMPLETE SERVICE
FOR BANKS
IN THIS TRADE TERRITORY

The First National Bank

St. Joseph, Missouri

Member Federal Deposit Insurance Corporation

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

Other officers of the prepaid hospital insurance plan, known as Blue Cross, were re-elected. They include **Francis J. Bath**, president; **Arthur L. Coad**, vice president; **J. H. Pfeiffer**, secretary, and **Joseph O. Burger**, treasurer.

John T. Ashford has been raised from manager of the real estate sales staff of Western Securities Company to vice president. He joined the firm in 1945. Mr. Ashford formerly was vice president of the State Bank at Winnebago, Nebraska.

Before joining Western Securities,

he had been manager of the Farm Credit Administration's Omaha crop loan office and organizer of the Chicago area of the Federal Crop Insurance Corporation.

A \$1,217,005 special dividend was announced by the **Omaha Federal Land Bank**.

It was paid to 201 national farm loan associations in Nebraska, Iowa, South Dakota and Wyoming. It represents 10 per cent of their investment in land bank capital stock on December 31, 1946. The entire amount was to be

added to reserves of the cooperative loan associations.

Nebraska farm loan associations received \$361,801; Iowa associations, \$627,818; South Dakota, \$179,518, and Wyoming, \$47,868.

The Omaha Community Chest Board passed a resolution in recognition of services to the Chest by the late **Alvin E. Johnson**, prominent Omaha banker. A former campaign chairman, Mr. Johnson served on the board from 1940 to 1946.

Mrs. J. T. Stewart, III, was re-elected president of the Orthopedic Association of Omaha. Mr. Stewart is vice president and cashier of the First National Bank of Omaha.

To Insurance Board

W. C. Connett, first vice president of the First National Bank in St. Louis, has been elected to the board of directors of the Maryland Casualty Company, of Baltimore.

New Calculator Line

As its first major product change since the war, Burroughs Adding Machine Company has completely restyled its entire line of calculators.

By producing the machines in a soft brown color and a non-reflecting finish, Burroughs has been able to give these postwar calculators a smart, modern appearance and to eliminate all reflection and glare. The new color treatment has been extended even to the machine keytops where the old black and white colors have been replaced with harmonizing tones of brown and ivory.

The Burroughs electric duplex calculator offers a number of operating advantages. It registers the result of individual calculations in its front dials and automatically accumulates a grand total in the rear dials. Any amount registered in the front dials can be instantly subtracted from the grand total by means of the "subtract" bar without the use of complements.

City National, Chicago

At the annual meeting of the stockholders of the City National Bank and Trust Company of Chicago, all present directors were re-elected.

At the meeting of the directors which followed the stockholders' meeting, **J. A. Dattilo**, formerly assistant cashier, and **Philip R. Clarke, Jr.**, were elected assistant vice presidents; **C. W. Bufe**, assistant cashier, and **John Landry**, assistant trust officer. All other officers were re-elected.

NATIONAL BANK of COMMERCE

LINCOLN, NEBRASKA

OFFICERS

| | |
|-------------------------|--------------------------------------|
| BYRON DUNN | President |
| ALBERT A. HELD | Executive Vice President |
| ERNEST C. FOLSOM | Vice President |
| JULIUS WEIL | Vice President |
| CARL D. GANZ | Vice President & Trust Officer |
| GLENN YAUSSI | Vice President & Asst. Trust Officer |
| MARSHALL HEWITT | Asst. Vice President |
| PAUL BOGOTT | Cashier |
| WILLIAM STRATEMAN | Asst. Vice President |
| R. E. MILLER | Asst. Cashier |
| TED THOMPSON | Asst. Cashier |

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IN BANKING: It takes skill, accuracy and teamwork.

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Lincoln LOCALS

WITH heavy gains in both deposits and assets during the last half of 1946, compared to the first six months, Nebraska's 282 state banks were in an enviable financial position at the close of the year.

J. F. McLain, state banking director, has disclosed that as of the last day of the year, Nebraska's state banks showed an increase of \$31,852,786 in resources during the last half of the past year. Simultaneously, deposits went up \$30,706,627.

Liabilities and capital accounts on June 30, 1946, totaled \$352,474,541, and jumped to \$384,327,330, by the last day of the year. Responding to the withdrawal of \$7,500,000 of U. S. government money, cash reserves fell off .6 per cent during the last half from the mid-year peak of 27.4 per cent.

The banking director's study of the year-end reports reveals that while checking accounts were upped \$37,858,377.54 over the final half year, savings and time accounts declined \$874,815.63. Loans and discounts were higher by about \$9,000,000.

Funeral services for **Mrs. Letitia Usher Guenzel**, 81, were held early in February. A resident of Lincoln 56 years, she was the wife of one of the co-founders of the one time Rudge & Guenzel department store, known throughout the middle west. Besides her husband, she leaves two sons, **Stanley**, and **Ernest U.**, vice president of the First National Bank, and two sisters.

Frank Pilger, 69 years old, well-known Nebraska educator, real estate broker and long-time banker, died in Lincoln last month. As a banker he was associated for eight years with the Lincoln Joint Stock Land Bank. He was also in the banking business at Pierce, Nebraska, where he had moved from Bloomington, where he was born. At one time he was president of the Pierce State Bank.

Through the medium of an opinion prepared for **James J. Fitzgerald**, county attorney of Douglas county, **Walter Johnson**, state's attorney general, has advised Nebraska bankers that reserve funds of national banks would "ordinarily" be included in taxable funds.

The practices of bankers and banks regarding reserve funds varies considerably, the state's attorney declared. Some set aside so-called reserve funds to meet certain fixed charges such as taxes and interest. Funds set aside for such purposes, he added, might properly be disregarded.

Frequently, however, Mr. Johnson

said, defending the taxing phase, reserve funds are set aside to meet contingent losses or expenses which cannot be foreseen. Admitting such practice is sound business, he said setting aside of such funds does not justify the contention that they should not be considered as adding value to the shares of stock.

Fred Peters, former state banking director, has purchased stock in the Citizens National Bank at Ashland, and is now executive vice president. He assumed his duties last month.

Lincoln bank clearings of \$28,987,386



One of the services of practical value that we offer you is an analysis of your government bond holdings.

Changing conditions, national and local, may indicate that changes are needed in your bond portfolio.

Should you require such a service, we would be happy to discuss your problems with you.

THE FIRST NATIONAL BANK OF LINCOLN
1871 **LINCOLN, NEBRASKA** **1947**

Member Federal Deposit Insurance Corporation

were a gain of \$2,190,000 over the aggregate for December, 1946, which, because of Christmas shopping was a record at \$26,797,120. Compared with January, 1946, last month had an advantage of \$7,628,118.

After an illness of several years, **Mrs. Maude H. Holm**, widow of the late Paul H. Holm, former prominent Lincoln banker, died in Lincoln recently at her home. During her life she was active in women's organizations, civic activities, and the matinee Musicales. Mr. Holm was at one time a director of the former City National

Bank, the First National Bank, and was one of the organizers of the First Trust Company.

The Nebraska unicameral legislature has confirmed the interim appointment by **Governor Val Peterson** of **J. F. McLain** as state banking director. Mr. McLain had been an employee of the banking department for many years. **C. R. Haines**, who started working there in 1930, has been advanced to deputy director, the post formerly held by Mr. McLain. He will be in charge of the division of commercial banking.

Lincoln bankers have a busy time ahead of them, what with their banking responsibilities, and the many civic activities that are steadily being shifted to their shoulders.

Walker S. Battey, vice president of the Continental National Bank, has been elected to succeed himself as president of the Lincoln Y.M.C.A. At the same meeting **E. A. Becker**, executive vice president of the same bank; **George Knight**, president of the Citizens State Bank, and **Paul Bogott** of the National Bank of Commerce were elected members of the board.

Within a week bankers again were called upon for civic workers. **C. Wheaton Battey**, also a vice president of the Continental National Bank, and treasurer of the Chamber of Commerce, was elected chairman of the chamber's budget committee.

The chamber then set up a new business committee and named these bankers as part of the personnel: **Bernard G. Clark**, president of the Havelock National Bank; **Byron Dunn**, president of the National Bank of Commerce; **Howard Hadley**, vice president of the Continental National; **George Knight**, president of the Citizens State Bank, and **W. W. Putney**, Continental National director.

Alvin C. Glandt, vice president and cashier of the First National Bank, was appointed head of the employees' section in the 1947 Red Cross fund campaign. Mr. Glandt has had broad experience in Red Cross and Community Chest campaigns. Along with his 15 colonels, he enlisted about 700 workers to solicit 26,000 employees of 2,894 firms and offices.—The End.

Retires

Fred W. Loco, of Winnetka, assistant vice president of The First National Bank of Chicago, having completed 47 years of banking service, retired on pension February 28. He joined the Union Trust Company in 1900, and became an officer in 1916.

Assistant Secretary

William A. Brady has been elected assistant secretary of the Mississippi Valley Trust Company, St. Louis. Mr. Brady has had wide experience in the foreign department of the bank, and will continue to be associated with this department.

Beginning as an office boy in 1928, he also held the positions of transit clerk and collection teller before becoming foreign assistant. He is at present enrolled in the School of Banking at the University of Wisconsin, and is a member of the Export Managers' Club of St. Louis.



Just as though YOUR bank advertised in these magazines!



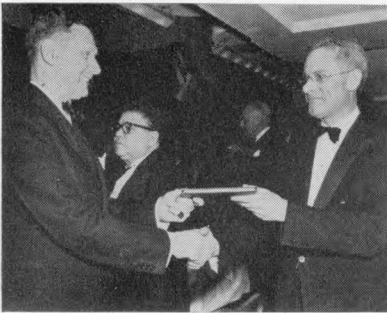
When you handle American Express Travelers Cheques you have the biggest advertising campaign in the travelers cheque business working for you.

Such tremendously popular magazines as, The Saturday Evening Post, Collier's, Time, American, National Geographic and Holiday, carry 152,248,552 American Express Travelers Cheques sales messages to travelers and potential travelers throughout the year. Many of these readers live in your community—are your own depositors.

With the vacation season so close, you can take advantage of this advertising by identifying your bank with this *tremendous* volume of sales-making advertising by tying in your bank locally with newspaper advertising. Write W. H. Stetser, Vice President, American Express Company, 65 Broadway, for folder illustrating American Express Traveler Cheque advertising newspaper mats that are available to your bank. Or, for any literature, counter cards, or blotters that are available to help you capitalize this huge, business provoking American Express Travelers Cheques campaign.

AMERICAN EXPRESS
Travelers Cheques

S. SLOAN COLT HONORED



At the recent annual banquet of the New York chapter of the American Institute of Banking at the Hotel Astor, New York, honorary membership in the chapter was conferred upon **S. Sloan Colt**, president of Bankers Trust Company, "in recognition of his enviable record of outstanding and constructive service to the banking profession, to his community and to his country."

In accepting the honor from **Thaddeus C. Cox**, (left), president of the chapter, Mr. Colt complimented the officers and members for overcoming the many difficulties during the war years and keeping abreast of the times. "The Institute," he said, "is certain to take an increasingly important part in the development and progress of the banking profession."

Merger

Crocker First National Bank of San Francisco and Farmers and Merchants Savings Bank of Oakland, two of the oldest banks in the San Francisco Bay area, were consolidated on March 3. The banking business of Farmers and Merchants Savings Bank of Oakland will be continued under the name Crocker First National Bank.

Wm. W. Crocker, president of Crocker First National Bank, announced that George W. Hall, vice president, would assume charge of Oakland operations. Mr. Hall, a native and resident of Oakland, has been with the bank for 32 years. C. William Brown, assistant cashier, has been named manager of the Oakland real estate loan department. Mr. Brown has been associated with Crocker First National Bank for 33 years.

Mr. Crocker also announced that officers of Farmers and Merchants Savings Bank who will remain with Crocker First National Bank, Oakland, include F. C. Martens, J. Harold Brown, John Campe, V. F. Obermuller and F. C. Wheeler.

No Statistics

Student: "Do married people really live longer than single ones?"

Professor: "I'm not sure, but it seems longer."



The COMMERCE of Kansas City . . . NOW 38th LARGEST BANK IN U.S.A.

The latest report concerning the rank of the 100 largest banks in the United States shows the Commerce moved up . . . from 41st to 38th position.

24-hour transit service . . . private wires to all principal cities . . . direct sending of items that is unequalled in the United States.

Your business is invited.

Commerce Trust Company

Capital Funds Exceed 21 Million Dollars

KANSAS CITY'S LARGEST BANK
Established 1865

MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

SERVING EVERY NEED FOR CORRESPONDENT BANKS

- 24-Hour Transit Service including air mail service.
- Investment Service On Government Bonds
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- Participation in Loans.
- Credit Information.
- Operational Assistance
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Vice President

H. H. ECHTERMEYER
Vice President

C. G. PEARSON
Cashier

L. V. PULLIAM
Asst. Cashier

ALBERT R. STELLING
Asst. Cashier

ELMER E. OLSON
Asst. Cashier

All of these officers are specialists in their various fields—assuring knowledge of your needs, and ability to offer adequate assistance.

THE BANK OF FRIENDLY ^{24 hour} SERVICE

LIVE STOCK NATIONAL BANK

OMAHA, NEBRASKA

Member Federal Deposit Insurance Corporation



W. H. BRENTON
President
Des Moines

Iowa NEWS



FRANK WARNER
Secretary
Des Moines

Observes 60th Year

The directors and employes of the State Bank of Fayette, Iowa, were hosts to Mr. and Mrs. C. R. Carpenter in the home of Mr. and Mrs. F. B. Claxton, the occasion being the 60th anniversary of Mr. Carpenter's service with the State Bank of Fayette.

Mr. Carpenter came to Fayette on February 1, 1887, as cashier of the then privately owned Bank of Fayette, and has served continuously since that date. The present State Bank of Fayette was organized in 1901 as successor to the private bank, and Mr. Carpenter has served as its president since 1915. Mr. Claxton is vice president and Mr. Swartz is cashier.

Due to the severity of the weather some members of the board were unable to attend, but those present in addition to Mr. and Mrs. Carpenter and Mr. and Mrs. Claxton were Dr. and Mrs. John E. Dorman, Mary B. Jones, Mr. and Mrs. Russell Swartz, Miss Jean Hunt, Mrs. Katherine Gross and Mrs. Minnie E. Dubbert.

Cedar Rapids Promotions

Merchants National Bank of Cedar Rapids, Iowa, has announced several promotions among its personnel.

Everett Pratt, who has been with the bank for 20 years, has been named auditor and Clyde Peremsky has been placed at the head of the savings division of the bank. Mr. Peremsky succeeds Russell W. Manat, who is now in the trust and new business departments.

Another promotion is that of Victor Bryant, who now heads the teller section of the institution.

All of these men have been associated with the bank for a number of years.

Endorse Harry Schaller

At a meeting of the Buena Vista County Bankers Association last month in Storm Lake, Iowa, the following resolution was unanimously adopted:

"Resolved, That our Association endorse the candidacy of Harry W. Schaller, president of The Citizens First National Bank of Storm Lake, Iowa, for the presidency of the Iowa Bank-

ers Association. We recommend him to the favorable consideration of all Iowa bankers as a man of high character, an able banker, and a returned veteran with three and one half-years of service in World War II."

H. H. Wetzeler, cashier, First Trust and Savings Bank of Alta, was elected president of the group for the ensuing year and A. J. Scott, cashier, First State Bank of Sioux Rapids, vice president, and E. G. Koehler, assistant cashier, First Trust and Savings Bank of Alta, secretary and treasurer.

The following banks were represented: First State Bank of Sioux Rapids; First State, Linn Grove; Citizens State, Marathon; First Trust and Savings, Alta; Albert City Savings, Albert City; First National, Newell; Commercial Trust and Savings, Security Trust and Savings and Citizens First National, all of Storm Lake.

On Goldfield Board

At the regular annual stockholders' meeting of the Goldfield State Bank in Goldfield, Iowa, Orten Lerdal was elected to the board of directors to fill the vacancy caused by the death of his father, Ole Lerdal. Ole Lerdal was one of the organizers of the bank in 1926 and served as a member of the board and as vice president until his death. Frank W. Stevenson, local farmer, was also elected to the board to take the place of Ole Sorensen

as Mr. Sorensen declined to serve any longer because of his advanced age.

Officers are John S. Whyte, president; G. T. Taylor, cashier, and Robert S. Whyte, vice president.

Elect Tipton Officers

Officers elected at the recent annual meeting of the board of directors of the Tipton State Bank of Tipton, Iowa, included J. W. Edge, president; Dale H. Smith, executive vice president; Geo. R. Geller, vice president; LaVerne D. Suchomel, cashier; James Moore, June Werling and Welcome Reed, assistant cashiers. The present board of directors were all re-elected by the stockholders and include: A. H. Albert, D. C. Armstrong, R. J. Benda, Earl M. J. Escher, Ralph Gaul, Geo. Geller, J. W. Edge, W. J. Donohue and A. J. Suchomel.

During the past year the capital structure was increased to \$100,000, with surplus and undivided profits at \$155,000. An increase in deposits for the year amounted to approximately \$300,000.

Buys Red Oak Business

G. M. Barnett, Jr., who for the past year has been serving as assistant cashier and director of the Guthrie County State Bank in Guthrie Center, Iowa, recently purchased the Frozen Food Center locker plant at Red Oak, Iowa.

Mr. Barnett is a graduate of the Guthrie Center high school and of Oregon State College. He served over four years with the Fifth Air Force as a communications officer in the Pacific theater of war. He was separated from service with the rank of major in February, 1946, retaining the status of reserve officer.

On Indianola Board

John Gruebel, prominent Milo, Iowa, farmer, recently was elected to the

1947 Iowa Group Meetings

| GROUPS | DATES | TOWNS |
|--------|--------------------------|------------|
| 5 | Tuesday, May 13th..... | Atlantic |
| 6 | Wednesday, May 14th..... | Newton |
| 10 | Thursday, May 15th..... | Chariton |
| 7 | Friday, May 16th..... | Iowa City |
| 2 | Tuesday, May 20th..... | Storm Lake |
| 3 | Wednesday, May 21st..... | Eldora |
| 4 | Thursday, May 22nd..... | Manchester |
| 8 | Friday, May 23rd | Anamosa |

board of directors of the Peoples Trust and Savings Bank of Indianola, Iowa, replacing the late Mr. Felton. Mr. Gruebel is prominent in Belmont township, active in the farm bureau of the county and chairman of the Triple A there for 1947. He has been identified with this program for several years.

Fayette County Meeting

At a meeting of the Fayette County Bankers Association at West Union, Iowa, last month there were 40 present.

Officers elected for the coming year were: President, Miss Evelyn Eck, assistant cashier, First National Bank, Oelwein, Iowa; vice president, Russell

A. Swartz, cashier, State Bank of Fayette; secretary-treasurer, Carl B. Schori, assistant cashier, First National Bank, West Union, Iowa.

With Andrew Bank

Dewey F. Kuiken, formerly with the Delmar office of Jackson State Savings Bank of Maquoketa, Iowa, recently accepted the assistant cashiership with the Andrew Savings Bank of Andrew, Iowa, F. H. Daudel, K. L. Bowman, Wm. T. Burke, H. H. Gibson, J. H. Mohlenhoff, J. M. Gleason and J. L. Ripple were elected directors. Eber V. Flint was re-elected cashier; Dewey F. Kuiken and Elmer R. Flint, assistants, and Norma L. Roeder, book-

keeper. Deposits have reached the million and a half mark and all in all a very good year has just been closed.

Resigns Cashier Position

Dorothy Lindebak resigned as cashier of the Farmers State Bank of Luverne, Iowa, recently. Miss Lindebak has been employed by the Farmers State Bank since its organization in 1940. She was elected cashier of the bank in 1944 and is leaving the bank to be married.

Jon A. Nelson of Los Angeles, California, son of J. A. Nelson, president of the bank, has been elected cashier. Mr. Nelson came to the bank last September after spending two years in the Navy. Prior to entering the Navy he was employed in the material control and inventory accounting departments of Lockheed Aircraft Corporation of Burbank, California, and the Lockheed Overseas Corporation in northern Ireland from 1940 until his induction in 1944.

In 55th Year

The Oakland Savings Bank of Oakland, Iowa, is now starting on its 55th year, having been organized in 1892. Total assets now are substantially over \$3,000,000. Officers and directors are as follows: W. L. Spencer, president; J. J. Evans, vice president and cashier; D. J. Spencer, assistant cashier; Harold Spencer, assistant cashier, and W. L. White and E. E. Spalti, directors.

President Spencer reports business has been very active and earnings quite satisfactory.

Loan Meeting in Creston

G. I. loan appraisers and bankers from 10 counties in southwest Iowa met last month at the Iowana Hotel for a dinner and a discussion of G. I. loan operations in this area.

Arnold Cook, president of the Creston Chamber of Commerce and a loan appraiser, and Ralph Meadows, cashier of the Iowa State Savings Bank of Creston and president of the Union County Bankers Association, were in charge of arranging the meeting.

On Women's Committee

Mrs. Esta Conn, assistant cashier of the Security Savings Bank in Marshalltown, Iowa, has been appointed to a sub-committee of the legislative committee of the Association of Bank Women.

That "EXTRA" Service

Because we feel that business transacted at a distance deserves added speed and accuracy, this bank treats out of town items with extra care and attention.

This is a fundamental principle of our correspondent service. We invite your inquiry on your Sioux City correspondent needs.

A. G. Sam, President

Fritz Fritzson, Vice Pres. and Cashier

J. T. Grant, Vice President

J. R. Graning, Assistant Cashier

E. A. Johnson, Assistant Cashier

H. H. Strifert, Assistant Cashier

R. E. Gleeson, Assistant Cashier

J. Ford Wheeler, Auditor

MEMBER FEDERAL RESERVE SYSTEM

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

FIRST



NATIONAL BANK

★ ★ ★ ★ *In Sioux City* ★ ★ ★

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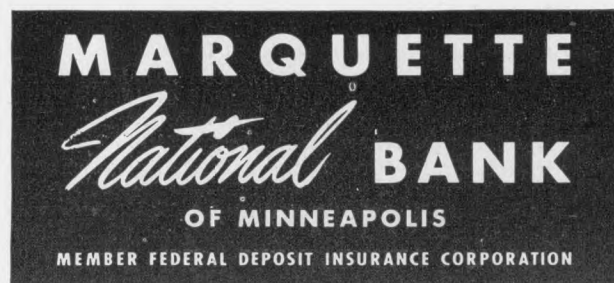


DOIN' WHAT COMES NATUR'LLY

When a farmer needs additional money to buy land, to erect new buildings, to buy seed, equipment, breeding stock—funds for any number of sound investments that will help him increase the productivity of his farm—it's only natural for him to come to you, his banker.

And it's just as natural for you, in turn, to come to Marquette for help in handling overline loans to farmers . . . as well as loans for other local enterprises. Marquette is ready, too, to cooperate with correspondent banks in providing credit information, trust service, a depository for the safe-guarding of securities, foreign remittance-and-collection service, and to act as agent in the purchase and sale of government securities. Marquette has increased the facilities of its Department of Banks and Banking . . . in order to serve you and your customers better.

Your farm customer is used to working with specialists because he frequently needs expert help in solving many of his problems. His veterinarian, county agent, and seed-and-feed dealer are representative of those he depends on. And, naturally, he depends on you for financial help. With your help, your advice, he is able to do a more productive job of farming.



THE STRONG FRIEND OF THE INDEPENDENT BANKER

Northwestern Banker, March, 1947

Iowa Groups I and II Meet in Sioux City and Burlington

**Nearly 900 Bankers and Their Wives
Were in Attendance at Both Meetings**

IOWA bankers from opposite corners of the state held two group meetings last month, Sioux City being host to members of Group One, and Burlington entertaining bankers of Group Eleven.

A. E. Muir, president, Onawa State Bank, was named chairman of Group One, with Henry J. Harms, president of the LeMars Savings Bank, serving with him as secretary.

Group Eleven elected Dale Kelley, cashier of the Henry County Savings Bank, Mt. Pleasant, as its chairman, and Frank C. Crone, president of the National Bank of Washington, was named secretary.

With odd numbered Iowa groups electing officers in odd years, the above officials will serve for a two-year term.

Registration for Group One at Sioux City came close to the 600 mark, with about 200 of that number being ladies. This is not a record for a Group One meeting, but is well toward the top. Group Eleven tallied about 250 registrants, including women.

Attending both meetings, and taking part in the programs were Frank Warner, secretary of the Iowa Bank-

ers Association; N. P. Black, Iowa superintendent of banking; E. L. Jenkins, in charge of the Iowa banks insurance program; and Walter T. Robinson, loan guarantee officer of the Veterans Administration. Harold Brenton, president of the Iowa Bankers Association, was unable to attend either meeting.

Secretary Warner discussed the several association sponsored bills which have been introduced into the Iowa legislature, among them a bill permitting Iowa banks to destroy old records after keeping for 11 years, and a measure permitting banks to operate on a five-day week. As this is written the record destruction bill has been signed by the governor, but the five-day week measure met strong opposition in the Iowa Senate, and had not received enough support to pass that branch of the legislature.

Superintendent Black reported Iowa banks in the best condition in their history, with reserves at the year-end setting a record of \$1,541,000,000. Last year loans in Iowa banks increased 28 per cent, Mr. Black said, even though

farm loans were not among those showing an increase.

Bankers at both meetings kept Walter Robinson busy answering their questions on details of G. I. loans. On the first of last month the Iowa office under the supervision of Mr. Robinson, had processed nearly 15,000 G. I. loans of all types—business, farm, and home.

Different arrangements for program and entertainment are followed by Groups One and Eleven. Group One prefers to start their festivities with a luncheon, followed by a social hour, and then a banquet in the evening, closing the meeting.

Group Eleven starts off with a social hour, buffet supper, and dancing the evening before the meeting day; the following morning is devoted to registration and visiting, with the program following the luncheon, and the meeting adjourned about 4 p. m.

Ed Ebersole, vice president and cashier of the State Central Savings Bank, Keokuk, usually designs the format for the Group Eleven program, and this year he called it "Southeast Iowa's Greatest Attraction—Produced

At the Iowa Group Meetings—→

PICTURED on the opposite page are a number of those attending the annual meetings of **Groups One and Eleven** of the **Iowa Bankers Association**. Reading from left to right they are:

1. **Wesley Swiler**, cashier Burlington Savings Bank; and **N. P. Black**, Iowa commissioner of banking.

2. **Charles F. MacLellan**, Manufacturers Trust Company, New York; and **Richard W. Yerg**, assistant cashier Chase National Bank, New York.

3. **Fred Cummings**, assistant cashier Drovers National Bank, Chicago; **Mrs. Carl Fredricksen**, whose husband is president of the Live Stock National Bank, Sioux City; and **Mark Wilson**, vice president of the Live Stock National Bank.

4. **Al Junge**, assistant cashier Northwestern National Bank, Minneapolis; **G. C. Winter**, president First National Bank, Armour, South Dakota; and **J. W. Bryant**, vice president Commercial Trust & Savings Bank, Mitchell, South Dakota.

5. **Henry Visser**, cashier First National Bank, Hawarden, and immediate past chairman of Group One; **C. E. Gossett**, president Security National Bank, Sioux City; **H. N. Boyson**, vice president Merchants National Bank, Cedar Rapids; and **A. E. Muir**, president Onawa State Bank, and now chairman of Group One.

6. **E. A. Ebersole**, vice president and cashier State Central Savings Bank, Keokuk; and **Everett Griffith**, vice president Iowa-Des Moines National Bank & Trust Company.

7. **Carl Bloom**, First National Bank, Omaha; and **Tom C.**

Cannon, midwest manager St. Paul Terminal Warehouse Company, Des Moines.

8. **Dale Kelley**, cashier Henry County Savings Bank, Mt. Pleasant, and new chairman of Group Eleven, prepares to chop down the cherry tree, with **Mrs. Leo Welch** and **Mrs. Hoyte Tague**, of the Hanna-Kramer Company, Burlington, as his charming audience.

9. Group One bankers consult **Walter Robinson** (seated left), G. I. guarantee loan officer for Iowa, on some of the G. I. loan problems.

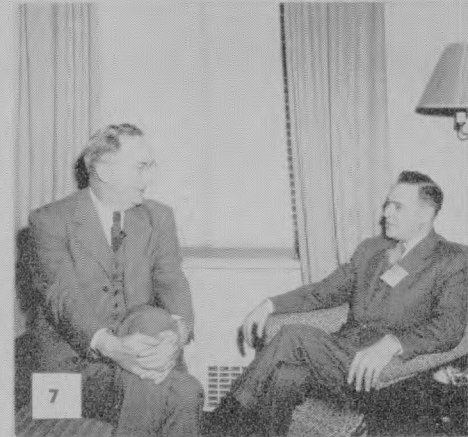
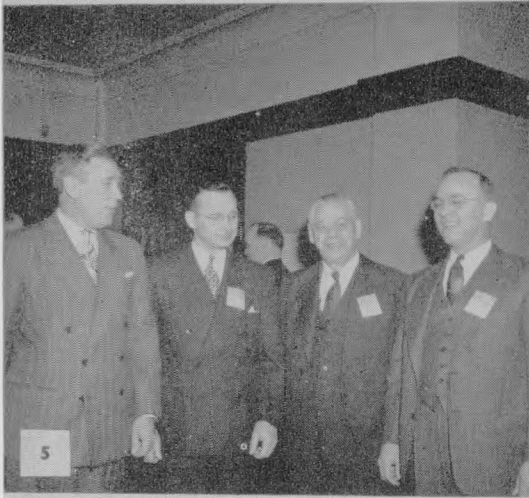
10. **Horace Smith**, Scarborough & Company, Des Moines; **Carl Mayle**, The Todd Company, Des Moines; and **Phil Lyster**, De Luxe Check Book Company, Cedar Rapids.

11. **R. E. Hunt**, assistant cashier Northern Trust Company, Chicago; **Robert Root**, Des Moines, who hasn't missed a Group Eleven meeting for twenty years; **M. C. Hook, Jr.**, assistant vice president Mississippi Valley Trust Company, St. Louis; and **J. C. Blackford**, manager personal loan department Union Bank & Trust Company, Ottumwa.

12. **M. J. Grogan**, executive vice president and cashier National Bank & Trust Company, Chariton; **L. Nevin Lee**, vice president Bankers Trust Company, Des Moines; **C. R. Colton**, vice president and cashier Fidelity Savings Bank, Ottumwa; and **O. F. Spear**, assistant cashier Fidelity Savings, Ottumwa.

13. **T. R. Richardson**, assistant cashier Mediapolis Savings Bank; **F. H. Riepe**, cashier Danville State Bank, A. A. Jackson, cashier Farmers Savings Bank, Kalona; and **E. W. Jones**, vice president Iowa-Des Moines National Bank & Trust Company.

Northwestern Banker, March, 1947



by Chairman Frescoln and Secretary Kelley, with Permission of George Washington." The program was composed of two acts, act one taking place the evening before the meeting, and act two being the meeting itself.

Dear Editor:



(Continued from page 11)

enterprises, has been abundantly proved by the development of growth and strength.

"The period of resurgence affords a lot of satisfaction in retrospect, but I hope I do not live long enough to go through another like it."

Guy W. Cooke, 728 Colfax Street, Evanston, Illinois.

Editor's Note: Thanks very much Guy, because as former advertising manager of the First National Bank of Chicago and a past president of the Financial Advertisers Association, we prize your comments and suggestions at any time.

"Effectiveness and Clarity"

"As an economist or a statesman I should probably make a good modiste, so my endorsement of your three letters on pages 10 and 11 in "Across the Desk from the Publisher" in your February issue of the NORTHWESTERN BANKER has little value from the point of view of their soundness; but as a writer I cannot refrain from commending you on their effectiveness. They are splendidly written and with a clarity that one does not often find in banking-magazine editorials."

R. W. Graham, Gray & Rogers, Advertising, 12 South Twelfth St., Philadelphia, Pa.

Editor's Note: Thanks very much, Mr. Graham.

"Look Forward"

"I always look forward to reading the NORTHWESTERN BANKER, and will hope to see you at some of the meetings in the near future."

G. L. Hill, Cashier Sac City State Bank, Sac City, Iowa.

"A Real Tonic"

"It is indeed refreshing and a real tonic for any American citizen to read your three editorials in the February issue of the NORTHWESTERN BANKER. President Truman has had some business experience and thus should be a better all-around executive than was F.D.R., but Mr. Truman is under promise to carry out New Deal policies and most of them are vicious and humbugish. If George C. Marshall reads your article on the Russian communist and his skunk relatives who live in the U.S.A. he should have enough backbone to stand up

to Stalin for a couple of days and tell him what we think of his political set-up. He also should start a move for a constitutional amendment to return every foreigner from every undesirable foreign country and let no more in America. Sterilize or segregate every undesirable citizen now in the U.S.A. Look after our own business and quit worrying about a lot of foreign no-goods under various names and royal blue-blood degenerated human trash that has descended to rule over the various hodge-podge human apes."

Emil C. Junger, President Soldier Valley Savings Bank, Soldier, Iowa.

Editor's Note: Our world problems are indeed complex and let's hope the U.S.A. has statesmen able to solve them.

Garton Leaves Bank

George Garton, who has been employed by the Citizens State Bank of Humeston, Iowa, for the last twenty-five years, resigned his position and will retire from the banking business. He and several of the other stockholders sold their stock to L. J. Lyon and C. F. Long of Union, Iowa, and H. E. Long of Eldora, Iowa. At a special meeting of the board of directors, K. J. Lyon was elected as cashier to replace Mr. Garton. H. E. Long of Eldora was elected executive vice president to replace D. S. Moore. Mr. Lyon has had ten years' experience as a banker.

Leaves Merville Bank

Harry Junck has resigned as assistant cashier of the First Trust and Savings Bank of Merville, Iowa, and George Coker has been elected to take his place. Mr. Coker will have charge of the Lawton branch of the bank. Leslie Quintard, Jr., has been transferred from the Lawton bank and is employed in the Merville bank.

Frank Zellmer has been appointed to fill the vacancy on the board of directors of the bank. The vacancy occurred as a result of the death of Mr. Zellmer's father a short time ago.

President of C. of C.

Harry E. Ross, president of the City National Bank of Shenandoah, Iowa, was elected head of the Chamber of Commerce at a directors' meeting last month.

Joe Ennis was named vice president. Clair E. Russell, who has been executive secretary since 1931, was elected for the seventeenth time.

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Northwestern Banker, March, 1947

Scarborough & Company

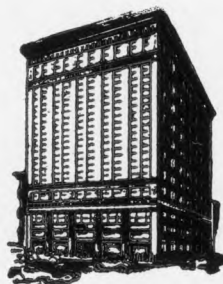
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Sincere Interest
Assure the Finest
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VALLEY BANK AND TRUST COMPANY

WALNUT AT FOURTH, DES MOINES

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Winfield W. Scott, Senior Vice President

J. R. Astley, Vice President

Edward P. Kautzky, Vice President

Roy E. Huber, Vice President

F. M. Thompson, Cashier

Ray L. Thompson, Asst. Vice President

Carl W. Altman, Asst. Cashier

George W. Gill, Asst. Cashier

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Story County Officers

The Story County Bankers Association held its annual dinner meeting last month in Nevada, Iowa, and Dan E. Peters, cashier of the Maxwell State Bank at Maxwell, was elected president. Mr. Peters succeeds Henry Martin, cashier of the Union Story Trust and Savings Bank of Ames, who served as president last year. Edwin Hauge of the Story County State Bank at Story City was elected vice president, succeeding Mr. Peters, and C. H. Budolfson, assistant cashier of the College Savings Bank in Ames, was elected association secretary, succeeding Mr. Hauge.

Heads Luana Savings Bank

Earl F. Miller was chosen president of the Luana Savings Bank at the annual meeting of directors and stockholders recently, replacing J. T. Humphrey.

Other officers named were George Heins, vice president; Cornell Riveland, cashier, and Ilaverne Seeland, assistant cashier. Other directors named were Alvin Johanningmeier, John A. Lenth and Lorenz Doerring, replacing Mr. Humphrey.

A 6 per cent dividend was declared for the year.

In Carroll County Bank

Eldon Hess began his duties as assistant cashier at the Carroll County State Bank in Carroll, Iowa, last month. Since April 1, 1946, he had been manager of the Arcadia branch of that bank. Leo C. Schweers of Arcadia now is manager of the branch.

Fred D. Cummings Promoted

At a director's meeting of the Drovers National Bank, Chicago, held recently, Fred D. Cummings was promoted to assistant cashier.

Fred, as he is usually known by his



FRED D. CUMMINGS
Named Assistant Cashier

many banker friends in the middle west, has been connected with the Drovers National Bank since 1930. He volunteered for submarine duty in January, 1942, and saw much active service. He returned to the Drovers National Bank in 1945 where he resumed his duties as representative in the middle west.

Other promotions include Rudolph J. Wind to assistant cashier, Harold F. Edwards as auditor, and Lester C. Wetzel was appointed assistant cashier of the Drovers Trust and Savings Bank.

The directors of the Drovers National Bank voted to transfer \$250,000 from undivided profits to the surplus account. This makes a total capital of \$1,000,000, and surplus account of \$1,250,000.

Federal Reserve Director

Clarence W. Avery of Detroit, Michigan, has been named chairman of the board of directors and federal reserve

Northwestern Banker, March, 1947

**Service Beyond the Routine**

We enjoy going out of our way to be helpful to correspondents. This often means giving extraordinary service. No matter how small your bank, we feel that you are entitled to every assistance.

• •

If you haven't seen our new home, we'll take pleasure in showing you every department.

**SECURITY
NATIONAL BANK**
of Sioux City

Member Federal Deposit Insurance Corporation

agent of the Federal Reserve Bank of Chicago.

Mr. Avery, president of the Murray Corporation of America, Detroit, also was named a director to replace W. W. Waymack, former editor of the Des Moines *Register and Tribune*, who resigned to become a member of the Atomic Energy Commission.

Heads Bank Board

To fill the vacancy on the official staff of the Inter-State National Bank of Kansas City, caused by the death of George S. Hovey, chairman, W. C. Shank, who for many years has been a member of the board of directors, has been elected to fill the office of chairman of the board. Scott W. Hovey, son of George S. Hovey, was elected to fill the vacancy on the board of directors in his father's place. Mr. Hovey is an attorney for Armour and Company in Chicago, Illinois.

Joins American National

Lawrence F. Stern, president of the American National Bank and Trust Company of Chicago, announces the appointment of C. A. Hemminger in charge of advertising and public relations.

Mr. Hemminger, formerly advertising manager of the Bankers Trust

partment of Public Works and Buildings.

Mr. Hemminger graduated from the University of Illinois School of Journalism in 1930 and from the Graduate School of Banking at Rutgers University in 1946.

F.A.A. Resolutions

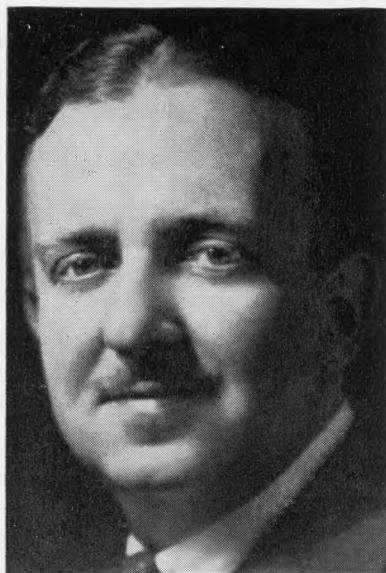
At its mid-year meeting held in Philadelphia last month, the board of directors of the Financial Advertisers Association passed a number of resolutions submitted to it by the association's resolutions committee. Members of this committee are H. C. Nicholls, cashier, First National Bank, Madison, Wisconsin, chairman; Merrill Ander-

son, president, Merrill Anderson Company, New York; Hugh J. Bernard, vice president, Second National Bank, Houston, Texas; L. L. Matthews, president, American Trust Company, South Bend, Indiana; and Ray K. Meixsell, public relations director, Troy Savings Bank, Troy, New York.

The resolutions in substance were as follows:

(1) In recognition of the importance to bank public relations of day-to-day contact between bank personnel and the public, that 25 or more bank personnel directors from different areas be invited to the next annual convention of the association.

(2) That since the banks of the



C. A. HEMMINGER
With American National, Chicago

Company, New York City, assumed his new position on March 1st. Before joining the Bankers Trust Company he was associated for three and one-half years with the New York State Bankers Association in New York City as director of public relations.

Prior to that he was director of public information for the Taxpayers' Federation of Illinois and director of publicity for the state of New York De-

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47th Street and Ashland Avenue
Stock Yards Station
CHICAGO, ILLINOIS

James Schmitt - Rush!

Name of your Bank
Anywhere

THE DROVERS "YELLOW BOY"
ADVICE IS WELL KNOWN
TO BANKERS WHOSE CUSTOMERS SHIP LIVESTOCK TO CHICAGO. IT IS THE SYMBOL OF FAST, FRIENDLY SERVICE IN COLLECTING LIVESTOCK PROCEEDS.

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

Members, Federal Deposit Insurance Corporation

country as of January 25, 1947, have made about 642,000 G.I. loans totaling \$3,404,284,000, banks be urged to continue to make and encourage all sound G.I. loans and to educate veterans and the public generally in the factors that make credit a constructive force and keep it from becoming a burden and disservice to the borrower.

(3) That the cooperation of the officers of many state banking associations with the Financial Advertisers Association be recognized and warmly endorsed, and that association members be urged to continue to work with their state associations in building public appreciation of the services and achievements of banks.

(4) Since the present economic trends highlight the need for individual thrift, that the vigorous promotion and encouragement of systematic savings and continued public education on the importance of thrift be recommended to all banks.

(5) That in recognition of the part played in the development of financial advertising by Fred W. Ellsworth, one of the charter members of the association and its fifth president, who recently retired from banking, he be elected an honorary life member of the association.

Buys Lenox Interests

B. P. St. John and his associates have bought Will Maddens' interest in the First National Bank in Lenox, Iowa. Mr. Madden is retiring as president and will withdraw from active duty at the bank. Mr. St. John has been elected president and Miss Retta Goodale, cashier since the bank was reorganized in 1934, will be retained in that post.

Mr. St. John has been cashier of the Okey-Vernon National Bank in Corning, Iowa, for a number of years.

Clayton County Officers

J. E. Schaffer, cashier of the Central Bank and Trust Company of Elkader, Iowa, was named president of the Clayton County Bankers Association recently. He succeeds A. J. Kregel of Garnavillo.

Vice president is G. E. Dunfrund, cashier of the Union Bank and Trust Company of Strawberry Point. Norris Kuenzel of the Garnavillo Savings Bank was re-elected secretary-treasurer.

An address was given by Marvin Selden, vice president of the Merchants National Bank of Cedar Rapids.

Announced by **President Ralph Brubacher** of the Toy National Bank are plans for offices on the second floor of the building in which the bank is lo-



RALPH R. BRUBACHER
Remodeling Toy National Bank

cated. One suite of offices will be occupied by the personal loan department, with **K. D. Shinkle**, assistant

Sioux City News

M. C. EIDSMOE, president of the Woodbury County Savings Bank in Sioux City, was elected president of the Iowa Mortgage Bankers Association at the annual meeting of the group in Des Moines last month. **Clyde Roe** of Sioux City was named a regional vice president, and **Robert Turner** of Council Bluffs was named to the board of governors. Other regional vice presidents include **Douglas Swale** of Mason City and **Walter Hall** of Council Bluffs. The association went on record as opposed to a proposed measure in the state legislature which would assess a 1½ per cent tax on filing of any real estate mortgage.

John Scott, Jr., of the Morningside State Bank is spending a couple of months in Oklahoma and points further south, on a little vacation trip.

FOR SALE—Safety Deposit Boxes, heavy duty—best made—a nest of 100 in various sizes. Dimensions: 22 inches deep, 50½ inches high, 45½ inches wide. Also base for same which is not included in above measurements. Two keys and Master for all boxes. Condition the best. Will sacrifice. Purchased from liquidated bank. Reason for selling, unable to use on account of space. Inspection and correspondence invited. Will trade for smaller nests, on equitable basis. Farmers Savings Bank, Massena, Iowa.

Tensile Strength of 60 lbs.!

"STEEL-STRONG"
TRADE MARK
FEDERAL BILL STRAPS

MADE of 50 lb. best quality Kraft paper, "Steel-Strong" Federal Bill Straps have a tensile or breaking strength of 60 lbs. per square inch.

Normal and reversed figures, plus different color for each denomination, instantly discloses value of package, in any position. Special clean, sanitary, vegetable adhesive sticks instantly.

Free Samples
Write today, to Dept. G

The C. L. DOWNEY Company
HANNIBAL, MISSOURI
World's Largest Mfrs. of Coin Wrappers

MERCHANTS MUTUAL BONDING COMPANY

Incorporated 1933

Home Office
SOUTHERN SURETY BUILDING
Des Moines, Iowa

This is Iowa's oldest surety company.

A progressive company with experienced, conservative management.

We are proud of our hundred and fifty bank agents in Iowa.

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

Write to
E. H. WARNER
Secretary and Manager

cashier, in charge. **John G. Gordon** will be assistant manager.

The second suite of offices in the new upstairs location will be used for the bank's FHA and G. I. loans service, with **V. H. Bunkers**, treasurer of the Farmers Loan & Trust Company in charge. Both suites will be furnished in modern design and completely air conditioned.

Elected President

Wesley T. Heckt was elected president of the Grundy National Bank of Grundy Center, Iowa, at its annual meeting. He succeeds the late Ferdinand Henze. A 7 per cent dividend was paid to stockholders.

Dale Bee, who was elected a director to fill the vacancy caused by the death of Mr. Henze, is cashier, and William Groote is vice president.

Leon Witter Re-elected

Leon A. Witter was re-elected president of the Farmers Trust and Savings Bank of Spencer, Iowa, at a meeting of the 1947 board of directors of that institution.

Other officers named are: J. W. Edge of Tipton, first vice president; R. M. Tuttle, second vice president; Karl Tuttle, cashier; Robert Lexvold, first assistant cashier, and Albert Prechel and J. E. Shelledy, Jr., assistant cashiers.

Leon Walker was named assistant cashier and manager of the Rossie office, and Frank Wood as assistant cashier and manager of the Gillett Grove office.

Bank Letter

BELOW is a letter W. L. Spencer, president of the Oakland Savings Bank, Oakland, Iowa, sent to people of that community early this year. It is a good illustration of customer and prospect contact through the use of direct mail. The letter reads: **WE'VE BEEN GAZING INTO OUR CRYSTAL BALL . . .**

. . . It's an old model, of course (been difficult to get a new one, you know), but it's one of the better pre-war models.

Of course, we don't need a crystal

ball to figure out that 1946 was a pretty good year for this community . . . and this bank. Our statement of condition shows that. Deposits are up. Cash and Government Bonds total over two and a quarter million dollars.

And it takes no crystal ball to tell that this bank is proud to have a part in local progress the past year; that we appreciate your business and have enjoyed every opportunity we have had to be of service; and that during 1947 (which is our 55th year) we pledge better service, if possible, than ever before.

No crystal ball is needed to reveal the fact that 1947 promises to be a year of great possibilities. Indications are that production will speed up—this will aid in stabilizing prices . . . business in general should be good. You, no doubt, will have more money to handle. This means you'll have increased need for dependable banking service.

And you don't have to have a crystal ball tell you that you'll find that service at the Oakland Savings Bank. Our best recommendation, of course, is satisfied customers. Some have banked here for 25 to 40 years. Then

there are the young men and women who are old friends but new customers. They're all satisfied with Oakland Savings Bank Service.

And so . . . include the Oakland Savings Bank in your plans for 1947. Come in, sit down, let's talk things over. It takes no crystal ball to predict you'll find us ready with ALL banking facilities to meet ALL your needs . . . plus dependable personal service to assure your satisfaction.

P. S. Know anybody who wants to buy a slightly used, old model, crystal ball?

New Purchase Plan

An entirely new time purchase plan for buyers of agricultural implements is now available through neighborhood banks and implement dealers, according to R. F. Given, vice president and general manager of the American Bank Credit Plan, 103 Park Avenue, New York City.

"The American Bank Credit Plan will be a boon to the entire industry," said Mr. Given. "The competitive nature of this industry has driven rates down so low that dealer reserves have been eliminated entirely in most cases. This disregard for the dealer's accus-

We believe our location, experience and facilities make this a desirable connection to work in full cooperation as your correspondent in Eastern Iowa and Western Illinois. And, most important is our personal interest in every account it is our privilege to serve.



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tomed rights and well merited reserves consistent with his liability on the paper has so discouraged dealers that time sales of agricultural implements have not been developed on a basis comparable with the automobile industry. Unquestionably, the dealer needs a plan that is salable and competitive but still protects his reserves

—and one that assures him of floor plan financing with dependable and continuous insurance coverages. The agricultural implement buyer wants a plan that will give him dignified low-cost bank credit and the same 'Safe Credit' features that have protected automobile buyers for many years. The American Bank Credit Plan meets these requirements."

Mr. Given states that the extension of the American Bank Credit Plan to all communities throughout the country is being handled as rapidly as possible, and agricultural neighborhoods requesting preferred attention will be given special consideration.

Iowa Yearly Report

The following is a consolidated report of 552 Iowa chartered banks at the close of business December 31, 1946, issued by Newton P. Black, superintendent of banking in Iowa:

Cash and U. S. Government

Bonds \$1,181,213,018
An increase of \$28,087,718 over December 31, 1945.

Total Assets \$1,541,568,103
An increase of \$104,801,259 over December 31, 1945.

Total Capital Funds \$78,769,950
An increase of \$6,911,114 over December 31, 1945.

Total Deposits \$1,461,941,205
An increase of \$97,573,635 over December 31, 1945. This increase was made with a decrease in United States Deposits amounting to \$108,753,623, which means the deposits direct from Iowa have increased \$206,327,258 over December 31, 1945. Investments in U. S. Government

Bonds have increased \$35,685,923 since December 31, 1945.

Loans have increased \$64,939,318—28 per cent over December 31, 1945.

Other Real Estate has been almost entirely eliminated, a reduction of \$156,260 since December 31, 1945, leaving only \$46,806 invested in Other Real Estate.

Named Secretary

Frank K. Houston, chairman of the board of The Chemical Safe Deposit Company, announces that Miss Frances M. Boos has been appointed secretary succeeding J. Lowry Dale who will remain as vice president. Miss Boos will continue in her capacity as assistant treasurer.

American Express

P. W. Bradford, general manager of American Express, London, and Harry Hill, general manager, Paris, have been elected vice presidents of The American Express Company, Inc., Ralph T. Reed, president, announced.

Mr. Reed also announced appointment of J. J. Bulger and Demetri Guirdjis as assistant vice presidents. In addition, H. D. Davis, N. F. Page and Howard L. Clark were named assistant vice presidents of the American Express Company.

Eye to Eye

"Harold is awfully obstinate."

"In what way?"

"It's the hardest thing in the world to make him admit I'm right when he knows I'm wrong."

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DES MOINES

KLIPTO LOOSE LEAF CO.
MASON CITY, IOWA
Bank Supplies

THE PRINTED MESSAGE

The Printed Message today is more powerful than ever before as a means of creating interest and insuring action. Paper is the primary basis of such messages, and for better printing papers, consult this firm.



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St. Paul

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School to Increase

Three hundred sixty-five students and faculty can be accommodated by the increased facilities provided for the School of Banking at the University of Wisconsin, sponsored by the Central States Conference, F. H. Ellwell, Dean of the School of Commerce of the University of Wisconsin, announced. This represents an increase of 95 per cent over the student body and faculty of the school last year.

The quota for the freshman class for the 1947 session, which will be held June 2nd to 14th at Madison, Wisconsin, has been filled for the past month, and there are a number of applicants who have been notified that their names have been placed on the waiting list, according to Harry C. Hausman, chairman of the board of trustees of the school and secretary of the Illinois Bankers Association. In the event there should be any cancellations, prior to the opening of the school June 2nd, men on the reserve list will be admitted. Those on the reserve list not admitted this year will be given first consideration for enrollment next year. It is suggested by Wall G. Coapman, registrar of the school and secretary of the Wisconsin Bankers Association, that bankers desiring to enter the school as freshman for the 1948 session should begin now to make their plans and forward their applications to him at 312 East Wisconsin Avenue, Milwaukee 2, Wisconsin, if they want to make sure of their enrollment next year.

Government Relations

Appointment of Walter E. Bruns as vice president in charge of governmental relations for the Bank of America has been announced by L. M. Giannini, president.

Bruns will make his headquarters at the San Francisco head office of the bank.

President Giannini states that the extensive complexities of today's relations between financial institutions and government now cover such a wide range of activity that it has become desirable to coordinate such matters in the Bank of America under one administrative officer.

One a Day

During the first six months of the current association year, ended February 28th, there were 229 new member banks enrolled in the American Bankers Association, according to a semi-annual report by Max Stieg, chairman of the A.B.A. organization committee, and cashier, Dairyman's State Bank, Clintonville, Wisconsin. This record of better than one new member bank each day is substantially

above that of the similar six months a year ago, and brings A.B.A. membership to more than 96 per cent of all the banks in the nation, representing more than 99 per cent of total banking resources.

During the six months beginning September 1, 1946, and ended February 28th, there were 189 banks and 40 branches which became members of the association, compared with 125 banks in the six-month period a year ago. Chairman Stieg said that A.B.A. membership increases are encouraging, and he praised particularly the work which has been done in Georgia where the A.B.A. membership percentage advanced from 86 to more than

96 per cent through securing A.B.A. memberships from 38 banks. In making this record A.B.A. State Vice President Sherman Drawdy carried on a vigorous campaign which included a 1,000-mile auto trip and the cooperation of leading bankers in his state. Mr. Drawdy is president of the Georgia Railroad Bank and Trust Company, Augusta, Georgia, and immediate past president of the Georgia Bankers Association.

Just Being Practical

Our grandmothers believed that there was destiny that shaped our ends, but the modern girls place more faith in girdles.

INDEX OF ADVERTISERS

MARCH, 1947

A

| | |
|--|----|
| Allied Mutual Casualty Company..... | 53 |
| Allison-Williams Company..... | 40 |
| Allyn, A. C. and Company..... | 30 |
| American Express Company..... | 74 |
| American National Bank and Trust Co..... | 61 |

B

| | |
|---------------------------------------|----|
| Ballard-Hassett Company..... | 40 |
| Bank of America..... | 45 |
| Bankers Trust Company—Des Moines..... | 91 |
| Bankers Trust Company—New York..... | 10 |
| Banks, Wm. H., Warehouse, Inc..... | 48 |
| Becker & Cowrie, Inc..... | 34 |
| Becker, A. G. and Company, Inc..... | 32 |
| Beh, Carleton D., Company..... | 34 |
| Blair, William and Company..... | 30 |
| Byllesby and Company..... | 32 |

C

| | |
|---|----|
| Central Hanover Bank and Trust Co..... | 6 |
| Central National Bank in Chicago..... | 44 |
| Central National Bank and Trust Co..... | 14 |
| Central States Mutual Insurance Assn..... | 53 |
| Chase National Bank..... | 4 |
| City National Bank—Clinton..... | 87 |
| City National Bank and Trust Company—Chicago..... | 48 |
| City National Bank and Trust Company—Kansas City..... | 72 |
| Commerce Trust Company..... | 75 |
| Continental Bank and Trust Company..... | 82 |
| Continental National Bank—Lincoln..... | 68 |
| Crabbe, Thomas L. and Company..... | 39 |

D

| | |
|--|-------|
| Davenport, F. E. and Company..... | 71-78 |
| DeLuxe Check Printers, Inc..... | 54 |
| Des Moines Building, Loan and Savings Association..... | 88 |
| Douglas, John and Company, Inc..... | 70 |
| Downey, C. L. Company..... | 86 |
| Drovers National Bank..... | 85 |

E

| | |
|--|----|
| Employers Mutual Casualty Company..... | 50 |
|--|----|

F

| | |
|---|----|
| First National Bank—Chicago..... | 24 |
| First National Bank—Lincoln..... | 73 |
| First National Bank of Minneapolis..... | 56 |
| First National Bank—Omaha..... | 68 |
| First National Bank—St. Joseph..... | 71 |
| First National Bank—Sioux City..... | 78 |
| First Trust Company of Lincoln..... | 75 |
| First Wisconsin National Bank..... | 43 |

G

| | |
|-----------------------------|----|
| Greenway and Company..... | 41 |
| Guaranty Trust Company..... | 49 |

H

| | |
|------------------------------------|----|
| Hammermill Paper Company..... | 27 |
| Harris Trust and Savings Bank..... | 26 |
| Home Insurance Company..... | 5 |

I

| | |
|--|----|
| Inter-State National Bank..... | 70 |
| Investors Syndicate..... | 34 |
| Iowa-Des Moines National Bank and Trust Company..... | 92 |
| Irving Trust Company..... | 8 |

J

| | |
|---------------------------|----|
| Jamieson and Company..... | 31 |
| Journal of Commerce..... | 55 |

K

| | |
|--------------------------------|----|
| Klipto Loose Leaf Company..... | 88 |
| Koch Brothers..... | 88 |

L

| | |
|--|----|
| LaMonte, George and Son..... | 3 |
| Lawrence Warehouse Company..... | 42 |
| Lessing Advertising Company..... | 88 |
| Live Stock National Bank—Chicago..... | 25 |
| Live Stock National Bank—Omaha..... | 76 |
| Live Stock National Bank—Sioux City..... | 62 |

M

| | |
|---|----|
| Manufacturers Trust Company..... | 7 |
| Marquette National Bank..... | 79 |
| Merchants Mutual Bonding Company..... | 86 |
| Merchants National Bank..... | 2 |
| Merrill Lynch, Pierce, Fenner & Beane..... | 31 |
| Minneapolis Moline Power Implement Company..... | 60 |
| Minnesota Commercial Men's Assn..... | 58 |
| Mississippi Valley Trust Company..... | 47 |

N

| | |
|---|----|
| National Bank of Commerce..... | 72 |
| National Company of Iowa..... | 38 |
| National Company of Omaha..... | 39 |
| National Surety Corporation..... | 64 |
| Newhouse Paper Company..... | 88 |
| Northern Trust Company..... | 46 |
| Northwestern National Life Insurance Company..... | 55 |

O

| | |
|--------------------------|----|
| Omaha National Bank..... | 23 |
|--------------------------|----|

P

| | |
|--|----|
| Policyholders National Life Insurance Company..... | 52 |
| Priester and Company..... | 38 |
| Public National Bank and Trust Co..... | 41 |

Q

| | |
|------------------------|----|
| Quail and Company..... | 36 |
|------------------------|----|

R

| | |
|------------------------------|----|
| Ravenscroft and Company..... | 40 |
| Royal Bank of Canada..... | 59 |

S

| | |
|--|------------|
| St. Paul Terminal Warehouse Company..... | 9 |
| Solomon Bros. & Hutzler..... | 35 |
| Scarborough and Company..... | 47, 55, 82 |
| Security National Bank—Sioux City..... | 84 |
| Shaw, McDermott and Company..... | 36 |
| Sparks and Company..... | 38 |
| Stock Yards National Bank—Omaha..... | 66 |
| Swaney, Lynn and Company..... | 32 |

T

| | |
|------------------------|----|
| Toy National Bank..... | 87 |
|------------------------|----|

U

| | |
|--|----|
| United States National Bank—Omaha..... | 69 |
|--|----|

V

| | |
|------------------------------------|----|
| Valley Bank and Trust Company..... | 83 |
|------------------------------------|----|

W

| | |
|---------------------------------------|----|
| Walters, Charles E..... | 70 |
| Western Mutual Fire Insurance Co..... | 54 |
| Wheelock and Cummins, Inc..... | 35 |
| White-Phillips Company, Inc..... | 41 |
| Wittenstein, M. and Company..... | 39 |
| Wood, Harold E..... | 35 |



In the DIRECTOR'S ROOM



Scared to Death

A New Yorker went to the mountains for the first time. He left the hotel one morning to view the countryside. In a few minutes he returned, his clothes torn, his face and arms scratched and bleeding.

"What happened to you?" the hotel clerk inquired.

"A little blacksnake chased me!" the man replied breathlessly.

"But that little snake isn't poisonous."

"Listen," the man replied, "if he can make you jump off a 60-foot cliff, he doesn't have to be!"

Out for Lunch

Bill was limping badly. "What's up?" asked the foreman. "Hurt yourself?"

"No, got a nail in my boot."

"Why don't you take it out?"

"What! During my lunch hour?"

Smart Diagnosis

"Your wife used to be terribly nervous. Now she's cool as a cucumber. What cured her?"

"The doctor did. He told her that her kind of nervousness was the result of advancing age."

More Bull

The publisher of the NORTHWESTERN BANKER and a friend arrived in Mexico. Neither spoke a word of Spanish, but being hungry they headed for a restaurant. They wanted roast beef, but the waiter could not "compre."

"What are we to do?" asked the friend.

"I don't know," said the publisher. "I'll draw a picture of a cow."

He made an impressionistic sketch and marked "2" beneath it. The waiter looked, smiled a smile of comprehension and went away. Five minutes later he returned with two tickets to a bull fight.

Good Sight

Lawyer: "You say you were about 35 feet away from the scene. Just how far can you see clearly?"

Old Farmer: "Wal, when I wake up I see the sun and they tell me that's about 93 million miles away."

Sourpuss

Junk Man: "Any old beer bottles you'd like to sell, lady?"

Old Maid: "Do I look as though I drank beer?"

Junk Man: "Any vinegar bottles you'd like to sell?"

To Follow Football

Here is how to keep in touch with the referee and let you know what is happening, as you look down from row 875.

1. Military salute. He is whistling

the Star Spangled Banner to himself.

2. Hands on hips. Is getting disgusted with game.

3. Grasping one wrist. Wants to teach the crowd life saving.

4. Folded arms. Is strong, silent man.

5. Waving hands. Likes variety.

6. Hand over mouth. Stifling yawn.

7. Both arms over head. Thinks he is hearing broadcast.

High-Powered Nonsense

A tough employer noted for his energy saw a boy leaning idly against a packing case, whistling.

"How much are you getting a week?" he demanded.

"Twelve dollars."

"Here's a week's pay. Now clear out. You're through."

As the boy pocketed the money, shrugged and strolled away, the busy man turned to the stockroom clerk. "How long has that kid been with us?"

"Him?" said the clerk. "Oh, he just brought over a package of bolts and nuts."

Sounds Familiar

Guide: "This castle has stood for three hundred years. Not a stone has been touched, nothing altered, nothing repaired or replaced."

Visiting Yank: "Must have the same landlord we have."

New Twist

Mrs. Bride: "I'm getting ice from a new man, dear."

Husband: "What's the matter with the old one?"

Mrs. Bride: "The new man says he'll give us colder ice for the same money."

That Moron Again

"Have you heard the one about the goat-herder's daughter who couldn't get married?"

"No, and why couldn't she?"

"Oh, she couldn't get anyone to stay with the kids!"

CONVENTIONS

April 13-15, A.B.A. Spring Council Meeting, French Lick, Indiana, French Lick Springs Hotel.

April 14-19, Annual Group Meetings, South Dakota Bankers Association.

May 19-21, 56th Annual Convention, Illinois State Association, Chicago, Palmer House.

May 13-23, Iowa Group Meetings. (see page 77).

June 2-6, A.I.B. Annual Convention, Detroit, Hotels, Statler and Book-Cadillac.

June 2-14, Central States School of Banking, University of Wisconsin, Madison.

June 11-12, Annual Convention, Minnesota Bankers Assn., St. Paul, Hotel St. Paul.

June 16-17, Annual Convention, North Dakota State Association, Bismarck.

June 16-28, Agricultural Credit School, Ames, Iowa State College.

June 20-21, Annual Convention, South Dakota State Association, Sioux Falls.

June 23-25, Annual Convention, Wisconsin State Association, Milwaukee, Hotel Schroeder.

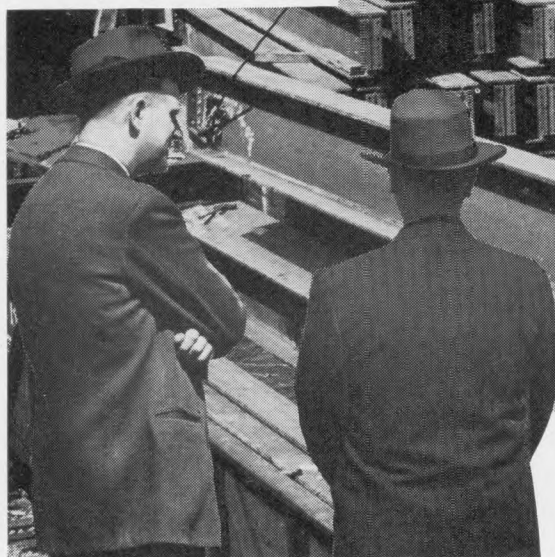
July 7-19, Agricultural Credit School, Ames, Iowa State College.

September 29-October 1, A.B.A., 73rd Annual Convention, Atlantic City, New Jersey.

October 6-8, 61st Annual Convention, Iowa State Association, Des Moines, Hotel Fort Des Moines.

October 6-9, Annual Convention, Financial Advertisers Assn., New York City, Hotel Waldorf.

**BROADENED
CONTACTS...**



**...that help Iowa bankers meet
BROADENED RESPONSIBILITIES**

As the post-war industrial pattern of America begins to take shape—it becomes clear Iowa's place in the pattern is destined for constantly increasing importance.

In the past year, Iowa has been chosen as the location for 182 new industrial plants.

Naturally, some of these plants are situated in cities that already have a nucleus of industrial activity. But many others are going into smaller cities and towns—centers where banking activity has previously been confined largely to agricultural business.

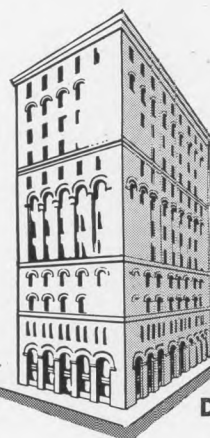
In every part of the state, Iowa bankers are proving entirely capable of meeting the broadened

responsibilities brought about by Iowa's broadened industrial activity.

In addition to extensive experience in all phases of agricultural financing, the Bankers Trust has been actively serving industrial accounts for many years. As a result, we are frequently able to help correspondent banks in meeting the broadened service requirements of increased industrial business.

*Member Federal Deposit
Insurance Corporation*

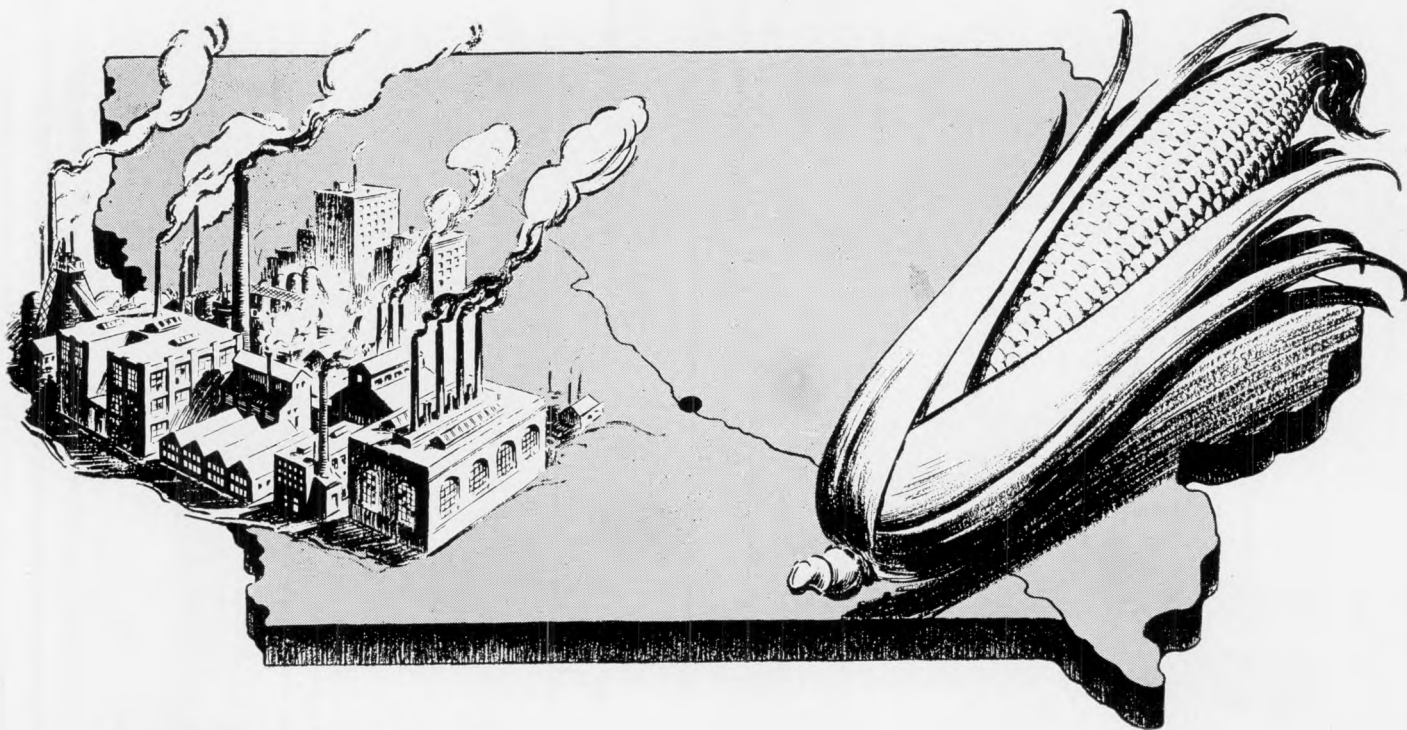
*Member Federal
Reserve System*



BANKERS TRUST COMPANY

6TH AND LOCUST

DES MOINES



BUILDING with Des Moines and Iowa ...for **71 YEARS**

Iowa's progress has always been linked with money and financing. Sound and constructive banking is essential.

For 71 years this Bank has cooperated with Iowa Banks and Bankers as their Des Moines correspondent. As opportunities have been presented, we have been pleased to join with Iowa Banks to meet the credit requirements of their customers.

Such cooperation has been offered as a helpful, constructive service to our correspondent banks. In no way do we wish to compete for the business belonging to them.

Our objective will continue to be: Banking that is building Des Moines and Iowa.



A STRONG, DEPENDABLE CORRESPONDENT CONNECTION

IOWA-DES MOINES NATIONAL BANK & TRUST COMPANY

Member Federal Deposit Insurance Corporation