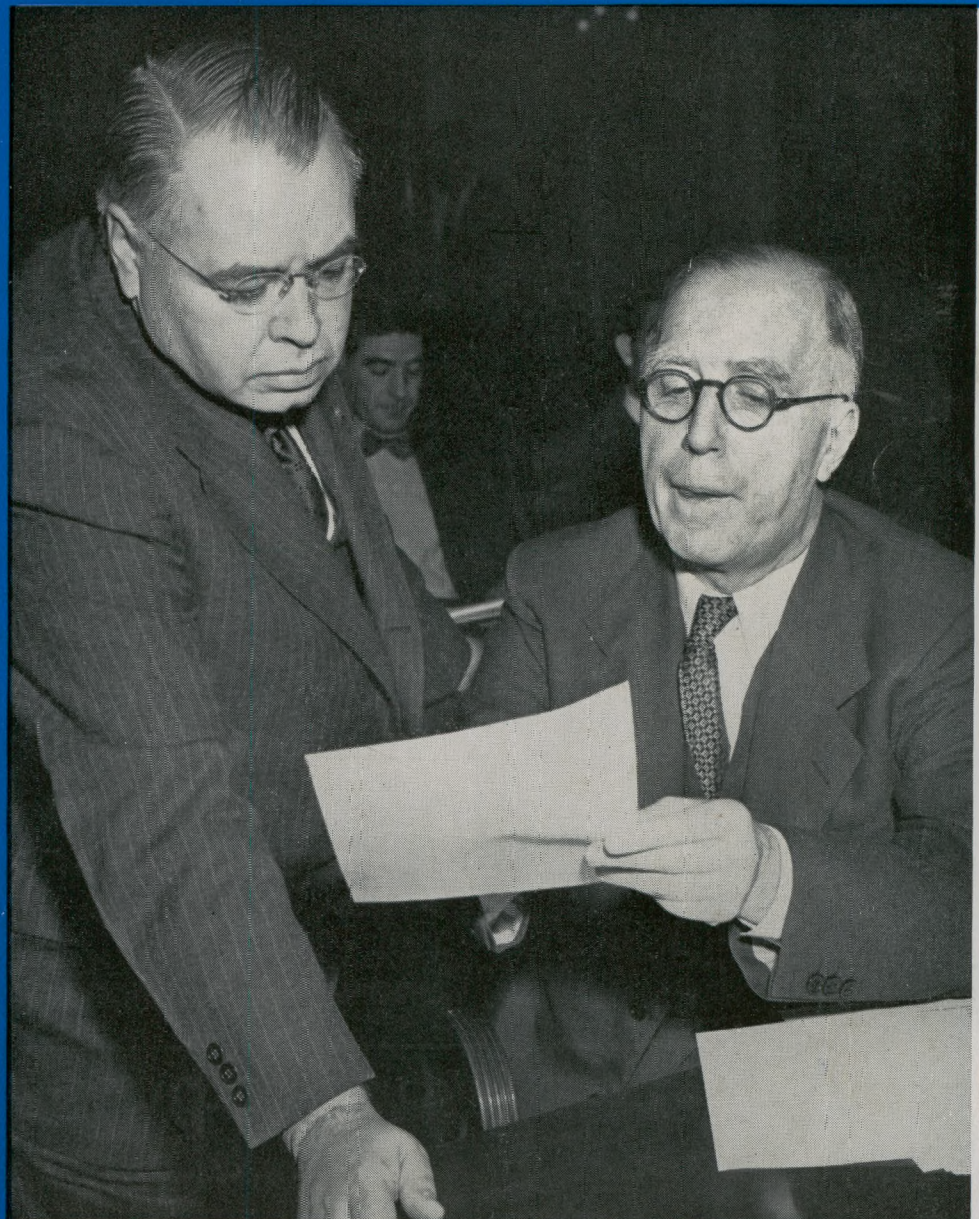


NORTHWESTERN *Banker*

JANUARY
1948



Can We Control Deflation?

(Survey)—Pages 20, 21

WOLCOTT, SCHWELLENBACH DISCUSS WAGE CONTROL—Page 13

Statement of Condition, December 31, 1947

RESOURCES

Loans and Discounts.....	\$11,964,675.52
United States Government Securities.....	33,423,000.00
State, County and Municipal Bonds.....	20,658,157.50
Other Bonds	860,133.84
Overdrafts	11.82
Bank Premises	863,826.92
Cash on Hand, Due from Banks and U. S. Treasurer.....	24,831,386.57
	\$92,601,192.17

LIABILITIES

Capital Stock	\$ 500,000.00
Surplus	3,500,000.00
Undivided Profits	508,900.87
Deposits	88,092,291.30
	\$92,601,192.17

A Cedar Rapids Bank
Servicing The Midwest



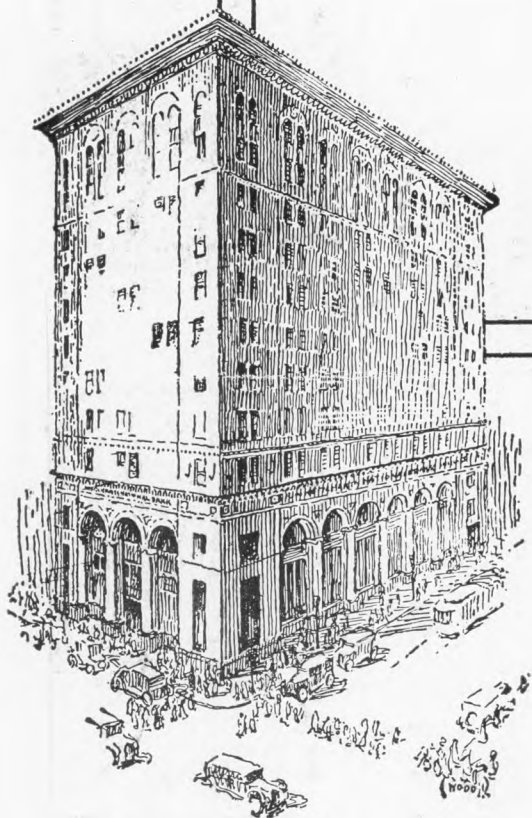
THE MERCHANTS NATIONAL BANK

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Cedar Rapids Iowa

Member Federal Deposit Insurance Corporation



Northwestern Banker, published monthly by the Northwestern Banker Company, at 527 Seventh Street, Des Moines, Iowa. Subscription, 35c per copy, \$3.00 per year. Entered as Second Class Matter January 1, 1895, at the Post Office at Des Moines, Iowa, under Act of March 3, 1879.

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Why is La Monte Safety Paper so widely recognized as the outstanding product in the field of check protection?

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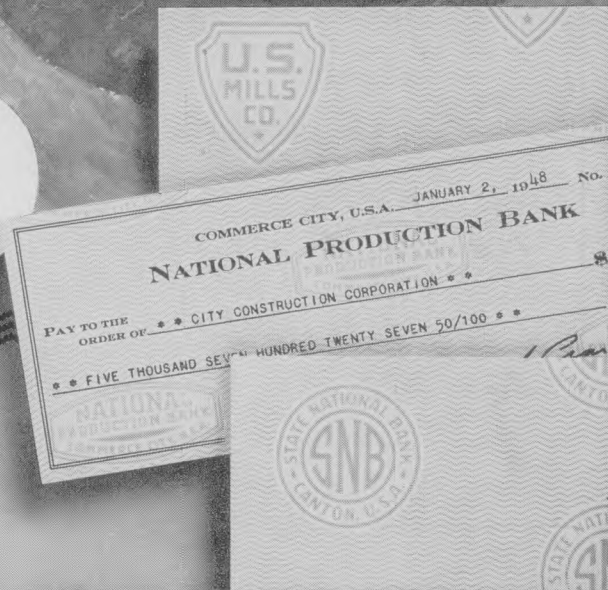
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Northwestern Banker, January, 1948

THE PUBLIC NATIONAL BANK AND TRUST COMPANY OF NEW YORK

37 Broad Street

CONDENSED STATEMENT OF CONDITION—DECEMBER 31, 1947

RESOURCES

Cash and Due from Banks	\$127,685,624.53
U. S. Government Securities	310,972,475.50
State and Municipal Securities	7,794,976.81
Other Securities	5,380,493.50
Loans and Discounts	124,180,873.98
Customers' Liability for Acceptances	1,440,339.26
Stock of the Federal Reserve Bank	660,000.00
Banking Houses	2,207,994.41
Accrued Interest Receivable	1,217,464.33
Other Assets	259,156.71
	<hr/>
	\$581,799,399.03

LIABILITIES

Capital	\$ 9,625,000.00	
Surplus	12,375,000.00	
	<hr/>	
	22,000,000.00	
Undivided Profits	7,838,859.67	\$29,838,859.67
Dividend Payable Jan. 2, 1948		275,000.00
Unearned Discount		583,454.93
Reserved for Interest, Taxes, Contingencies		4,162,609.87
Acceptances	\$ 4,040,524.61	
Less: Own in Portfolio	2,354,123.75	1,686,400.86
	<hr/>	
Other Liabilities		328,110.90
Deposits		544,924,962.80
		<hr/>
		\$581,799,399.03

Securities carried at \$6,040,984.74 are pledged to secure U. S. Government War Loan Deposits of \$2,945,392.95 and other public and trust deposits, and for other purposes as required or permitted by law.

MEMBER: N. Y. CLEARING HOUSE ASSOCIATION • FEDERAL RESERVE SYSTEM
FEDERAL DEPOSIT INSURANCE CORPORATION



GUNSTON HALL

*"The rights
of the people
to be secure"*

FRAMED over the fireplace in the library of Gunston Hall are these famous words expressing the dignity of man, "The rights of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated . . ." In this notable room the fourth George Mason, statesman, constitutionalist, and philosopher penned these phrases for the Virginia Bill of Rights, which later became the basis for the first ten amendments to the Constitution of the United States. Here also he is said to have helped his colleague, Thomas Jefferson, write the first draft of the Declaration of Independence.



George Mason

For his newly won bride, Ann Eilbeck, Mason employed a famed English architect to build this colonial mansion of unrivaled beauty overlooking the banks of the Potomac in Fair-

fax County, Virginia. Upon its completion in 1758, he set about to develop the estate of 7000 acres into an almost self-sufficient plantation with its own blacksmiths, carpenters, coopers, weavers and tanners.

Celebrated guests frequently visited Gunston Hall, including Lafayette and neighbor George Washington who "often rowed down from Mount Vernon in a 4-oared gig . . . to visit his friend or take Sunday supper with him."

Failing health forced Mason to spend his later years in retirement but he was a constant source of counsel on questions of law and government. At a time when it was considered treason even to speak ill of the King, he became a champion of democracy and one of the first to speak out against slavery.

In 1792 this man whom Jefferson called "the wisest man of his generation" was buried on the grounds of his Gunston

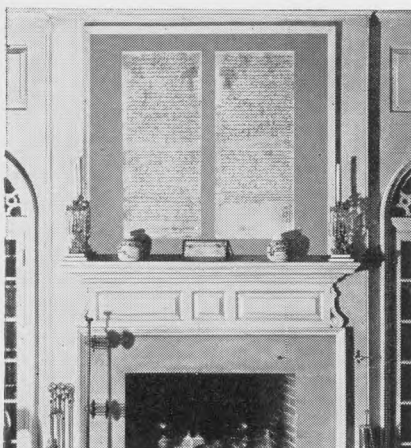


Formal garden and 192-year-old boxwood hedge

Hall. Mason had been a genial, cultivated, well-read gentleman whose descendants were to include early governors of Michigan and California.

The Gunston estate gradually deteriorated after ownership passed from the Mason family in the 1860's. Reduced to a lumber camp in 1912, it was rescued by its present owner who spent thirty years and a medium-sized fortune to restore it to its former splendor. Although now privately owned, it will eventually pass to the State of Virginia under the custody of the Colonial Dames of America.

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



The basis of our Federal Bill of Rights

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Insurance Company
NEW YORK

FIRE • AUTOMOBILE • MARINE INSURANCE



CENTRAL HANOVER

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NEW YORK

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President, J. P. Stevens & Co., Inc.
HENRY P. TURNBULL
Montclair, New Jersey
WILLIAM WOODWARD
New York, N. Y.

Statement of Condition, December 31, 1947

ASSETS

Cash and Due from Banks	\$ 407,107,962.29
U. S. Government Securities	718,666,657.07
State and Municipal Securities	57,051,663.76
Other Securities	13,104,635.86
Loans and Bills Purchased	411,395,076.93
Real Estate Mortgages	4,961,155.53
Banking Houses	12,050,009.00
Interest Accrued	2,966,920.05
Customers' Liability on Acceptances Outstanding	3,423,804.39
Total	\$1,630,727,884.88

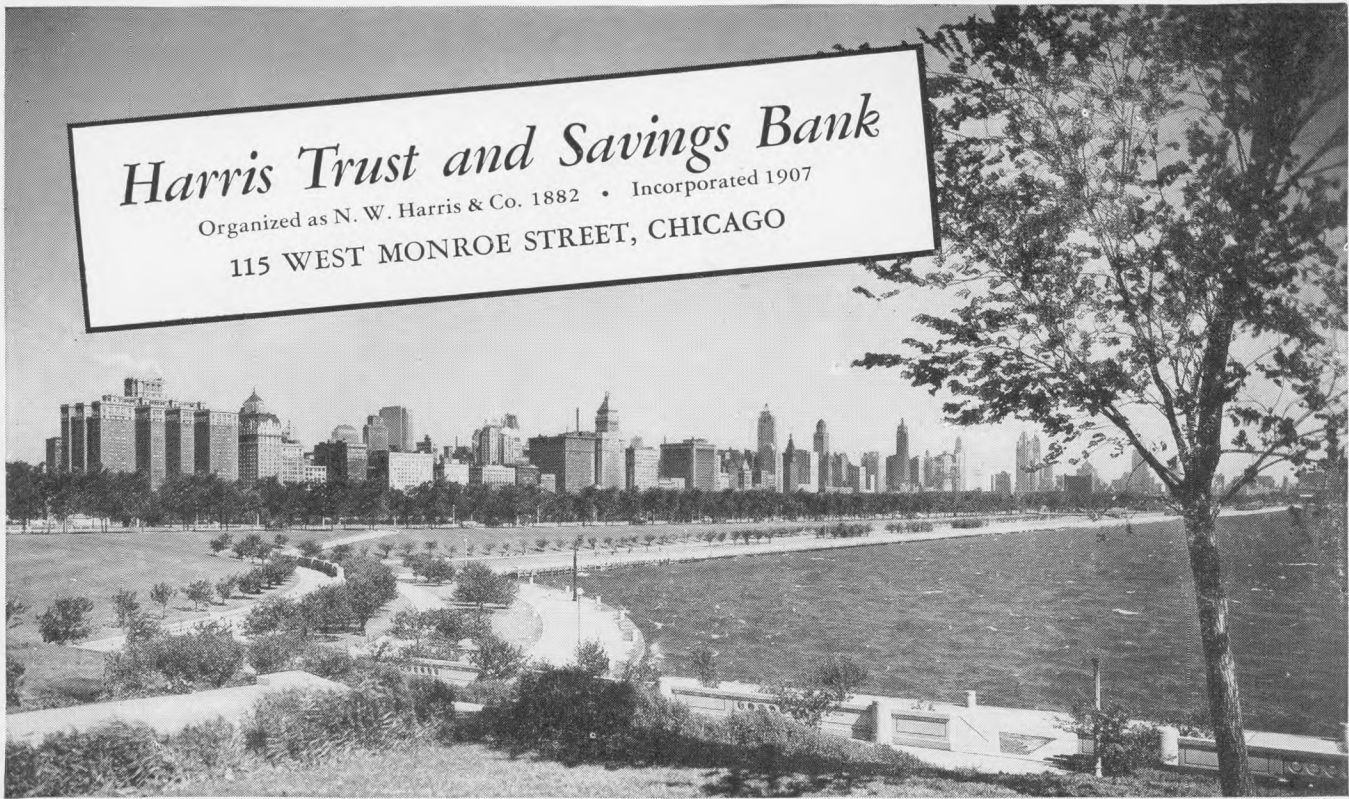
LIABILITIES

Capital	\$21,000,000.00
Surplus	80,000,000.00
Undivided Profits.	26,528,256.11
Total	\$ 127,528,256.11
Reserves:	
Taxes, Interest, etc.	6,230,000.29
Dividend:	
Payable January 2, 1948	1,050,000.00
Acceptances	\$ 8,128,116.41
In Portfolio	4,548,351.84
Total	3,579,764.57
Deposits	1,492,339,863.91
Total	\$1,630,727,884.88

There are pledged to secure public monies and to qualify for fiduciary powers

U. S. Government Securities \$22,828,519.11

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Harris Trust and Savings Bank
 Organized as N. W. Harris & Co. 1882 • Incorporated 1907
 115 WEST MONROE STREET, CHICAGO

Statement of Condition

December 31, 1947

Resources

Cash and Due from Banks	- - - -	\$145,414,557.95
U. S. Government Securities	- - - -	186,677,129.95
State and Municipal Securities	- - - -	30,369,347.35
Other Bonds and Securities	- - - -	12,262,675.02
Loans and Discounts	- - - •	167,470,844.50
Federal Reserve Bank Stock	- - • -	600,000.00
Customers' Liability on Acceptances and Letters of Credit	- - - -	897,551.16
Accrued Interest and Other Resources	- - - -	2,118,262.53
Total	- - - -	\$545,810,368.46

Liabilities

Capital	- - - \$	8,000,000.00	
Surplus	- - - -	12,000,000.00	
Undivided Profits	- - - -	6,106,681.98	\$ 26,106,681.98
General Contingency Reserve	- - - -		7,013,329.09
Reserve for Taxes, Interest, Etc.	- - - -		3,197,028.49
Dividend Payable January 2, 1948	- - - -		240,000.00
Acceptances and Letters of Credit	- - - -		897,551.16
Demand Deposits	- - - \$	462,859,779.71	
Time Deposits	- - - -	45,495,998.03	508,355,777.74
Total	- - - -		\$545,810,368.46

United States Government Obligations and Other Securities carried at \$40,742,709.00 are pledged to secure Public and Trust Deposits and for other purposes as required or permitted by law.

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- FRANK H. WOODS
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**A New Branch Office has been opened
by the Chase National Bank in the Marunouchi Building,
No. 2, 2-chome, Chiyodaku, Tokyo.**

This location in the financial section of the Japanese capital is in close proximity to the military and civilian agencies of the United States Government and to representatives of American business interests.

The new Tokyo office gives further scope to the Far Eastern facilities provided by Chase branches in Shanghai, Hong Kong

and Tientsin which long have been recognized as vital links in trade with the Orient.

These facilities are available to Chase correspondent banks which thus can provide their own customers with valuable assistance for the development of business throughout the Far East.

Send for our Booklet HOW THE CHASE CAN BENEFIT YOUR BUSINESS OVERSEAS.

**THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK**

HEAD OFFICE: *Pine Street corner of Nassau*

Member Federal Deposit Insurance Corporation

SAVINGS

COMMERCIAL LEDGERS

LOANS and DISCOUNTS

MORTGAGES

TRUST ACCOUNTING

PAYROLL

DAILY STATEMENT

GENERAL LEDGERS

*all 8 handled
by this 1 machine*

In a small bank, a single National Multiple-Duty Machine handles all 8 of these jobs, changing from one to another quickly and easily by means of its removable form bars. In a larger bank, separate machines may be assigned to any one, or more, of them.

This is but one unit in the *complete* service National offers for every department of *any* bank, large or small—window-posting machines, back office bookkeeping machines, proof machines, listing machines, combination typewriting-bookkeeping machines, adding machines, desks, and chairs. They're all described in a new, illustrated, 64-page booklet. Your local National representative will be happy to hand you your copy. You'll find it full of useful information.

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THE NATIONAL CASH REGISTER COMPANY Dayton 9, Ohio. Sales and Service Offices in over 400 cities.

Northwestern Banker, January, 1948



THE ROYAL BANK OF CANADA

Head Office, Montreal

SYDNEY G. DOBSON
President

W. F. ANGUS
Vice-President

BURNHAM L. MITCHELL
Vice-President

JAMES MUIR
General Manager

Condensed Annual Statement

as on 29th November, 1947

ASSETS

Cash on Hand, in Banks and in Bank of Canada.....	\$ 402,057,876.79
Government, Provincial and Municipal Securities not exceeding market value	875,847,469.18
Other Bonds, Debentures and Stocks not exceeding market value	116,509,788.71
Call Loans	42,512,791.49
Other Loans	567,038,337.85
Bank Premises	10,631,002.53
Liabilities of Customers under Letters of Credit and other Assets	79,043,952.06
	<hr/>
	<u>\$2,093,641,218.61</u>

LIABILITIES

Capital, Reserve and Undivided Profits.....	\$ 78,474,246.55
Notes of the Bank in Circulation.....	4,760,709.72
Dominion and Provincial Government deposits.....	88,980,316.16
Other deposits	1,845,205,532.97
Letters of Credit and Other Liabilities.....	76,220,413.21
	<hr/>
	<u>\$2,093,641,218.61</u>

Over 625 Branches in Canada and Newfoundland—63 Branches Abroad, including:

LONDON, NEW YORK, HAVANA, BUENOS AIRES, RIO DE JANEIRO, SAO PAULO, MONTEVIDEO, LIMA, BOGOTA, CARACAS, BELIZE, NASSAU, also in PUERTO RICO, DOMINICAN REPUBLIC, HAITI, BARBADOS, DOMINICA, JAMAICA, ST. KITTS, TRINIDAD, MONTSERRAT, ANTIGUA, GRENADA, BRITISH GUIANA.

Auxiliary in France

THE ROYAL BANK OF CANADA (FRANCE)
Paris

NEW YORK AGENCY
68 William Street

NORMAN G. HART
EDWARD C. HOLAHAN
Agents

The Human Side of a Bank Statement

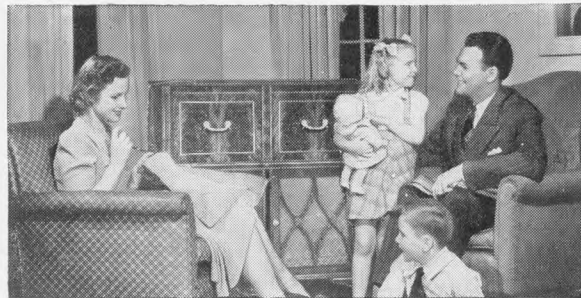
AT FIRST GLANCE, the statement below may seem only a cold, mathematical record. Actually, each figure represents a warm, human story in the lives of thousands of people whom Manufacturers Trust Company serves every day. Just take the figure labeled "Loans" for example.

Loans are among the most important of our many services. They involve hundreds of millions of dollars. The range of these transactions is very great. Some are large

and small industrial loans to industry. These help to create jobs and maintain steady employment. Others are commodity loans to business firms who want to buy advantageously and sell their products in an orderly fashion. There are loans to individuals which enable families to purchase and improve their homes, buy needed home appliances, or meet some financial emergency. All these loans, to industry, to small business, to individuals, help stabilize our economic life.

This flexible loan service is but one of the many facilities Manufacturers Trust Company offers its more than one million customers. It is another colorful chapter in the story of money at work . . . for borrowers, depositors and the community as a whole. It exemplifies the adaptability of a great public service institution geared to serve the needs of both large and small.

Harvey D. Gibson
PRESIDENT



CONDENSED STATEMENT OF CONDITION

As at close of business December 31, 1947

RESOURCES	
Cash and Due from Banks	\$ 716,527,697.93
U. S. Government Securities	1,173,607,276.55
U. S. Government Insured F. H. A. Mortgages	3,226,973.93
State and Municipal Bonds	27,296,037.43
Stock of Federal Reserve Bank	3,037,500.00
Other Securities	22,035,108.68
Loans, Bills Purchased and Bankers' Acceptances	484,035,603.66
Mortgages	14,063,769.90
Banking Houses	10,243,576.73
Other Real Estate Equities	233,980.73
Customers' Liability for Acceptances	6,486,993.42
Accrued Interest and Other Resources	7,641,834.15
	\$2,468,436,353.11

LIABILITIES	
Capital	\$41,250,000.00
Surplus	60,000,000.00
Undivided Profits	22,565,100.78
Reserve for Contingencies	10,110,272.44
Reserves for Taxes, Unearned Discount, Interest, etc.	5,990,230.70
Dividend Payable January 2, 1948	1,237,500.00
Outstanding Acceptances	7,068,246.35
Liability as Endorser on Acceptances and Foreign Bills	158,336.00
Deposits	2,320,056,666.84
	\$2,468,436,353.11

United States Government and other securities carried at \$49,957,969.94 are pledged to secure U. S. Government War Loan Deposits of \$12,390,127.86 and other public funds and trust deposits, and for other purposes as required or permitted by law.

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Manufacturers Trust Company

Head Office: 55 Broad Street, New York 15, N. Y.

76 COMPLETE BANKING OFFICES IN GREATER NEW YORK

Member Federal Deposit Insurance Corporation



The First National Bank of Chicago

Statement of Condition December 31, 1947

ASSETS

Cash and Due from Banks,	\$ 536,392,005.86	
United States Obligations—Direct and fully Guaranteed, Unpledged,	\$648,614,092.53	
Pledged—To Secure Public Deposits and Deposits Subject to Federal Court Order,	92,653,783.64	
To Secure Trust Deposits,	98,071,675.61	
Under Trust Act of Illinois,	<u>527,600.00</u>	839,867,151.78
Other Bonds and Securities,		110,438,719.20
Loans and Discounts,		797,885,488.25
Real Estate (Bank Building),		2,816,524.06
Federal Reserve Bank Stock,		3,750,000.00
Customers' Liability Account of Acceptances,		2,722,774.65
Interest Earned, not Collected,		4,923,746.41
Other Assets,		<u>200,620.54</u>
		\$2,298,997,030.75

LIABILITIES

Capital Stock,	\$ 60,000,000.00	
Surplus,	65,000,000.00	
Other Undivided Profits,	8,559,029.11	
Discount Collected, but not Earned,	1,045,926.63	
Dividends Declared, but Unpaid,	1,200,000.00	
Reserve for Taxes, etc.,	6,813,393.33	
Liability Account of Acceptances,	3,180,682.85	
Time Deposits,	\$ 376,097,570.85	
Demand Deposits,	1,648,815,839.01	
Deposits of Public Funds,	<u>128,284,181.32</u>	2,153,197,591.18
Liabilities other than those above stated,		<u>407.65</u>
		\$2,298,997,030.75

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Dear Editor



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

"Bankers and Farmers"

"I am enclosing a photograph of an exhibit which the Federal Reserve Bank of Chicago sponsored at the current National Farm Show at the Coliseum in Chicago.

"The theme of this show was, 'new and better ways of doing things on the farm.' Our purpose in sponsoring an exhibit was to remind the farmers in attendance at the



C. S. "Hap" Young, president, (left), and W. B. Garver, agricultural economist, of the Federal Reserve in Chicago, in front of the Bank's display. Governmental secrecy prevents identification of beautiful young brunette at left. Besides she's busy working.

show of the many services which their local bank renders them and the vital part which the local bank plays in the economic life of their community.

"At the right side of the booth in the photograph, and just behind C. S. Young, president of this bank, is a panel under the caption 'Bank Credit Is a Useful Tool! You can usefully borrow from your bank to:—' Below this caption were eight

(Turn to page 93, please)

ON THE COVER

Secretary of Labor Lewis B. Schwel lenbach (right) confers with Rep. Jesse P. Wolcott (R., Mich.), chairman of the House Banking Committee, during Mr. Schwel lenbach's appearance before the committee recently to ask Congress to set up a board with authority to control wages in select industries as part of President Truman's anti-inflation program.

NORTHWESTERN Banker

DES MOINES

Oldest Financial Journal West of the Mississippi • 53rd Year • No. 726

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NORTHWESTERN BANKER

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

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DE PUY PUBLICATIONS: Northwestern Banker, Underwriters Review, Des Moines Insurance Directory, Iowa-Nebraska Bank Directory.



Across the Desk From the Publisher

Dear Roger W. Babson:

Chairman of the Board, Babson's Reports, Inc.

We are delighted to know that at long last you believe that money deposited in a bank is really safe.

Also we are glad to learn that you have such a high regard for the Middle West and believe that this area is located in what you call the "Magic Circle."

According to a recent report, Mr. Babson, you are planning to deposit \$5,000 in each of 20 banks, or a total of \$100,000 in this Magic Circle.

The banks you have chosen are located in 20 medium sized cities in Nebraska, Kansas, Missouri, Iowa and Oklahoma.

You also said "This section is the richest in natural resources and the safest in the nation. I would much rather have my money scattered through the central west than in Boston or New York. This magic circle area is the safest from World War III, if and when it comes, although I do not know whether the next great war will be in one year or 20."

Back in February, 1942, Mr. Babson, one of the reports issued by your organization in describing "What is the real outlook today" said "Good stocks will be found safer than bank accounts."

Money in banks at that time, Mr. Babson, was safe, and money deposited in the banks today is

even safer, because the banks of the United States are in the best condition they have been for many years.

So, Mr. Babson, we are delighted with your statement for two reasons:

1. Because your faith has been renewed in the safety of banks, and

2. Because you have such a high regard for the magic circle of the Middle West, where the **NORTHWESTERN BANKER** has such a large circulation.

But, what are your clients going to think when they find you are putting your cash into bank accounts, while you are telling them to invest in stocks?

Happy New Year!

Dear Jesse W. Tapp:

Vice President, Bank of America, San Francisco, California

Your report as Chairman of the Committee on Farm Land Prices of the Agricultural Commission of the American Bankers Association was a very constructive analysis of the trends in current farm land prices.

Although our present farm mortgage debt is half of what it was in 1920, with the present total being about \$5 billion dollars, bankers should use their continued influence to see that farms are not purchased at this time at prices which will not make them good producing investments if, as and when the price of farm products declines.

In your survey, you found that farm land prices the country over advanced 3 points from March 1st to July 1st, 1947, basing this on the index of 1912 to 1914, figuring average prices at that time at 100.

Obviously, the number of points which farm land prices increased, varied in different sections of the country.

In the Middle Western states, where farm prices are at a record high, the increase in farm land prices, as you indicated, has been relatively moderate, and this certainly speaks well for the bankers whose advice has been sought in these agricultural states.

In your survey, you also pointed out that in 11 states, average land prices have decreased since March 1st, 1947, and in 10 other states, the average prices of farm lands have made no advance since that date, and, in the 27 other states, the increase has been relatively moderate.

In your report, you mentioned that:

"The downturn in indexes in 11 states reflects the thinking of the people of these states that prices cannot continue to go higher and higher. Declines in some farm commodity prices have in-

fluenced the downward trends of farm land prices in these states. These declines can be construed as warnings to the country banker. The wide differences between localities and farms make it very important that every country banker should study closely and critically the farm land price situation in his own community and do everything necessary to help keep his farmer customers in a safe financial position."

The future of America and the world depends upon a sound agriculture in this country, and this means that every country banker who is closest of all to farming communities, must use his guiding hand to see that farm land prices do not reach a point where the financial welfare of the farmers of the country may be endangered.

Frankly, we have no fear that this will happen, but it did once before and we do not wish to have history repeat itself.

Dear J. S. Woodward:

President, Saskatchewan Associated Boards of Trade

When we were in Canada last month, we read with a great deal of interest your speech in which you defended the Freedom of Enterprise System versus Regimentation.

The arguments you presented, Mr. Woodward, were the same as many bankers and business men have emphasized in the United States, but we were pleased to know that across the border to the North you are also fighting to prevent the "State" taking over and directing all of our affairs.

Furthermore, we were pleased to know that you are fighting in Canada against the Socialism trend which has been developing in recent years in England.

As you pointed out, Mr. Woodward, "**After all, when one talks of freedom of enterprise, it is not merely a matter of doing business. It is not merely a matter of making profits. Freedom of enterprise is the basis of personal and political freedom. The only alternative to it is regimentation. I do not care what you call regimentation—you can call it Socialism, you can call it Communism, you can call it Fascism. But the economic control of the individual and his way of life by the State leads to, in fact, it mentally involves, political control as its logical conclusion.**"

More recently in England, Mr. Woodward, the Conservative Party seems to have made progress which is indicative of a turn from the left to the right, but the battle must continue both in Canada, the United States and in England, to prevent a further encroachment upon the "freedoms" which have made these countries great.

Dear Joseph M. Dodge:

President, American Bankers Association

Your remarks that the Federal Reserve Board should not have any further powers and controls over credit placed in their hands is, we believe, a statement which should be further emphasized.

As you mention: "The banks have not and will not justify any new controls by anything they do. The banks can best free themselves from the multiplication of Government regulations by practicing a voluntary and coordinated self-discipline in the conduct of their business, which embodies a full recognition of the relationship of their business to the functioning economy.

"Furthermore, the primary source of the present inflation is not caused by bank loans. Actually, the main cause of our difficulties have been due to a Government, which over the last fourteen years has contributed so definitely to inflationary conditions by fiscal and economic policies not related to the War."

As you also mentioned, Mr. Dodge, the banks will no doubt be blamed for a part of the present inflationary trend, and if so, they should do everything in their power to see that the public is properly informed of the real service which banks have rendered during the war and are now giving to their customers.

Also, every effort should be made to see that the Federal Reserve Board as you have mentioned, is not given any unnecessary control over credit which they do not now possess.

Dear Paul H. Griffith:

National Commander of the American Legion

We salute you and the program which you are inaugurating in 1948 to fight the Communist propaganda in the United States.

No money could be better spent by the American Legion than to send to at least 10 million American homes a booklet each month telling the facts about some fundamental advantages of our American way of life.

This is an intelligent, practical, helpful method of fighting insidious and many times vituperative slander and lies which Joe Stalin's gang of Communist destroyers of Democracy are disseminating throughout the world.

Clifford DePuy

Central

National Bank and Trust Company

Fifth and Locust Street — Des Moines

STATEMENT OF CONDITION AT CLOSE OF BUSINESS DECEMBER 31, 1947

ASSETS

Cash and due from Federal Reserve and other banks	\$20,857,774.75	
United States Govern- mental Securities ..	20,533,118.56	
Obligations of United States Governmental Agencies	1,949,357.27	\$43,340,250.58
Municipal Securities	8,004,537.72	
Market Bonds	1,014,689.02	
Loans and Discounts	28,826,215.96	
Overdrafts	3,388.44	
Stock Federal Reserve Bank	75,000.00	
Accrued Interest Receivable	189,845.80	
Bank Premises and Equipment	563,946.13	
TOTAL	\$82,017,873.65	

LIABILITIES

Common Stock	\$ 1,250,000.00	
Surplus	1,250,000.00	
Undivided Profits	913,368.16	
Other Reserves	720,459.29	\$ 4,133,827.45
Reserves for Taxes, Interest and Other Expense	115,755.84	
Discount Collected	172,751.11	
Deposits	77,595,539.25	
TOTAL	\$82,017,873.65	

U. S. Government and other securities carried
at \$6,001,701.78 are pledged to secure U. S.
War Loan Deposit account, Public Funds, and
Trust Department Funds



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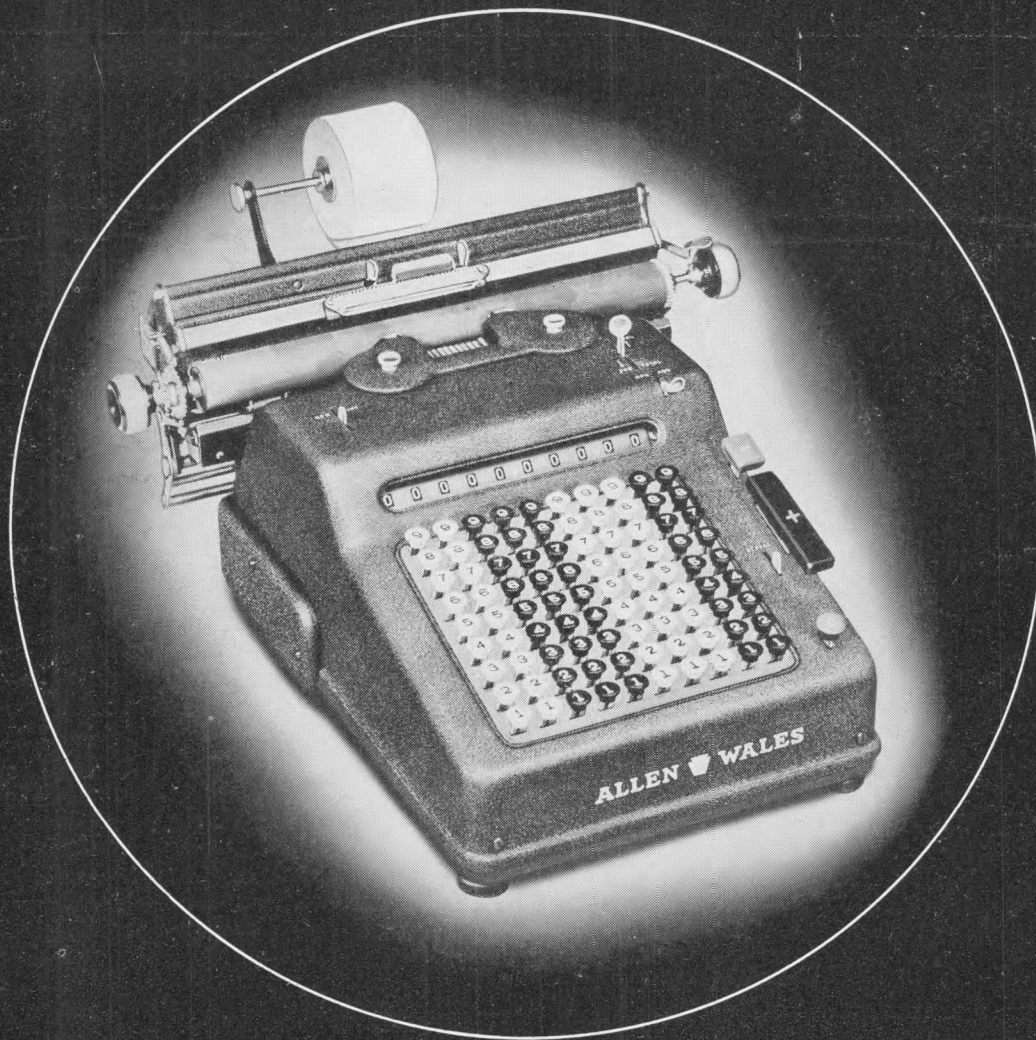
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If you would like extra copies of this picture we will be glad to send them to you with our compliments.—The Northwestern Banker.

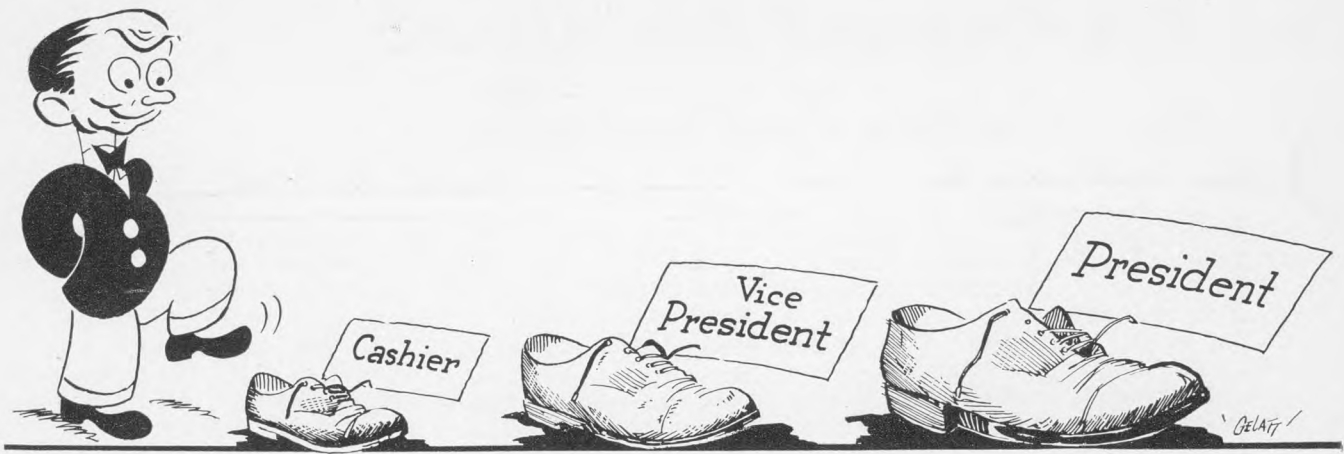
Northwestern Banker, January, 1948



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Who Will Step Into Your Shoes?

A Frank Discussion of the Necessity of Maintaining Continuous Direction, Management, and Operation of Banks

A VERY serious condition that today confronts banking in general is the matter of provisions for maintaining continuous direction, management and operation. This situation is not a new problem although it is becoming increasingly severe and while its existence not only has been recognized, the majority of banking institutions have actually felt its effects.

Sound and experienced direction is indispensable to any bank that hopes to succeed. The active management of a successful bank likewise must be sound and experienced, and, in addition, must also possess other valuable qualities, one of which is a thorough familiarity with various administrative details. Operating personnel must understand operational procedures, be capable of handling normal transactions, and possibly most important, they should possess the ability and training to recognize unusual or involved matters.

Directors

The ideal board of directors not only should be representative of the various local interests but should be also diversified as to age groups. The advisability for diversification as to business interests is also advisable as to age groups.

Any board of directors regardless of its composition stands to suddenly find itself with a vacancy, but it is in those boards of directors entirely or predominantly composed of aged members that provision for succession is most urgent.

By making room for new and additional directors through an increase in the membership of the board, the new members have an opportunity to become familiar with and observe the bank's functions without depriving the board of the guidance and experience of elder members. Under this plan, as vacancies occur in the ranks of the elder members, a working membership may be maintained if necessary by reducing the established number of directors. Although it might be necessary to reduce the board back to its original membership, without such preparation, or in the absence of some provision for succession, death or other removal of members would force a reduction in the membership; then there would be less than the original number and the maintenance of a working membership would be more seriously threatened, especially if the remaining members were aged or predominately so.

Management

Sound and experienced management is so thoroughly recognized and understood as being indispensable that it is difficult to understand why seemingly so little effort and preparation are directed towards perpetuating such management. Too frequently it is found that an otherwise sound institution has failed to give either thought or attention to what might take place if the present management should suddenly be removed or incapacitated. Even a temporary incapacitation of management frequently offers a serious problem.

Liberal reserves are diligently provided against possible losses in assets; in many institutions reserves are being built up against losses on an anticipated type of future business and there is the general desire to create ample reserves against every known or suspected contingency, yet, a reserve of management talent is pitifully absent in many otherwise fine, solid institutions.

The principles and policies of successful operation are so thoroughly accepted and carefully practiced that it is difficult to comprehend why the need for a reserve of management talent, being so vital to the survival of the institution and one of the most important of sound banking principles, is as frequently overlooked or ignored.

For probably five years following the banking moratorium, there were many capable bankers available. Every banker whose institution failed to survive was not always the fault causing the failure and many banks which did survive, released personnel through lack of business volume or because of the urge to economize; these men were all available and seeking re-employment in the banking business. Some were re-employed or relocated while others, through necessity, were forced to enter other forms of business or employment. In most cases these latter were for the first few years anxious to re-enter banking but time and success dulled that desire. The manpower required for the successful conduct of the war was a further drain on trained talent, for, in addition to

(Turn to page 43, please)

Northwestern Banker, January, 1948

Can We Control Deflation?

Bank Presidents Give Their Views on Government Proposals

WITH the nation's capital teeming with rumors, half-truths, theories and private conferences on how to halt inflation, there has evolved out of this mass of thinking a general movement behind the scenes that is supposed to be designed as a brake on inflation. The plan calls for controlled deflation or a controlled recession, with a lot of the braking pressure put forth for:

1. A tightening of bank credit all along the line.

2. An increase in reserve requirements for banks.

3. A curtailment of credit on real estate loans.

It is reported also that bank examiners will be instructed to scan credits carefully.

Since this particular phase of the controlled deflation or recession plan is aimed primarily at banks, the NORTHWESTERN BANKER has asked presidents of some of our leading banks for their opinions on the program outlined above. Their replies to this survey appear as follows:

Crosby Kemper, president, City National Bank and Trust Company, Kan-



CROSBY KEMPER

"Curtail inflation by full production"

sas City: "In my opinion, the various plans proposed by the government to check inflation as mentioned in your

Northwestern Banker, January, 1948

letter are all wrong and would tend to increase inflation instead of curtailing it.

"It seems to me that the only satisfactory solution to curtail inflation is full production and a surplus of commodities. Probably this could be accomplished within a few years time if large gifts to Europe were curtailed. I do not believe artificial controls will work."

President of a large Nebraska bank—name withheld upon request: "Inflation is here and it should be curbed. This cannot be done pleasantly or profitably, and most of us will have one or the other of these toes stepped on.

"I do not believe an extensive overhauling of the reserve requirements and other banking rules and regulations is in order. A qualitative examination and analysis has tightening elements that could be effective. Interest rates can be raised even though in itself this is not much of a deterrent.

"Controlled deflation is a dangerous objective. Government credit and encouragement in the mortgage field have seemed to me to be inflationary. Basic elements of credit seldom have been a factor of consideration. The best deflation formula, in my judgment, should contain reduced government expenditure and a clear-cut attempt at economy all along the line, enabling a substantial debt reduction and some tax relief."

John W. Snyder, Secretary of the Treasury, in a recent letter to the editor of the NORTHWESTERN BANKER said: "The increased sale of Savings Bonds is a most important part of our national financial policy. The continued success of the Savings Bond program will extend the ownership of our national debt and contribute towards placing our debt structure on a sounder and less economically hazardous basis. It will go a long way towards absorbing the excessive individual purchasing power which is now adding strength to the inflationary pressures."

A NORTHWESTERN BANKER SURVEY

Lawrence F. Stern, president, American National Bank and Trust Company of Chicago: "Whether or not tightening of bank credit at this time is a factor which will reduce inflation materially seems to be open to some question. There appears to be no unanimity of opinion on this in Washington, and when one considers that sharp rises in commodity markets have taken place as a result of shortages created by a world situation rather than by bank credit, it is apparent that in such a large picture the financial side may not be the most important consideration.

"I think bankers as a whole have been much more selective in the credit



LAWRENCE F. STERN

"Bankers have been selective in credit"

which they have extended in the past year despite the fact that loans have increased. At the present time there is probably going on a voluntary tightening of bank credit which will become more apparent as time goes on. Bankers are attempting to use discretion in curtailing loans where it is apparent that such a reduction may also be followed by a curtailment of production. In times of inflation it is necessary that sufficient credit be extended to finance actual production and distribution of materials which are in demand to actually offset the extension of the inflationary process.

"An increase in reserve requirements at this time would probably necessitate liquidation of a substantial amount of Government bond holdings. It is likely that banks would very largely sell out short-term holdings which would then go into the Federal Reserve Banks. This in itself would not act to reduce the credit base.

"As to your third point, it seems to me that banks are already taking a more cautious attitude toward the financing of general real estate loans. So far as I can tell, this has not extended to the usual type F H A loan set up under the G. I. Bill of Rights. It is very possible that some of the valuations in this field are too high, but if any adjustments are to be made they would require certain changes outside the scope of banking."

T. B. Strain, president, The Continental National Bank of Lincoln: "I have some very positive ideas of my own on these questions and I do not think that the banking fraternity is doing itself any good by just being opposed to everything and not offering any corrective suggestions in return.

"I believe there are many things we can do and certainly I would not oppose putting Regulation W back in force. While this covers a smaller field than many other things, nevertheless, it would have a good psychological effect upon the people.

"I would be in favor of some increase in reserve requirements, but I



T. B. STRAIN
"High time we started economy"

believe if they are put into effect that 10 per cent increase would be enough and I think the banks should be given a 2 per cent depository bond redeemable at par through the Fed so that there would be ample earnings pro-

vided to the banking institutions. These bonds applicable only to the reserve increase.

"I do not believe we need to worry about the extension of credits by banks on real estate loans for, in my opinion, they have held the line pretty well on the amount of loans they have made against valuation. I believe the Government itself has aggravated this problem by the tremendous amounts they have loaned through FHA.

"I do not believe that the banks should be restricted at this time on term lending and these types of loans should be forced into the equity market or the long term funded debt in the form of marketable issues.

"I am opposed to rationing and I believe that the Government, too, should cease its buying of commodities.

"Finally, I think it is high time we started a little economy in Government spending. We need to throw out some of our excess agencies and attempt to balance our own budget."

Max von Schrader, president, Union Bank and Trust Company, Ottumwa, Iowa: "In my opinion, the majority of



MAX von SCHRADER
"Administration should show good faith"

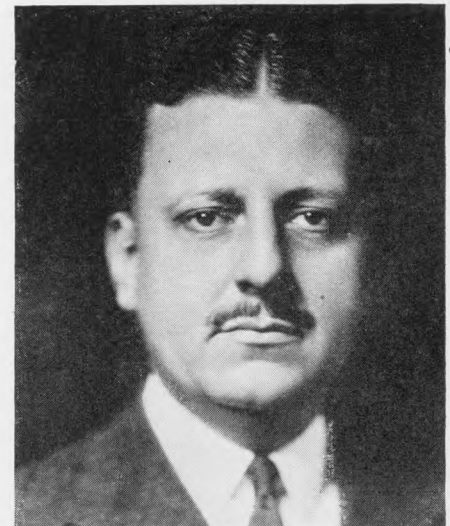
bankers would agree to some voluntary plan to curtail bank credit for speculative purposes and agree to be more conservative in their appraisals of real estate. I do not believe an increase in reserve requirements would be necessary.

"It seems to me that the administration should show their good faith in their efforts to control inflation by reducing Government expenditures to an absolute minimum. They have certainly made very little effort along this line."

W. G. Brady, Jr., president, The National City Bank of New York: "These are all very complicated questions. In view of the fact that we have discussed them quite fully in our December Bank Letter on Business Conditions, I feel that I cannot do better than to refer you to this source, which says in part:

"The purpose of the secondary reserve requirement scheme is to freeze large amounts of low-yielding government securities in the hands of the banks so that they cannot sell them to meet loan demands.

"This is a new and dangerous principle to introduce into the financing



W. G. BRADY, JR.
"Freezing of low-yielding governments is a dangerous principle"

of the government—of placing the citizens of the country under legal compulsion to buy its bonds. Heretofore one of the greatest protections against unsound fiscal policies in any country has been the need for selling its obligations. Compulsion has been used only by the police states. Under compulsion the Treasury could sell its securities at any rate or on any terms it wishes.

"At the same time, the principle of compelling banks to hold government debt is diametrically opposite to the efforts made by the government, during and since the war, to shift as much of the debt as possible outside the banks. Securities held by the banks cannot command a market outside the banks if they are securities whose yields are not attractive to outside investors or, more to the point, if banks are compelled to retain them.

"Moreover, the assumption is that the Federal Reserve Banks would themselves stand ready to take over government securities now held outside the banking system, including those held by other types of credit-
(Turn to page 32, please)

Monetary Factors Affecting The Inflation Spiral

What Is Responsible for the Expansion in the Credit Base of the United States?

EDWARD B. CHAPIN
Investment Department
First National Bank
St. Paul

DURING the past few years it has often been said that this country is suffering from monetary inflation. This simply means that the volume of deposits and currency in circulation have increased to a much greater extent than has the volume of physical production. The inevitable result is that prices are bid up. Since 1939 the volume of deposits and currency in circulation has expanded approximately 200 per cent, while the physical volume of industrial production has increased only about 70 per cent. Strikes and shortages of essential materials have limited production to such an extent that the cumulative demand for producers' and consumers' durable goods over the war years and postwar period remains unsatisfied. The situation is further aggravated by the heavy volume of exports to Europe, particularly grains.

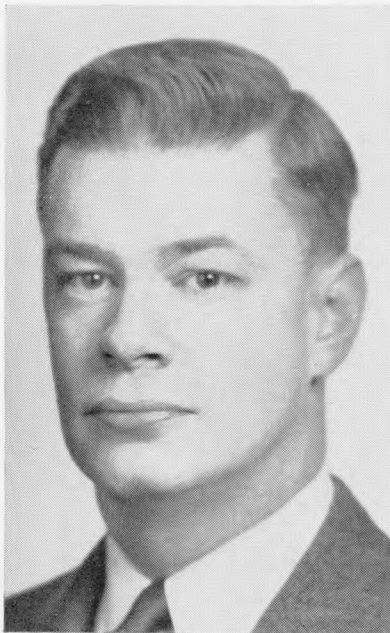
In the following paragraphs I will discuss some of the current factors responsible for the expansion in the credit base of the country, mention the principal weapons now at the disposal of the Federal Reserve authorities for controlling credit inflation, and comment on the proposals for curbing further credit expansion.

Element of Uncertainty

The flow of gold into this country during the first nine months of 1947 reached the unusually high figure of approximately \$1.8 billion, and imports continue to add to the stock. This situation, arising from our favorable balance of foreign trade, provides additional reserves for the further expansion of credit. The expansion in adjusted demand deposits by the commercial banks continues, reflecting the heavy demand for credit by commerce, industry and agriculture. At the present time the volume of commercial loans at the weekly reporting member banks is at an all time high due to the high level of prices and the physical volume of production. The volume of currency in circulation, with the ex-

ception of seasonal fluctuations, has shown little change since the end of 1945.

The initiative for the creation of additional reserves continues to rest largely with the commercial banks. This was particularly true prior to the summer of 1947, or before the Treasury had definitely embarked upon its program to strengthen short-term interest rates. Since the Treasury and the Federal Reserve authorities had



EDWARD B. CHAPIN
Comments on Deflationary Measures

committed themselves to maintaining prices of Government securities, it was a relatively simple matter for the commercial banks to monetize the debt and thereby obtain additional reserves for the expansion of their credit facilities.

With the gradual strengthening in interest rates on government securities and the tightening of commercial loan rates, it is reported that the commercial banks are not monetizing the debt

to the same extent as previously. An element of uncertainty has been injected into the short-term Government market, namely, with the gradual stiffening in rates, the banks are not as free to buy and sell their shorts as when the Federal Reserve authorities were maintaining a peg.

Three Weapons

The Board of Governors has at its disposal three principal orthodox weapons with which to attempt to arrest the present inflationary trend. These powers at the present time, however, are relatively ineffective due to wartime and postwar developments. The operations of the Open Market Committee are rather limited because it is faced with a paradoxical situation of attempting to restrict the credit base on one hand and supporting the market for Governments on the other hand. It is reported that the Federal Reserve authorities purchased Governments in the market during November in an effort to halt the decline in prices. If, however, the Open Market Committee undertakes to restrict the credit base through the sale of Governments, its operations are definitely limited during periods of weak market conditions.

The Federal Reserve rediscount rate has, in the past, been an effective weapon in curbing the expansion of credit by its member banks. The effectiveness of this tool at the present time, however, is limited due to the large volume of liquid assets (deposits, currency and savings bonds) in the hands of the public, and the large volume of short-term securities held by the commercial banks. The current rediscount rate at each of the twelve Federal Reserve Banks is now 1 per cent. Ninety-one day Treasury bills are yielding just under 1 per cent, and the December $\frac{7}{8}$ per cent certificates were rolled over into thirteen-month $1\frac{1}{2}$ per cent notes. These facts indicate that ultimately the Federal Reserve authorities must consider increasing

About Bankers You Know

the rediscount rate; otherwise, the commercial banks will borrow at the Federal Reserve Banks rather than selling $1\frac{1}{8}$ per cent, or possibly $1\frac{1}{4}$ per cent, paper, thus further expanding the credit base.

The third principal weapon available to the Federal Reserve authorities is the adjustment of reserve requirements against deposits of the member banks. At the present time the reserve requirements for demand deposits are 14 per cent for country banks and 20 per cent for both reserve city and central reserve city banks. The reserve requirements for time deposits in all three classifications is 6 per cent. The maximum reserve allowed by law has been reached in all categories, with the exception of demand deposits at central reserve city banks—New York City and Chicago—where a maximum of 26 per cent is allowed.

Another important credit inflation weapon should not be overlooked. That is, the gradual tightening in interest rates by the Treasury and the Federal Reserve authorities. This move actually commenced in the spring of 1946 with the elimination of the $\frac{1}{2}$ of 1 per cent preferential rediscount rate, but it was not until the summer of 1947 that the shackles commenced to be removed to any significant extent. The first step was the unpegging of the Treasury bills. This was followed by the offering of eleven- and ten-month $\frac{7}{8}$ per cent certificates in exchange for certificates maturing in August and September, respectively. Holders of certificates due in October and November were offered 1 per cent paper due in twelve and eleven months, respectively. A further stiffening in rates took place when the December certificates were exchanged for thirteen-month $1\frac{1}{8}$ per cent notes. The primary purpose of this advance in interest rates is an attempt to halt the monetization of the debt which broadens the credit base of the country and feeds the fires of inflation.

To Curb Credit

What are some of the monetary measures which are being taken or might be taken to curb the expansion of credit in this country? One of these measures was discussed in the preceding paragraph, namely, the unpegging of the short-term interest rate on Governments, thereby reducing the attractiveness to the banks of selling their shorts and buying longs. This will assist materially in limiting further credit expansion. The action by the Treasury, in November, of retiring \$400 million in bills, which are held
(Turn to page 38, please)



FREDERICK M. MORRISON

President, Valley Bank and Trust Company, Des Moines
"We must give the utmost service to our customers"

FREDERICK M. MORRISON, president of the Valley Bank and Trust Company of Des Moines, is observing the 10th anniversary of his election to that position this month. January, 1948, also is the 75th anniversary of the official opening of the Valley Bank and Trust Company. Mr. Morrison was elected president at the annual meeting in 1938 when resources were \$4,571,307 and deposits were \$4,172,431. Year end figures for 1947 show the Valley Bank now has resources of over \$18,000,000 and deposits in excess of \$17,000,000.

Mr. Morrison assumed the presidency of the Valley Bank, then the Valley Savings Bank, with an extremely well-balanced background of banking experience. He was associated with numerous Iowa county banks where he learned the fundamentals, details and responsibilities of a clerk and officer. Later he became a member of the Iowa Banking Department for 12 years, serving as examiner in charge, an experience which he considers an important part of his education, as it gave him an opportunity to study banking law on which he is considered very well informed. From these many positions, Mr. Morrison further developed his sense of natural good judgment that has been evidenced continuously since his election as the Valley Bank's chief executive.

All who deal with Mr. Morrison soon realize he is a keen, straight thinker who weighs and analyzes all the facts, then comes to a decision. He is not an advocate of snap judgment. He has confidence in all of his associates, never hesitating to delegate authority to them. He is kind and considerate
(Turn to page 94, please)



Left—Little Champlain Street in “Lower Town” Quebec where most of the working class Frenchmen live. Top—Chateau Frontenac, Quebec, built on a high bluff overlooking the St. Lawrence River 300 feet below. Right—Cafe Canadien, in “Lower Town” Quebec where you can buy a 5-course meal for 40 cents, “believe it or not.”

News and Views

OF THE BANKING WORLD

By CLIFFORD DE PUY, Publisher

DURING the last three months we did considerable motoring through the Eastern half of the United States and Canada, covering about 7,500 miles. Most of the items in our column were “picked up” along the way.

Wiggins Old Tavern, which is located at Hampton, Massachusetts, and where we had previously visited a year ago, has added an “**Old Barber Shop**” to its antique collection and we noticed the following prices as of April 4, 1873: **Haircuts 15c—Shave 8c—Bay Rum or Witch Hazel 3c.**

At Northampton, Massachusetts, we visited **Smith College** and perhaps we should be awarded some kind of an “**Educational Touring Diploma**,” since on our travels this time we have visited, in addition to Smith College, **Connecticut College for Women** at New London, Connecticut; **Amherst College** at Amherst, Massachusetts; **Dartmouth** at Hanover, New Hampshire; **Mount Holyoke College**, South Hadley, Massachusetts; **Wesleyan Univer-**

sity, Middletown, Connecticut; **Wellesley College** at Wellesley, Massachusetts; **Harvard University** at Cambridge, Massachusetts; **Massachusetts Institute of Technology** in Boston; plus the **New England Conservatory of Music** in Boston, from which **Mrs. Clifford DePuy** graduated after attending Northwestern University.

Old Constitution House in Windsor, Vermont, is not only an historical place, but serves the finest food you could possibly imagine.

A plaque on the building says: “**In this building was held on July 2nd to 8th, 1777, the Convention which adopted the Constitution of the Free and Independent State of Vermont. The first in America to prohibit human slavery.**”

In Montreal, Canada, which now has 1,550,000 people, the population is about 60 per cent French and 40 per cent English.

Approximately 70 per cent of the population are Catholic and the city has a Catholic School Board and a Protestant School Board.

Montreal is located on an island and has the third largest French population in the world—**Paris** being No. 1 and **Marseille** No. 2.

There are 325 churches in Montreal and Notre Dame Cathedral is the oldest in America and seats over 10,000 people.

The Montreal City and District Savings Bank advertises that it, “**does business in three languages.**”

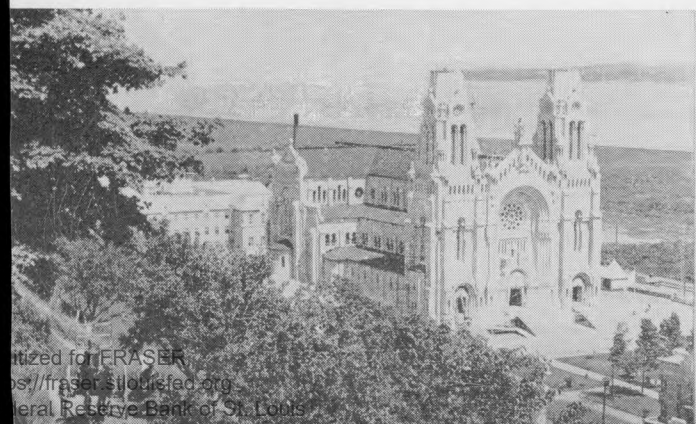
Dr. C. N. Crutchfield addressed the Rotary Club of Montreal at the Mount Royal Hotel the day we were there and his writeup in the Bulletin said: “**Dr. Crutchfield holds many offices in educational and cultural associations and is a Past President of every sporting club in Shawinigan Falls.**”

Several members of the Montreal Club asked the Doctor for further details of his various “sporting club associations.”

In Quebec we stayed at the beautiful **Chateau Frontenac**, which is built on a high hill 300 feet above the St.

(Turn to page 60, please)

Lower left—Shrine at St. Anne de Beaupre, 25 miles from Quebec, celebrated for the healing qualities received by its parishioners. Lower right—First Church of Christ Scientist, Boston, which seats over 4,000.



The Omaha National Bank

CHARTERED 1866

STATEMENT OF CONDITION DECEMBER 31, 1947

RESOURCES

Loans and Discounts.....		\$ 29,143,569.84
Overdrafts		1,223.30
State and Municipal Bonds.....		9,298,271.72
Other Bonds Bought for Investment.....		943,195.78
Stock in Federal Reserve Bank.....		150,000.00
Bank Office Building.....		424,000.00
Furniture and Fixtures.....		1.00
Income Earned But Not Collected.....		305,519.29
Bonds of United States and Government Agencies.....	\$56,632,059.58	
Due From Federal Reserve Bank.....	21,807,146.14	
Cash and Sight Exchange.....	31,917,106.61	110,356,312.33
		<u>\$150,622,093.26</u>

LIABILITIES

Capital Stock		\$ 2,500,000.00
Surplus		2,500,000.00
Undivided Profits		2,132,459.45
Reserve for Contingencies.....		882,025.96
Accrued Taxes, Interest and Other Expenses.....		217,421.84
Dividend Declared and Unpaid.....		50,000.00
U. S. Government Deposits.....	\$ 937,692.47	
Deposits	141,402,493.54	142,340,186.01
		<u>\$150,622,093.26</u>

United States Government and other securities carried at \$8,509,580.39 are pledged to secure public and trust deposits and for other purposes required by law.

DIRECTORS

GEORGE F. ASHBY President Union Pacific Railroad Co.	W. DALE CLARK President	JAMES P. LEE First Vice President Omaha and Council Bluffs Street Railway Co.
DE EMMETT BRADSHAW Chairman of the Board Woodmen of the World Life Insurance Society	WILLIAM J. COAD President Omar Incorporated	C. LOUIS MEYER Chairman of the Board Ceco Steel Products Corporation
GEORGE BRANDEIS President J. L. Brandeis & Sons	GOULD DIETZ President Gould Dietz Investment Co.	WILLARD B. MILLARD, Jr. Senior Vice President
RANDALL K. BROWN President Coal Hill Coal Co.	LEONARD E. HURTZ President The Fairmont Foods Co.	MAX A. MILLER
ISAAC W. CARPENTER, Jr. President Carpenter Paper Co.	ROBERT H. STORZ Executive Vice President Storz Brewing Co.	RAY R. RIDGE Senior Vice President
		WILLIAM D. LANE President Eggers-O'Flyng Co.

Member Federal Deposit Insurance Corporation

Who Told You These Fairy Tales?

Do You Still Believe Any of Them?

WITH prices high and skyrocketing higher here at home—with slavery and starvation destroying half the world—what is the public getting?

The truth?

No!

Instead of the unvarnished truth about what it takes to solve tough problems at home and abroad, we hear only sugar-coated remedies designed to sound good to the American public, which is presumed to be too dull or too lacking in courage to understand and face the facts.

Practically all of us in this country have been to grade school—and many to high school. Yet every survey of the public indicates that the vast majority still believe one or more of the following economic fairy tales—despite the fact that everything that's going on here and abroad proves them to be untrue.

Take a look at these one by one and see if *you* still believe *any* of them.



FAIRY TALE NO. 1

"A little inflation won't get you in any trouble."

The truth is it's easier to encourage a national wage increase and other inflationary measures than it is to let people have the truth and then all together face the sensible remedy indicated by the facts. For a while people here have enjoyed having \$2.00 instead of \$1.00. But we are slowly realizing that, too often, the \$2.00 now is buying less than \$1.00 did before the value of money was diluted. In France, this process has put prices up 8 times over what they were pre-war—and hasn't added anything to the goods the French people need. In China, this process has put prices up hundreds of times what they were pre-war.

Northwestern Banker, January, 1948



FAIRY TALE NO. 2

"60,000,000 American workers can each produce less and each get more."

The truth is that we are going to be able to wear and eat and enjoy only what we produce. As the English are discovering, it doesn't matter how many controls you have or how you "organize the scarcity and equalize the misery"—it's still scarcity and misery till more goods are produced.



FAIRY TALE NO. 3

"We don't all have to pay for the war—a few rich people can do it."

During the war we shot away most of the highest production in our history. We ate up, used up, and wore out practically all the rest. Each one of us has already stood part of the cost. Each one of us is definitely poorer as a result. Yet there's more ahead for each still to bear. All the money of the remaining rich people couldn't begin to pay the bill.



FAIRY TALE NO. 4

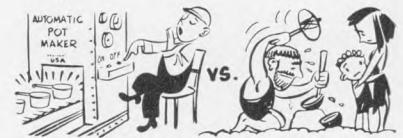
"Increasing everybody's wage, including yours, by 10c or 25c or 50c will help you live better."

The truth is—as the 18½c and 15c increases of the last two years have shown—that prices go up enough almost immediately to cancel out com-

Reprinted from the
COMMENTATOR
of General Electric Company
Schenectady, N. Y.

pletely the buying power of any nation-wide wage increases.

But more important, all the arguments about these increases and the accompanying work stoppages cut down total production. This meant higher prices on what was produced, tough times for old people living on their savings—and less goods to divide up and enjoy.



FAIRY TALE NO. 5

"Improved methods cause fewer jobs."

The truth is that every important invention has multiplied jobs—not by thousands, but usually by hundreds of thousands. Sure, the end of horse-shoes and buggy whips temporarily put some people out of work making those things, but the workers were absorbed hundreds of times over in the auto industry that replaced buggy, harness, and horseshoe making. Bath-tubs, radios, telephones, and movies were brought within the reach of all through constantly improved methods that enabled a man's pay to cover more and more of such things.



FAIRY TALE NO. 6

"Promoting class war is the best way to get what you want."

The truth is that the very best way not to produce or get what we want is for all of us to spend our time fighting among ourselves and preventing each other from getting very much done.

Great effort has been put on making us believe our classless society is old-fashioned—even **wrong**, despite the physical comforts and the spiritual

(Turn to page 62, please)



The
LIVE STOCK
National BANK of Chicago

UNION STOCK YARDS • TELEPHONE YARDS 1220

Statement of Condition

Close of Business—December 31, 1947

RESOURCES

Cash and due from banks.....	\$21,177,169.89
U. S. Treasury securities	
(Average maturity less than 1 year)	28,893,557.18
State and municipal securities	
(Average maturity less than 2 years)	1,637,801.17
Other marketable bonds.....	325,804.73
Loans and discounts.....	11,537,236.00
Federal Reserve Bank stock.....	75,000.00
Bank building.....	300,000.00
Interest earned, not collected.....	176,725.04
Current receivables and other assets.....	155,935.32
Total.....	<u>\$64,279,229.33</u>

LIABILITIES

Capital.....	\$ 1,000,000.00
Surplus.....	1,500,000.00
Undivided profits and reserves.....	317,740.79
Unearned discount.....	46,737.92
Liability under Letters of Credit.....	1,500.00
Deposits.....	61,413,250.62
Total.....	<u>\$64,279,229.33</u>

Board of Directors

FREDERICK H. PRINCE

JOHN W. AUSTIN
*Treasurer, Union Stock Yard
& Transit Co.*

ARTHUR G. LEONARD
*President, Union Stock Yard
& Transit Co.*

IVAN E. BENNETT
Vice-President

WILLIAM WOOD PRINCE
*Trustee, Central Manufacturing
District*

RICHARD HACKETT
*General Manager, Central
Manufacturing District*

RALPH M. SHAW
Winston, Strawn & Shaw

ORVIS T. HENKLE
Industrialist

THOMAS E. WILSON
*Chairman of the Board,
Wilson & Co., Inc.*

DAVID H. REIMERS
President

SERVING AGRICULTURE AND INDUSTRY

Since 1868

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, January, 1948

How a Bank Director Looks at Banks

Banks Should Examine Their "Product" to Make Better Presentation to the Public

By ODY H. LAMBORN, President
Lamborn & Company, and
Director, Continental Bank and
Trust Company, New York

A GREAT many banks have a great deal to learn about salesmanship, about advertising and, for that matter, about everything that comes under the general term of merchandising. But so as not to put the cart before the horse, it may be observed that many banks may well afford to examine their "product" before they do too much talking about it through salesmen or the printed word. To be properly and effectively sold any product must be excellent—otherwise the finest merchandising effort is largely wasted.

As we all know, basically a bank has nothing to sell but service. And one bank differs from another only in the quality and scope of the service rendered. Now the most difficult thing in the world to sell is personal service. Any good merchandiser knows that.

Intelligent merchandising requires the use of many tools—salesmanship, advertising, public relations service, and others. All are indispensable in the successful merchandising of a product or a personal service. But none can be fully effective unless the product or service is *good, sound and useful*—equal to, or surpassing, the values found in the competitive field.

Service Sells on Record

A personal service business is so difficult to merchandise because the salesman does not have a solid, tangible object to place before the prospective buyer—something the buyer can see, feel and analyze, the virtues of which the salesman can extol with facility. No, a personal service institution has to be sold on the record of its past achievements, the value of its sources of information, its ability to judge vital factors and coming events, its experience in complex matters, and many other intangibles. Obviously, that is not a simple task. In fact, it is a slow, heartbreaking toil, requiring great patience. It requires the skill to portray these intangibles so that they are understood and appreciated. It

requires the ability to create that *confidence* so indispensable when one must place a part of his business destiny in the hands of others.

We come to the conclusion, then, that the merchandising of the personal service organization can be successful and produce permanent results *only if the organization itself is a good one*—one that has made, and will make, *good on the promise*. Thus *everyone* involved in such a personal service institution must do his part—and *do it well*.

The point I want to stress is that, as with tangible objects, so must personal service possess the sterling quality and flawless character that will justify the statements made about it and survive the hardest tests. Otherwise good salesmanship and advertising cannot go far.

Since I have always found it advisable to reduce any proposition to the simplest terms, I think of a banker as a "handler" and a "director" of the public's money. He is only important in so far as he handles these tasks with wisdom and vision. A banker has a public trust that is far-reaching. Although his first obligation is to safeguard the money entrusted to him, his second obligation, *equally important*, is to see that the money *is used* intelligently—to see that that money is put to work in the most effective way possible. And since money is not genuinely free to be used for maximum good *except in a free society* the handler of money is, of necessity, *heavily* responsible for doing everything possible to preserve that type of society—not alone in self interest, but also as a good American citizen.

Banker Is Servant

Of all of the professions none is more the servant of the public than that of the banker. Some bankers forget that fact. The banker should never forget that his master is not just the stockholder, but the public as well, for

without the latter and its good will his influence and power is shorn from him.

A banker is strong or weak to the degree that he understands and performs his function in a *free society*. A banker is strong or weak in his profession to the degree that he has the *confidence* and the *friendship* of the people in his community. He is strong or weak *as a citizen* to the degree that his conception of his responsibility causes him to assume such *leadership* as is necessary for him to function in a proper manner in these several directions. But sense of responsibility does not connote arrogance, and leadership cannot flourish in a complacent mind.

Quite obviously the banker is in a position where he must be many things to many men. He should be an expert in the economics of banking. He should have a wide knowledge of the many phases of business and many phases of international relations. *If, however, he does not know how to get along with people he will fall far short of his goal*. He cannot lead them nor can he gain their confidence. The banker cannot turn to the right or to the left without being involved in the problem of human relations. And, as we all know, there is no problem more difficult or complex than that of learning how to get along with our fellow beings.

It is evident, then, that amongst his other attributes the banker must be a diplomat, must have a sympathetic and understanding mind towards his fellow men and his problems, must have the "human touch," and must know better than almost anyone else the true meaning of the Biblical words, "A soft answer turneth away wrath." If one in the banking profession does not possess these attributes, *even though he be a wizard on facts, figures and balance sheets*, he should be closeted in a back room and not be in-

(Turn to page 95, please)

Our Statement of Financial Condition

WHAT you read below represents the Irving Trust Company, purely in terms of dollars and cents, at the close of business on December 31, 1947.

As we enter our 97th year, we wish we could prepare as concise a summary of our bank in terms of the services and facilities today available to our customers. For these, after all, are the yardstick by which you will judge your bank, day in and day out, throughout the new year.



During the year just past, the number of major banking and trust services which we provide grew to a record total. These include worldwide banking accommodations and long-established services for both small and big business activities.

We are, however, equally proud of our qualifications to serve you as an individual—no matter how small or how large, how simple or how complex, your personal banking needs may be.

ASSETS

Cash and Due from Banks	\$	320,749,465.11
U. S. Government Securities		475,482,935.87
Other Securities		3,056,971.00
Stock in Federal Reserve Bank		3,088,100.00
Loans and Discounts		377,810,120.73
First Mortgages on Real Estate		4,084,819.68
Headquarters Building		14,775,200.00
Customers' Liability for Acceptances Outstanding		5,631,792.70
Other Assets		3,670,751.60
		<u>\$1,208,350,156.69</u>

LIABILITIES

Deposits		\$1,072,859,754.50
Acceptances	\$10,492,460.83	
Less Amount in Portfolio	<u>4,211,508.53</u>	6,280,952.30
Reserve for Taxes and Other Expenses		2,447,653.49
Dividend payable January 2, 1948		1,750,000.00
Other Liabilities		10,530,796.23
Capital Stock	\$50,000,000.00	
Surplus and Undivided Profits	<u>64,481,000.17</u>	114,481,000.17
		<u>\$1,208,350,156.69</u>

United States Government Securities are stated at amortized cost. Of these, \$26,395,767.20 are pledged to secure deposits of public monies and for other purposes required by law.

BOARD OF DIRECTORS

HARRY E. WARD, *Chairman of the Board*

WILLIAM N. ENSTROM, *President*

O. L. ALEXANDER
*President, Pocahontas Fuel
Company, Incorporated*

GEORGE F. GENTES
Vice President

MICHAEL A. MORRISSEY
*Chairman of the Board,
The American News Company*

FLETCHER W. ROCKWELL
*Chairman of the Board,
National Lead Company*

HENRY P. BRISTOL
President, Bristol-Myers Company

I. J. HARVEY, Jr.
*President,
The Flintkote Company*

PETER S. PAINE
*President,
New York & Pennsylvania Co.*

WILLIAM J. WARDALL
*Chairman of the Board,
The Best Foods, Inc.*

REID L. CARR
*President,
Columbian Carbon Company*

HAROLD A. HATCH
*Vice President,
Deering Milliken & Co., Inc.*

LEROY A. PETERSEN
President, Otis Elevator Company

RICHARD H. WEST
Executive Vice President

JOHN F. DECENER, Jr.
C. A. Auffmordt & Co.

DAVID L. LUKE, Jr.
*President, West Virginia
Pulp and Paper Company*

J. WHITNEY PETERSON
*President,
United States Tobacco Company*

FRANCIS L. WHITMARSH
*President,
Francis H. Leggett & Company*

WILLIAM K. DICK
*Chairman of the Board,
National Sugar Refining Company*

HIRAM A. MATHEWS
Vice President

JACOB L. REISS
*President,
International Tailoring Company*

IRVING TRUST
Company

NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

LEGAL

Can Only Part of a Will Be Declared Invalid?

Q. An Iowa trust company was appointed executor of the will of one of its depositors in that state. In probating the instrument a contest developed as to certain of its provisions on the ground that undue influence had been exerted against the testator in prevailing upon him to include them therein. The provisions in question were separable from the others in the will and it was possible to give effect to the provisions that were not questioned without impairing the general intent of the testator. Could the will be declared invalid as to part and valid as to the remainder?

Yes. Parts of a will may be held valid and forceable notwithstanding the fact that other parts have been affected by undue influence and are invalid, provided the parts so affected are separable so that the will remains complete and intelligible in itself. The Iowa Supreme Court, in a well written opinion by Justice Hale, recently held specifically that this general rule of law is applicable in that state and, in so holding, commented that, while there are states holding to the contrary, the vast majority follow the rule adopted for Iowa.

Q. Two football enthusiasts in Ohio engineered a \$1,000 bet between themselves on the outcome of the Michigan-Minnesota game. The final score was Michigan 13 Minnesota 6. The loser did not have the money to pay the winner and delivered to him a bond worth \$1,500 as a security pledge for the debt. Later on the loser sought to renig and demanded the bond back. Could he recover it or its value?

Yes, according to a recent Ohio Supreme Court decision. The debt for which the pledge was made was void because it was a gambling debt and there was, accordingly, no valid consideration for the contract of pledge under which the bond was delivered. Since there was no consideration supporting the delivery of the bond, title to it did not pass and the loser could require the winner to return it or its value to him.

Northwestern Banker, January, 1948

Q. Maxwell, the guardian of a minor, came to own on behalf of his ward a mortgage on certain real estate in Minnesota. The owner of the property sought to borrow from his bank certain funds to be used for improvements. The bank was willing to make the loan providing the financing was set up so that its mortgage was a first mortgage on the land and buildings. Could the guardian of the minor, without probate court approval, give a valid waiver of the priority of his ward's mortgage to the mortgage proposed for the bank?

No. A guardian of a minor cannot, without the approval of the probate court appointing him, waive the priority of a mortgage running to him as guardian for his ward and, if he assumes to do so, such waiver will not be binding on the minor. Those who deal with a guardian are bound, at their peril to determine under what authority the guardian acts and, where there is no valid basis therefore, the ward is not bound thereby.

Q. The director of a Minnesota bank was also a member of the board of trustees of a nonprofit corporation which owned and operated one of the hospitals in the locality in which he lived. As an incident to the procurement of certain financial backing a local doctor proposed to the bank director and the other trustees that he, the doctor, and his accountant serve on the board with the understanding that the two of them would have no voice in the management of the institution. Would such understanding be valid at law?

No. An agreement by which individual directors, or the entire board, of a corporation abdicate or bargain away in advance the judgment which the law contemplates they shall exercise over the affairs of the corporation is contrary to public policy and therefore invalid. This principle governs in the situation outlined here according to a recent holding by the Minnesota Supreme Court, and the proposed agreement of the doctor that he and

his accountant, though trustees, would take no part in the management of the hospital's business was not legal.

Q. Parkinson borrowed \$5,000 on an unsecured promissory note from a South Dakota banker. Both were residents of the state at the time. Also Parkinson owned property there and continued to own such property at all times here involved. Shortly after signing the note Parkinson moved to California. The note was not paid when it fell due. The banker did not commence suit thereon until more than six years after the due date, six years being the period of the statute of limitations which would bar the action unless it was suspended by Parkinson's absence from the state. Was the suit by the banker barred by the statute because Parkinson at all times had property in the state against which the banker could have commenced action by attachment?

No. In a recent decision involving analogous facts the South Dakota Supreme Court held that the action was not barred and that the fact that the defendant owned property in the state did not prevent the suspension of the statute of limitations during his absence. The basic reason for such holding was that, during his absence, a personal judgment could not be obtained against him and that the plaintiff might not be able to have full and complete relief unless he could obtain a personal judgment. In so holding the Court commented that there are decisions to the contrary in other jurisdictions but cited previous decisions by it and a Kansas case as precedents for its ruling.

Q. A North Dakota resident operated a mortgage loan business in that state. Farmers would come to him with their financial problems and he in turn would make loans to them and take their notes and mortgages. Ultimately he would assign the instruments to others who had funds to invest. One of the people to whom he had assigned a note and mortgage had him insti-

(Turn to page 91, please)

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Statement of Condition, December 31, 1947

RESOURCES

Cash and Due from Banks.....	\$ 634,122,208.13
United States Government Obligations.....	1,210,873,167.27
Other Bonds and Securities.....	66,232,520.44
Loans and Discounts.....	490,000,607.61
Stock in Federal Reserve Bank.....	4,050,000.00
Customers' Liability on Acceptances.....	1,215,795.57
Income Accrued but Not Collected.....	6,206,975.86
Banking House.....	10,200,000.00
	\$2,422,901,274.88

LIABILITIES

Deposits.....	\$2,229,664,369.25
Acceptances.....	1,215,795.57
Reserve for Taxes, Interest, and Expenses.....	11,131,765.35
Reserve for Contingencies.....	18,109,151.32
Income Collected but Not Earned.....	380,495.70
Capital Stock.....	60,000,000.00
Surplus.....	75,000,000.00
Undivided Profits.....	27,399,697.69
	\$2,422,901,274.88

United States Government obligations carried at \$221,448,067.76 are
pledged to secure public and trust deposits and for other purposes as
required or permitted by law

Member Federal Deposit Insurance Corporation

Northwestern Banker, January, 1948

Can We Control Deflation?

(Continued from page 21)

granting institutions. Thus it is questionable whether Mr. Eccles really goes to the root source of the creation of money and credit. That root source is Federal Reserve credit."

David H. Reimers, president, The Livestock National Bank of Chicago: "For the present I feel that the Reserve Board and the Treasury now have ample power to deal presently with any overexpansion of bank credit which as far as I can see does not now exist. Wages and high prices have naturally forced the need for more money in all business, and the banks loan portfolios have expanded, but there is nothing in our experience here at least as yet to indicate that there exists any wholesale lending or demand for loans for speculative purposes.

"I believe that the bank supervisory authorities are doing an excellent job in requiring that the portfolios of the banks be maintained in a sound and healthy condition. They have ample authority with which to deal with any abuses of orthodox banking practices.

There is undoubtedly a substantial increase in the use of consumer credit and there may be a further increased



DAVID H. REIMERS
"Banks alert to dangers of inflation"

demand, and while I believe the banks will adhere to sound lending practices in this type of credit, I can see no particular objection to the restoration of Regulation W, except that one control leads to another.

"The suggested proposal to require a 25 per cent increase in reserve requirements through the "freezing" of banks' secondary reserves in my judgment is unnecessary and would be impractical as applied to all sections of the country without regard to local conditions and specific requirements.

"Now with reference to the suggested curtailing of credit on real estate loans, this is perhaps the most vulnerable phase of bank credit at this time. Many lending agencies and no doubt some banks seem inclined to go along with the increased demand for real estate financing, some of which is admitted inflation hedging and speculation, but here the pattern has been set and the practice sponsored by the government lending agencies themselves in unorthodox liberal lending policies involving the upping of appraisals, easing of terms and competing in low rate standards.

"The banks are in excellent condition. There does not appear to be

City National Bank and Trust Company of Chicago

Condensed Statement of Condition—December 31, 1947

RESOURCES		LIABILITIES	
Cash and Due from Banks	- \$ 92,532,292.07	Capital	- - - - - \$ 4,000,000.00
U. S. Government Securities	- 160,888,409.01	Surplus	- - - - - 4,000,000.00
State, Municipal, and Other Securities	- - - - - 7,903,781.09	Undivided Profits	- - - - - 3,028,398.98
Loans and Discounts	- - - - - 83,844,075.01	Reserves for Interest, Taxes, and Contingencies	- - - - - 2,540,783.72
Federal Reserve Bank Stock	- 240,000.00	Dividend payable February 2, 1948	- - - - - 60,000.00
Accrued Interest	- - - - - 583,251.64	Letters of Credit and Accept- ances Outstanding	- - - - - 2,624,300.96
Customers' Liability on Letters of Credit and Acceptances	- 2,624,300.96	Other Liabilities	- - - - - 91,750.29
Other Resources	- - - - - 74,570.23	Deposits	- - - - - 332,345,446.06
	<u>\$348,690,680.01</u>		<u>\$348,690,680.01</u>

Member Federal Deposit Insurance Corporation



THE NEW YORK TRUST COMPANY

100 BROADWAY

MADISON AVENUE AND 40TH STREET • TEN ROCKEFELLER PLAZA

CONDENSED STATEMENT OF CONDITION DECEMBER 31, 1947

ASSETS

Cash and Due from Banks.....	\$248,396,763.77
United States Government Obligations.....	296,112,423.25
Other Bonds and Securities.....	13,915,746.67
Loans and Discounts.....	241,716,384.99
Real Estate Bonds and Mortgages.....	63,253.50
Customers' Liability for Acceptances.....	806,612.12
Interest Receivable and Other Assets.....	2,002,847.87
	<u>\$803,014,032.17</u>

LIABILITIES

Capital.....	\$15,000,000.00
Surplus.....	35,000,000.00
Undivided Profits.....	<u>14,395,562.55</u>
General Reserve.....	4,680,358.37
Dividend Payable January 2, 1948.....	600,000.00
Acceptances.....	1,013,782.94
Reserve for Taxes and Other Liabilities.....	3,141,829.96
Deposits.....	729,182,498.35
	<u>\$803,014,032.17</u>

United States Government obligations carried at \$11,556,959.54 in the above statement are pledged to secure United States Government deposits of \$3,919,967.12 and other public and trust deposits and for other purposes required by law.

TRUSTEES

MALCOLM P. ALDRICH
New York
GRAHAM H. ANTHONY
President
Colt's Manufacturing Company
ARTHUR A. BALLANTINE
Root, Ballantine, Harlan,
Bushby & Palmer
JOHN E. BIERWIRTH
President
ALFRED A. COOK
Cook, Lehman,
Goldmark & Loeb
WILLIAM F. CUTLER
Vice President
American Brake Shoe Company
RALPH S. DAMON
President
American Airlines, Inc.

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Litchfield, Conn.
WILLIAM HALE HARKNESS
New York
HORACE HAVEMEYER, Jr.
Executive Vice President
The National Sugar Refining Co.
B. BREWSTER JENNINGS
President
Socony-Vacuum Oil Co., Inc.
J. SPENCER LOVE
Chairman of the Board
Burlington Mills Corporation

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Vice President
HARRY T. PETERS
New York
SETON PORTER
President, National Distillers
Products Corporation
ROBERT C. REAM
President
American Re-Insurance Co.
MORRIS SAYRE
President
Corn Products Refining Co.
CHARLES J. STEWART
Vice President
VANDERBILT WEBB
Patterson, Belknap & Webb

Member of Federal Deposit Insurance Corporation



Condensed Statement of Condition, December 31, 1947

RESOURCES

Cash in Vault and in Federal Reserve Bank	\$ 743,380,001.52	
Due from Banks	334,619,951.62	
TOTAL CASH		\$1,077,999,953.14
United States Government Obligations, direct and fully guaranteed	1,775,524,606.99	
State, County, and Municipal Bonds	290,481,884.01	
Other Bonds and Securities	98,216,014.85	
Stock in Federal Reserve Bank	6,499,400.00	
Loans and Discounts	2,492,979,738.89	
Accrued Interest and Accounts Receivable	24,422,323.42	
Bank Premises, Furniture, Fixtures and Safe Deposit Vaults	34,753,192.97	
Other Real Estate Owned	67,341.82	
Customers' Liability on Account of Letters of Credit, Acceptances, and Endorsed Bills	44,322,810.41	
Other Resources	550,402.74	
TOTAL RESOURCES		\$5,845,817,669.24

LIABILITIES

Capital	\$ 106,646,375.00	
Surplus	110,000,000.00	
Undivided Profits	40,525,935.63	
Reserves	4,518,582.39	
TOTAL CAPITAL FUNDS		\$ 261,690,893.02
Reserve for possible Loan Losses	37,046,609.29	
Deposits { Demand \$3,094,410,901.73 }		5,467,199,162.15
{ Savings and Time 2,372,788,260.42 }		
Liability for Letters of Credit and as Acceptor, Endorser, or Maker on Acceptances and Foreign Bills	46,146,332.44	
Reserve for Interest Received in Advance	13,293,247.36	
Reserve for Interest, Taxes, etc.	20,441,424.98	
TOTAL LIABILITIES		\$5,845,817,669.24

This statement includes figures of the Bank's foreign offices

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MEMBER FEDERAL
RESERVE SYSTEM

Northwestern Banker, January, 1948

any serious inflation in bank credit, and I question the imposing of further restrictions that might tend to disturb the public's high regard for the condition and integrity of the banks. They have done a commendable job in their contribution to the war effort and are alert to the dangers of inflation, for which they are definitely not responsible.

"There are three principal factors which continue to contribute to our present inflated economy:

1. Our foreign aid program.
2. Liberal government spending, loan policies and subsidies.
3. Cycle of wage increases.

"Beginning on these premises, therefore, I would suggest first and foremost an exhaustive and competent study and appraisal of our present and projected needs at home before launching on any further far-flung foreign aid program, notwithstanding the admitted need for constructive assistance to certain foreign countries. Our first concern should be to insure our own strength and future.

"Next, curtailment of government spending, subsidies, and restricting of government credit and lending policies, and

"Finally, the adoption of a definite program on matters of strikes and wage increases.

"If any real attempt is to be made to check inflation it must begin with the application of conservative and sound business judgment in government and its fiscal policies, looking toward early debt reduction and tax relief."

David T. Beals, president, The Interstate National Bank, Kansas City: "It does seem to me that there may be two factors which the economists, bureaucrats and politicians have a tendency to overlook.

"First—the delicate question of confidence as far as finances and money are concerned. Our banking and credit system has always been based upon a substantial degree of confidence and public confidence is a sensitive thing. It is easy to disturb and the line between confidence and fear is sometimes a very faint one. We have already had a tremendous amount of talk about interest rates, bond prices and such things and we know the human weakness to say something which is startling and usually greatly exaggerated. Financial wires are covered with such things today and they are disturbing.

"Second—with any monetary control there is always mixed a substantial degree of political expediency and it is awfully hard to tell just what emphasis is given to certain suggestions



CHARTER NO. 64

First Wisconsin National Bank of Milwaukee

Statement of Condition as of December 31st, 1947

Directors

WILLIAM G. BRUMDER
Vice President

WILLIAM MERRILL CHESTER
President-Treasurer,
T. A. Chapman Company

E. J. DEMPSEY
Attorney, Oshkosh

WALTER GEIST
President,
Allis-Chalmers Mfg. Co.

JOSEPH F. HEIL
President, The Heil Co.

WALTER V. JOHNSTON
Industrialist

WALTER KASTEN
President

GEORGE E. LONG
President, Koehring Co.

ERNST MAHLER
Executive Vice President,
Kimberly-Clark Corp.

ROBERT E. PABST

CYRUS L. PHILIPP
President,
Union Refrigerator Transit Co.

HAROLD H. SEAMAN
Industrialist

LAWRENCE F. SEYBOLD
Executive Vice President,
Wisconsin Electric Power Co.

WM. TAYLOR
Executive Vice President

CHARLES O. THOMAS
President,
Pal-O-Pak Insulation Co.

ERWIN C. UHLEIN
President,
Jos. Schlitz Brewing Co.

JOSEPH E. UHLEIN
Banker

JOSEPH E. UHLEIN, JR.
President, Glenogle Co.

ROBERT A. UHLEIN
Banker

ROBERT A. UHLEIN, JR.
Jos. Schlitz Brewing Co.

WILLIAM D. VOGEL
Real Estate and Investments

RESOURCES

Cash and Due from Banks.....	\$152,818,284.96	
*U. S. Government Securities.....	295,308,156.03	448,126,440.99
Other Bonds and Securities.....		12,723,764.20
Stock in Federal Reserve Bank.....		600,000.00
Loans and Discounts.....		91,666,262.23
Accrued Income Receivable.....		871,499.15
Bank Buildings.....		3,337,273.23
Other Resources.....		1,303,133.63
		<u>\$558,628,373.43</u>

LIABILITIES

Capital.....	\$10,000,000.00	
Surplus.....	10,000,000.00	
Undivided Profits.....	6,769,691.70	
Special Reserves (includes amount sufficient to amortize U. S. Government and all other securities to par).....	7,836,009.48	34,605,701.18
Reserves for Interest, Expenses, Etc.....		915,483.39
Deposits.....	516,274,194.19	
War Loan Deposit Account.....	6,082,099.75	522,356,293.94
Other Liabilities.....		750,894.92
		<u>\$558,628,373.43</u>

*Includes \$42,600,000 par value U. S. Government securities maturing or callable to and including January 1, 1949.

President, WALTER KASTEN

Executive Vice President, WM. TAYLOR

Vice Presidents

WILLIAM G. BRUMDER
EDWIN BUCHANAN
GEORGE T. CAMPBELL
CARL M. FLORA

PIERRE N. HAUSER
WILLIAM J. KLUMB
JOSEPH U. LADEMAN
EDWIN R. ORMSBY

JOHN S. OWEN
CHESTER D. RANEY
JOSEPH W. SIMPSON, JR.
ROY L. STONE

Cashier, A. G. CASPER

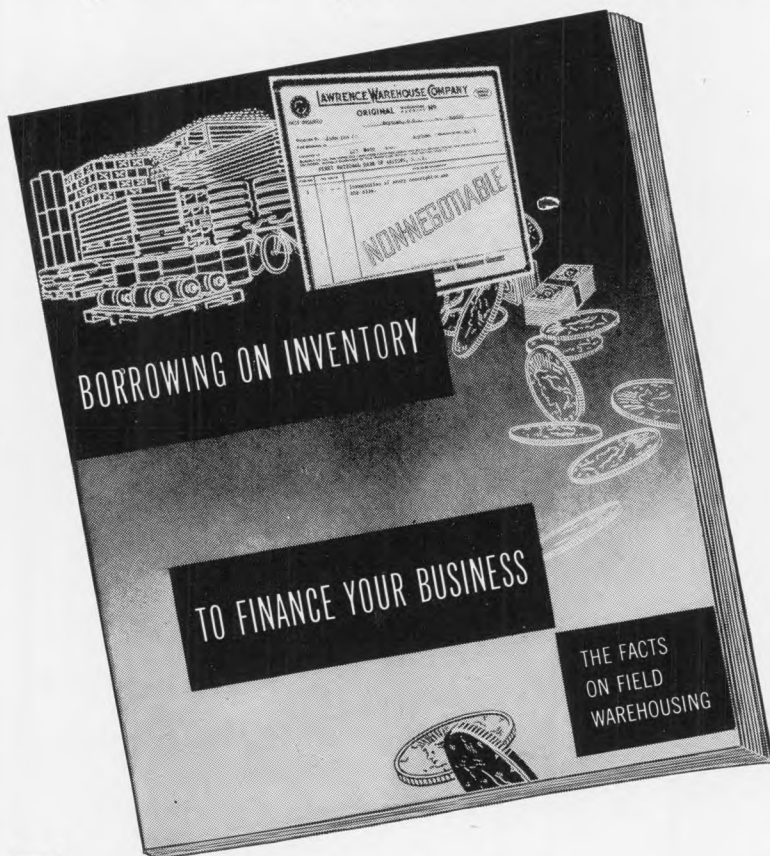
Comptroller, CLARENCE H. LICHTFELDT

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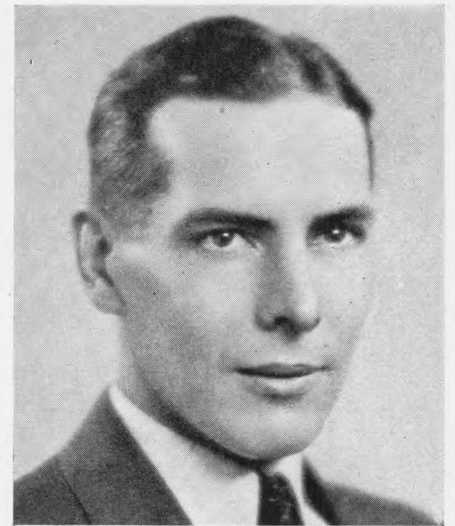
DIVISION OFFICES:

SAN FRANCISCO 11, CALIF. 37 Drumm Street	CHICAGO 2, ILL. 1 N. LaSalle Street	NEW YORK 5, N. Y. 72 Wall Street
Denver 2, Colorado First National Bank Bldg.	St. Louis 2, Mo. Boatmen's Bank Bldg.	Kansas City 7, Mo. 933 Mulberry Street
Los Angeles • Boston • Philadelphia • Pittsburgh • Buffalo • Cleveland Cincinnati • Atlanta • Charlotte • Jacksonville • New Orleans • Houston Dallas • Phoenix • Seattle • Portland • Stockton • Fresno • Washington, D.C. Manila, P. I.		

Northwestern Banker, January, 1948

and certain courses of action for other reasons than sound business experience and judgment. We may have a tendency to forget the magnitude of the financial problem which we have passed through by reason of the greatest war in history and a substantial period of depression which came just before the war. Such things must be paid for and there probably are actually very few short cuts. I feel that in the past sixty days bankers in the larger centers, at least, have been impressed with a rapidly changing picture and are taking actual steps to control excess credit—at least in their own industries and institutions."

Bruce Townsend, president, City National Bank, Clinton, Iowa: "Our present inflationary condition is not the result of poor banking, nor from lack



BRUCE TOWNSEND
 "Balance the Federal Budget"

of production, but seems to stem from an unbalanced Federal budget, which has persisted for many years. The cure will surely not be found in fighting the symptoms, but in attacking the cause, i. e., by 'over-balancing' the budget for a good long period with the overage promptly credited on the national debt."

Byron Dunn, president, National Bank of Commerce, Lincoln, Nebraska: "It is my humble opinion that bank credit plays a very little part in it. If anything, bank credit to factories and farmers will halt inflation rather than increase it. This isn't hard to understand because an increase in the amount of merchandise certainly will reduce the price. The same thing would happen in increasing the reserves of banks as happened in keeping the chickens on the farm to save wheat. An increase in the reserve of

THE NATIONAL CITY BANK OF NEW YORK

Head Office · 55 WALL STREET · New York



Condensed Statement of Condition as of December 31, 1947

Including Domestic and Foreign Branches But Not Including The Affiliated City Bank Farmers Trust Company

(In Dollars Only—Cents Omitted)

ASSETS

Cash and Due from Banks	\$1,443,283,803
United States Government Obligations (Direct or Fully Guaranteed)	2,131,035,234
Obligations of Other Federal Agencies	28,214,818
State and Municipal Securities	231,062,937
Other Securities	80,775,281
Loans, Discounts, and Bankers' Acceptances	1,215,660,245
Real Estate Loans and Securities	2,819,263
Customers' Liability for Acceptances	22,309,381
Stock in Federal Reserve Bank	7,200,000
Ownership of International Banking Corpora- tion	7,000,000
Bank Premises	28,491,252
Items in Transit with Branches	2,977,704
Other Assets	2,454,110
Total	\$5,203,284,028

LIABILITIES

Deposits	\$4,874,418,234
(Includes United States War Loan Deposit \$23,605,479)	
Liability on Acceptances and Bills . . . \$33,460,941	
Less: Own Acceptances in Port- folio 8,427,813	25,033,128
Reserves for:	
Unearned Discount and Other Unearned Income	5,673,264
Interest, Taxes, Other Accrued Expenses, etc.	23,393,788
Dividend	4,650,000
Capital	\$77,500,000
Surplus	162,500,000
Undivided Profits	30,115,614
Total	\$5,203,284,028

Figures of Foreign Branches are as of December 23, 1947.

\$251,123,478 of United States Government Obligations and \$3,330,105 of other assets are deposited to secure \$207,922,739 of Public and Trust Deposits and for other purposes required or permitted by law.

(Member Federal Deposit Insurance Corporation)

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W. RANDOLPH BURGESS
Vice-Chairman of the Board

WM. GAGE BRADY, JR.
President

SOSTHENES BEHN
Chairman and President, Inter-
national Telephone and
Telegraph Corporation

CURTIS E. CALDER
Chairman of the Board, Electric
Bond and Share Company

GUY CARY
Shearman & Sterling & Wright

EDWARD A. DEEDS
Chairman of the Board, The
National Cash Register
Company

CLEVELAND E. DODGE
Vice-President, Phelps Dodge
Corporation

A. P. GIANNINI
Founder-Chairman, Bank
of America National Trust
and Savings Association

JOSEPH P. GRACE, JR.
President, W. R. Grace & Co.

JAMES R. HOBBS
President, Anaconda Copper
Mining Company

AMORY HOUGHTON
Chairman of the Board,
Corning Glass Works

ROGER MILLIKEN
President, Deering, Milliken &
Co. Incorporated

GERARD SWOPE
Honorary President, General
Electric Company

REGINALD B. TAYLOR
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ROBERT WINTHROP
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banks would necessitate their selling their longtime bonds, putting part of it in shorttime bonds. There would be no buyers except the Federal Reserve Banks for the longtime bonds. There is no one making an excessive amount of loans in this territory on real estate except those that are urged to be made by Governmental Bureaus and Agencies such as the F. H. A. and the folks in charge of the G. I. loans. There have been a lot of stories in the paper urging banks to make 100 per cent G. I. loans, which I think is bad for inflation and bad for the man borrowing the money. An increase in production by harder work on the part of all of our people and a reduction in the amount of buying for shipment overseas would certainly reduce the amount of inflation and prices. To me this is just simple arithmetic and doesn't require any further control over any of our banks or industries to accomplish.

"An incentive plan to employes as well as permitting and encouraging them to work longer hours, would be the first step. The second step would be reduction in purchasing for overseas shipment of the scarce commodities. This is a very interesting subject and one that we have taken an active part in in trying to help do our part in controlling."

MEMBER OF FEDERAL
RESERVE SYSTEM



MEMBER OF NEW YORK
CLEARING HOUSE ASSOCIATION

The CONTINENTAL BANK & TRUST COMPANY of NEW YORK

Statement of Condition, December 31, 1947

RESOURCES

Cash and Due from Banks.....	\$ 52,211,100.13
U. S. Government Obligations.....	75,961,437.77
Municipal Bonds	14,268,534.62
Corporate Bonds	3,810,123.45
Federal Reserve Bank Stock.....	300,000.00
Loans and Discounts.....	54,636,380.67
Accrued Interest Receivable.....	558,242.97
Customers' Liability Under Acceptances Outstanding.....	180,937.84
Other Assets	129,083.98
	<u>\$202,055,841.43</u>

LIABILITIES

Capital Stock	\$ 5,000,000.00
Surplus Fund	5,000,000.00
Undivided Profits	2,282,251.51
	<u>\$ 12,282,251.51</u>
General Reserves	517,993.03
Reserve for Taxes, Interest and Expenses.....	207,450.16
Dividend Payable, January 1, 1948.....	100,000.00
Other Liabilities	188,845.09
Acceptances:	
Outstanding	\$ 2,259,685.20
Less Amount in Portfolio.....	1,937,675.07
	<u>322,010.13</u>
Deposits	188,437,291.51
	<u>\$202,055,841.43</u>

Securities carried at \$3,171,388.23 in the above statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, including \$1,323,266.17 of United States Government War Loan Deposits, and for other purposes.

MAIN OFFICE: 30 BROAD STREET, NEW YORK
Branch Offices: 345 Madison Avenue - 512 Seventh Avenue
Member Federal Deposit Insurance Corporation

MONETARY FACTORS

(Continued from page 23)

largely by the Reserve Banks, exerted pressure on the reserve positions of member banks. A continuation of this policy would be expedient; however, future retirements will be limited to a great extent by the collection of taxes in excess of disbursements or by the sale of Treasury obligations to the public. An increase in the rediscount rate in the future might be necessary to curb any unusual expansion in member bank borrowings.

Influx of Gold

The tremendous influx of gold, reflecting payment for the excess of exports over imports, has contributed materially to the problem of credit expansion. The usual means of counteracting such an inflow is through the sale of Government securities by the Open Market Committee. At the present time the effectiveness of this weapon is limited due to market conditions, but it seems that serious consideration should be given to the adoption of some methods to sterilize further gold imports.

On November 1st consumer credit controls were abandoned. At the present time the terms for the purchase of consumers' durable goods are entirely

Features Display of Miniatures



THE AMERICAN NATIONAL Bank and Trust Company, Chicago, saluted the recent International Live Stock Exposition with a display of accurately sealed replicas of prize draft and saddle horses from the collection of M. B. Mervis, owner of Oaks Farm, Barrington, Illinois.

The center piece of the display was a reproduction in miniature of the famed John F. Cuneo "four-in-one" hitch—a bright red road coach drawn by four hackney horses, complete in every detail down to the bugle in the hand of the four-inch footman.

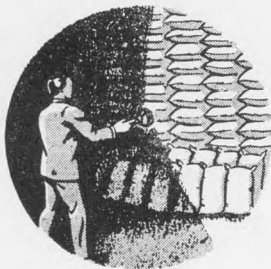
Heavy breeds were represented by true models of Percherons, Belgians, and Clydesdales, and the light horse division was represented by models of the Arabian, three-gaited and five-gaited American saddle horses, the Palomino, Irish hunter, and hackney pony.

Each model was carved from wood, and accurately sealed to one hundredth of an inch.

in the hands of the sellers. If an undesirable expansion should occur in the outstanding volume of this type of credit, it might be advisable to

reinstate some form of regulation.

The Board of Governors of the Federal Reserve System, in its annual reports for 1945 and 1946, requested that



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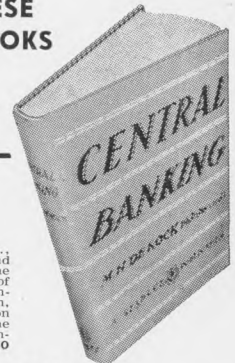
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WESLACO, TEXAS ★ FAYETTEVILLE, ARK. ★ ST. LOUIS, MO.

Congress delegate to them the three following powers: (1) authority to prescribe that commercial banks hold a certain percentage of Treasury bills and certificates against net demand deposits; (2) authority to prescribe that commercial banks be permitted to hold only a certain maximum amount of long-term marketable securities, both public and private, against net demand deposits; and (3) authority to increase the reserve requirements against net demand deposits.

To summarize: Monetary factors have, to a certain extent, contributed to the inflationary spiral. The orthodox powers of the Federal Reserve authorities are of little use at the present time in curbing further credit expansion. It appears that other measures should be adopted, but they should not be of such a nature as to restrict the extension of credit to those industries which are striving to meet the shortages of producers' and consumers' durable goods. Such measures should be in the direction of qualitative credit controls rather than quantitative controls. The effectuation of such measures must, of necessity, be coordinated with conditions then existing in the money market.—The End.

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10 Largest Banks in United States

	Deposits	
	Dec. 31, '47	Dec. 31, '46
1 Bank of America, San Francisco	\$5,467,199,162	\$5,415,849,715
2 National City Bank, New York	4,874,418,234	4,664,102,604
3 Chase National Bank, New York	4,477,562,450	4,495,303,512
4 Guaranty Trust Co., New York	2,451,659,287	2,501,513,458
5 Manufacturers Trust, New York	2,320,056,667	2,286,946,694
6 Continental Illinois, Chicago	2,229,664,369	2,038,434,994
7 First National, Chicago	2,153,197,591	1,961,745,697
8 Security-First National Bank, Los Angeles	1,650,555,265	1,633,051,837
9 Central Hanover Bank & T. Co., New York	1,492,339,864	1,500,183,881
10 Bankers Trust Co., New York	1,483,951,180	1,390,589,699

To Head St. Louis Bank

William A. McDonnell was scheduled for election to the presidency of the First National Bank of St. Louis at the annual meeting held January 13th, to succeed Walter W. Smith who was to be named chairman of the board.

Mr. McDonnell has been executive vice president of the First National since last April when he resigned as a vice president of the Mercantile-Commerce Bank and Trust Company of St. Louis. Mr. Smith has been president of the First National Bank since 1928, having served as vice president from 1919 to 1928.

Five other promotions were announced by the First National Bank last month. Elmer S. Schicker and Fred C. Roper were advanced from assistant cashiers to assistant vice presidents; Walter L. Dressler was elected an assistant cashier, and Earl B. Barnard was named assistant auditor. George L. Johnson was elected assistant manager of the First Na-

CHEMICAL & TRUST COMPANY

Founded 1824

165 Broadway, New York

CONDENSED STATEMENT OF CONDITION

At the close of business, December 31, 1947

ASSETS

Cash and Due from Banks	\$394,152,052.45	
U. S. Government Obligations	420,748,657.68	
State and Municipal Bonds	71,489,864.53	
Other Bonds and Investments	64,159,482.50	
Loans and Discounts	449,400,552.30	
*Banking Houses	179,793.50	
*Other Real Estate	2,231,564.11	
Mortgages	88,209.88	
Credits Granted on Acceptances	7,695,223.86	
Accrued Interest and Accounts Receivable	3,034,088.10	
Other Assets	800,619.57	
		\$1,413,980,108.48

LIABILITIES

Capital Stock	\$25,000,000.00	
Surplus	75,000,000.00	
Undivided Profits	8,149,916.91	\$108,149,916.91
Reserve for Contingencies	4,297,301.92	
Reserves for Taxes, Expenses, etc.	4,179,327.24	
Dividend Payable Jan. 2, 1948	1,125,000.00	
Acceptances Outstanding 11,786,504.62 (Less own acceptances held in portfolio)	867,651.36	10,918,853.26
Other Liabilities	1,222,672.94	
Deposits (including Official and Certified Checks Outstanding \$48,278,790.34)	1,284,087,036.21	
		\$1,413,980,108.48

Securities carried at \$25,695,528.26 in the foregoing statement are deposited to secure public funds and for other purposes required by law.

* } Assessed Valuation \$3,991,690.00

Charter Member New York Clearing House Association
Member Federal Reserve System
Member Federal Deposit Insurance Corporation



WILLIAM A. McDONNELL
New President, First National of St. Louis

tional Safe Deposit Company, replacing C. Leslie Cox who retired recently.

Mr. McDonnell was graduated from Vanderbilt University, practiced law until 1927, then entered the banking business in Little Rock, Arkansas, where he later became vice president of three banks and a director of the Federal Reserve System. He resigned from the Commercial National Bank there three years ago to go to St. Louis. He participated extensively in civic affairs, served as president of the Little Rock Chamber of Commerce and as president of the Arkansas Bankers Association. More recently he has been quite active in A.B.A.

work, having held the chairmanship of the Bank Management Commission from 1942 to 1946. At present he is



WALTER W. SMITH
Named Chairman of the Board

still a member of this commission and chairman of the committee of that department on check routing symbol and transit instructions.

Directors Renamed

Bankers have re-elected two directors to three-year terms on the board of the Federal Reserve Bank of Chicago.

Vivian W. Johnson, president of the First National Bank, Cedar Falls, Iowa, was renamed a Class A director.

Nicholas H. Noyes, vice president in charge of finances of the Eli Lilly and Company, Indianapolis, was re-elected a Class B director.

Their present terms expired December 31st, and the new terms began January 1, 1948.

Named Vice President

Everett E. Ellis has been elected vice president of The Inter-State National Bank of Kansas City, Missouri, to fill the vacancy created by the death recently of John J. Noone.

Mr. Ellis, who is 44 years of age, has been a director of The Inter-State National Bank since 1945, has been serving on the executive committee and is, therefore, familiar with the policies of the bank and is well fitted to take over Mr. Noone's former activities. He is now executor of the Charles Baird estate. Mr. Baird for many years was a director of The Inter-State National Bank and presi-

CROCKER FIRST NATIONAL BANK

OF SAN FRANCISCO



Condensed Statement at close of
business Dec. 31, 1947

Resources

Cash and Sight Exchange . . .	\$87,391,136.03
*United States Government Securities	165,326,856.38
*State and Municipal Bonds . .	10,079,158.11
Other Bonds	2,735,382.09
Loans and Discounts	79,347,205.38
Stock in Federal Reserve Bank	480,000.00
Customers' Liability under Letters of Credit and Acceptances	1,232,912.21
Bank Premises, Head Office and Oakland	3,058,646.60
Other Assets	192,213.98
TOTAL	\$349,843,510.78

Liabilities

Capital	\$ 6,000,000.00
Surplus	10,000,000.00
Undivided Profits	4,053,298.17
Dividend Payable on Capital Stock	210,000.00
Reserve for Interest and Taxes	698,534.34
Letters of Credit and Acceptances	1,240,481.05
Secured Deposits \$ 24,073,191.56	
Time and Savings Deposits	82,410,830.56
Demand Deposits 220,066,634.49	
TOTAL DEPOSITS	326,550,656.71
Other Liabilities	1,090,540.51
TOTAL	\$349,843,510.78

*Securities carried at \$28,637,000.00 are pledged to qualify in a fiduciary capacity and to secure Trust Deposits, United States Government and Other Public Deposits, as required by Law.

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Eastern Representative—20 Pine Street—New York

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Guaranty Trust Company of New York

140 Broadway

Fifth Ave. at 44th St. Madison Ave. at 60th St. 40 Rockefeller Plaza

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Condensed Statement of Condition, December 31, 1947

RESOURCES

Cash on Hand, in Federal Reserve Bank, and	
Due from Banks and Bankers	\$ 611,948,578.40
U. S. Government Obligations	1,255,329,289.28
Loans and Bills Purchased	851,404,578.55
Public Securities	\$ 82,169,795.98
Stock of the Federal Reserve Bank	9,000,000.00
Other Securities and Obligations	10,330,173.56
Credits Granted on Acceptances	11,235,785.55
Accrued Interest and Accounts	
Receivable	10,813,338.67
Real Estate Bonds and Mortgages	1,308,353.92
	<u>124,857,447.68</u>
Bank Premises	4,872,577.78
Other Real Estate	131,085.40
Total Resources	<u>\$2,848,543,557.09</u>

LIABILITIES

Capital	\$ 100,000,000.00
Surplus Fund	200,000,000.00
Undivided Profits	60,666,665.58
Total Capital Funds	\$ 360,666,665.58
Deposits	\$2,415,337,561.97
Treasurer's Checks Outstanding	36,321,724.72
Total Deposits	2,451,659,286.69
Acceptances	\$ 19,292,953.31
Less: Own Acceptances Held	
for Investment	7,376,899.73
	\$ 11,916,053.58
Dividend Payable January 2, 1948	3,000,000.00
Items in Transit with Foreign	
Branches	2,164,365.93
Accounts Payable, Reserve for	
Expenses, Taxes, etc.	19,137,185.31
	<u>36,217,604.82</u>
Total Liabilities	<u>\$2,848,543,557.09</u>

Securities carried at \$96,332,135.48 in the above Statement are pledged to qualify for fiduciary powers, to secure public moneys as required by law, and for other purposes.

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J. LUTHER CLEVELAND	Chairman of the Board	MORRIS W. KELLOGG	Chairman of the Board, The M. W. Kellogg Company
W. PALEN CONWAY	Chairman of the Executive Committee	WILLIAM L. KLEITZ	President
CHARLES P. COOPER	Executive Vice-President, American Telephone and Telegraph Company	CHARLES S. MUNSON	President, Air Reduction Company, Inc.
WINTHROP M. CRANE, JR.	President, Crane & Co., Inc., Dalton, Mass.	WILLIAM C. POTTER	Retired
STUART M. CROCKER	President, Columbia Gas & Electric Corporation	GEORGE E. ROOSEVELT	of Roosevelt & Son
JOHN W. DAVIS	of Davis Polk Wardwell Sunderland & Kiendl	EUGENE W. STETSON	Chairman, Executive Committee, Illinois Central Railroad Company
CHARLES E. DUNLAP	President, Berwind-White Coal Mining Company	ROBERT T. STEVENS	Chairman of the Board, J. P. Stevens & Company, Inc.
GANO DUNN	President, The J. G. White Engineering Corporation	THOMAS J. WATSON	President, International Business Machines Corporation
WALTER S. FRANKLIN	Vice-President, The Pennsylvania Railroad Company	CHARLES E. WILSON	President, General Electric Company
		ROBERT W. WOODRUFF	Chairman, Executive Committee, The Coca-Cola Company

Member Federal Deposit Insurance Corporation

dent of the Western Exchange Bank of Kansas City, Missouri.

Mr. Ellis is a native of southwestern Missouri, had early banking experience in a Springfield, Missouri, bank and later was connected with the Kansas State Bank of Kansas City, Kansas, before becoming associated with Mr. Baird at the Western Exchange Bank.

Byers Organizes Bankers Service Company

Henry H. Byers, formerly vice president of "The Charles E. Walters Company" of Omaha, has announced the



HENRY H. BYERS
Announces New Firm

incorporation of the Bankers Service Company with offices in the Register and Tribune Building, Des Moines, Iowa.

This new company, of which Mr. Byers is president and organizer, will engage in the business of selling bank stocks and furnishing bank personnel, specializing in the purchase and sale of the controlling stock of country banks or minority stocks which carry an active executive position.

Mr. Byers has had more than 20 years' experience in this type of business and has a wide acquaintance with bankers in the Seventh and Ninth Federal Reserve Districts where he has handled many large sales.

On January 1, 1948, "The Charles E. Walters Company," of which Mr. Byers had been vice president for the past 12 years and a 50 per cent owner of the capital stock, went into voluntary liquidation. Their charter expired at that time.

A new corporation, to be known as "Charles E. Walters Company," is being organized in Omaha with Robert L. Goethe as president.

Members of Chicago Exchange

T. C. Henderson & Company, Inc., 206 Empire Building, Des Moines, Iowa, has been admitted as a member

corporation in the Chicago Stock Exchange. The company was founded in 1930 and is one of Iowa's oldest investment banking firms.

Mr. Henderson said the membership will enable the company to broaden its investment service to banks and individuals.

Promotions

Promotions and appointments on the official staff of The Chase National Bank, New York, were announced by the bank as follows:

Thomas M. Ritchie as vice president in the public utilities department; L. Allan Bucher as second vice president in the foreign department; John T. McMahon as second vice president and manager of 11 Broad Street Branch; Henry E. Arning, Joseph C. Broadus, Willard L. Burbank, Joseph Harsch, William J. Lamneck, Robert R. C. Pape and Otto A. Stenman as assistant cashiers of the bank.

WHO WILL STEP INTO YOUR SHOES?

(Continued from page 19)

those who did not return, many felt that they could be better satisfied in other endeavors. As these sources of experienced bank talent probably never can be reclaimed and might as well be written off, it seems advisable to banking as a whole, and seriously urgent in a number of cases, that a new source be created.

There has been much discussion, much has been written and much has been said about the inadequacy of the present supply of potential administrative personnel. The logical and practical answer seems to be that the program must start with each individual bank developing and training its own material for management succession.

"One-Man" Bank

One of the most unfortunate situations in this respect is found in those institutions where the "one-man" quarantines his under-employees from exposure to any matters other than routine transactions and detail operations. Where an employe demonstrates his ability or exhibits the qualifications, it is a serious mistake if the "one-man" is permitted to treat any initiative on the part of that employe as an encroachment into the exclusive realm of management.

The reserve of management talent must originate from added responsibilities and from exposures to administration problems. Until every bank takes full advantage of the possibili-



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Condensed Statement as of Dec. 31, 1947

RESOURCES

Cash and Due from Banks	\$107,070,937.29
United States Government Securities	239,374,499.60*
Obligations of Other Federal Agencies	\$ 4,493,799.41
State, County and Municipal Bonds	17,995,390.58
Other Bonds and Securities	517,371.15
Stock in Federal Reserve Bank	390,000.00
Ownership of California Trust Company	1,475,324.66†
Loans and Discounts	97,240,473.15
Bank Premises, Furniture and Fixtures	1,118,423.43
Earned Interest Receivable	1,582,843.11
Customers' Liability under Letters of Credit and Acceptances	2,309,656.44
Other Resources	266,941.64
TOTAL	\$473,835,660.46

LIABILITIES

Deposits: Demand	\$279,264,417.54
Time	162,179,321.45
United States War Loan Deposit	1,903,018.97
Other Public Funds	8,818,685.29
Reserve for Interest, Taxes and Expenses	\$452,165,443.25
Unearned Interest Collected	1,148,157.04
Letters of Credit and Acceptances	958,695.76
Capital Stock	2,360,060.19
Surplus	6,500,000.00
Undivided Profits	6,500,000.00
Undivided Profits	4,203,304.22
TOTAL	\$473,835,660.46

*\$17,937,311.03 pledged, according to law, to secure Public Funds and Trust Deposits.
 †California Trust Company—owned by California Bank and devoted exclusively to trust service—has Capital of \$1,000,000.00, Surplus of \$500,000.00 and Undivided Profits of \$266,820.64.

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- | | | | |
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AMERICAN EXPRESS**Travelers Cheques**

most widely known—most readily accepted

ties possessed by talented employees, trains them to fill varied positions, permits them to advance in responsibilities and allows them to exercise some degree of decision and judgment, the reserve of management talent will remain inexperienced and totally inadequate for the future requirements of banking as a whole.

The size of the bank and the number of its employees have very little effect upon the advisability of the results of such a program. In fact, with the exception of the large metropolitan banks which have recognized this problem and solved it at the very beginning by constantly engaging careers instead of just hiring help, the two and three employe institutions will generally be found in a better position as concerns provision for management succession than others of greater size in volume of business and in number of employees.

The second step in any program of this nature must be that bankers will need to find means of attracting employees for operating personnel, as it is from this source that the flow of talent for future management must come.

The younger people who are seeking their first employment are displaying a resistance to offers of bank work although it has not been so many years ago that bank employment had the "pick of the crop." Since that time there have been adjustments toward better pay and shorter hours, yet the prospect of a career in banking seems becoming less and less attractive.

The resistance of the younger people may not be without significance. Very likely when the cause of this impotency is understood and effective measures are taken to correct it, many of the operating problems now found in banks will have been solved, personnel trained for management succession consequently should become more abundant and possibly it would be far reaching enough as to stimulate a greater interest among local business men to become shareholders and directors.—The End.

Editor's Note—The foregoing discussion of succession in bank management was prepared by the Auditor of Public Accounts of the Banking Department of the State of Illinois, and appeared in a recent monthly bulletin of the Department.

Caught Again

Two modern little girls coming home from Sunday School were solemnly discussing the lesson.

"Do you believe there is a devil?" asked one.

"No," replied the other promptly, "of course not. It's just like Santa Claus. He's your father."

Quality Bonds Are Still the Best Buy

In Any General Decline During 1948, the Top Grades Will Recede the Least, and Recover More Quickly

By RAYMOND TRIGGER
Investment Analyst
New York City

SO MANY words have been so passionately uttered on inflation in general and the part played therein by commercial banks and so diverse have been the views aired, it is little wonder that the picture has become tiresomely confused. Some of the more eloquent observers have pointed out that the administration is trying to pay a low price for the money it borrows and force the people to pay a high price for theirs. One phrased it: "Mr. Snyder and Mr. Eccles want the public to drink beer and the Treasury to sip champagne from the same jug."

It is reasonably certain that Mr. Snyder and Mr. Eccles will not have their cake and eat it, too, indefinitely. For one thing, they are divided on practically all points except a determination to hold long government 2½s above par. Mr. Eccles has his Reserve Board directors—unanimously, he says—behind him, but his Advisory Council, which includes some of the country's most distinguished bankers, even though they do hail from Chicago and New York, unanimously oppose his theories of what should be done to curb credit expansion. If the Reserve cannot agree among themselves and if the Reserve and Treasury are at loggerheads, how far can they push a program (assuming they ever agree upon one) against the convictions of a Republican Congress?

In passing a move to raise the amount of gold required as reserve against Federal Reserve notes and member bank deposits to 40% and 35%, respectively, from the going flat 25% will have no significance if achieved. There is almost 50% gold coverage in the System and the higher requirements would still leave an inflationary potential of more than 80 billion dollars. One annoyed commentator summed it up as "... a hoax, pure and simple."

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.

Gold Flowing Back

Gold, of course, is flowing back into the U. S. and it is the base for credit expansion. The inward movement of gold is inevitable so long as this country has goods which are wanted by other countries which have gold. So touchy are the authorities on this subject that strong protests have been made to Canada because the Dominion saw fit to award its gold mining enterprises a \$7 an ounce bonus on certain newly mined gold. On the face of it, an objection by the U. S. to such a purely internal decision by Canada seems perilously close to an attempted invasion of the sovereignty of the Dominion. The excuse is that more gold will be mined and that it will find its way into the U. S. and that gold mining companies in the U. S. will campaign for a higher price for their metal and will increase their output.

Gold, though, is a relatively unimportant aspect of the whole problem. The key to the whole mess is that this country financed the war in a shamelessly weak and short-sighted fashion. Those chickens are coming home to roost. The fact is that the Treasury has more than 50 billions of its obligations falling due within a year and as much more might be presented for immediate cash payment. The prom-

ise to hold governments above par means, additionally, that the other 150 billions of debt is likewise a Treasury obligation due on demand, even though the nominal maturities are five, ten, fifteen or twenty years distant.

Rediscount Up

Fiddling while the fire rages, the Reserve has upped its rediscount. It means almost nothing because the System's member banks are borrowing so little from Reserve Banks. By the time this is read the required reserves of the Chicago and New York banks may have been restored to the maximum possible, but this step likewise will have little real effect. In the light of all these vain and futile efforts to reconcile the unreconcilable, what is the investment policy of the commercial banker to be?

Happily, there is time to take stock of the situation and no need for precipitate action. The authorities in Washington expect to have some seven billion dollars loose change with which to support government bonds during near-by months. This, of course, is due to the fact that tax collections will be extremely large in the early months of 1948. Consequently, for a while, at least, the money market could continue to work higher as to rates and unsupported corporate bonds, for example, to drift lower, despite a floor under government bond prices.

Naturally, this anomalous condition cannot last forever. Soon or late, the old laws of supply and demand will reassert themselves. Mr. Eccles will, one day, have the opportunity to blush at having asserted that a long-term 2½% government under par is "catastrophic." And he may find that the holders of "E" bonds refused to be panicked into selling them because a long-term 2½% government obligation sells under par. In fact, those holders sufficiently concerned with the

Northwestern Banker, January, 1948

price of governments generally to watch daily quotations are certainly smart enough to know that an "E" bond with only five years to run will bring in around 4% for those years and such a holder likely will cherish such an investment.

In sum, then, it is probable that the Federal Reserve will not be granted the extraordinary powers to interfere with the investment operations of commercial banks it seeks. On the other hand, the authorities will have the means readily at hand in the next few months to fight a delaying action and, presumably, will support long-terms just above a 2½% basis. The commercial banker, accordingly, has

his course clearly indicated. He will prudently continue to shorten the average maturity of his governments, while picking up a slightly better return on extremely short holdings. General lending and investment operations will run along about as they have for the past year. The record on that point is not without interest and significance.

Banks Not Guilty

The main point is that the banks, as a whole, haven't been guilty of contributing wilfully to the inflationary tinder with which the country's economy is dangerously overloaded. Using the data supplied by the weekly re-

porting member banks of 94 cities as of a recent date, this is the situation: In the course of a year, commercial, agricultural and industrial loans rose about one per cent. Real estate loans increased by about a billion dollars and loans on securities dropped as much. Altogether, the net rise in all loans by these banks has been next to nothing.

It is true that the loans made in the past 12 months with funds realized from loans secured by securities involve a little more risk, but some risk-taking is the business of commercial bankers and there is nothing in the general situation to suggest that any undue risks have been assumed or that the entire economy is about to crash.

Market Changes

The year 1947 was one in which the entire bond market underwent some fairly important changes. Governments set the pattern, of course, but the actual changes were somewhat greater in other categories. The historic peak in prices was set in the second quarter of 1946, but the subsequent dip was small and there was something of a rally in the first half of 1947 which almost erased the preceding decline. In the second half of the year, though, yields improved sufficiently to warrant rather widespread notice. The headlines in the financial press, however, do not tell the whole story. Adjustments there were, but no drastic modifications of existing price structures, and little change in the internal relationships of various qualities of bonds, took place.

A possible exception to the foregoing generality is provided by the action of municipal bonds. A record-breaking total of new issues came to market and almost all of them were handled with dispatch in the time-honored fashion. In the final quarter of the year, signs of indigestion became apparent. In the municipal market, operations are usually conducted on an in-and-out basis in so far as new issues are concerned. Very few old bonds are traded normally and when transactions are arranged it is on a negotiated basis rather than an open auction market basis. Still, there are a few large issues of outstanding municipals—sometimes called "dollar" bonds—on which firm markets are maintained and real quotations always are available.

It is the quotations for these relatively few "dollar" bonds that go into the indexes by which the yields of municipals are reported. There is a pronounced tendency for these older bonds to lag behind, marketwise, when the municipal market is having one of



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Bank System

STATEMENT OF CONDITION

December 31, 1947

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of Des Moines

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- Arthur S. Kirk
President
- Dr. Lawrence E. Kelley
Vice President
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Secretary-Treasurer
- Harold J. Howe
Counsel
- Joseph N. Chamberlain
Real Estate & Insurance
- Dr. John L. Hillman
*President Emeritus,
Simpson College*
- Dr. Marvin J. Houghton
Dentist
- J. T. Schilling
Iowa Power & Light Co.

ASSETS

Cash on Hand and in Banks.....	\$ 888,024.20
United States Government Securities..	790,266.16
Federal Home Loan Bank Stock.....	114,000.00
First Mortgage Loans.....	8,790,759.86
Loans on Passbooks and Certificates....	38,057.53
Office Building and Equipment.....	232,146.30
Other Assets	10,181.18
	<hr/>
	\$10,863,435.23

LIABILITIES

Savings and Investment Share	
Accounts	\$10,112,430.20
Dividends Declared and Unpaid.....	114,557.45
Mortgage Loans in Process.....	106,559.39
Other Liabilities	7,380.51
Specific Reserves	1,751.19
Reserves	520,756.49
	<hr/>
	\$10,863,435.23

GROWTH OF THE HOME FEDERAL

Organized under State Charter—May 6, 1936

Issued Certificate for Federal Insurance of Accounts—September 21, 1936

Converted to Federal Charter—April 28, 1939

ASSETS

December 31, 1936.....	\$ 22,781.88	December 31, 1942.....	2,382,920.45
December 31, 1937.....	219,879.90	December 31, 1943.....	3,385,610.88
December 31, 1938.....	473,286.99	December 31, 1944.....	5,610,071.53
December 31, 1939.....	908,953.20	December 31, 1945.....	6,722,411.21
December 31, 1940.....	1,519,623.15	December 31, 1946.....	8,919,749.94
December 31, 1941.....	\$2,007,458.08	December 31, 1947.....	10,863,435.23

its infrequent major reversals. Bonds newly offered are bid for on a strictly realistic basis, with an eye to prompt re-sale. When the adjustment does spread to the older issues, though, the change in yield is likely to be fairly dramatic.

Hit the Peak

Municipals hit their peak almost two years ago and held close to those old highs for many months. Finally, as observed, the trend of governments, plus the record total of new emissions, had its effect on prices. A representative price index reflects a rise in yields from the low in 1946 of roughly one full point. That, of itself, is notable, but the relative behavior of municipals and governments and of municipals and corporates is also interesting. Thus, when closest, the index of municipals and the yield from bank-eligible government 2½s/72 was only 0.08 basis points apart, but it has now widened to almost 0.85 basis points. Again, whereas an average of corporate bond yields has risen roughly half a basis point, that from municipals has improved almost twice as much since early 1946. The upshot is that in many cases municipal bonds now compete with corporates, without any allowance for the tax shelter provided by municipals.

This is not to be taken as a blanket endorsement of municipals as such. They, too, if the general market continues to soften will reflect the long-term trend toward higher yields. Additionally, 1948 should witness another flood of new exempts, mainly to pay soldier bonuses approved last November. It is true, however, that the shake-out, relatively at any rate, has been more severe in the case of municipals than in governments or better-grade corporates.

The feature of the corporate market is that there is yet to be restored what would be considered under normal conditions a proper relationship between the several quality groups. All have receded, admittedly, but top-quality issues have given way as much as fourth-grade obligations. The lesson here is plain. If the market should, contrary to all reasonable expectations, go back to the old highs, the best grades will gain as much as the less desirable bonds.

If the market, as seems inevitable, should be in for a further general decline during 1948, the lowest grades have the furthest to go and the best qualities should decline the least. If the market as a whole stands fairly steady, there is still room for the lower grades to decline and yet do more than restore the historic spreads justified by quality factors. In any event, then,

this reasoning runs, emphasis on quality will pay off again.—The End.

Group Expansion

Expansion of its group operations from the group life field, in which it was a pioneer entrant, to cover the entire employe benefit field is announced by Northwestern National Life Insurance Company of Minneapolis.

The new group coverages include accident and sickness insurance, hospital expense insurance, surgical expense insurance, medical expense coverage, group permanent insurance, and

group annuities. The hospital, surgical and medical plans may be written with or without coverage of an employe's dependents. In the group field since 1918, the company now has more than \$140,000,000 group life in force, including the plans of many nationally known corporations.

Heading up the expanded operation is Walter Bjorn, newly appointed director of group insurance. Associated with Mr. Bjorn are Robert F. Preston, group actuary, and Sam H. Huffman, group secretary, plus an enlarged staff of field representatives and home office supervisors.

We are pleased to announce that

Donald M. Gally

formerly vice-president and investment officer of

The Central Trust Company, Cincinnati, Ohio,

has been elected

a vice-president of this organization

A. G. Becker & Co.

INCORPORATED

January 1, 1948

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What Is the Future of Business?

Three Prominent Authorities Discuss
the Business Outlook for 1948 in the
Harvard Business Review.

Arno H. Johnson

Director of Research
J. Walter Thompson Company

FOR the last three years the majority of our economists and writers have been so intent on watching for the signals of an impending break that they have failed to point out the positive opportunities for this nation to utilize its war-proven productivity in establishing and maintaining higher levels in our standards of living. There

will be plenty of opportunity in 1948 for increased sales even in a buyers' market.

"Both the per capita productivity and per capita real purchasing power now are much higher than in 1940. In 1948 the consumers' surplus income for discretionary spending or saving may be over \$94,000,000,000 or 3½ times the level of 1940.

"The real answer to inflation is production, and increased productivity is the key to maintaining or increasing present levels of earnings. The potential market for goods and services can be shown to be great enough to maintain even the high level of production reached in wartime, provided it is developed. In other words, the potentials are there. It is up to us to develop them."

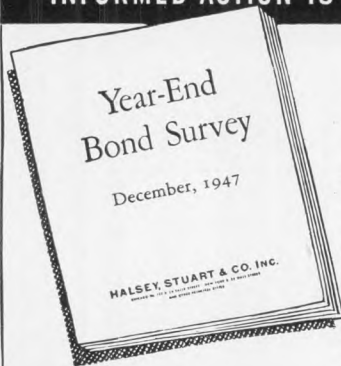
John L. Snider

Professor of Business Economics
Harvard Business School

THE country is exerting close to its maximum economic effort to make up for the loss in the general standard of living sustained during the war. We have not yet made up the loss. In a few lines we are ahead of the prewar period in our consumption, but in many important lines we are still behind. When we do succeed, probably during the period of the next two or three years, in making up this loss and getting back to our customary, or slightly better than customary, standard of living, the country will be inclined to work less hard than it is now working.

"There may be some stimulation to effort from the introduction of new and attractive products and from more effective marketing methods, and the desire to help Europe may also stimulate economic effort. But it is not to be expected that the sum of these new stimuli will be equal in propulsive power to the desire to win the war or the desire to recover the standard of living to which the country had become accustomed before the war. It seems extremely probable, therefore, that something of a recession in general business will take place in the next two or three years. This development would be entirely independent of certain long-range factors."

INFORMED ACTION IS THE KEY TO SUCCESSFUL INVESTING



Send For Year-End Survey

A quick yet comprehensive survey of the activities and influences operating in the bond market as a whole—and in each major classification. Gain a better understanding of past trends and a basis for future judgment. A reading of this survey will benefit every bond investor. Included is a partial list of Halsey, Stuart's offerings in 1947. Upon request, a copy will be sent without obligation. Write for leaflet NB-21.

HALSEY, STUART & CO. Inc.

CHICAGO 90, 123 SOUTH LA SALLE STREET · NEW YORK 5, 35 WALL STREET · AND OTHER PRINCIPAL CITIES

Federal Home Loan Bank of Des Moines

DES MOINES, IOWA

STATEMENT OF CONDITION, DECEMBER 31, 1947

RESOURCES		LIABILITIES AND CAPITAL	
Cash	\$ 3,659,755.46	Deposits—Members	\$ 6,592,272.75
U. S. Government Obligations.....	11,116,165.47	Deposits—Others	66,673.12
Advances to Members.....	28,715,304.50	Accrued Interest Payable.....	47,767.96
Consolidated Obligations—Discount and Expense	7,999.93	Accounts Payable	484.24
Accrued Interest Receivable.....	51,216.87	Dividends Payable—January 8, 1948	111,377.24
Other Resources	995.64	*Consolidated Obligations Outstanding	20,000,000.00
Furniture and Equipment (Cost \$10,467.76)	1.00	**Capital Stock Subscriptions Paid In	14,982,050.00
	543,551,438.87	Surplus:	
		Reserves	\$1,585,281.21
		Undivided Profits	165,532.35
			1,750,813.56
			543,551,438.87

*Participation in \$261,700,000 Consolidated Federal Home Loan Bank Obligations issued by the Home Loan Bank Board and now outstanding, which are the joint and several obligations of the eleven Federal Home Loan Banks.

**On January 2, 1948, this Bank retired \$96,200.00 of its capital stock owned by the U. S. Government in accordance with Section 6(G) of the Federal Home Loan Bank Act.

Northwestern Banker, January, 1948

Thurman Arnold

Formerly Assistant Attorney General
of the United States

"RELUCTANTLY, with fear and misgiving, we are being forced into a vast project to furnish goods to starving peoples. The commitment seems too overwhelming to be possible of accomplishment. Yet the fear of Russian expansion has pushed us into the position of again being the arsenal of the democracies—except that it is an arsenal of food and production instead of weapons. We enter that period with a split personality—trying to return to the nineteenth century while we move forward in the twentieth. **Half of our economic thought is devoted to speculating when the next depression is coming.**

"Out of this confusion the new institutions of the twentieth century will finally emerge, as did those of the nineteenth century, not because we are able to plan them but because the dynamic energy and vigor of our people will burst the shackles of obsolete forms. **Today we realize that our responsibilities are not limited to national boundaries, that we must become the industrial leader of the world or perish.**

"An expansion of production and population such as the world has never known may bring back industrial freedom to the world. **America will hum like a top. This is the happy promise of the twentieth century revolution.**

"The Institutions and habits that stand in the way are dying. There is always insecurity and suffering at the bedside of a dying organization. The difference between 1929 and 1948 lies in the fact that today America realizes it has a job to do—a goal to attain. We have lost our sense of security. But it is out of insecurity that progress is born."—The End.

Promotions

Three home office promotions have been announced by Northwestern National Life Insurance Company of Minneapolis.

R. I. Jacobson, who joined the company as associate actuary last March, becomes actuary. A graduate of Luther College, Decorah, Iowa, he studied actuarial science at the University of Iowa. From 1933 to 1942 he was in the actuarial department of the Prudential and from 1942 to 1944 with the Colonial Life of New Jersey, successively as assistant actuary, associate actuary, and actuary.

T. L. Todd, claims representative since 1929, becomes claims manager. Mr. Todd helped develop the company's claim department to the point

where its own staff, under the general supervision of Vice President George W. Wells, Jr., handles all details in connection with death and disability claims.

Alan M. Kennedy, since 1942 assistant to the president and prior to that publicity manager, becomes director of public relations. Mr. Kennedy has been with the company since his graduation from the University of Minnesota in 1927. He is currently vice president of the Life Insurance Advertisers Association.

Tokyo Branch

Opening of a branch of the Bank of America in Tokyo, Japan, was announced by L. M. Giannini, president.

Y. J. Johnson, a veteran of Far Eastern banking, is manager of the new branch. He is assisted by Assistant Cashier Leonard Link, formerly of San Francisco.

Winthrop E. Davis, American teller, has been transferred from the bank's Manila branch, and ten Japanese clerks and tellers will complete the staff for the first few months.

We are pleased to announce our admission
to membership in

The Chicago Stock Exchange

T. C. HENDERSON & CO.
Investment Securities

Established 1930

Empire Building

Des Moines, Iowa

VIA THE GRAPEVINE

Comes now to our ears persistent rumors concerning plans afoot in banks to adopt Personalized Checks as an integral part of no-minimum-balance checking account systems. Some banks, of course, already have taken this step, but they are small in number whereas now many bankers in various sections of the country appear to be considering the change.

The grapevine also brings tales of bankers who are seriously considering merging their special accounts with their regular accounts . . . and again the use of Personalized Checks forms a part of the plans. Apparently, with the introduction of maintenance charges or higher item rates, some

banks feel that there isn't enough difference to warrant operating two checking plans in the one bank.

In any event, such plans—whether or not they ever materialize—make us feel somewhat more secure for having spent so much time preparing for the day when all checking account customers would use checks bearing their printed names. So, if your bank happens to have this question under discussion, pick your check printer carefully because not every shop knows how to handle lots of little orders. Big orders are easy, but after thirty-two years of specializing in little orders we have learned some things that didn't come out of the book.

De Luxe
CHECK PRINTERS
Inc.

Manufacturing Plants at:

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

GOOD HEALTH *and* PEACE of MIND

... a strong America needs both

Medical and allied sciences are making marvelous strides toward healthier, longer living—especially in the field of geriatrics, the science of helping older people enjoy life longer. But science recognizes that good physical health cannot long be enjoyed without peace of mind—a serene and balanced outlook that is proof against the stresses and strains of modern living.

Achieving peace of mind, like maintaining bodily health, is an *individual* problem. More and more the heads of America's 39 million families are turning to life insurance for sure

protection against the twin hazards of premature death and dependent old age. Through life insurance they have built a great and growing reservoir of financial security, essential to physical and mental well-being.

Northwestern National Life's 63d annual Financial Statement, symbolizing peace of mind for 275,000 policyowners, exemplifies the strength and soundness of life insurance which, to a unique degree, blends individual enterprise and the co-operative principle into a powerful force working for the good of all America.

63d Annual FINANCIAL STATEMENT December 31, 1947

RESOURCES		LIABILITIES	
U. S. Government Securities.....	(47.6%) \$74,045,567	Reserve on Insurance Policies.....	\$106,107,895
Other Bonds:		*Reserve on Annuity Contracts.....	9,485,460
Canadian Government Guaranteed... (.8%)	1,264,993	Death Claims Due and Unpaid.....	None
U. S. State, County, and Municipal... (.7%)	1,044,864	Claims for which Proofs are not Complete.....	658,150
Canadian Provincial..... (.9%)	1,420,537	*Present Value of Death, Disability, and Other Claims Payable in Instalments.....	11,125,293
Railroad Mortgage Bonds..... (5.7%)	8,849,072	*Premiums and Interest Paid in Advance and Premium Deposit Funds.....	9,339,115
Railroad Equipments..... (.3%)	526,865	*Reserve for Policy Dividends on Deposit and Declared for Payment in 1948.....	6,198,415
Public Utility..... (15.9%)	24,741,240	Reserve for Taxes Payable in 1948.....	437,457
Industrial..... (2.7%)	4,160,742	**Reserve for Employees' and Agents' Retirement	500,000
Stocks..... (1.0%)	1,574,152	Miscellaneous Liabilities.....	1,598,035
First Mortgage Loans and Loans Fully Guaranteed by Veterans Administration (15.4%)	23,936,826	Total Liabilities.....	\$145,449,820
Policy Loans..... (3.7%)	5,823,446	Voluntary Contingency Reserves and Surplus Funds for Further Protection of Policyholders:	
Home Office Building..... (.3%)	469,833	Special Contingency Reserves.....	\$3,803,511
Real Estate Sales Contracts..... (.2%)	318,962	General Contingency Reserve.....	1,000,000
Other Real Estate..... (.0%)	None	Additional Surplus Funds.....	3,179,033
Premiums in Course of Collection..... (2.0%)	3,097,970	Paid-in Capital.....	10,182,544
Interest Due and Accrued and Various Other Assets..... (.4%)	686,200	TOTAL.....	\$155,632,364
Cash on Hand and in Banks..... (2.4%)	3,671,095		
TOTAL..... (100%)	\$155,632,364	*Reserves on dividend deposits and proceeds of policies payable in instalments are valued at 2½% interest and on annuities accord- ing to the 2½% Standard Annuity Table, or stronger basis.	
		**Transferred from Special Contingency Reserve.	

Insurance in Force \$743,957,689

NORTHWESTERN *National* LIFE

INSURANCE COMPANY

MINNEAPOLIS 4
R.G. STAGG · PRESIDENT



MINNESOTA
O.I. ARNOLD · CHAIRMAN

For the past 23 years, N^WNL's complete annual Financial Statement, out January 1, has been the first published by any life insurance company.

Northwestern Banker, January, 1948

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Federal Reserve Bank of St. Louis

What To Do When the Prospect Won't Buy

How to Overcome Purchaser Resistance to the Sale of Automobile Coverage

By RAY J. BEECH
American Automobile Ins. Co.
St. Louis



RAY J. BEECH
"Rates Will Depend Upon Experience"

YOU likely have wondered if further automobile rate increases are in the offing, or perhaps have wished that maybe the near future holds promise of a rate reduction. As yet, it is too early to determine conclusively if the present rates are adequate or inadequate. On the one hand, the president of a reciprocal indicates that in his opinion the next few months will bring company requests for a reduction, that the peak has been reached and passed and that present rates may well prove to be redundant. He seems to be somewhat alone in his conclusions because other companies seem to subscribe to the recent report by the National Bureau—a study of 36 member companies shows that, had the present rates been in effect since the first of the year, and the same losses incurred, those companies would have lost money in the first six months of 1947. There is a faint glimmer of hope here though—the loss would have been small—and if we as a nation become just a little safety conscious, there is a fair chance of companies breaking even in 1947.

Promote Safety

Some results are being obtained by present safe driving activities, and the more you can add to those activities, the less likelihood there will be of further rate increases. People today are becoming somewhat "price-jittery," very conscious of the fact that the price of everything seems to be on an unending upward spiral. There is an undercurrent of price criticism from

insurance purchasers, which indicates that agents as a whole are not doing their job well enough when it comes to justifying the rates now being charged. Too many agents are not getting across the message that the driver of the automobile determines what premium is to be charged—and not the insurance companies. Apparently, in too many instances, insureds are comparing the rates they pay today with the rates they paid during the gasoline rationing period; their thinking must be led into a comparison of the costs today and costs before gasoline rationing, back to those days when there was a comparable driving hazard. When you do that, and add the many factors today that push rates up, purchaser resistance can be handled with ease.

Here is a comparison between the premium today and premium six years ago for a 1942 Chevrolet on September 10, 1941:

ACV comprehensive and \$50 deductible collision cost \$32 six years ago. Today these same coverages on the same car cost \$39—only \$7 more. When you say that the premium is \$7 more than it was on the same car six years ago, your insured likely comes back with the statement, "But my car is six years older now. Why isn't my insurance cost reduced accordingly?" They overlook the fact that if they went into the market to buy that 1942 Chevrolet today, they would pay just about as much for it as they did when it was new back in 1941. They overlook the fact that the premium must

be based on the replacement or repair cost of that machine. They forget that today it costs over twice as much to repair that car as it did back in 1941; replacement parts are still hard to get and their cost continues to advance. Trade papers reported last month that in the first five months of this year, there had been a further 68 per cent increase in the cost of making automobile repairs. A repair job that cost \$70 in 1941, today costs about \$175 with the same replacement parts.

Few Complaints on Homes

There hasn't been as much objection raised on dwelling fire insurance costs as there has been on automobile material damage; perhaps this is due in part to the fact that in dwelling fire, the purchaser sees so many hundreds of dollars more insurance in force, necessitated by today's higher replacement costs. Automobile insurance is on the actual cash value basis, so it would be advisable for you to translate that in terms of dollars in order to explain it to the layman. It would also be advisable to emphasize the fact that the increase in the market value of cars and the increase in the cost of repairs have been greater than the in-

Did you know there's a gap in your Cash Letter protection that you could "drive a truck through?" Ask us how to bridge it without costing you a cent.

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Scarborough & Company

Insurance Counselors



to Banks

Northwestern Banker, January, 1948

crease in the value of houses. These same reasons apply when you justify the premium on a 1947 Chevrolet, as against the 1941; the difference in premium is \$26—\$58 now as against \$32 five or six years ago.

While it is true that any future rate increase or decrease depends primarily

on how successful agents are in getting a real safety message across to insureds, it would be that developments beyond the control of insureds, agents and companies may force them up. Here are some facts to keep in mind: Some people hold the view that when credit controls are released, used car

prices will take another jump; repair costs—both labor and materials—are still going up; the 1948 models are expected to cost more than do similar models right now. Equipment in use will be getting older all the time, and new car production this year will be well under the five million units originally estimated, as against a demand for several times that figure. As a general rule, old equipment is more hazardous to insure for material damage, and age also enters into consideration when insuring B.I. and P.D.; right now, out of every 100 private passenger automobiles, 35 are 10 or more years old, 59 are from five to nine years old, and only six are less than five years old. Today, automobiles are used more than they ever were before; gasoline consumption is at an all time peak, and one only has to drive in the streets or highways to realize that cars are being driven faster, farther and more frequently than previously. Highway improvements are lagging far behind the growth of traffic and the need for improvements. In the network of major highways alone, about 34,000 miles of roadbed needs to be replaced; another 14,000 miles of two-lane highways should be made into four-lane and many thousands of miles of major highways are only 18 feet wide, and are considered obsolete—six feet too narrow to accommodate today's larger trucks and cars. This traffic problem will apparently get worse before it improves; there are 35½ million vehicles in use now; the previous peak was in 1941—34,383,000. New automobiles are coming on the road, and fewer older cars are going off. By 1950 the number of passenger cars alone is expected to pass 40 million, and it will be at least ten years before even the most important major highways are modernized.

Some agents have had trouble explaining the increase in the P.D. premium. In Des Moines the increase has been 68 per cent—from \$8 on September 10, 1941, to \$13.50 today. There has been a much greater increase than 68 per cent in the items that go into that total. The values today and the values in 1941 are used in justifying the increase. Most of the other factors mentioned also apply. The average P.D. claim has increased over 80 per cent already, and there seems to be very little chance of a let-up. The new designs of automobiles make for higher repair bills—fenders now include headlights, tail-lights and a substantial part of the body. Apparently the new models are going to continue to give emphasis to this trend. Henry Ford II recently stated that the new Ford model will entail a

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Secretary and Manager

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"ALLIED MUTUAL'S Farm Liability Policy Takes Care of Hi-way Tractor Risks And Helps My Farm Clients 3 Ways" Says the ALLIED MUTUAL AGENT

1. Assumes Farmer's liability for injury, death or damage to the public.
2. Assumes Farmer's liability for injury, death or damage to hired help.
3. Pays doctor bills up to \$250 for own injuries sustained on farm.

INVESTIGATE TODAY

ALLIED MUTUAL CASUALTY COMPANY

Harold S. Evans, President
Hubbell Building Des Moines 7, Iowa



greater change than there was from the Model T to the Model A.

Only a few comments have been raised on the bodily injury premiums. Even though the present B.I. premium is higher than the war emergency rate, it is still \$1.00 less than it was in September, 1941—\$20 then against \$19 now. The average B.I. claim cost today is 30 per cent higher than it was back in 1941. Practically every item that goes into determining the amount of a settlement is at its all-time peak today—wages, hospital and medical costs, the over-all cost of living. Inflation has unquestionably had its effect on verdicts, but in spite of that today you are selling broader coverage for a dollar less than you were six years ago in September of 1941. If you run into too much difficulty in justifying the P.D. increase, why not lump the B.I. and P.D. and talk about the increase of less than \$5.00 which is only 16 per cent?

If you will take the time to explain to your insureds why automobile premiums are higher now than they were last year, or during the war years, you can't help but explain how each driver through his actions adds to, or takes from, the pressure for further rate increases. The driver of the automobile controls the most important single element that determines rate requirements—the occurrence of accidents. If accidents are forced down, then premiums will inevitably follow that downward path. Perhaps you noticed the publicity given the fact that fatalities are down 9 per cent from last year.

It is true that the number of deaths is lower, but this is the only good feature in an otherwise dismal picture. The accident frequency is higher, and loss payments are higher; a greater number of people have been injured and more property has been damaged, so the decrease in fatalities has been more than offset by the unfavorable aspects.—The End.

On Planning Council

Glenn E. Carter of Los Angeles, assistant vice president of the Bank of America and national vice president of the American Public Relations Association, has been named to the plan-

ning council of the First International Public Relations Institute which will be held on the campus of American University, Washington, D. C., May 24th through 27th.

This first international conclave of public relations executives from various parts of the world will be staged in conjunction with the annual convention of the American Public Relations Association.

Brave Recruit

Sailor: You aren't getting seasick, are you?

Recruit: Not exactly, but I'd sure hate to yawn.

Why Advertisers Put the Northwestern Banker at the Top of Their List

1. Oldest financial publication west of the Mississippi (now in its 53rd year).
2. A leader in publishing field surveys on banking problems.
3. Unsurpassed both in appearance and editorial contents.
4. The dominant banking publication in the rich mid-west area it serves.

• • •

NORTHWESTERN BANKER

527 SEVENTH STREET

DES MOINES

Clifford De Puy, Publisher

(Publishers also of UNDERWRITERS REVIEW . . . IOWA-NEBRASKA BANK DIRECTORY . . . DES MOINES INSURANCE TELEPHONE DIRECTORY)

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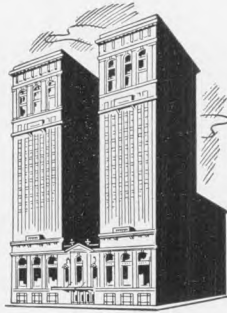
**CENTRAL STATES MUTUAL
INSURANCE ASSOCIATION**

Mt. Pleasant, Iowa

E. A. HAYES, President

O. T. WILSON, Secretary

Established 1929



Statement of Condition

as at December 31, 1947

First National Bank of Minneapolis

RESOURCES

Cash and Due from Banks	\$137,472,026.49
United States Government Securities	147,275,564.18
Other Bonds and Securities	16,131,125.01
Loans and Discounts	95,280,878.43
Accrued Interest and Accounts Receivable	869,026.92
Customers' Acceptance Liability	518,029.00
Bank Premises and Furniture and Fixtures	190,445.60
Other Real Estate (For Future Development of Banking Premises)	553,753.75
Other Assets	66,686.40
	\$398,357,535.78

LIABILITIES

Capital Stock	\$ 6,000,000.00
Surplus	11,000,000.00
Undivided Profits	3,161,660.07
General Reserve for Contingencies	1,760,762.68
Reserve for Interest, Expenses, Taxes, etc.	2,927,376.48
Acceptances and Letters of Credit	518,029.00
Other Liabilities	254,301.43
Demand Deposits	\$322,243,203.85
Time Deposits	50,492,202.27
Total Liabilities	\$398,357,535.78

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Henry E. Atwood, *President*
Atherton Bean, *Executive Vice President,*
International Milling Co.
Russell H. Bennett, *Treasurer,*
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S. T. McKnight Co.
Howard I. McMillan, *President,*
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United States Government obligations and other securities carried at \$60,947,125.00 in the foregoing statement are deposited to secure public funds and for other purposes required by law.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION • AFFILIATED WITH FIRST BANK STOCK CORPORATION



JOHN CARLANDER
President
Faribault

Minnesota NEWS



ROBERT E. PYE
Secretary
Minneapolis

Freeborn County Meeting

A. J. Lageson, cashier, State Bank of Clarks Grove, Minnesota, was elected president of the Freeborn County Bankers Association at a dinner meeting held recently at the Hotel Albert in Albert Lea.

Other officers named were B. A. Miller, cashier, Citizens State Bank of Glenville, vice president; Glen Emmons, assistant cashier, First National Bank of Emmons, secretary-treasurer. E. A. Champion, cashier of the First National Bank of Albert Lea, is the retiring president.

Thirty bankers and guests were present at the meeting. A round-table discussion highlighted the affair.

Arthur L. Egge

Arthur L. Egge, 63, pioneer banker and civic leader in Hibbing, Minnesota, died at Hibbing General Hospital of a pulmonary hemorrhage last month.

Mr. Egge was president of the Merchants and Miners Bank. He had been active as treasurer of the St. Louis County Fair Association; in the Chamber of Commerce and in the Duluth Shrine.

Purchase Warren Bank

The Peoples State Bank of Warren, Minnesota, became a locally owned institution last month when the stock owned by the Northwest Bancorporation was sold to a group of business men and farmers from Warren, Alvarado and Oslo, according to Geo. C. Magoris, president.

The bank was organized in 1926 when the Union Investment Company of Minneapolis, together with a group of local residents, opened the institution for business, with Mr. Magoris in charge as cashier.

The published statement as of October 6, 1947, showed deposits of \$2,263,865, with the total footings reaching \$2,379,729.

There is no indication that management of the bank will be changed, but will be continued with the present staff in charge. The board of directors of the bank was to be reorganized at the annual meeting of the corporation to be held earlier this month, said Mr. Magoris.

Northfield Changes

Fred W. Riegger, president of the Northfield National Bank and Trust Company, has announced his resignation from that position. He will join the staff of First Service Corporation of Minneapolis, operations affiliate of First Bank Stock Corporation.

Mr. Riegger has been president of the Northfield National since September, 1945, going there from Benson, Minnesota.

Kenneth A. Kramer of Austin was elected to succeed Mr. Riegger as president and a director of the Northfield National at a December meeting of the board of directors.

Succeeding Mr. Kramer as cashier of the First National is Ward D. Dwight of Minneapolis, who was elected at a meeting of the bank's board of directors held last month.

Mr. Kramer was elected cashier of the First National Bank of Fairmont in 1935 and the following year joined the examining staff of First Service Corporation. Since 1939 he has been cashier of the First National Bank of Austin.

To Grey Eagle Bank

A. J. Rhoda, for many years identified with banking circles in Long Prairie, Minnesota, and of recent years living in Seattle, Washington, has been named cashier of the State Bank of Grey Eagle. He will succeed August N. Anderson, who has resigned and who is returning to his home in Clarissa.

Willard Lindquist, assistant cashier, has continued with the institution since its purchase two months ago.

In New Building

The Farmers State Bank of Hamel, Minnesota, is meeting its customers in a brand new building, recently completed, which boasts the very latest in modern improvements and efficient banking services.

For serving the public the main banking room has a counter finished in blond wood. Private offices and directors' room are in the rear.

H. J. Dorweiler has been president of the bank for the past 28 years, and C. O. Dorweiler is cashier.

Heads Rush City Bank

H. R. Hommedal, formerly of Rochester, Minnesota, became associated with the State Bank of Rush City, as president last month. Mr. Hommedal is a banker of varied experience, having been engaged in the banking business for over twenty-nine years, both in Minnesota and in South Dakota. He has been associated with the Union National Bank at Rochester for the past ten years. H. R. Hommedal, Jr., will be employed by the bank.

C. H. Sommer was elected chairman of the board. Mr. Anderson will remain as vice president.

Arthur O. Rortvet

Arthur O. Rortvet, 49, former cashier of the Hills, Minnesota, Exchange State Bank, died in Blue Earth last month of pneumonia. He is survived by his widow and two daughters.

Benson Banker Honored

Oluf Gandrud, president of the Swift County Bank, Benson, Minnesota, was re-elected vice president of the Ninth Federal Reserve District Association of Agricultural Credit Companies at their annual convention in St. Paul last month.

Mr. Gandrud is now in his second term in the position as vice president of the credit association which represents Minnesota, North Dakota, South Dakota, Montana, Wisconsin and part of Michigan. He is president of the Swift County Agricultural Credit Association. Elmer Erickson, president, Cambridge State Bank of Cambridge, Minnesota, will serve again as president of the organization.

Observe Anniversary

The 45th anniversary of the City National Bank of Duluth, Minnesota, was observed last month at the firm's annual Christmas party in Hotel Duluth.

Honored was Herman C. Matzke, bank president and director, who has been associated with the organization since it was established December 15, 1902.

Highlight of the party attended by the bank's employes, directors and officers was presentation of a gold watch to Mr. Matzke in behalf of the staff by A. E. Wheeler, a bank director.

Named Vice President

E. T. Sletten, president, announced last month that Marshall Weimar, St. Paul, had been elected vice president of the Freeborn County National Bank in Albert Lea.

Mr. Weimar was formerly president of the Minnesota Safe Deposit Association.

Mrs. C. H. Berge

Mrs. Clara S. Berge, 51, wife of Clarence H. Berge, president of the Citizens State Bank, Brainerd, Minnesota, died last month in Minneapolis. Mrs. Berge had been ill three months.

Heads Duluth Auditors

George Macaskill, Duluth, Minnesota, has been elected president of the Duluth Conference of the National Association of Bank Auditors and Comptrollers, succeeding Clyde Sullivan, Superior, Wisconsin.

Sells Hardwick Interest

E. A. Grunklee, cashier, has sold his interest in the Hardwick State Bank to G. P. Bauman, cashier of the Luverne National Bank in Luverne, Minnesota.

Moves to Winnebago

R. L. Krause has resigned his position with the Peoples State Bank of Truman, Minnesota, and has taken over duties as vice president of the First National Bank in Winnebago. Mr. Krause has bought a large number of shares in the controlling stock of the bank from G. M. Seaberg, the president of the Winnebago bank.

Elected Assistant Cashier

Election of James E. Dorsey, Jr., as an assistant cashier of First Edina State Bank, Minneapolis, Minnesota, was announced last month by Alfred E. Wilson, president. He has been on the bank's staff since February, 1947, previously having been associated with First Minnehaha National Bank for a year.

Other First Edina officers are: Malcolm B. McDonald and Arthur M. Rolfnes, vice presidents; E. W. Oredson, cashier, and Thomas C. Jackson, assistant cashier. The bank is affiliated with First National Bank of Minneapolis and First Bank Stock Corporation.

Retires as Mayor

After 25 years of public service in the village of Long Lake, Minnesota, Kenneth M. Bollum, whose second term as mayor expired last month, is retiring from public office.

An official in village government for 25 years, Mr. Bollum was successively assessor, treasurer, clerk (for four terms) and mayor for two terms.

Mr. Bollum is vice president and cashier of the State Bank of Long Lake and held various offices in the Rural Hennepin Bankers Association and has been president of the North Shore Game and Fish Club.

Interest Rates Up

A further increase in the rate of interest on Bank of America savings accounts has been authorized by the board of directors, according to announcement by L. M. Giannini, president of the bank.

For the semi-annual period commencing January 1, 1948, interest will be paid on savings account balances up to \$10,000 at the rate of 1½ per cent per annum, compared with the rate of 1¼ per cent established a year ago when Bank of America reversed the downward trend of savings interest with an increase of 25 per cent. The new rate represents an increase of 50 per cent over the rate applying in 1946.

Interest on that portion of a savings account which exceeds \$10,000, heretofore paid at the rate of 1 per cent per annum, will be increased to 1¼ per cent. To receive the interest, such excess funds must be continuously on deposit for the full semi-annual period.

Dividend

The board of directors of Mercantile-Commerce Bank and Trust Company, St. Louis, have declared the regular quarterly dividend of \$2.00 per share, payable January 2, 1948, to stockholders of record December 19, 1947.

FIRST AND AMERICAN NATIONAL BANK

1879

OF DULUTH, MINNESOTA

1948

STATEMENT OF CONDITION, DECEMBER 31, 1947

RESOURCES

Cash on Hand and Due from Banks.....	\$18,026,697.05
United States Government Securities.....	35,902,484.00
Municipal Securities.....	1,772,026.90
Other Bonds and Securities.....	3,121,679.53
Loans and Discounts.....	15,644,290.45
Federal Reserve Bank Stock.....	120,000.00
Banking House.....	1.00
American Exchange Property.....	1.00
Interest Earned but Not Collected.....	177,097.58
Overdrafts.....	692.69
	\$74,764,970.20

LIABILITIES

Capital Stock.....	\$2,000,000.00
Surplus.....	2,000,000.00
Undivided Profits.....	973,842.49
Reserves.....	845,350.00
Total Capital Accounts.....	\$ 5,819,192.49
Reserve for Interest, Taxes and Expenses.....	274,136.25
Discount Not Earned.....	81,078.16
Deposits:	
Demand.....	\$45,451,630.24
Time.....	21,462,536.85
U. S. Government.....	1,676,396.21
Total Deposits.....	68,590,563.30
	\$74,764,970.20

OFFICERS

WILLIS D. WYARD
President
WILLIS A. PUTMAN
Vice President, Banking Dept.
EDWARD L. PALMER
Vice President, Trust Department

BANKING DEPARTMENT

EMMONS W. COLLINS
Vice President
J. DANIEL MAHONEY
Vice President
ROBERT W. HOTCHKISS
Vice President
HUBERT U. MOORE
Vice President
SYLVESTER T. STRAIN
Cashier
WILLIAM K. ALFORD
Assistant Vice President
WILLARD F. ARIO
Assistant Vice President

HARRY W. GOOCH
Assistant Cashier
WALTER L. FREDRICKSON
Assistant Cashier
EARLE J. ANDREE
Assistant Cashier

MORTGAGE AND INSTALLMENT LOAN DEPARTMENT

L. REX HATTEN
Vice President
WALTER L. GRANDY
Assistant Vice President

TRUST DEPARTMENT

CHESTER D. SEFTENBERG
Vice President
VERNON K. FALGREN
Trust Officer
ARTHUR M. OVENTILE
Assistant Trust Officer
MORRIS S. KNUDSEN
Assistant Trust Officer

JOHN L. EVANS
Auditor
F. RUDOLPH JACOBSON
Assistant Auditor
JOSEPH C. JORGENSEN
Chief Clerk

DIRECTORS

CECIL C. BLAIR
Vice President, Norris Grain Co.
W. B. CASTLE
ALEX D. CHISHOLM
Partner, Pickands Mather & Co.
ROBERT CONGDON
Mining
STUART B. COPELAND
President, Northwest Paper Co.
A. H. CRASSWELLER
Attorney At Law
HIRAM A. ELLIOTT
President, Elliott Packing Co.
HENRY LA LIBERTE
President, Cutler-Magner Co.

CHARLES F. LISCOMB
President, Liscomb-Hood Co.
J. DANIEL MAHONEY
Vice President
ROBERT S. MARS
President, W. P. & R. S. Mars Co.
WALTER R. MCCARTHY
President, Capitol Elevator Co.
EDWARD L. PALMER
Vice President and Trust Officer
J. F. PARKER
President, Rust-Parker Grocery Co.
GEORGE H. SPENCER
Director, Marshall-Weiss Co.
HARRY B. STOKER
Vice President, F. H. Peavey & Co.
ADAM G. THOMSON
President, Kelly-How-Thomson Company
WILLIS D. WYARD
President
HARRY W. ZINSMASER
President, Zinsmaster Bread Co.

Member Federal Deposit Insurance Corporation

Statement of Condition

December 31, 1947

RESOURCES

Cash and Due from Banks	\$126,446,307.09
U. S. Government Obligations*	128,643,659.02
Other Bonds and Securities*	17,505,312.75
Loans and Discounts	108,179,707.74
Stock in Federal Reserve Bank	450,000.00
Customers' Liability on Acceptances	822,112.54
Income Earned but not Collected	816,452.27
Banking House	3,200,000.00
Other Resources	68,189.10
Total Resources	\$386,131,740.51

LIABILITIES

Capital Stock	\$ 5,000,000.00
Surplus	10,000,000.00
Undivided Profits	1,607,927.74
Reserve for Contingencies	4,302,893.97
Reserve for Interest, Taxes, etc.	1,303,754.99
Income Collected but not Earned	834,963.08
Letters of Credit and Acceptances	822,112.54
Deposits	362,260,088.19
<i>(Deposits include U. S. Government War Loan Account \$2,092,617.70)</i>	
Total Liabilities	\$386,131,740.51

*United States Government and other securities carried at \$41,401,989.09 are pledged to secure U. S. Government War Loan Deposits and other public funds and trust deposits and for other purposes as required or permitted by law.

Northwestern 
National Bank of Minneapolis *Minneapolis 2, Minnesota*

DIRECTORS

JAMES F. BELL <i>Chairman, Committee on Finance and Technological Progress, General Mills, Inc.</i>	G. NELSON DAYTON <i>President, The Dayton Company</i>	FRANK P. LESLIE <i>Vice President and Treasurer, The John Leslie Paper Co.</i>	D. J. STROUSE <i>President, Twin City Rapid Transit Company</i>
BENTON J. CASE <i>Director, Janney, Semple, Hill & Company</i>	STEPHEN P. DUFFY <i>President, Hall Hardware Company</i>	ROBERT F. PACK <i>Chairman of Board, Northern States Power Company</i>	HAROLD W. SWEATT <i>President, Minneapolis-Honeywell Regulator Company</i>
CLARENCE R. CHANEY <i>Vice Chairman of Board, Northwestern National Bank of Minneapolis</i>	JOHN B. FAEGRE <i>Faegre and Benson, Attorneys</i>	JOHN S. PILLSBURY <i>Chairman of Board, Pillsbury Mills, Inc.</i>	HAROLD H. TEARSE <i>Vice President and General Manager, Searle Grain Company</i>
GEORGE B. CLIFFORD, JR. <i>Treasurer, The Cream of Wheat Corporation</i>	FRANK T. HEFFELFINGER <i>Chairman of Board, F. H. Peavey and Co.</i>	JOSEPH F. RINGLAND <i>President, Northwestern National Bank of Minneapolis</i>	J. CAMERON THOMSON <i>President, Northwest Bancorporation</i>
JOHN CROSBY <i>Director, General Mills, Inc.</i>	F. PEAVEY HEFFELFINGER <i>Executive Vice President, F. H. Peavey and Co.</i>	LUCIAN S. STRONG <i>President and Treasurer, The Strong Scott Manufacturing Co.</i>	VALENTINE WURTELE <i>President, Minnesota Linseed Oil Paint Company</i>
THOMAS L. DANIELS <i>President, Archer-Daniels-Midland Company</i>	CLARENCE E. HILL <i>Chairman of Board, Northwestern National Bank of Minneapolis</i>		

Member Federal Deposit Insurance Corporation



Twin City News

THE Farmers and Mechanics Savings Bank has announced that **Charles P. Clifford** has returned to Minneapolis to join its executive department. Mr. Clifford has been with the navy as a civilian employe since 1945, and from 1934 to 1943 he managed the Minnesota Mine at Empire, Colorado. He lives at Minnetonka Beach.

J. Cameron Thomson, president of Northwest Bancorporation, discussed federal budgets and tax policy before a meeting in Minneapolis of the Twin City chapter of the National Association of Cost Accountants last month.

Paul Hoffman, chairman of the Council of Economic Development spent one morning recently in conference with the following Minneapolis bankers: **Clarence E. Hill**, chairman, Northwestern National Bank; **J. Cameron Thomson**, president Northwest Banco; **Arnulf Ueland**, president, Midland National; **Henry E. Atwood**, president, First National, Minneapolis; and **Joseph F. Ringland**, president, Northwestern National Bank.

A mural painting telling the story of wheat has been placed on a wall of the **Federal Reserve Bank** of Minneapolis. The artist is **John Socha** of Minneapolis.

"Leadership Clinics" sponsored by the Minneapolis chapter, A. I. B., were held during November and December at the First National Bank, Minneapolis.

Francis A. Gross golf course is the name chosen for the municipal golf course recently purchased by the Minneapolis Park Board from Armour & Company. Mr. Gross, who is a retired vice president of Northwestern National Bank, has been a member of the park board almost continuously since 1910.

M. O. Grangaard, vice president, First National Bank, Minneapolis, and

vice president, Minnesota Bankers Association, is convalescing from a recent operation.

The Northwestern National Bank through its Home Institute Club, sponsored the appearance in Minneapolis of **Mrs. Dorothy Liebes**, nationally known weaver and designer of fabrics. Mrs. Liebes spoke to an overflow crowd of 700 and praised the work of the Home Institute in promoting better housing.

Eight delegates from the Twin Cities to the 36th annual convention of the Investment Bankers Association of America at Hollywood, Florida, early in December were **Lud C. Vobayda**, assistant vice president, investment department, First National Bank, Minneapolis; **James S. Graham**, Allison-Williams Co., Minneapolis; **J. M. Dain** of J. M. Dain & Co., Minneapolis; **Harold E. Wood** of Harold E. Wood & Company, St. Paul; **Win Molander**, investment department, Northwestern National Bank, Minneapolis; **B. B. Knopp**, investment department, First National Bank, St. Paul; **William S. Macfadden**, Piper, Jaffray & Hopwood, Minneapolis; and **Donald E. McFarland**, Minneapolis office of Kalman & Company.

The firm name of the St. Paul investment house of Park-Shaughnessy & Company was changed recently to **Shaughnessy & Company, Inc.** Members of the firm are **Lawrence E. Shaughnessy**, **Wendell Harper**, **George G. Grace**, and **Paul Baumgartner**.

Charles C. Massie, 75, president of Northrup King and Company, seed firm, and a director of the Northwestern National Bank, died at his home in Minneapolis last month. Mr. Massie had been ill for nearly two years.

James F. Bell, a director of Northwestern National Bank and Northwest Bancorporation, has resigned as chairman of the board of directors of General Mills Inc. **Harry Bullis**, presi-

dent of the company, was named to succeed Mr. Bell and **Leslie N. Perrin**, executive vice president was named president. Mr. Bullis is a director of Northwest Bancorporation. Mr. Perrin was elected a director of the First National Bank of Minneapolis last summer.

William B. Bell, assistant comptroller of Northwest Bancorporation died last month at the age of 58. A graduate of De LaSalle high school, Mr. Bell joined the First National Bank in 1912. He was comptroller of the Metropolitan National Bank from 1920 until it was consolidated with the Northwestern Bank in 1930. He was made auditor of Northwestern Bancorporation in 1932 and became assistant comptroller last January.

R. S. Banfield, vice president of the First National Bank of Minneapolis, has been elected to the board of directors of the Geo. A. Hormel Company, Austin, Minnesota.

Grace Griffec, secretary to **J. Cameron Thomson** since 1942, has been elected assistant secretary of Northwest Bancorporation, the first woman to be so honored. Under President Thomson she was in charge of female personnel. **Gilbert Falk**, manager of the credit department, also was elected assistant secretary.

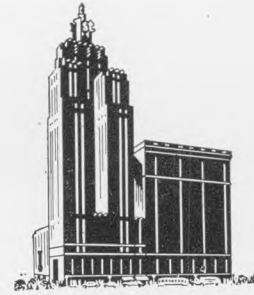
Paul B. Bremicker, Jr., has joined the St. Paul firm of Caldwell Phillips Company. Mr. Bremicker recently completed an executive training course at Smith, Barney and Company in New York and while there was instrumental in forming the Junior Investment Bankers and Brokers Association. This organization started with 25 members and soon jumped to a membership of 225, representing 80 investment houses.

Howard E. Ritt, cashier of Highland Park State Bank, was awarded a bronze star with a "V" for heroic action on Okinawa. Major Robert Wil-

The FIRST NATIONAL BANK of Saint Paul

Statement of Condition

December 31, 1947



RESOURCES

Cash and Due from Banks	\$ 93,741,724.06
U. S. Government Securities	116,426,976.38
Other Bonds and Securities	10,000,716.27
Loans and Discounts	102,537,200.08
Accrued Interest and Accounts Receivable	815,630.17
Customers' Acceptance Liability	14,267.48
Bank and Office Buildings	2,300,000.00
	\$325,836,514.44

LIABILITIES

Capital Stock	\$ 6,000,000.00
Surplus	11,000,000.00
Undivided Profits	2,690,100.98
General Reserve for Contingencies	1,345,289.08
Reserve for Interest, Expenses, Taxes, etc.	1,397,114.68
Acceptances and Letters of Credit	14,267.48
Other Liabilities	183,994.33
Deposits	
Demand	\$256,876,357.10
Time	46,329,390.79
	303,205,747.89
	\$325,836,514.44

United States Government obligations carried at \$60,523,712.23 in the foregoing statement are deposited to secure public funds and for other purposes required by law.

RICHARD C. LILLY, *Chairman, Board of Directors*

PHILIP L. RAY, *Chairman, Executive Committee*

JULIAN B. BAIRD, *President*

DEPARTMENT of BANKS and BANKERS

Wallace L. Boss, *Vice President* Lloyd L. Leider, *Assistant Cashier*

Elmer M. Volkenant, *Assistant Vice President* Donald L. Smith, *Representative*

Lee A. Sauer, *Assistant Cashier* Donald W. Buckman, *Representative*

Member Federal Deposit Insurance Corporation

DIRECTORS

JULIAN B. BAIRD, *President*
The First National Bank

HAROLD P. BEND
Bend-Southall Sleepack Co.

EMMETT BUTLER, *President*
Butler Brothers

NORRIS K. CARNES, *General Manager*
Central Co-Operative Association

CHARLES F. CODERE, *President*
St. Paul Fire & Marine Ins. Co.

EDWARD B. COSGROVE, *President*
Minnesota Valley Canning Co.

HAROLD J. CUMMINGS, *President*
Minnesota Mutual Life Insurance Co.

ALBERT H. DAGGETT, *President*
National Battery Co.

E. W. DAVIS, *President*
Wood Conversion Co.

CHARLES E. DENNEY, *President*
Northern Pacific Railway Co.

E. T. FOLEY
Foley Brothers

FRANK J. GAVIN, *President*
Great Northern Railway Co.

MILTON W. GRIGGS, *President*
Griggs, Cooper & Co.

WILLIAM HAMM, JR., *President*
Theo. Hamm Brewing Co.

LOUIS W. HILL, JR., *Vice President*
Arthur Iron Mining Co.

RICHARD C. LILLY, *Chairman,*
Board of Directors
The First National Bank

WM. L. McKNIGHT, *President*
Minnesota Mining & Mfg. Co.

JOHN A. OACE

I. A. O'SHAUGHNESSY, *President*
Globe Oil & Refining Co.

PHILIP L. RAY, *Chairman,*
Executive Committee
The First National Bank

PAUL A. SCHILLING, *President*
Waldorf Paper Products Co.

HAROLD O. WASHBURN, *President*
American Hoist & Derrick Co.

F. K. WEYERHAEUSER, *President*
Weyerhaeuser Sales Co.

Celebrate First 75 Years



JOSEPH F. RINGLAND, left, president of the Northwestern National Bank, Minneapolis, and **Edward W. Decker**, president of the bank from 1912 to 1934, look at pictures of buildings the institution has occupied during its first 75 years.

Opening in Minneapolis in 1872, the **Northwestern National Bank** is celebrating its 75th anniversary year, and has just recently mailed to its stockholders and many customers an elaborate and informative brochure which records the history of the bank, and the many prominent individuals who were, and still are, responsible for its growth and success.

Mr. Decker joined the Bank as a messenger boy in 1887, and during the 22 years of his presidency of the institution, the Northwestern National enjoyed its greatest growth and expansion.

Mr. Ringland was elected president of the Northwestern National Bank in 1945.

Williams, commanding officer of the St. Paul army recruiting office at the Midway Club, made the award.

Election of **Samuel P. Adams**, vice president, First National Bank of Fergus Falls, Minnesota, as a director of First Bank Stock Corporation was announced by **Augustus H. Kennedy**, president, following a recent meeting of the corporation's directors.

Mr. Adams previously served as a director of the corporation in 1932 and

1933. He now returns to the board to fill a vacancy created by the resignation of his father, **Elmer E. Adams**, president of the First National Bank of Fergus Falls, who had served on the First Bank Stock Corporation board since 1934.

Eight Officers Promoted

Year-end promotion of eight officers of First National Bank of Minneapolis was announced by Henry E. Atwood, president.

Included in the changes was the advancement of Cecil A. Burnham to the position of vice president. Formerly associated with the Minneapolis Trust Company, which merged with the First National in 1933, he has served as an officer of the latter since 1942 and most recently has been an assistant vice president.

Four men promoted to assistant vice presidents are Arthur M. Rolfnes, who joined the bank in 1925 and has been assistant cashier since 1938; Philip H. Nason, assistant cashier since 1943 and formerly with First Service Corporation, operation affiliate of First Bank Stock Corporation; George S. Henry, who came to the First National as an assistant cashier in 1945 from Ironwood, Michigan, and Lyman E. Wakefield, Jr., assistant cashier since 1945 and formerly with the First National Bank of St. Paul.

In addition, the three men who have served as managers of First National Bank's neighborhood offices since 1934, were given the title of vice president and manager. They are William E. Neudeck of the St. Anthony Falls Office; Bernard W. Lohmar, North Side Office, and Clarence G. Haberland, West Broadway Office. All have been associated with First National Bank in their respective communities twenty-five years or longer.

NEWS AND VIEWS

(Continued from page 24)

Lawrence River, which you can see for miles in either direction.

Just along the edge of this hill and immediately in front of the hotel is a boardwalk "a la Atlantic City."

The Chateau was built 52 years ago and looks like an old French castle on the outside with modern and up-to-date service on the inside.

Just off the boardwalk and at the north end you can take an elevator down to "Lowertown" Quebec, where the French working people live. We went down there one day for a 40c luncheon at the **Cafe Canadien** and enjoyed it very much.

Quebec has a population of about 190,000 people of which 95 per cent are French-Catholics and the other 5 per cent are English Protestants. There are only two negro families in the entire city.

Saint Anne De Beaupre is the famous Catholic Shrine 21 miles from Quebec and which dates back to 1658, and many people make pilgrimages to **The Miraculous Fountain**, which is in front of the Memorial Chapel, believing that faith in its water can help cure numerous diseases.

One part of the church is filled with

SPECIAL OFFER

Accident Insurance, \$5000 Principal Sum for only \$2.00 Paid Up in Full to the Middle of next June.

MINNESOTA COMMERCIAL MEN'S ASSOCIATION

2550 Pillsbury Ave. So.

Minneapolis 4, Minnesota

discarded crutches, braces for arms and legs and other equipment which have been put aside by members of the Catholic Church who have come there and apparently received healing.

The Isle D'Orleans is about 6 miles from Quebec and here you find the real spirit of French Canada little changed from the early days. Old houses, windmills, ox teams of the oldtime French Canadians are still used as they continue their everyday rural life. The island has been made famous by writers, poets, painters and photographers.

While some people from "The States" believe in trying to "Drink Canada Dry," we saw very few of them succeeding in their efforts, and as a matter of fact, most of the good Scotch whiskey already has been shipped to the United States, where it can be sold at a higher price.

In Boston, we visited again Durgin-Park, the famous eating place which was "established before you were born" and "where your great-grandfather dined a century ago."

This famous place is located in the shadow of Faneuil Hall and when you enter, you are seated at a long table with dozens of other customers. The red and white checked dining cloths are still in evidence, and as one famous writer has described it: "Durgin-Park's chowders, New England boiled dinners, freshly-baked Johnny cake and apple pan dowdy make 400,000 patrons a year thread their way through a maze of market trucks, past dangling sides of beef, along sidewalks blocked with vegetable crates and up worn stairs to a barnlike, tin ceilinged room-kitchen and dining room in one. Bulbs dangling from cords light the place."

One Sunday in Boston we attended the services at the Old South Church where we heard Reverend Frederick Meek preach a very wonderful sermon. Dr. Meek had been our pastor at the Plymouth Congregational Church in Des Moines and is now in the leading Congregational church in the United States.

Since our column seems to be getting pretty "religious" this month, perhaps we should give you a report on the most recent chain letter which is now going round the country. Here it is:

"This chain letter started in Reno in the hope of bringing relief and happiness to tired business men.

"Unlike most chain letters, this does not cost any money. Simply send a copy to five equally tired male friends,

then bundle up your wife and send her to the fellow at the top of the list.

"When your name comes to the top of the list, you will receive 16,716 women. Have faith! Do not break the chain! One broke it and got his own wife back.

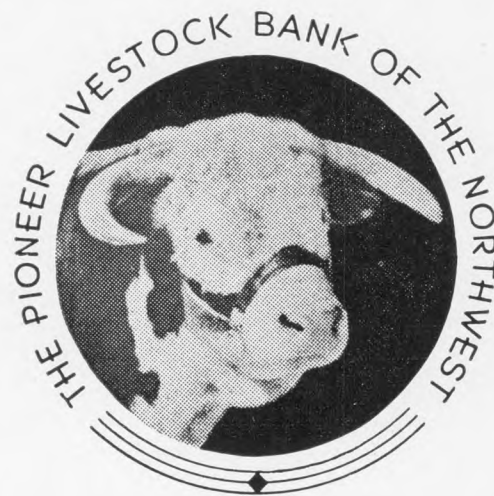
Sincerely yours,
Tommy Manville,
Errol Flynn,
Charlie Chaplin
Howard Hughes"

In speaking of churches, no one visiting Boston should fail to see the Mapparium in the Christian Science Publishing House, which shows the world in colors on the interior of a

30 foot globe composed of 608 glass panels, lighted by 300 lights placed outside. Electric clocks at the equator line give comparative time throughout the world. The globe is viewed from a glass bridge running through the center.

Charles M. Nelson, vice president and cashier of the Northern Trust Company of Chicago, has an unusual hobby. He loves to ride in the cab with the engineer of a streamlined train.

Mr. Nelson has ridden diesel engines, streamlined steam engines, and almost every type of modern locomotive. He finds the big thrill is going



Statement of Condition December 31, 1947

RESOURCES

Loans and Discounts.....	\$ 3,341,109.22
Vaults and Fixtures.....	1.00
Interest Earned Not Collected.....	70,660.36
U. S. Gov't Obligations.....	\$10,292,394.10
Other Bonds and Securities.....	1,174,951.13
Cash and Due from Banks.....	6,154,188.87
	17,621,534.10

TOTAL.....\$21,033,304.68

LIABILITIES

Capital	\$ 250,000.00
Surplus	500,000.00
Undivided Profits and Reserves.....	230,838.98
Reserved for Interest, Expenses and Taxes.....	101,906.76
Interest Collected Not Earned.....	11,439.70
Deposits	19,939,119.24

TOTAL.....\$21,033,304.68

The Stock Yards National Bank

South Saint Paul, Minn.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

around curves or entering a tunnel. In either instance he says, one is not too sure just where the locomotive is going.

Robert J. Richardson, president of the Federal Home Loan Bank of Des Moines, gave a courtesy breakfast last month for Robert E. Lee Hill, chairman of the board of the Bank and secretary of the Missouri Bankers Association, and as Bob puts it "Most likely to be the next governor of Missouri."

Mr. Hill lives in Columbia, Missouri, the home of the nationally famous

Boone County hams, and these were used as the "Piece de Resistance" for the breakfast menu.

Ellsworth Change

E. L. Olson of Marquette, Minnesota, assumed his new duties as assistant cashier at the Ellsworth State Bank, Ellsworth, Iowa, recently. Due to the increasing amount of business handled by the Ellsworth bank it was found necessary to acquire additional help in order to adequately serve the many customers.

Mr. Olson is married and the father of two children. He has been affiliated

with the bank at Marquette since 1940 and was assistant cashier there for the past two years since his discharge from the Army.

Elected Vice President

John H. Millikin was elected vice president of Bankers Trust Company, New York, by the board of directors, it was announced by S. Sloan Colt, president. At the same time G. F. Taylor was made an assistant vice president, and eight others were elected to official positions.

Mr. Millikin, who was previously an assistant vice president, is in charge of administration in the bank's corporate trust department.

Others elected are: H. P. Allen, assistant treasurer; R. L. Buquet, assistant treasurer; G. R. Byam, assistant trust officer; H. J. Cochran, Jr., assistant trust officer; E. H. Eckfeldt, Jr., assistant secretary; J. W. Fiske, Jr., assistant treasurer; C. L. Maurer, assistant treasurer, and J. C. Swayze, assistant secretary.

WHO TOLD YOU THESE FAIRY TALES?

(Continued from page 26)

well-being it has produced to make us the envy of the world now and for 150 years before.

Men with ideas and perseverance, men who can successfully spread those ideas over the efforts of others to make those efforts more effective—those men are leaders and managers.

Men with the sense and character and courage to live within their means and to save something, pretty much regardless of income—those men are the investors who back management's ideas with the equipment that "lengthens men's arms."

A too-common idea—imported from abroad—is to group these leaders and savers into one small class as very undesirable characters who should be destroyed in the interests of the other class which is made up of all the rest of the population.


If you eliminate these leaders and savers—by regulation or other method of destroying incentive to do good for others—watch progress come to a standstill here, as it has wherever this has been tried elsewhere.—The End.

Science Marches On

Two men left a movie theater, distaste showing in their faces. "Movies have certainly made a remarkable advance during the last few years," one remarked.

"How's that?"

"Well, first they were silent; then they developed sound; and now this one smells."



REPORT OF THE CONDITION OF
The Live Stock National Bank
SIOUX CITY, IOWA

At the close of business December 31, 1947

RESOURCES	
Loans and Discounts.....	\$ 3,882,286.78
United States Bonds and Notes.....	13,735,180.95
Municipal Bonds	766,048.93
Other Bonds and Securities.....	597,838.92
Federal Reserve Bank Stock.....	24,000.00
Interest Earned, Not Collected.....	78,893.10
Cash on Hand and Due from Banks.....	12,504,534.31
	\$31,588,782.99

LIABILITIES	
Capital Stock	\$ 400,000.00
Surplus	400,000.00
Undivided Profits	128,591.49
Reserve for Contingencies.....	137,550.62
Reserves for Interest, Taxes, etc.....	75,094.78
Interest Collected, Not Earned.....	15,587.98
Deposits	30,431,958.12
	\$31,588,782.99

OFFICERS

CARL L. FREDRICKSEN President	MARK A. WILSON Vice President	WILLIAM G. NELSON Vice President
WILLIAM C. SCHENK Asst. V. 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	

THE

LIVE STOCK NATIONAL BANK

OF SIOUX CITY, IOWA

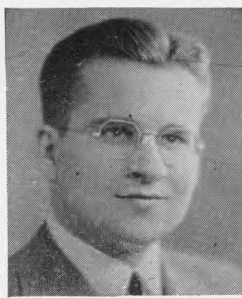
The Bank at the Yards

Member Federal Deposit Insurance Corporation



South Dakota NEWS

A. E. DAHL
President
Rapid City



GEORGE M. STARRING
Secretary
Huron

Resigns as Secretary

George M. Starring, secretary of the South Dakota Bankers Association, has resigned his position, effective the first of this month. Mr. Starring is the son of George A. Starring, chairman of the board of Greater South Dakota Association.

Mrs. Lois Halvorsen, who directed activities of the office of secretary-treasurer while Mr. Starring was in service, will assume duties of the office until the association's executive council can meet to select a replacement. A. E. Dahl, president of the association, said the meeting would be held this month.

New Type Loans

Two insured farm mortgage loans which are among the first of their kind in this part of the United States were closed in Kingsbury and Clark counties, South Dakota, last month. E. R. Arneson, Sioux Falls, state director of the Farmers Home Administration, announced.

The loans, similar to the direct 40-year 3½ per cent loans made by the government through the Farmers Home Administration for the past 10 years, may be made by any private lender and are fully guaranteed by the government.

B. A. Oestreich

B. A. Oestreich, 79, a pioneer of the West River country of South Dakota and vice president of the Bank of Lemmon, died last month at his home in Dubuque, Iowa.

Mr. Oestreich came to Lemmon in 1922 after having lived in Bowdle and Chance. While in Lemmon he conducted a grocery and produce store. Mrs. Oestreich died about a year ago.

Resigns at Alcester

After 30 years service at the State Bank of Alcester, South Dakota, Decoort Hammitt, author of "Hail! South Dakota," official state song, and director of the Alcester Band, has resigned as assistant cashier. He has made no announcement of his future plans other than that he will visit his children in California.

Roger McKellips, who is graduating from the University of Kansas in mid-year, and who is majoring in Business Administration, will return to Alcester with his family in early February, and he will begin work in the State Bank of Alcester with his father, E. F. McKellips, who is executive vice president.

Show 11 Month Gain

The Ninth Federal Reserve District reported recently that bank debits for South Dakota the first 11 months of 1947 were 128 per cent of the same period last year.

The total for 17 cities was \$1,884,673,000, compared with \$1,472,643,000.

Chamberlain showed the greatest gain, with 162 per cent of last year. The percentage for other cities included Aberdeen 129, Deadwood 114, Huron 136, Lead 108, Madison 103, Mitchell 133, Mobridge 136, Pierre 140, Rapid City 137, Sioux Falls 127, Watertown 126, and Yankton 121.

Rapid City Meeting

Officials of the First National Bank of the Black Hills met in Rapid City, South Dakota, last month to discuss business policies.

Attending from out of town were John Ryan, Lead; Ralph Mattson, Hot Springs; C. O. Gorder, Deadwood; Dewitt Malvin, Belle Fourche; George Milne, Sturgis; W. E. Dickey, Spearfish, and Oscar Folgerberg, Newell.

Robert E. Driscoll, Sr., bank president, presided. An informal dinner followed the meeting.

Mrs. Ida Jarmuth

Mrs. Ida Jarmuth, wife of L. T. Jarmuth, president of the First National Bank of Miller, South Dakota, died recently at her home after an extended illness.

Doland Bank Host

Redfield, Mellette, Conde, Turton, Clark and Doland were the towns represented recently at a banquet served by the Security State Bank of Doland, South Dakota, to the Spink County House Association.

Following the banquet a business meeting was held, with L. L. Mann, vice president and cashier, Clark County National Bank of Clark, in charge. Harry Wood of Redfield and B. J. McCartney of Sioux Falls were guests.

Vice President at Brookings

Curtis A. Lovre, manager of the Brookings branch of the Northwest Security National Bank of Sioux Falls, South Dakota, since 1943, was designated a vice president of the parent organization at a recent meeting of the board of directors of the bank in Sioux Falls. He will remain in charge of the Brookings bank.

Change Bank Name

The Farmers State Bank of Westport, South Dakota, has received permission from the Department of Banking to change its name to the Security Bank. The change in name was officially approved at a recent meeting of the bank board.

Sioux Falls News

○ A. BRAY, assistant cashier of the Northwest Security National Bank, was elected secretary of Sioux Falls Chapter No. 2, R. A. M., and was elected treasurer of Minnehaha lodge No. 5 A. F. & A. M., at the annual business meetings of those local Masonic bodies. John O. Barton, vice president of the bank, was elected trustee for three years of Granite lodge No. 18, Knights of Pythias. Adolph Lodmell, vice president and assistant trust officer of the same institution, was reelected secretary-treasurer of the Sioux Falls board of Realtors.

C. A. Christopherson, former member of Congress and chairman of the board of the Union Savings Bank, told a High 12 club meeting that another war would black out civilization. He said there is too much war talk.

Officers and employees of the National Bank of South Dakota and their families enjoyed a pre-Christmas party in the Cataract hotel ballroom. A buffet dinner, dance and gift exchange marked the occasion.

Frank Cinkle, cashier and vice president of the National Bank of South Dakota, was elected to the board of managers of the Cosmopolitan club.

The Sioux Valley Bank and the Harrisburg branch officers and employees and their families met at the Cottage for a Christmas dinner. About 25 were in attendance.

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 January 1, 1948, to stockholders of record December 23, 1947.

Dinner Conference

Sound and conservative installment lending policies will be the theme of the afternoon program of the Mid-Winter Conference and Dinner of the Illinois Bankers Association to be held at Hotel Jefferson in St. Louis, Missouri, Thursday, January 22, 1948,

according to Association President George C. Williams, president of the State Bank and Trust Company of Evanston.

The entire program will be under the sponsorship of the installment lending division of the association and Division President Bartholomew O'Toole, president of the Pullman Trust and Savings Bank, Chicago, announces that the program for the meeting is now complete.

The keynote speech opening the meeting will be given by O. B. Cottle, vice president of the Merchandise National Bank of Chicago, on the subject, "What Is Installment Lending?" wherein he will define the limitations

and responsibilities of commercial banks in the field.

Assistant Trust Officer

F. Leland Carpenter has joined Mississippi Valley Trust Company, St. Louis, as an assistant trust officer. He will be assigned to probate matters.

Mr. Carpenter received his B.A. degree at Washington University and after attending Harvard Law School, remained in the practice of law until 1931 when he joined the legal staff of the Farm Credit Administration. He served in the legal department of the probate court from 1937 to January 1, 1942, when Judge Glendy B. Arnold appointed him clerk of the court.

Promotions

The board of directors of the City National Bank and Trust Company of Chicago, at their December meeting elected P. J. Drexler, formerly auditor to assistant vice president; W. E. Harrison, formerly assistant auditor to auditor; Lyle W. Bartelson and Frank T. Fitzgerald to assistant cashiers.

Promotions

William B. Nauts and Charles J. Seidl, both officers of the bank relations department of Central Hanover Bank and Trust Company, New York, have been promoted to assistant vice president.

Other promotions announced by Central Hanover are: Vice presidents, Robert M. Lovell and Kenneth S. Walker, and assistant vice presidents, W. L. Barnard, J. P. Flynn, Edward M. Henry, Dwight A. Horne, W. H. Miller, H. A. Streller, Gilbert H. Weale and G. A. Wolf.

New Officers

Directors of California Bank elected three vice presidents and eight assistant vice presidents at their regular December meeting.

Elected vice presidents were G. M. Chelew, personnel director of the bank; J. Magoffin, head of the bank's Sixth and Grand Office, and R. A. Reid, in charge of the Long Beach office.

The newly-elected assistant vice presidents are Francis Bowen, investment department; H. G. Bunjes, comptroller's department; Glenn B. Gossett, Bell Office; Arthur G. Kane, investment department; W. E. Palmer, Beverly Hills Office; Claude M. Sebring, San Pedro Office; Leo E. Smith, Atlantic-Whittier Office, and J. B. Thompson, Santa Monica Office.

STATEMENT OF CONDITION

NORTHWEST SECURITY NATIONAL BANK

of Sioux Falls, South Dakota

South Dakota's Leading Bank

December 31, 1947

RESOURCES

Cash on Hand, in Federal Reserve Bank, and	
Due from Banks and Bankers.....	\$12,202,323.80
U. S. Government Obligations.....	24,939,283.26
State and Municipal Bonds.....	908,809.42
Other Bonds and Securities.....	1,558,648.72
	<hr/>
Stock in Federal Reserve Bank in Minneapolis.....	\$39,609,065.20
Overdrafts.....	45,000.00
Loans and Discounts.....	4,822.55
Banking Houses.....	9,159,748.86
Includes Banking Houses at Sioux Falls, Brookings, Chamberlain, Dell Rapids, Gregory, Huron and Madison, all clear of encumbrance.	247,500.00
Interest Earned but Not Collected.....	153,247.95
TOTAL.....	\$49,219,384.56

LIABILITIES

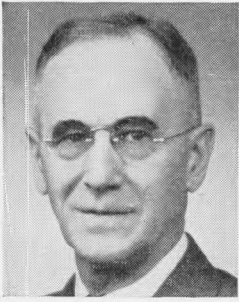
Capital Stock—Common.....	\$ 500,000.00
Surplus.....	1,000,000.00
Undivided Profits and General Reserves.....	453,151.43
	<hr/>
Reserve for Interest, Taxes, and Other Expenses.....	\$ 1,953,151.43
Interest Collected but Not Earned.....	144,111.26
Deposits:	34,998.43
Time.....	\$ 7,239,170.67
Demand.....	39,308,674.30
U. S. War Loan.....	539,188.47
	<hr/>
Other Liabilities.....	\$47,087,033.44
	90.00
TOTAL.....	\$49,219,384.56

BRANCHES AT

BROOKINGS. CHAMBERLAIN. DELL RAPIDS.

GREGORY. HURON. MADISON

*Affiliated with Northwest Bancorporation
Member Federal Deposit Insurance Corporation*



F. A. FOLEY
President
Rolla

North Dakota NEWS



C. C. WATTAM
Secretary
Fargo

Resigns at Devils Lake

Pat Traynor has resigned as assistant cashier of the First National Bank in Devils Lake, North Dakota.

Although his plans for the future are indefinite, he expects to visit in Fargo, Minneapolis and St. Cloud for several weeks.

Mr. Traynor, the son of Mr. and Mrs. F. J. Traynor of Devils Lake, attended the University of North Dakota for two and a half years. He left the university after suffering a back injury in a car accident and after recovering was employed as bookkeeper in the First National Bank in Devils Lake for two years. He then entered the navy and saw action in the Pacific and Atlantic Theaters. Following his discharge as a lieutenant, junior grade, he returned to his position with the Devils Lake bank and a year ago was named assistant cashier.

On North Dakota Board

F. A. Foley, retired Rolla banker and president of the North Dakota Bankers Association, has been appointed a member of the North Dakota Board of Administration.

Governor Fred G. Aandahl appointed Mr. Foley to an 18-month term which began January 1st to replace the late Mark I. Forkner. Mr. Forkner had been chairman of the board from 1939 until his death recently.

Graduate of a Missouri high school and a Quincy, Illinois, business college, Mr. Foley came to Cando with his parents in 1889. He entered the Rolla bank in 1903 and retired in 1946.

Mr. Foley has been for 20 years a director of the Greater North Dakota Association and served as vice president for 15 years.

J. O. Engesather

John O. Engesather, president of the Citizens State Bank in Petersburg, North Dakota, and prominent in North Dakota Sons of Norway lodge circles since 1916, died at his home last month on his 87th birthday.

He was treasurer of the Supreme lodge of the Sons of Norway for many years and previously had served as president and secretary of the Fourth

District lodge embracing North Dakota, Montana and the prairie provinces of Canada.

Mr. Engesather homesteaded in Dahlen township in Nelson county after coming to the country in 1883. He was born in Sogsnal, Norway, December 17, 1860.

He helped organize the Farmers State Bank in Petersburg in 1906.

Survivors in addition to his wife are two sons, Henry of Petersburg, and William, of Los Angeles.

Banks Change Hands

Ben Meier of Napoleon, North Dakota, has purchased the controlling stock in the Bank of Hazelton from G. A. Klefstad, who in turn has purchased Mr. Meier's stock in the Stock Growers Bank in Napoleon.

Mr. Meier and Mr. Klefstad had purchased the Napoleon bank from Bancorporation three months ago.

The Hazelton bank has an exchange at Strasburg. Mr. Meier will continue to make his home in Napoleon, at least for the present.

Returns From Orient

William Stern, president of the Dakota National Bank, Fargo, North Dakota, and a director of Northwest Airlines, returned last month after a visit of several weeks in the Orient, including stops at Shanghai, Tokyo, in Korea, and at Manila.

During the flight from Shanghai to the Twin Cities, Mr. Stern talked at length with Dr. Carsun Chang, a Chinese political leader who had been a delegate to the United Nations meeting in San Francisco, and who was en route to Washington to confer on his nation's new constitution, patterned in part after the U. S. constitution.

Mr. Stern acted as adviser to Dr. Chang while in the Orient on his second visit.

Mark I. Forkner

Mark I. Forkner, 67, prominent Langdon and Bismarck, North Dakota, business man, died unexpectedly at his home last month. Mr. Forkner was

a director and vice president of the Northwestern Bank in Langdon and was chairman of the state board of administration during the past eight years. Mr. Forkner was a newspaper publisher for most of his life, although he devoted a great deal of time to public duties at the insistence of local and state officials.

Mr. Forkner is survived by his wife, two daughters and one son.

Approve Stock Increase

The North Dakota State Banking Board has approved a \$10,000 increase in the common stock of the Bank of Southwest Fargo, R. S. See, secretary, revealed recently.

The increase boosted the common stock to \$25,000.

New Director

Irving Trust Company announces the election to its board of directors of I. J. Harvey, Jr. He is president of Flintkote Company, one of the leading manufacturers and distributors in the United States and Canada of roofing and other building materials, as well as insulating board, paper-boards, timber and petroleum products.

A native of California, Mr. Harvey was graduated from the University of California in 1917. After service in World War I, in which he was commissioned as a pilot in the Air Force, he was sales manager for Shell Oil Company of California. He joined Flintkote Company in 1930 and was elected its president in 1934. Besides his directorship in his own company, Mr. Harvey is a director of The Lehman Corporation, a member of the advisory board of the American Mutual Insurance Company and a director of Children's Village, which is sponsored by the Westchester County Children's Association.

Trust Conference

Developments in the field of trust administration, which have become of tremendous importance under present-day conditions, will be discussed at the 29th Mid-Winter Conference of the Trust Division of the American Bankers Association, to be held at The Waldorf-Astoria in New York on February 9th, 10th and 11th. The advance program for the conference was announced by R. M. Alton, president of the division, and vice president in charge of trust department, United States National Bank, Portland, Oregon.

During the five conference sessions, nationally known authorities will discuss various aspects of present-day business as well as problems of trust administration and operation.

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SOUND BANKING SERVICE



Complete Correspondent Facilities

The
UNITED STATES
National BANK of Omaha
 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



J. O. PECK
President
Columbus

Nebraska NEWS



CARL G. SWANSON
Secretary
Omaha

Federal Reserve Director

I. R. Alter, president of the First National Bank, Grand Island, Nebraska, was notified last month of his election as a director of the Omaha branch, Kansas City Federal Reserve Bank. The election is for a two-year term. R. B. Caldwell is chairman of the board of the Omaha branch. The appointment came as a complete surprise to the Grand Island banker.

In New Bank Building

The Minden Exchange National Bank, Minden, Nebraska, last month moved into its new building with an informal opening. The bank was founded in 1883 by F. R. Kingsley, father of the present president, Fred R. Kingsley, and his brother, George P. Kingsley.

Officers and directors of the bank are Andrew Jensen, vice president; A. C. Hove, cashier; Richard K. Armstrong, assistant cashier, and Arthur Jensen, director.

Doubles Capital

The paid-up capital of the Franklin State Bank, Franklin, Nebraska, has been doubled, Banking Director J. F. McLain reported last month.

The capital has been increased from \$25,000 to \$50,000. T. R. Blank is president of the bank and Perry L. Slocum is cashier.

Nelson Man Promoted

Lee Clabaugh, an employe of The Commercial Bank, Nelson, Nebraska, for the past year and a half, was named assistant cashier at a recent meeting of the bank's directors.

Stock Increases

The Nebraska Bankers Association has reported the following information in the most recent issue of the *Record*, all changes as of December

15, 1947, according to the state banking department:

	Amt. of Increase	Present Capital
Farmers State Bank, Aurora...	\$14,000	\$ 50,000
State Bank, Benkelman.....	15,000	50,000
The Bridgeport State Bank, Bridgeport	20,000	50,000
Nebraska State Bank, Broken Bow	15,000	50,000
Bank of Chadron, Chadron...	50,000	100,000
Chambers State Bank, Chambers	9,000	25,000
American Exchange Bank, Elmwood	12,500	37,500
Filly Bank, Filly.....	10,000	20,000
Geneva State Bank, Geneva...	7,500	142,500
Farmers State Bank, Millard.	12,500	37,500
Bank of Mullen, Mullen.....	25,000	50,000
South Omaha Savings Bank, Omaha	25,000	75,000
Farmers Bank, Prairie Home.	5,000	15,000
The Ravenna Bank, Ravenna.	25,000	50,000
State Bank of Riverdale, Riverdale	10,000	25,000
Nebraska State Bank, South Sioux City	35,000	85,000
Bank of Verdigre, Verdigre...	12,500	37,500

August C. Beckmann

August C. Beckmann, 98, well-known retired banker of Garland, Nebraska, died in a Lincoln hospital recently.

Born near Garland, he had lived his entire life in that vicinity. He retired from banking about ten years ago.

Saunders County Election

The annual meeting and banquet of the Saunders County Bankers Association was held at Wahoo, Nebraska, last month. The banquet was served at the City Cafe after which the annual meeting was held in the First National Bank.

The following officers were elected for the coming year:

President, Emil E. Wolf, North Bend; vice president, Emerson Erway, Mead, and secretary-treasurer, E. C. Brodd, Wahoo.

J. L. Kurdna of Wahoo and Fred Wagner of Ithaca were elected to serve on the executive committee.

Resigns County Post

James Olsen, treasurer of Howard county for the past nine years, has submitted his resignation to the Howard county board of commissioners, and

has taken a position in the St. Paul National Bank, St. Paul, Nebraska.

Platte Valley Election

George Monson, cashier, Overland National Bank, Grand Island, Nebraska, was elected president at a meeting of the Platte Valley Regional Clearing House Association at the Yancey Hotel. He will succeed Cecil Tooley, Central City.

Other officers elected for the coming year were F. J. Cleary, vice president and cashier, First National Bank, Grand Island, vice president, and F. E. Slusser, cashier, Bank of Clarks, secretary-treasurer.

Phil Easterday, chairman of the First National Bank in Lincoln, spoke on banks' investments in government bonds, speaking especially with reference to policies of banks in this district toward investments and government securities.

A. H. Koop

Funeral services were held in Lincoln, Nebraska, last month for Amel H. Koop, 77, president of Midwest Savings and Loan. His death came suddenly in a hospital at Rochester, Minnesota, where he had gone to consult the Mayo Clinic.

Heads Osmond Club

J. B. Adkins, Osmond State Bank president, was elected to replace Phil Beckwith as president of the Osmond, Nebraska, Community Club. Mr. Beckwith had asked to be relieved of his duties as had Acting Secretary Richard Adkins. The secretarial position was filled by the election of Vernon Kreycik, Osmond Oil Company manager. C. H. Albers was elected vice president, succeeding M. T. Liewer.

Robert Miller

Funeral services were held at Hayes Center, Nebraska, for Robert Miller, 62, Hayes Center banker, who died last month at his home from a heart attack. He had been ill about a week, but appeared to be recovering until the fatal attack.

In 1916 he entered the Frenchman Valley Bank of Palisade as cashier. In 1923 he moved to Hayes Center and became associated with the First National Bank. He was cashier of this bank from 1923 to 1945, when he became president, and continued as such until his death.

Did you know that this company has specialized in Bank Insurance since 1919—that it has the *inside view* on Bank Insurance problems? Consult us freely at any time.

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Scarborough & Company

Insurance Counselors



to Banks

Northwestern Banker, January, 1948

Don't Sell Government Bonds

SUGGESTING clear thinking and common sense on the part of bankers, P. R. Easterday, chairman of the board of the First National Bank of Lincoln, Nebraska, in a letter to correspondents of the bank, comments on the present unsettled condition of the government bond market as follows:

"The effective control by the Federal Reserve Board over the securities market has been clearly demonstrated in the last few weeks.

"On the expressed opinion that the increasing loan extensions by commercial banks was adding to the inflation-

ary base by the resulting increase in deposits, various steps were taken by the board to tighten bank credit for the purpose of restricting such loans.

"The natural result of this was to depress the market on all classes of investment securities. This included government securities, although in a much lesser degree than other types of investment.

"As a protection to government bond holders, a 'pegged' price has been placed on practically all government bond prices which if maintained by the Federal Reserve Board would pre-

vent quotations below par. As you know, the monetary authorities in Washington have repeatedly stated that the long term rate of 2½ per cent would be maintained.

"The fluctuating market in government bonds as a result of their action has created a certain amount of confusion in the minds of many bond investors.

"This, therefore, is the time to do a little clear thinking, and some common sense reasoning.

"In the first place, from our observation of bond portfolios, there is no justification for any Nebraska banker being disturbed in any way regarding his government bond holdings.

"Certain facts can well be considered at this time.

"Every bank in Nebraska will continue to be a very large holder of governments for the indefinite future.

"What deposit decline, if any, may occur from present totals will be moderate, and even this could be of a very gradual nature. Regardless, therefore, of any such moderate decline, or some possible loan increase, it is a perfectly safe assumption that you will need to permanently continue to invest a very large proportion of your funds in bond investments.

"For this purpose there is no better investment in the world than United States bonds, and you can rely on this.

"For a substantial portion, therefore, of your government holdings, you should consider yourself as an investor, as that is exactly what you are.

"Fluctuations, up or down, in market quotations, which usually apply to the longer holdings, should in no way be disturbing. It in no way affects the yield basis at which purchased. Your amortization takes care of your premiums, and your bonds will be at par at maturity—and they will be paid.

"Neither a few points above your cost price nor a few points below the cost should justify a sale. In spite of any market fluctuations that may occur up or down, these quotations will approach par as the maturity of the bond approaches.

"Most banks will need the better income produced from reasonable holdings of the longer issues, and before one seriously considers disposal of such bonds, it is well to bear in mind that in the great majority of such cases, bankers will be subsequent re-



AS the sound judgment and unremitting watchfulness of the pioneer cattlemen created new wealth and resources for the West, so have those same qualities helped the Inter-State grow throughout the years . . . a growth that has never faltered in more than a half-century of progress.

CONDENSED STATEMENT

At the Close of Business December 31, 1947

RESOURCES

Cash and Due from Banks	-----	\$36,439,998.42	
U. S. Government Securities	-----	14,077,882.46	
Other Securities	-----	4,547,039.62	\$55,064,920.50
Loans and Discounts	-----		18,250,243.29
Stock in Federal Reserve Bank	-----		75,000.00
			\$73,390,163.79

LIABILITIES

Capital	-----	\$ 1,250,000.00	
Surplus	-----	1,250,000.00	
Undivided Profits	-----	1,267,421.31	
Reserved for Contingencies	-----	400,000.00	\$ 4,167,421.31
Reserved for Taxes, etc.	-----		33,500.00
Deposits	-----		69,189,242.48
			\$73,390,163.79

THE INTER-STATE NATIONAL BANK

LIVESTOCK EXCHANGE BLDG. 16TH. AND GENESEE STS.

Kansas City Missouri



Member Federal Deposit Insurance Corporation

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

purchasers of such issues. It is not conservative to endeavor to guess market fluctuations.

"We have examined many bond portfolios of Nebraska banks, and we know of no bank that will have any need to dispose of any longer bonds held, by reason of deposit decline or loan demand. We know no reason why any Nebraska banker should take either a profit or a loss out of his bond account, through undue concern on account of present bond unsettlement.

"These fluctuating situations have occurred several times in the recent years, and those banks who have ignored such situations and just let the interest accrue, have profited in their earnings.

"Your other earning assets are the ones to which you can well afford to give your serious consideration.

"This, we believe, is clear thinking and just common sense."—The End.

60th Anniversary

The First National Bank of Chadron, Nebraska, celebrated its 60th anniversary last month, with "business as usual," C. F. Coffee, president, stated.

The bank had its beginning through the nationalization of the firm Richards Brothers and Brown, bankers, which firm was organized in Chadron in 1885. The charter was granted by the Comptroller of the Currency of the United States, December 16, 1887.

Present officers and directors of The First National Bank include: C. F. Coffee, president; C. F. Coffee, III, vice president; J. V. Webster, vice president and cashier; Edwin D. Crites and Charles W. Keal, directors, and Dave A. Hylle and Dan J. Fenton, assistant cashiers.

CONDENSED STATEMENT FIRST NATIONAL BANK IN ST. LOUIS

At the Close of Business, December 31, 1947

RESOURCES

Cash and Due from Banks	\$148,217,904.27
U. S. Government Securities	143,549,177.32
Loans and Discounts	179,552,017.38
Other Bonds and Stocks	10,041,888.82
Stock in Federal Reserve Bank	612,000.00
Banking House, Improvements, Furniture and Fixtures	317,303.30
Other Real Estate Owned	881,002.00
Customers' Liability a/c Letters of Credit, Acceptances, etc.	1,365,923.47
Accrued Interest Receivable	951,580.89
Overdrafts	16,825.20
Other Resources	4,234.35
	\$485,509,857.00

LIABILITIES

Capital Stock	\$ 10,200,000.00
Surplus	10,200,000.00
Undivided Profits	7,546,245.73
Dividend Declared, payable February 27, 1948	300,000.00
Reserve for Taxes, Interest, etc.	1,442,032.57
Unearned Discount	295,335.13
Liability a/c Letters of Credit, Acceptances, etc.	1,373,733.47
Other Liabilities	1,005.29
Demand Deposits	\$390,293,322.30
Time Deposits	58,518,088.56
U. S. Government Deposits	5,340,093.95
Total Deposits	454,151,504.81
	\$485,509,857.00



St. Louis' Largest Bank

Member Federal Deposit Insurance Corporation

First National Bank of Omaha

Oldest National Bank From Omaha West

Member Federal Deposit Insurance Corporation



JOHN R. LAURITZEN, assistant cashier of the First National Bank of Omaha, has become president and a director of the Emerson (Iowa) State Bank. He bought control of the bank from **L. H. Vardaman**. Mr. Lauritzen also is a director of the North Side Bank of Omaha.

Miles C. Blazek, for 14 years a banker at Howells, Nebraska, has been named cashier of the Emerson bank. He formerly was associated with the Omaha Branch of the Federal Reserve Bank.

When Burlington Railroad directors met in Omaha recently for the first time in 12 years, the board declared a dividend of \$3 a share, bringing the year's total to \$6. It is the 86th consecutive year that the Burlington has

paid a dividend. Most of the stock is held by the Great Northern and Northern Pacific Railroads.

The directors' meeting was attended by three railroad presidents—**Ralph Budd** of the Burlington, **Charles E. Denney** of the Northern Pacific and **Frank J. Gavin** of the Great Northern.

Among other directors who attended was **H. M. Bushnell**, president of the United States National Bank of Omaha.

Oscar Heline of Marcus, Iowa, has been re-elected for a three-year term as a director of the Farm Credit Board of Omaha, **General Agent N. G. Kraschel**, former Governor of Iowa, announced.

Mr. Heline has held the post continuously since 1942. He owns a 330-

acre farm in Cherokee County, Iowa, and is president of the Iowa Farmers' Grain Dealers' Association.

Laurence M. McCague, Omaha investment banker, has been named district chairman of Amherst College's Second Century Campaign for \$2,000,000. He was graduated from Amherst in 1917.

The Federal Land Bank of Omaha has announced payment of a special 15 per cent dividend totaling \$1,596,416 on its capital stock. The payment brings total dividends on stock in 1947 to 31 per cent.

The dividend went to 200 co-operative National Farm Loan Associations in Iowa, Nebraska, South Dakota and Wyoming, owners of stock in the Land Bank. In turn, most of the Associations will pass on part of the dividend to their 36,200 member-stockholders. The balance will be added to Association reserves.

Previous payments in 1947 included a special 10 per cent dividend in January and the regular 6 per cent dividend in June.

The engagement of **Miss Barbara Jane Mallory**, daughter of **Mr. and Mrs. Richard H. Mallory** of Omaha, to **Robert Alexander** of Park Ridge, Illinois, was announced recently. The bride-to-be's father is vice president of the United States National Bank. She was a Princess in the 1947 Ak-Sar-Ben Coronation. She attended Northwestern University, where she joined Kappa Kappa Gamma Sorority. A late spring wedding is planned.

Mr. and Mrs. Victor B. Caldwell, Jr., of Omaha have announced the engagement of their daughter, **Miss Mercedes (Mimi) Caldwell**, to **William Brewster Loring** of Omaha, son of Mr. and Mrs. Louis P. Loring. Miss Caldwell's father is vice president of the United States National Bank. She is a granddaughter of Mrs. Victor B. Caldwell, Sr., of Omaha. She attended Brownell Hall at Omaha and Radcliffe College and was graduated from the University of Nebraska, where she joined Kappa Kappa Gamma Sorority. Until last July, Miss Caldwell was with the Conde Nast Publications in New York City.

Miles McFayden, 57, secretary of the

AT YOUR SERVICE

The First National Bank St. Joseph, Missouri

George E. Porter, President
R. E. Jones, Jr., Vice President
J. D. McCaskey, Vice President
Jno. J. Walsh, Assistant Vice President
V. P. Meyer, Assistant Vice President
Walter Canter, Cashier
L. A. Walker, Assistant Cashier
J. M. Ford II, Assistant Cashier
Graham Porter, Assistant Cashier

Member Federal Deposit Insurance Corporation

BANKS Bought and Sold
Confidentially and with becoming dignity
BANK EMPLOYEES PLACED
43 Years Satisfactory Service
CHARLES E. WALTERS CO.
OMAHA, NEBRASKA

National Company of Omaha 15 years, died recently at an Omaha hospital. Previously, he was associated with the old City National Bank of Omaha and had been secretary of the Bankers' Mortgage and Loan Company. He is survived by his wife.

At the annual meeting of the Covered Wagon Council, Boy Scouts of America, in Omaha, **J. Clifford Rahel**, Omaha investment banker, was elected president of the Council. He succeeds C. A. Abrahamson, Omaha insurance executive.

Stephen J. Wirtz, assistant cashier of the Omaha National Bank, was elected treasurer of the Council.

When Kettle Day was held for the Salvation Army at Omaha, **A. J. (Jack) Rhodes**, assistant cashier of the Omaha National Bank, served as Yule activities chairman. Mr. Rhodes is a Salvation Army Board member. Six civic clubs took part in the Kettle Day drive.

When **E. C. Sharp**, manager of the real estate department of the First National Bank of Omaha, celebrated his Golden Wedding recently with Mrs. Sharp, the Bank gave the couple a set of gold tableware for eight.

Mr. and Mrs. David F. Davis of Omaha recently became grandparents. A son was born to their son-in-law and daughter, Mr. and Mrs. George Downing, at Cincinnati, Ohio. Mrs. Downing is the former Nancy Davis. **David F. Davis** is vice president of the Omaha National Bank.

Richard H. Mallory, vice president of the United States National Bank of Omaha, has been elected president of His Majesty's Council of the Knights of Ak-Sar-Ben. He succeeds M. L. Champine. The Council is an auxiliary group to the Board of Governors.

Five thousand dollars each was willed to the children of **Mr. and Mrs. J. Francis McDermott** under the will of Bernard J. Wickham of Omaha and Council Bluffs, who died recently. Mr. McDermott is vice president of the First National Bank of Omaha. Mrs. McDermott is the former Emma Nash of Omaha.

Five thousand dollars also was willed to Boys Town.

Mrs. Richard H. Young has been elected president of the Children's Memorial Hospital Board of Trustees in Omaha to succeed **Robert H. Hall**, who has served during the past year. Linn P. Campbell was re-elected vice president. Mr. Hall is executive officer

of the North Side Bank of Omaha and Mr. Campbell is president of the Byron Reed Company.

Henry Karpf, president of the Live Stock National Bank of Omaha, was elected to the Board of Trustees.

Dale Clark, president of the Omaha National Bank, is finance chairman for the Hospital.

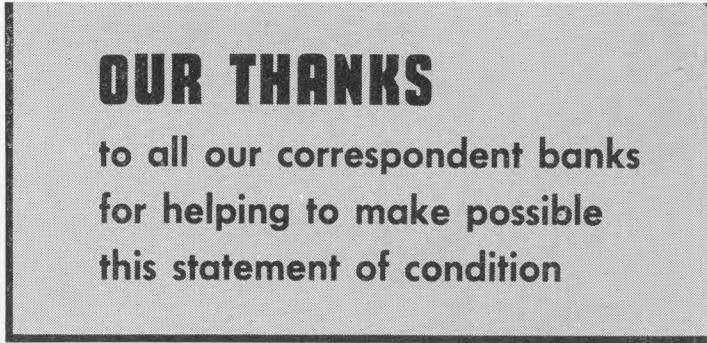
John Changstrom, vice president of the Omaha National Bank, has sold his residence at 2332 South Thirty-second Avenue, to Dr. R. H. Kraft.

George F. Ashby of Omaha, president of the Union Pacific Railroad, re-

cently addressed a luncheon of the American Newcomen in New York City. The organization is an Anglo-American friendship society. **Dale Clark**, president of the Omaha National Bank, is chairman of Nebraska Newcomen.

Mr. Ashby's talk climaxed more than a year of research on the life of Maj. Gen. Grenville M. Dodge, chief engineer of the Union Pacific at the time the golden spike was driven May 10, 1869, at Promontory Point, Utah.

Charles D. Saunders, vice president of the First National Bank of Omaha, is retiring as a member of the board of



Condensed Statement of Condition

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICERS

- RUFUS CROSBY KEMPER
President
- GEORGE C. KOPP
Vice President
- JAMES S. NEELY
Vice President
- F. D. FARRRELL
Vice President
- KEARNEY WORNALL
Vice President
- J. MILTON FREELAND
Vice President
- DALE R. AINSWORTH
Vice President
- JAMES F. McPHERSON
Vice President
- L. EARL STEPHENSON
Vice President
- CYRIL J. JELICKA
Vice President
- ROBERT L. GREENE
Vice President
- EARL W. DEPUTY
Trust Officer
- RICHARD T. PENDELTON
Trust Officer
- LOUIS G. LOSCHKE
Cashier
- EDWARD F. LYLE
Comptroller
- JAMES B. GAYLER
Assistant Vice President
- JOHN E. HOFFMANN
Assistant Vice President
- JACK BLACK
Assistant Cashier
- JOHN YONIS
Assistant Cashier
- EDWART H. BURCH
Assistant Cashier
- JAMES F. MACK
Assistant Cashier
- BENJAMIN B. HANIS
Assistant Cashier
- DAVID B. COX
Assistant Cashier
- K. H. ARMSTRONG
Assistant Trust Officer
- DEWEY SHILLERSTON
Assistant Trust Officer
- TOM COLLINS
Publicity Director
- BORR W. UNGE
Mgr., Foreign Department

SPECIAL REPRESENTATIVES

- CHESTER L. BREWER, JR.
- GUY S. HADSELL
- EMORY F. JAMES, Jr.
- JACK S. JENSEN
- CHAS. W. KOESTER
- ALLEN MORROW

December 31, 1947

RESOURCES

Cash and Due from Banks.....	\$ 48,053,704.07	
Bonds (carried at less than market value)		
U. S. Government and U. S.		
Govt. Guaranteed Bonds.....	\$45,166,526.71	
Federal Land Bank, State and		
Municipal Bonds	7,097,502.91	
High Rated Corporation Bonds.....	458,542.20	52,722,571.82
Federal Reserve Bank Stock.....	150,000.00	
Loans and Discounts.....		52,274,098.07
Grand Avenue Bank Building—Unencumbered (Cost over \$1,000,000)		1.00
New City Bank Building.....		1,661,907.72
Other Real Estate (One Property).....		1.00
Furniture and Fixtures (Cost over \$200,000.00).....		1.00
Customers' Liability Account Letters of Credit.....		37,183.12
Accrued Interest Receivable.....		297,978.83
Overdrafts		17,717.89
TOTAL RESOURCES	\$155,215,164.52	

LIABILITIES

Capital Stock (Paid In)....	\$400,000.00	
Capital Stock (Earned)....	600,000.00	\$1,000,000.00
Surplus (Earned)	4,000,000.00	
Undivided Profits (Earned).....	1,260,408.99	
Invested Capital	\$ 6,260,408.99	
Unearned Interest	354,843.23	
Reserve for Interest and Taxes.....	209,114.33	
Our Liability Account of Letters of Credit Issued....	37,183.12	
Deposits		
Special Deposits	\$ 12,000,000.00	
Other Deposits	136,353,614.85	148,353,614.85
TOTAL RESOURCES	\$155,215,164.52	

The above statement is correct.

Rufus Crosby Kemper
President



Bank and Trust Company

Resources Over \$140,000,000

10TH AND GRAND • KANSAS CITY 6, MO.

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 Federal Reserve Bank of St. Louis

directors of the Omaha Club. The Club recently announced a \$45,000 improvement program, to be financed by an increase in dues. Annual dues of senior members will be boosted \$100 and those of junior members \$50.

A. A. Lowman, former president of the Northwestern Bell Telephone Company and King of Ak-Sar-Ben last year, has retired from the Board of Governors of the Knights of Ak-Sar-Ben after serving 10 years. He also retired as president of the Ak-Sar-Ben Bridge Association.

H. M. Bushnell, president of the United States National Bank of Oma-

ha, will be the new president of the Ak-Sar-Ben Bridge Association. **Robert H. Storz** succeeds Mr. Bushnell as vice president and member of the Bridge Association's executive committee.

Russell J. Hopley, president of Northwestern Bell, was elected to the Board of Governors, succeeding Mr. Lowman. Mr. Hopley served as chairman of the Mayor's Citywide Planning Committee.

Other members of the Board of Governors include Mr. Bushnell; James P. Lee, an executive of the Omaha & Council Bluffs Street Railway Company, former Omaha banker; and **W.**

B. (Bob) Millard, Jr., senior vice president of the Omaha National Bank.

John M. Douglas, Omaha investment banker, has been elected a member of the District No. 8 committee of the National Association of Securities Dealers, it was announced recently at Chicago.

Mr. and Mrs. Dale Clark have a new grandson, John Harvey Schirding, Jr., born in Springfield, Illinois, to Mr. and Mrs. John H. Schirding of Petersburg, Illinois. Mrs. Schirding is the former Jessie Clark. Mr. Clark is president of the Omaha National Bank. The Schirdings also have a daughter, Cathie, 5. Mrs. Clark recently visited her daughter and son-in-law.



In Lincoln—The Continental—

THE Continental, "Nebraska's friendly bank," cordially invites you to draw upon any or all of its many banking facilities for handling your correspondent business. Noted for its prompt, courteous and efficient service and its staff of well-qualified experts, the Continental National Bank stands ready and eager to serve you in Lincoln.

The **CONTINENTAL NATIONAL BANK** of LINCOLN

Member Federal Deposit Insurance Corporation



Lincoln LOCALS

WHEATON BATTEY, executive vice president of the Continental National Bank, has been elected president of the Lincoln Chamber of Commerce for 1948. **Byron Dunn**, president of the National Bank of Commerce, is vice president. During the past year Mr. Battey has been chamber treasurer.

The election of Mr. Battey to the Chamber presidency marks the peak of a long and successful service as a member of the Lincoln Chamber, and for the city of Lincoln. He has been a leader in all civic affairs. His special interest has been in promoting Community Chest drives, Boy Scouts, Social Welfare society, and as a member of Westminster Presbyterian Church where he is a member of the board of trustees.

Miss Louella Blank, for more than 10 years private secretary to **T. B. Strain**, president, Continental National Bank, has announced, through her parents, her engagement and approaching marriage. Her home is at Franklin, Nebraska. Since the engagement announcement she has been honored at a number of pre-nuptial parties.

STATEMENT OF CONDITION

December 31, 1947

RESOURCES		LIABILITIES	
Loans and Discounts.....	\$ 8,129,302.34	Capital	\$600,000.00
Overdrafts	30.76	Surplus	600,000.00
Banking House	100,000.00	Reserves	529,050.57
U. S. Bonds	18,464,000.00	Undivided Profits	123,412.61
Other Bonds	25,000.00	Reserve for Dividends.....	34,000.00
Customers Liability for Letter of Credit	5,000.00	Letters of Credit.....	5,000.00
War Savings Stamps.....	1,500.00	Deposits	\$38,542,938.66
Stock Federal Reserve Bank	36,000.00	War Loan	426,237.08
Cash and Sight Exchange.....	14,099,805.82	Deposits	38,969,175.74
	\$40,860,638.92		\$40,860,638.92

NATIONAL BANK of COMMERCE

LINCOLN, NEBRASKA

Member Federal Deposit Insurance Corporation

The First National Bank entertained its employes recently at a Christmas party at a downtown hotel. There was a dinner, entertainment and an exchange of gifts. The party is an annual affair. The entertainment included a marimba number by **Darelle Meyers**; accordion solo by **Earl DeVries**, and a tap dance by **Wanda Wilcox**. Carol singing was led by **Paul Watts**. **Burnham Yates**, vice president, presided.—The End.

Stock Increase

Directors of the Stephens National Bank, Fremont, Nebraska, recently approved a stock dividend of 25 per cent, increasing the capital of the Stephens National Bank from \$100,000 to \$125,000.

At the same time \$25,000 was transferred from the undivided profit account to the surplus account, bringing the surplus account to \$125,000.

Added to Staff

City National Bank & Trust Company of Kansas City, Missouri, has added Guy S. Hadsell to its staff of fieldmen for its correspondent bank-

& Citizens State Bank of McPherson, where he was assistant vice president until October of last year. He was with the state banking department of Kansas from 1939 to 1941.

Mr. Hadsell is a native Kansan, unmarried and his hobbies are music, short-wave radio and electronics. He will make his home in Kansas City.

200th Consecutive Dividend

Maintaining an unbroken record of 200 consecutive dividends, the directors of The Northern Trust Company, Chicago, declared a quarterly dividend of \$4.50 per share to stockholders of record December 16, 1947, payable Jan-

uary 2, 1948. This maintains an unbroken record of payments to its stockholders since the first check was mailed July 1, 1896.

Century Club

Newest additions to Bank of America's Quarter Century Club, all of whom have completed 25 years of service with the bank, include Manager L. W. Pettijohn, Lynwood branch; Assistant Manager John L. Hass, Downey Branch; Assistant Cashier Harold M. Pearce, Sixth and Alexandria Branch, and A. H. Orbach, Los Angeles Main Office, and E. G. Greenwald, Seventh and Olive Branch.



GUY S. HADSELL
Correspondent Division

ing department. Mr. Hadsell has had ten years' banking experience in Kansas, including nearly two years with the Kansas banking department as examiner. His territory for City National will be Kansas and Nebraska.

Mr. Hadsell began his banking career in 1929 after his schooling in Kansas, with the Citizens State Bank of Clifton and has worked for the First National Bank in Logan, the State Bank of Winfield and the McPherson

OVER SEVENTY-SIX YEARS OF BANKING EXPERIENCE

Statement of Condition

The First National Bank of Lincoln

LINCOLN, NEBRASKA

(ORGANIZED 1871)

At the Close of Business December 31, 1947

ASSETS

Cash and Due from Banks.....	\$15,649,331.95
U. S. Government Bonds.....	28,051,323.00
Other Bonds and Securities.....	1,650,494.01
Federal Reserve Bank Stock.....	79,800.00
Loans	5,951,764.46
Interest Earned Not Due.....	145,057.39
Banking House, Furniture and Fixtures.....	461,059.53
Total Assets	\$51,988,830.34

LIABILITIES

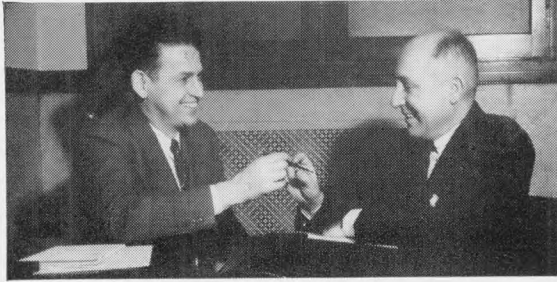
Capital Stock	\$ 1,500,000.00
Surplus	1,200,000.00
Undivided Profits	533,757.22
	\$ 3,233,757.22
Reserves	69,187.07
Discount Unearned	50,457.30
Deposits	48,635,428.75
Total Liabilities	\$51,988,830.34

OFFICERS

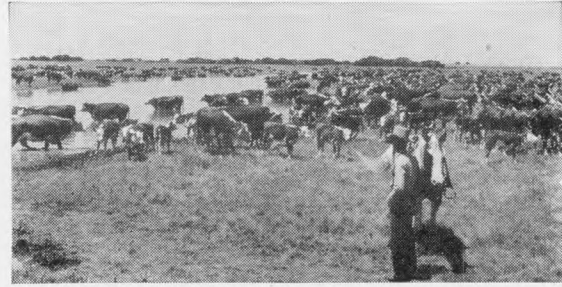
P. R. EASTERDAY Chairman	A. C. GLANDT . Vice-Pres. and Cashier
GEORGE W. HOLMES President	R. J. BECKER Vice-President
HOWARD FREEMAN . Exec. Vice-President	CLIFFORD G. WESTON . Asst. V.-President
BURNHAM YATES Vice-President	LYLE F. STONEMAN . Asst. V.-President
B. O. CAMPBELL Vice-President	G. H. CRANE Asst. Cashier
E. U. GUENZEL Vice-President	R. A. GESSNER Asst. Cashier

Member Federal Deposit Insurance Corporation

Our Year-End Statement of Friendly Service to You...



Friendly service—that is our biggest stock in trade at Live Stock National of Omaha. That's why we measure this year-end statement in terms of a report of service to you. It has been only by serving your needs that we have grown with you—until now bank deposits from correspondent banks total more than 36 million dollars. Looking ahead in this our 41st year, it will be our constant aim to provide you complete correspondent banking facilities—facilities that keep pace with a fast-changing era. That kind of experience, we feel, will warrant continued confidence that our services will match your growth.



Live Stock National's team of officer-specialists work with more than 400 correspondent banks in financing the great livestock industry whose prosperity is vital to the economy of the Rocky Mountain and Great Plains area. Practical experience is the key-note, too, in our commercial loans including field warehousing, accounts receivable and other forms of specialized credit. Twenty-four-hour transit services, investment portfolio planning—and many other profit-making correspondent services also are available to you. Yes, friendly service is our biggest stock in trade. That's why we measure our statement in terms of service to you. For as we serve you better, we grow with you.

STATEMENT OF CONDITION DECEMBER 31, 1947

RESOURCES		LIABILITIES	
Loans and Discounts	\$20,646,592.03	Capital Stock (Common)	\$ 500,000.00
Municipals and Other Marketable Securities	1,904,586.67	Surplus (Earned)	1,000,000.00
Stock in Federal Reserve Bank	45,000.00	Undivided Profits	955,790.70
Banking House and Fixtures	1.00	Reserve for Taxes, Interest, etc.	272,208.79
Other Real Estate	None	Unearned Discount	81,135.83
Interest Accrued on Government Securities, etc.	202,796.74	Deposits	69,523,852.36
U. S. Government Securities	\$24,150,666.08	Dividends Payable January 2, 1948	7,500.00
Cash and Sight Exchange	25,390,845.16		
	<hr/>		<hr/>
	49,541,511.24		\$72,340,487.68
	<hr/>		
	\$72,340,487.68		

OFFICERS and DIRECTORS

HENRY C. KARPf <i>President</i>				
WADE R. MARTIN <i>Vice-President</i>	R. H. KROEGER <i>Vice-President</i>	PAUL HANSEN <i>Vice-President</i>	W. DEAN VOGEL <i>Vice-President</i>	H. H. ECHTERMEYER <i>Vice-President</i>
C. G. PEARSON <i>Cashier</i>	L. V. PULLIAM <i>Assistant Cashier</i>	ALBERT R. STELLING <i>Assistant Cashier</i>	ELMER C. OLSON <i>Assistant Cashier</i>	LOUIS BARTA <i>Assistant Cashier</i>
ARMAND S. CHAVES <i>Auditor</i>				
W. P. ADKINS <i>Omaha</i>	H. B. BERGQUIST <i>Coal and Grain</i>	L. S. BURK <i>Chicago</i>	JAS. J. FITZGERALD <i>President, Commercial Savings & Loan Assn.</i>	JOHN R. JIRDON <i>Livestock and Grain Morrill, Nebr.</i>
LEO T. MURPHY <i>Vice-President Allied Mills, Inc.</i>	JAMES L. PAXTON, JR. <i>President Paxton-Mitchell Co.</i>	HERMAN K. SCHAFER <i>President Maney Milling Co.</i>	CARL A. SWANSON <i>President C. A. Swanson & Sons</i>	J. L. WELSH <i>Butler-Welsh Grain Co.</i>

LIVE STOCK *National* BANK

OMAHA, NEBRASKA

THE BANK OF FRIENDLY 24-HOUR SERVICE

Member of Federal Reserve and Federal Deposit Insurance Corporation



W. W. BLASIER
President
Jesup

Iowa NEWS



FRANK WARNER
Secretary
Des Moines

Groups One and Eleven Meetings

THE Sioux City bankers, under the leadership of M. C. Eidsmoe, president of the Sioux City Clearing House and president of the Woodbury County Savings Bank; A. E. Muir, president of the Onawa State Bank and chairman of Group 1, and H. J. Harms, president of the First State Bank, Brunsville, and secretary of Group 1, have already begun preparations for the meeting of Group 1 which will again be held in the Martin Hotel, Sioux City, on February 12th, in accordance with the custom of many years.

Also the bankers of Burlington, co-operating with Dale Kelley, cashier of the Henry County Savings Bank, Mt. Pleasant, and chairman of Group 11, and Frank C. Crone, president of the National Bank of Washington and secretary of Group 11, are already at work building their program for the 1948 meeting of that group, which will be held at the Hotel Burlington on Monday, February 23rd. The meeting will be preceded by the customary annual evening party which this year will fall on Sunday evening, February 22nd. Banks will observe Washington's birthday on Monday, February 23rd, which by state law will be a legal holiday. Chairman Dale Kelley has appointed the following program committee for Group 11:

R. J. McCleary, executive vice president, Security State Bank, Keokuk, chairman; H. Lee Huston, vice president and cashier, Columbus Junction State Bank; L. A. Holland, vice president, Washington State Bank, Washington; F. C. Crone, president, National Bank of Washington, and E. A. Ebersole, vice president and cashier, State Central Savings Bank, Keokuk, editor-in-chief.

The "Editor-in-Chief" is known far and wide for the unique programs that

he annually suggests, both in script and pattern.

State Committees

W. W. Blasier, president of the Iowa Bankers Association, and president of the Farmers State Bank, Jesup, has announced the full roster of his committees. The chairmen and vice chairmen of those committees are:

Agricultural—Chairman, A. W. Bird, cashier, Dyersville National Bank, Dyersville; vice chairman, R. E. Tool, executive vice president, First National Bank, LeMars.

Agricultural Credit School—Chairman, K. J. McDonald, president, Iowa Trust & Savings Bank, Estherville; vice chairman, W. A. Lane, president, Security Savings Bank, Marshalltown.

Auditing—Chairman, George E. Wilson, president, Cherokee State Bank, Cherokee.

Banking Analysis—Chairman, S. C. Kimm, cashier, Denver Savings Bank, Denver; vice chairman, C. Arthur Johnson, cashier, Toy National Bank, Sioux City.

Bank Taxation—Chairman, V. W. Johnson, president, First National Bank, Cedar Falls; vice chairman, Thomas Farrell, cashier, First National Bank, Iowa City.

"Destruction List" of Bank Forms—Chairman, E. H. Spetman, vice president and cashier, Council Bluffs Savings Bank, Council Bluffs; vice chairman, F. C. Atkins, vice president and cashier, Bankers Trust Company, Des Moines.

Pension Plan—Chairman, W. H. Brenton, president, Brenton State Bank, Dallas Center.

"Service for War Veterans Under G.I. Bill"—Chairman, C. S. McKinstry,

president, National Bank of Waterloo, Waterloo; vice chairman, J. W. Edge, executive vice president, Farmers Trust & Savings Bank, Spencer.

Federal Legislative—Chairman, Ben S. Summerwill, president, Iowa State Bank & Trust Company, Iowa City; vice chairman, B. L. McKee, executive vice president, Muscatine Bank & Trust Company, Muscatine.

Federal Reserve—Chairman, S. E. Coquillette, chairman of board, Merchants National Bank, Cedar Rapids; vice chairman, A. G. Sam, president, First National Bank, Sioux City.

Insurance Committee—Chairman, J. J. Matthews, vice president, Union Bank & Trust Company, Strawberry Point; vice chairman, Frank B. Miller, president, Cedar Falls Trust & Savings Bank, Cedar Falls.

Installment Loan and Consumer Credit—Chairman, W. Palmer Wilson, president, Oelwein State Bank, Oelwein; vice chairman, J. J. Miller, vice president and cashier, Waterloo Savings Bank, Waterloo.

Legislative (State)—Chairman, E. G. Engelbrecht, cashier, Waverly Savings Bank, Waverly; vice chairman, C. K. Cullings, president, Exchange State Bank, Exira.

Public Relations and Educational—Chairman, R. J. Galloway, vice president, Clear Lake Bank & Trust Company, Clear Lake; vice chairman, E. F. Buckley, president, Central National Bank & Trust Company, Des Moines.

Small Business Credit—Chairman, C. E. Watts, president, Commercial State Bank, Pocahontas; vice chairman, E. A. Heiden, cashier, Osage Farmers National Bank, Osage.

Time Lock—Chairman, R. O. Wagner, president, Capital City State Bank, Des Moines.

Trust—Chairman, Robert M. Baird, trust officer, State Savings Bank, Council Bluffs; vice chairman, M. J. Klaus, vice president and trust officer, First Security Bank & Trust Company, Charles City.

U. S. Savings Bonds—Chairman, W. E. Sheldon, president, Home Trust & Savings Bank, Osage; vice chairman, A. E. Muir, president, Onawa State Bank, Onawa.

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, January, 1948



FREDERICK M. MORRISON
President



WINFIELD W. SCOTT
Senior Vice President



J. R. ASTLEY
Vice President

Valley Bank Has 75th Anniversary

Began Banking Service in Des Moines January 9, 1873

THE name of the Valley Bank and Trust Company of Des Moines was added last week to the select group of Iowa banks which have served their communities for 75 years. On January 9th, officers and employees observed the three-quarter century mark in the progress of that institution.

Work on the remodeling of the bank interior was completed just recently, providing much larger and badly needed floor space, both for the main banking room and for officers quarters. The well-lighted, roomy interior, with its low counters has an informal atmosphere that immediately makes bank patrons feel at home.

President Frederick M. Morrison, after checking through the bank's time-honored record books, reveals the bank was chartered as the Valley Bank, a private banking institution, in the latter part of 1872 and opened its doors for business on January 9, 1873. According to the most reliable records, founders of the bank were J. J. Town and G. M. Hippee. It was located in a small building on the east side of Fifth avenue between Walnut street and Court avenue. About a year later they moved to the northwest corner of Third street and Court avenue, and in 1875 they again moved, to the northwest corner of Fourth street and Court avenue, where the bank remained un-

til 1910. They then purchased the site where the bank now is located and erected the present building in 1917.

R. A. Crawford started with the Valley Bank in 1891, becoming an officer shortly thereafter, and remained with the bank until the day of his death in August, 1937.

Charles T. Cole, Jr., became associated with the Valley Bank in 1908 and remained as an officer of the bank until the time of his death in January, 1938.

Another person of many years of service in the Valley Bank was W. E. Barrett, who started with the Valley Bank early in 1877 and remained in the bank's service until the latter part of



THE VALLEY BANK & Trust Company recently remodeled its interior banking quarters. The view at the left is of the customers' lobby—at the right is the spacious officers' room.

Northwestern Banker, January, 1948



EDWARD P. KAUTZKY
Vice President

1937, at which time he became ill and died in 1943.

Although there were other banks in existence in 1873 the Valley Bank remains the oldest bank now in the banking business in Des Moines—seventy-five years as of January 9, 1948.

In commemoration of this anniversary the stockholders of the Valley Bank were recently informed that they would be asked to amend the articles of incorporation by increasing the capital stock from \$200,000 to \$600,000. This was to be done by declaration of a stock dividend of two shares for each share now outstanding.

Present officers of the bank besides President Morrison are: Winfield W. Scott, senior vice president; J. R. Astley, Edward P. Kautzky and Roy E.



ROY HUBER
Vice President

Huber, vice presidents; Frank M. Thompson, cashier; Ray Thompson, assistant vice president; George W. Gill and Carl W. Altman, assistant cashiers.

H. C. Hjerleid

H. C. Hjerleid, a retired banker of Decorah, Iowa, died recently at his home at the age of 84. He was always active in the banking business and during his life's work helped organize such banks as the National Bank of Decorah, Iowa; Coon Valley State Bank in Wisconsin; Home Bank of Blair, Wisconsin; State Bank of Mabel, Minnesota, and Bank of Scranton, North Dakota.

Weds Newburg Girl

David L. Lyle of The Peoples Savings Bank of Laurel, Iowa, was recently married to Miss Dorothy Michaels of Newburg. After honeymooning in the south they are now at home at Laurel.

Declare 7 Per Cent Dividend

The directors of the First National Bank of Oelwein, Iowa, declared a dividend of 7 per cent, payable to stockholders on December 31, 1947. This made a total of 14 per cent for the year 1947. Fifteen thousand dollars were added to the surplus account.

The bank also paid a bonus to employees of one year of service or less, 5 per cent of their annual salary. To those from one to ten years of service, 10 per cent of their annual salary, and all employees of ten years or more, 15 per cent of their annual salary.

Bank Auditors' Meeting

The first quarterly meeting of the Iowa Association of Bank Auditors and Comptrollers has been scheduled by that association's officers to be held at the Roosevelt Hotel, Cedar Rapids, at 6:00 p. m., Saturday, February 7th. The local committee in charge of arrangements is composed of:

Marvin R. Selden, chairman, vice president, Merchants National Bank; Milo G. Blahnik, assistant cashier, Guaranty Bank and Trust Company, and Frank J. Stastny, assistant cashier, First Trust and Savings Bank.

Harold E. Lemkau, association president, and assistant cashier of the Muscatine Bank and Trust Company, announces the theme of the meeting will be a panel discussion on the "Iowa Schedule Suggested for Destroying Old and Obsolete Bank Records and Files." Those on the panel will be: E. H. Spetman, vice president and cashier, Council Bluffs Savings Bank; F. C. Atkins, vice president and cash-

ier, Bankers Trust Company, Des Moines; R. L. Carson, comptroller, Iowa-Des Moines Bank and Trust Company, and Ben J. Gibson, senior member of the law firm of Gibson, Stewart and Garrett, Des Moines.

New Employee in Bank

Marjorie Kathman, who has been with the Graettinger State Bank, Graettinger, Iowa, approximately five years, has resigned and has been replaced by Olive Hendricksen. Miss Hendricksen was employed at the Farmers Trust and Savings Bank, Spencer, for a year and a half and at the Culver City branch of the Security First National Bank of Los Angeles for two years.

Returns From Vacation

Helen D. Wark, assistant cashier of the Exchange Bank of Adair, Iowa, recently returned from a vacation trip through the southern states and to Mexico City. She reports having had a very fine trip.

Nadine E. Arnold has accepted a position in the bookkeeping department of the Exchange Bank of Adair, taking the place of Minnie A. Uhlig who had retired on account of ill health.

Emmetsburg Promotions

Executive Vice President William Zunkel of the Palo Alto County State Bank, Emmetsburg, Iowa, announced recently the bank directors have promoted two officers, William J. Degnan and Ivo H. Schroeder. Mr. Degnan was advanced from assistant cashier of the bank and manager of the Mallard office to vice president. Mr. Schroeder was elected cashier of the bank.

Banker Is Married

George A. Kellogg, president of the First National Bank of Missouri Valley, Iowa, and Mrs. Margaret Woodward of Omaha, were married last month at Papillion, Nebraska.

New Scranton Officer

Thomas P. Hunt of Coon Rapids, Iowa, has been elected assistant cashier of the Security Savings Bank of Scranton. Mr. Hunt took up his duties recently and is driving to and from Coon Rapids until he finds a suitable home in Scranton for his wife and two children.

Cashier at Davenport

The resignation of A. M. Sindt as cashier of Walcott Trust and Savings Bank, Walcott, Iowa, and the appointment of Horace Paustian, chairman of the Agricultural Conservation Asso-

ciation in Scott county, to succeed him, was announced last month.

Mr. Sindt, associated with the Walcott bank for the last 14 years, will continue as a member of the board, but expects to devote his entire time to his insurance and real estate business in Walcott. Mr. Paustian has been serving as a member of the board of directors.

Parker S. Davis

Funeral services were held in Eldora, Iowa, last month for Parker S. Davis, 85, retired business man and banker who resided in Eldora for 63 years and whose death occurred suddenly while he was attending to busi-

ness matters in the Hardin County Savings Bank.

Mr. Davis served as a member of the board of directors of the Hardin County Bank for 47 years and as chairman of the board for 12 years.

New Directors at Osage

Ben A. Chatman was elected a member of the board of directors of the Home Trust & Savings Bank of Osage, Iowa, at a recent meeting of the board, it was announced by Walter E. Sheldon, bank president. Mr. Chatman's election fills the vacancy caused by the resignation from the board of Arnold C. Petznick, who left the bank some time ago to move to California.

Purchase Emerson Bank

L. H. Vardaman of Emerson, Iowa, has sold the controlling interest in the Emerson State Bank to Milo Blazek and John Lauritzen. The transaction took place last month, according to Horace Greenwood, vice president of the bank.

Mr. Lauritzen has been elected president of the bank, succeeding Mr. Vardaman, while Mr. Blazek will serve as cashier.

Vice President Greenwood reported Mr. Vardaman was leaving the bank because of ill health.

The new president, Mr. Lauritzen, will continue to reside in Omaha and will retain his position as assistant cashier of the First National Bank there. Mr. Blazek, World War II veteran, has been associated with the Federal Reserve Bank in Omaha.

The bank's board of directors includes Mr. Greenwood, Max Whisler, Dean McLain and S. S. McKee.

H. G. Burr

H. G. Burr, 80, president of First National Bank in Spirit Lake, Iowa, from September, 1934, to January, 1946, died last month following a stroke at Philadelphia, Pennsylvania.

Mr. Burr moved to Spirit Lake 20 years ago from Cedar Rapids. He was interested in a grocery and insurance business, became bank president and retired. He sold his home in Spirit Lake in the fall and went to Philadelphia just before Thanksgiving.

Earl E. Strait

Earl E. Strait, 71, died at his home in Lamont, Iowa, of a heart attack last month.

Mr. Strait retired from the Lamont bank this summer where he was manager of the branch office of the Farmers State Savings Bank of Independence.

He is survived by his wife and two sons, Rev. William Strait, Cedar Rapids, and Leonard of Wisconsin.

Joins Hospers Bank

Andrew Jurriaans has resigned his position at the Northwestern State Bank, Orange City, Iowa, in order to become cashier of the Hospers Savings Bank at Hospers. He replaces Jim Huygens, who with his family has left Hospers.

Lyon County Election

Cliff Pruitt, executive vice president of Inwood State Bank, Inwood, Iowa, was elected to the presidency of the Lyon County Bankers Association in their annual meeting at Mariette Hotel, Rock Rapids, Iowa, recently.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

LA SALLE STREET AT WASHINGTON
Member Federal Deposit Insurance Corporation

STATEMENT OF CONDITION AT THE CLOSE OF BUSINESS DECEMBER 31, 1947

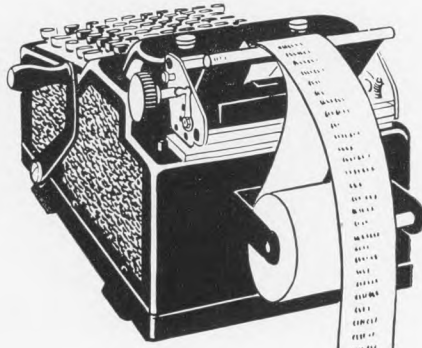
RESOURCES

Cash and due from banks	\$ 68,930,789.54
United States Government obligations — direct and fully guaranteed	77,900,539.19
Municipal and other marketable securities	26,659,176.72
Loans and discounts	64,240,629.73
Federal Reserve Bank stock	210,000.00
Customers' liability on letters of credit and acceptances	1,695,342.85
Accrued interest receivable	394,360.00
Other assets	42,110.05
	<u>\$240,072,948.08</u>

LIABILITIES

Capital stock	\$ 3,000,000.00
Surplus	4,000,000.00
Undivided profits	821,208.90
Reserves for taxes, interest, contingencies, etc.	1,615,535.49
Unearned discount	861,742.66
Other liabilities	199,432.83
Liabilities on letters of credit and acceptances	1,785,936.74
Deposits:	
Demand	\$202,366,298.48
United States Government	2,613,251.40
Other public funds	6,454,575.89
Savings	16,354,965.69
	<u>227,789,091.46</u>
	<u>\$240,072,948.08</u>

United States Government obligations and other securities carried at \$31,748,620.76 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.



HERE'S HOW IT ADDS UP AT THE
MARQUETTE *National* **BANK**
 OF MINNEAPOLIS

RESOURCES

(December 31, 1947)

Loans and Discounts	\$ 7,656,385.87
Overdrafts	2,393.80
Cash and Due from Banks	9,601,525.53
U. S. Government Securities	14,873,074.62
Municipal and Other Securities	276,159.58
Banking House	157,191.15
Furniture and Fixtures	110,555.22
Total Resources	\$32,677,285.77

LIABILITIES

(December 31, 1947)

Deposits	\$31,705,973.46
Capital, Common Stock	300,000.00
Surplus	300,000.00
Undivided Profits	371,312.31
Total Liabilities	\$32,677,285.77

Recognizing the desirability for mutual cooperation between banks, the Marquette National Bank of Minneapolis is happy to have served its friends and looks forward to continued pleasant and mutually profitable relationships.





DIRECTORS

V. O. FIGGE
President

JOSEPH L. HECHT
Davenport

J. M. HUTCHINSON
Vice President

CHARLES J. JOHNSON
Independent Biscuits, Inc.

JOS. S. KIMMEL
Republic Electric Company

FREDERICK H. LAMB
Physician

H. E. LITTIG
Davenport

HERMAN STAAK
Vice Pres. and Cashier

CABLE G. VON MAUR
Petersen-Harned-Von Maur, Inc.

T. J. WALSH
Walsh Construction Company

C. D. WATERMAN
Lane and Waterman

Statement of Condition

DECEMBER 31, 1947

ASSETS

Cash	\$15,194,124.44
United States Government Securities.....	45,343,040.72
Loans	18,509,438.10
Municipal Bonds	317,748.44
Bank Premises	700,000.00
Furniture and Fixtures.....	63,961.27
Federal Reserve Bank Stock.....	108,000.00
Overdrafts	2,306.61
	<hr/>
	\$80,238,619.58

LIABILITIES

Capital	\$ 600,000.00
Surplus	3,000,000.00
Reserves and Profits.....	1,904,408.23
Deposits	74,734,211.35
	<hr/>
	\$80,238,619.58

DAVENPORT BANK AND TRUST COMPANY

Member Federal



Reserve System

DAVENPORT, IOWA

Member Federal Deposit Insurance Corporation

Other newly elected officers for the association are Paul Schoening, cashier, Lester State Bank, vice president; Robert Manuel, George State Bank, secretary-treasurer. The retiring officers are Rudolph Rossow, George, president; A. T. Klahn, Rock Rapids, vice president, and Carl Lehman, Rock Rapids, secretary-treasurer.

A. E. Stoltenberg

Adolph E. Stoltenberg, 55, cashier at the First Federal Savings & Loan Association, Davenport, Iowa, died last month.

Heads Howard Bankers

J. B. Cray, cashier, Exchange State Bank of Lime Springs, Iowa, was elected president of the Howard County Bankers Association at the semi-annual meeting of the organization in Cresco. W. C. Dostal, cashier, Bohemian Savings Bank of Protivin, was re-elected vice president and Al Hochberger, assistant cashier, Cresco Union Savings Bank, was elected secretary-treasurer. C. J. Garmen of Elma is retiring president and Paul Farnsworth of Cresco is retiring secretary-treasurer.

Mrs. Will A. Lane

Mrs. Will A. Lane, 60, wife of the president of the Security Savings Bank, Marshalltown, Iowa, died at Evangelical Deaconess Hospital where she had been ill several months.

Survivors include Mr. Lane; a son, Will, Jr., of Marshalltown; a daughter, Mrs. Ted Smith of Lemon Grove, California; her mother, Mrs. Nettie Ford of Des Moines, and two brothers, Dr. Earl Ford, Des Moines, and Guy Ford of Bayard.

Mrs. Lane was active in church and women's club circles and was widely known in Iowa. She was a member of the Methodist Church, Marshalltown.

Plymouth County Election

The bankers of Plymouth county gathered at a dinner meeting of the County Association in LeMars, Iowa, last month. A number of guests were present.

Plans were made for continuing the activities of the association and H. E. Sibley was elected president; H. Ross, vice president; R. E. Tool, secretary, and M. Nigging, treasurer.

Resigns As Cashier

Gordon Yager, who has been cashier at the Emmet County State Bank, Emmetsburg, Iowa, resigned his position recently and will now be affiliated with F. E. Rosendahl in his law office. Mr. Yager has been affiliated with the Emmet County State Bank since November, 1941, and served in the United States Army from 1945 to 1946.

Resigns at Odebolt

Phyllis Krahl, assistant cashier at the Odebolt State Bank, Odebolt, Iowa, for the past 12 years, resigned last month to join the proof department

of the Central National Bank and Trust Company in Des Moines.

Miss Krahl's position has been filled by Jean Sommers of Spencer.

Vote Hospital Support

A contribution of \$25,000 to the St. Luke's Hospital campaign to raise \$650,000 to provide greatly needed additional facilities was authorized by the board of directors of the Davenport Bank & Trust Company, Davenport, Iowa, at its meeting last month.

The matter was brought to the attention of the board by V. O. Figge, president of the institution, and approval was voted unanimously.

Statement of Condition

December 31, 1947

ASSETS

Cash on Hand and on Deposit with Banks.....	\$ 8,023,855.94
United States Government Securities.....	13,521,131.69
Other Bonds and Securities.....	167,181.38
Loans and Discounts.....	5,922,031.20
Security National Bank Building, Vault and Fixtures	337,719.65
Federal Reserve Bank Stock.....	27,000.00
Other Assets	7,292.99
	<hr/>
	\$28,006,212.85

LIABILITIES

Capital	\$ 500,000.00
Surplus	450,000.00
Undivided Profits	85,848.17
Dividend Account	15,030.00
Deposits	26,955,334.68
	<hr/>
	\$28,006,212.85

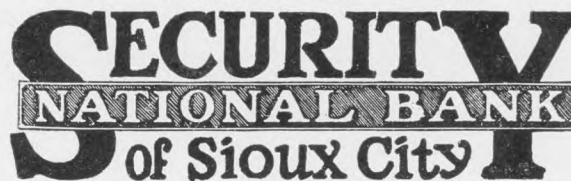
DIRECTORS

Paul Bekins
 Charles R. Gossett
 Harold A. Jacobsen
 Edward C. Palmer
 George L. Booth
 Otis P. Garrison
 Wm. W. McFarlane
 George C. Pechstein
 Harry P. Pratt

OFFICERS

Charles R. Gossett, *President*
 B. M. Wheelock, *Vice President*
 Albert C. Eckert, *Vice President*
 Daniel B. Severson, *Vice President*
 R. Earl Brown, *Cashier*
 Frank H. Abel, *Assistant Cashier*
 Robert W. Lewis, *Assistant Cashier*
 Charles H. Walcott, *Assistant Cashier*
 Orville Boe, *Assistant Cashier*

Howard L. Johnson, *Trust Officer*
 D. W. Jurgemeyer, *Assistant Trust Officer*



Member Federal Deposit Insurance Corporation

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

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 Federal Reserve Bank of St. Louis

SINCERE THANKS
TO ALL OUR FRIENDS
ON OUR 75th
ANNIVERSARY

VALLEY BANK AND TRUST COMPANY
DES MOINES

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, January, 1948

STATEMENT OF CONDITION
of the
VALLEY BANK AND TRUST COMPANY
AS OF DECEMBER 31, 1947

RESOURCES

Loans and Discounts.....	\$	9,436,366.16
Other Bonds and Stocks.....		63,500.00
Customers' Liability on Letters of Credit.....		8,652.00
Government Obligations	\$5,363,589.23	
Municipal Bonds	397,500.00	
Cash and Due from Banks.....	2,871,178.21	8,632,267.44
		\$18,140,785.60

LIABILITIES

Capital Stock—Common	\$	200,000.00
Surplus		200,000.00
Undivided Profits		188,180.56
Reserves		244,093.55
Unearned Discount		60,893.41
Bank Liability on Letters of Credit.....		8,652.00
Deposits		17,238,966.08
		\$18,140,785.60

Sioux City News

EMPLOYEES and officers of the Live Stock National Bank attended the annual Christmas dinner party held at the Jackson hotel. Highlight of the program was the exchange of humorous gifts.

Carl Fredericksen, president of the bank, distributed annual gifts and spoke briefly on the fine record made by everyone in the bank during the year. He also reported that deposits of the bank had reached an all time high of \$30,197,000. Previous high was \$29,771,000, established in June 1946.

In charge of arrangements were K. W. Smith, Mabel King and Zita Galvin.

Mark Wilson's ears aren't going to get cold—for the time being at least.

The genial vice president of the Live Stock National Bank had one pet gripe—his cold ears.

At the annual Christmas party, fellow workers presented him with a brilliantly hued pair of red earmuffs.

Dr. C. H. Bliss of Sioux City will be the principal speaker at the annual meeting of Group One, Iowa Bankers Association, to be held in Sioux City February 12th. He will discuss "Personal Relationship," a talk which the

dentist has given to many similar gatherings.

Plans for the meeting still are incomplete, but C. L. Fredricksen, incoming president of the Sioux City Clearing House Association, will give the address of welcome. A. E. Muir, president of the Onawa State Bank and chairman for Group One, will preside.

Committees for the state meeting of the Iowa Mortgage Bankers Association, to be held in Sioux City January 19th and 20th, have been announced by M. C. Eidsmoe, president of the Woodbury County Savings Bank and also head of the I. M. B. A.

Heading the program committee is E. R. Haley of Des Moines. Fred Quiner, vice president, Central National Bank of Des Moines, is chairman of the nominating committee, while W. W. Beal of Waterloo heads the resolutions group. Publicity is to be handled by L. M. Fryer, assistant vice president, Iowa-Des Moines National Bank, of Des Moines, with John Harvey of Sioux City in charge of the entertainment committee.

A full program of interesting speeches and entertainment has been arranged for the two-day session at the Martin hotel, Mr. Eidsmoe said.

Potential spending for the holiday season in Sioux City was boosted by \$138,000 when that amount was disbursed to 2,200 Sioux Cityans who participated in Christmas Savings clubs.

Clubs for 1948 were formed December 1st and up to December 16th had a membership of 2,000 with \$8,000 already deposited in savings for next Christmas.

Fritz Fritzson, vice president of the First National Bank, and George J. G. Smith, head paying teller in the same institution, retired from active banking the first of the year. Both Mr. Fritzson and Mr. Smith have completed 50 years in the banking business, each celebrating their half-century of work last June. Mr. Fritzson's position will be filled at the annual meeting.

A Christmas bonus, representing 6 per cent of the yearly salary, was presented to all employees of the First National Bank at the bank's annual Christmas party.

One hundred employees and directors of the Toy National Bank and their wives were present at the annual Christmas party held in the Mayfair hotel. The bank remembered all employees with a Christmas present.

CONDENSED STATEMENT OF CONDITION

DECEMBER 31, 1947

ASSETS

Cash and Due from Banks.....	\$ 5,812,197.06
U. S. Government Bonds.....	8,911,589.36
State, County and Municipal Bonds.....	171,957.96
Other Bonds and Securities.....	87,914.86
Stock in Federal Reserve Bank.....	24,000.00
Loans and Discounts.....	5,932,234.94
Bank Building, Furniture and Fixtures.....	162,137.70
Other Assets	1,173.76
	<u>\$21,103,205.64</u>

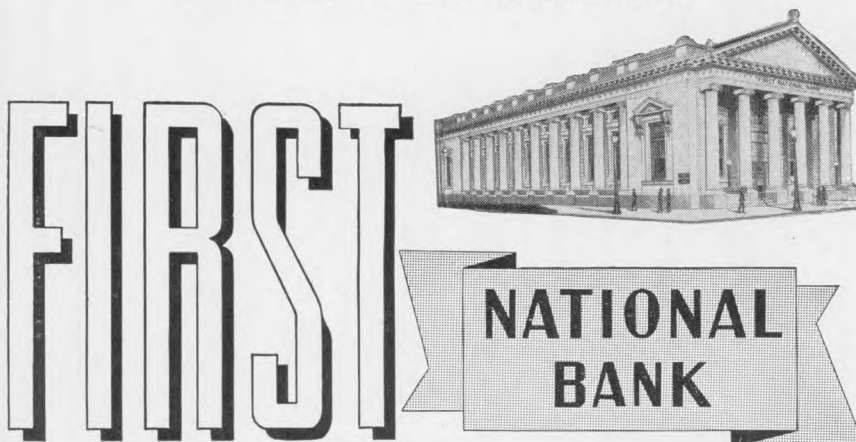
LIABILITIES

Capital	\$400,000.00
Surplus	400,000.00
Undivided Profits	93,072.16
Reserve for Contingencies.....	79,500.00
Total Capital Account.....	\$ 972,572.16
Reserve for Taxes and Interest.....	34,713.47
Other Liabilities	98.00
Deposits	20,095,822.01
	<u>\$21,103,205.64</u>

A. G. Sam, President

J. T. Grant, Vice President and Cashier H. H. Strifert, Assistant Cashier
J. R. Graning, Assistant Cashier K. J. Shannon, Assistant Cashier
E. A. Johnson, Assistant Cashier J. Ford Wheeler, Auditor

MEMBER FEDERAL RESERVE SYSTEM
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION





JOHN J. GORDON (above) recently took over his new position as cashier of the First Trust and Savings Bank at Alta, Iowa. Mr. Gordon formerly was associated with the Toy National Bank of Sioux City.

C. Arthur Johnson, cashier at the Toy National Bank, has been named vice chairman of the Iowa Bankers Association Committee on Banking Analysis.

Four Iowa bankers were guests of the Bankers Club of Chicago at the 198th dinner meeting of that group held in the Palmer House last month. Speaker for the occasion was **John J. McCloy**, president of the International Bank for Reconstruction and Development, Washington, D. C.

Iowa bankers attending were **Carl Fredricksen**, president of the Live Stock National Bank in Sioux City; **Herbert L. Horton**, president of the Iowa-Des Moines National Bank of Des Moines; **Harry Sivright**, vice president of the Iowa-Des Moines National Bank, and **Frank C. Welch**, president of the Peoples Savings Bank of Cedar Rapids.

Thirty-three employes and officers of the **Woodbury County Savings Bank** attended the annual Christmas party held in the Jackson hotel. The program consisted of exchange of small gifts, singing of Christmas carols and outside entertainment.

Employes of the bank received one month's extra salary as their Christmas gift from the bank.—The End.

Sell Rowan Office

Sale of the Rowan Branch of the Farmers State Bank of Dows, Iowa, recently to the Wright County State Bank of Clarion, has been announced. Floyd Allen, who has been in charge

of the Rowan office, will continue in that capacity under the new management.

Credit Department

Harold W. Dodge has become associated with the LaSalle National Bank of Chicago as manager of its credit department. He comes to Chicago from St. Louis where he served the Boatmen's National Bank in the same capacity. Mr. Dodge served twenty-one months overseas with the U. S. Navy during the war, attaining the rank of lieutenant. He is a graduate of St. Louis University School of Commerce and Finance and the American Institute of Banking.

Cedar Rapids Meeting

Members of the Iowa Investment Bankers Association will hold their annual meeting and election of officers in Cedar Rapids on January 28th and 29th, at the Roosevelt Hotel.

The meeting will open the evening of Wednesday, January 28th, with a cocktail party at the hotel, followed by a dinner.

The business sessions will start at 10 o'clock the morning of the 29th, there will be a luncheon at noon, and the concluding session in the afternoon.

Tentative arrangements have been made for the members from Des

UNION BANK AND TRUST CO.

OTTUMWA, IOWA

Member of Federal Reserve System

Statement of Condition as of December 30, 1947



RESOURCES

Loans and Discounts.....	\$ 4,358,674.83
Bank Building	91,500.00
Furniture and Fixtures.....	26,218.81
Stock in Federal Reserve Bank.....	30,000.00
Overdrafts	1,275.07
U. S. Bonds.....	\$4,953,275.44
Municipal Bonds	2,043,248.80
Other Marketable Bonds.....	583,938.78
Cash and Exchange.....	3,474,359.09
	11,054,822.11
	\$15,562,490.82

LIABILITIES

Capital	\$ 300,000.00
Surplus	700,000.00
Undivided Profits	108,882.98
Dividends Payable Jan. 2, 1948.....	15,000.00
Deposits	14,438,607.84
	\$15,562,490.82



OFFICERS

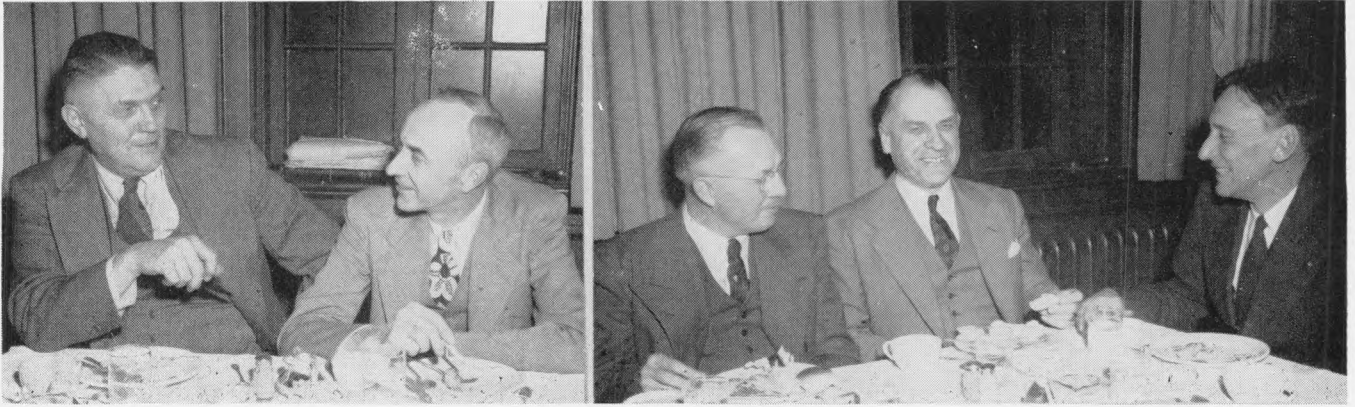
- | | |
|--|---|
| FRANK VON SCHRADER, Chairman of Board | |
| MAX VON SCHRADER, President | |
| H. L. POLLARD, Vice President | C. G. MERRILL, V. P. and Trust Officer |
| CLARENCE P. GLENN, Vice President | W. C. MILLER, Assistant Cashier |
| J. C. BLACKFORD, Vice President | FRED DIMMITT, Assistant Cashier |
| FRANK M. POLLARD, V. P. and Cashier | GEORGE HALLER, Assistant Cashier |

Southern Iowa's Largest Bank

Member Federal Deposit Insurance Corporation

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 Federal Reserve Bank of St. Louis

Iowa Bankers in Four-County Meeting



Members of the Four-County Bankers Association, comprising the counties of Dickinson, Emmet, Clay, and Palo Alto, met in Spencer early last month. Including a number of guests, seventy bankers from the area attended the dinner and program. Speaker for the evening was **H. L. Young**, of Des Moines, chief of the farm ownership division of the Farmers Home Administration, formerly known as the Farm Security Administration.

Pictured above at the meeting are, from left to right, **Mr. Young**; **John F. O'Neil**, vice president and cashier of the First Trust & Savings Bank, Armstrong, and chairman of the group; **George A. Freeman**, cashier Cylinder State Bank, group secretary; **J. W. Edge**, executive vice president Farmers Trust &

Savings Bank, Spencer, program chairman; and **John Sieh**, Spencer, Clay County savings bond administrator.

New officers of the Four-County Association elected at the meeting were **J. W. Edge**, president; **C. J. Spies**, president Iowa Trust & Savings Bank, Emmetsburg, vice president; and **D. W. Cuttell**, assistant cashier First National Bank, Spirit Lake, secretary and treasurer.

City bankers attending the meeting were **Nevin Lee** and **Everett Griffith**, Des Moines; **Marvin Selden**, Cedar Rapids; **E. E. Erickson**, **B. M. Wheelock**, and **C. H. Walcott**, Sioux City; and **John Haas** and **James Rigler**, Northern Trust Company, Chicago.

Moines to take the afternoon Corn Belt Rocket to Iowa City, where they will have a special car on the interurban to Cedar Rapids. The return trip on Thursday will bring them into Des Moines on the Rocky Mountain Rocket, arriving about 7:40 p. m.

National Officer

Michael D. Dearth, president of McCrary, Dearth & Company, Des Moines, has been elected a district committeeman of the National Association of Securities Dealers.

Elected Secretary

Election of W. J. Hynes as company secretary and a member of the board was announced by the board of directors of Employers Mutual Casualty Company, Des Moines.

Mr. Hynes has been with Employers Mutual for 20 years. He was manager of the Minneapolis branch from 1934 to 1937, and head of the Chicago branch from 1937 to 1946, before returning to the home office last year as superintendent of claims. He is a veteran of World War I.

As secretary, Mr. Hynes succeeds W. Z. Proctor, who has been filling the position temporarily. Mr. Proctor continues as general counsel and member of the board.

Dividend

The board of directors of the City National Bank and Trust Company of Chicago, at their regular meeting December 30, 1947, declared a regular quarterly dividend of \$1.50 per share, payable February 2, 1948, to shareholders of record on January 20, 1948.

Inventory Loans Secured by Our Warehouse Receipts Are Prime Collateral

*Consultation service without obligation.
Address inquiries to our nearest office.*

ST. PAUL TERMINAL WAREHOUSE CO.

ST. PAUL, MINNESOTA

Experienced and Responsible Operators of Field Warehouses

IOWA OFFICE

515 Iowa-Des Moines National Bank Bldg.
Des Moines — Tel. 2-1208
T. C. Cannon, District Mgr.

OTHER OFFICES

St. Paul — Minneapolis
Milwaukee — Chicago
Indianapolis — Detroit

Des Moines News

RICHARD R. ROLLINS has been elected president of the Des Moines Chamber of Commerce. Mr. Rollins has been active in public service for a number of years, serving as a director and vice president the past year. He is well known to Iowa bankers as head of Richard R. Rollins, Inc., investment advisory service, and as a director of the Bankers Trust Company.

During the past year he was instrumental through work on the special events committee in bringing the



RICHARD R. ROLLINS
President, Des Moines Chamber of Commerce

Hawkeye Holidays to Des Moines and the building of the ball park for Des Moines' new baseball team.

Other officers elected at the December meeting were: Vice presidents, **Allen Whitfield**, attorney; **Winfield W. Scott**, executive vice president, Valley Bank and Trust Company, and **E. M. McConney**, president, Bankers Life Company, and treasurer, **Scott Pidgeon**, executive vice president, Bankers Trust Company.

Directors elected to new terms or re-elected include **Herbert L. Horton**, president, and **Harold P. Klein**, vice president, Iowa-Des Moines National Bank and Trust Company; **E. F. Buckley**, president, Central National Bank

and Trust Company, and **James W. Hubbell**, president, Bankers Trust Company.

Frederick M. Morrison, president of the Valley Bank and Trust Company, was elected president of the Des

Moines Clearing House Association at the annual meeting. He succeeds **Edwin F. Buckley**, president, Central National Bank.

Other officers named were **Rolfe O. Wagner**, first vice president, and president, Capital City State Bank; **James**

THE NORTHERN TRUST COMPANY

CHICAGO

Statement of Condition, December 31, 1947

RESOURCES

Loans and Discounts.....	\$104,376,348.43
U. S. Government Securities.....	268,433,943.83
Other Bonds and Securities.....	118,328,484.71
Federal Reserve Bank Stock.....	450,000.00
Bank Premises.....	1,400,000.00
Customers' Liability, Account Letters of Credit and Acceptances.....	1,588,509.91
Other Resources.....	152,580.00
Cash and Due from Banks.....	162,540,968.44
TOTAL.....	\$657,270,835.32

LIABILITIES

Capital Stock.....	\$ 3,000,000.00
Surplus.....	12,000,000.00
Undivided Profits.....	5,677,106.48
Reserve for Taxes, Interest, etc.....	12,437,796.34
Dividend Payable January 2, 1948.....	135,000.00
Letters of Credit and Acceptances Outstanding..	1,588,509.91
Other Liabilities.....	162,422.25
Deposits:	
Demand.....	\$474,119,247.16
Time.....	143,970,942.96
U. S. Government.....	4,179,810.22
TOTAL.....	\$657,270,835.32

United States Government securities carried in the above statement at \$7,677,965.01 are pledged to secure public and other monies, as required by law; and United States Government and other securities carried at \$517,309.17 are deposited with the State Authorities under the Trust Act.

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think of

THE TOY NATIONAL BANK

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W. Hubbell, second vice president, and president, Bankers Trust Company, and **Fred C. Atkins**, vice president and cashier, Bankers Trust Company, re-elected secretary.

Orville Gore, assistant cashier of the Iowa-Des Moines National Bank and Trust Company, has been elected president of the Des Moines Mortgage Bankers Association.

Other new officers are **Robert Beal**, Iowa Securities Company, vice president, and **Roy Huber**, vice president, Valley Bank, secretary-treasurer.

Members elected to the board of governors are **Milton S. Olson**, General

Mortgage Corp.; **Laird M. Fryer**, assistant vice president, Iowa - Des Moines National Bank and Trust Company; **Jonathan Fletcher**, secretary, Home Federal Savings & Loan Association, **A. E. Cass** and **Raymond Miller**, executive vice president, Capital City State Bank.

William Ellison, assistant vice president, Bankers Trust Company, has been elected treasurer of the Des Moines Consistory for 1948.

Herbert L. Horton, president, Iowa-Des Moines National Bank and Trust Company, was elected a director of

the newly-organized Chicago, Rock Island and Pacific Railroad Company at a meeting earlier this month in Chicago. Although the railroad has been under court control since 1933, the past year brought on operating income of 21 million dollars and the Rock Island passed into control of the



HERBERT L. HORTON
Named to Rock Island Directorate

new board of directors at the start of this year. Other bankers named to the board include **Edward E. Brown**, chairman of the board, First National Bank of Chicago, and **Mark A. Brown**, executive vice president, Harris Trust and Savings Bank, Chicago.

Thirteen officers and employees of the Central National Bank were honored last month with the presentation of gold wrist watches for their service of 20 years or more in the bank. The combined total of years of service for the entire group is 336 years. The six officers with a total of 169 years of service are **Fred H. Quiner**, vice president, 37; **J. E. Quiner**, assistant cashier, 35; **Frank R. Warden**, vice president, 32; **Emmett Johns**, vice president, 25; **Ira L. Wright**, trust officer, 20, and **A. T. Donhowe**, vice president, 20.

Service of seven employees totals 167 years and they are **Ralph Faltonsen**, 30; **L. A. Warren**, 29; **Don F. Prunty**, 22; **Alta C. Baldwin**, 25; **Corale E. Collins**, 21, and **Alydia Larson** and **Mabel Leaverton**, 20.

Promotion

David H. Reimers, president of the Live Stock National Bank of Chicago, announces that **George W. Gates**, head paying teller, has been promoted to assistant cashier.

Gold Bond
ACOUSTIMETAL

- ★ NEW
- ★ IMPROVED
- ★ PERMANENT



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FOR EXACTING SOUND CONTROL

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GOLD BOND ACOUSTIMETAL, made from galvanized steel, is bonderized, can be painted, washed, is easy to erect and easy to remove for installation or repair of wires, ducts, etc., is permanent for the life of your building, reflects light to 90% efficiency, is always neat in appearance, and provides maximum sound absorption.

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DES MOINES, IOWA

With A. G. Becker

Donald M. Gally, formerly vice president and investment officer of Central Trust Company, Cincinnati, Ohio, has been elected a vice president of A. G. Becker & Company, Incorporated, investment bankers. He will be associated with the Chicago office of the firm.

Prior to his association with Central Trust Company, Mr. Gally had managed the investment advisory department in the Cincinnati office of Dominick & Dominick and had been with the investment counselling firm of Haydock, Peabody and Lull, Cincinnati associate of Scudder, Stevens & Clark. He is a native of Brooklyn, educated at the University of Cincinnati and Babson Institute, and has been engaged in investment work throughout his business career.

Employes' Choral Group



ONE OF THE FEW all-bank choral groups in the middle-west, these singers of the **Central National Bank**, Des Moines, entertained customers and others in the bank lobby at various times during the recent holiday season. **Raymond W. Jones**, trust officer, is the director of the group.

Wins Advertising Awards

The Employers Mutual Casualty Company, Des Moines, won three national first place awards for outstanding advertising at the recent Mutual Insurance Advertising Conference.

First award for newspaper advertising was given for a series of advertisements on loss prevention. First awards were also given the company for direct mail and for its financial

statement folder. Second awards also were received for magazine advertising and house organs.

The advertisements were planned and prepared by Fairall & Company, Des Moines advertising agency.

Reappointed

Edward E. Brown, chairman of The First National Bank of Chicago, has

been reappointed by the Federal Reserve Bank of Chicago to represent the Seventh Federal Reserve District on the Federal Advisory Council of the Federal Reserve System for 1948. Mr. Brown has been a member of the council since 1936, and has been president of the council for the last eight years.

Opened for Business October 15, 1934

Statement of the

IOWA STATE BANK & TRUST COMPANY

Iowa City, Iowa

December 31, 1947

RESOURCES

Cash and Due from Banks.....	\$2,498,150.80
U. S. Bonds	5,871,730.00
Other Bonds and Securities.....	114,680.22
CASH OR ITS EQUIVALENT	\$ 8,484,561.02
Loans and Discounts	3,123,834.09
Overdrafts	66.87
Banking House	50,000.00
Furniture and Fixtures.....	27,000.00
	\$11,685,461.98

LIABILITIES

Capital Stock	150,000.00
Surplus and Undivided Profits.....	164,927.63
Deposits	11,370,534.35
	\$11,685,461.98

■ ■ ■

OFFICERS

BEN S. SUMMERWILL, President	W. F. SCHMIDT, Ass't Cashier
W. W. SUMMERWILL, Vice President	JAS. H. SCHMIDT, Ass't Cashier
M. B. GUTHRIE, Cashier	M. E. TAYLOR, Auditor

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Scholarships

The board of trustees of the School of Banking at the University of Wisconsin has voted to give scholarships to a limited number of instructors in the schools of commerce of middle western colleges and universities and have recommended to the state bankers associations of the Central States Conference sponsoring the school that they provide for other necessary expenses.

In making the announcement, Harry C. Hausman, board chairman and secretary of the Illinois Bankers Association, stated that the board of

trustees of the school thought that instructors in banking and related subjects in the colleges in the middle west would have an excellent opportunity in the School of Banking to become more familiar with many of the practical everyday problems of banking.

The board of trustees thinks that if men who teach banking and related subjects in our colleges could go to the School of Banking during summers for three years and do the required extension work, they would have had one of the most unusual and practical experiences that an educator could have in these fields.

New Officer

K. E. Carrington, formerly manager of the building department at Bankers Trust Company, New York, has been elected an assistant vice president by the Board of directors, it was announced by S. Sloan Colt, president.

He joined Bankers Trust Company in 1931 and was named manager of the building department in 1936.

Assistant Cashier

The board of directors of the American National Bank and Trust Company of Chicago have elected Russell V. Anderson, 35, to the official staff of the bank with the rank of assistant cashier.

Mr. Anderson, who began his career with the bank in 1931, has been manager of the credit division since 1942. A native Chicagoan, and a graduate of Tilden Technical High School, he has taken active part in the affairs of the Chicago Chapter, American Institute of Banking.



Statement of Condition, December 31, 1947

RESOURCES

Cash and Due from Banks	\$ 71,239,492.59
U. S. Government Securities	55,720,006.56
(Including those pledged \$9,313,000.00)	
Other Bonds and Securities	6,887,308.94
Federal Reserve Bank Stock	300,000.00
Loans and Discounts	91,334,500.63
Customers' Liability on Acceptance and Letters of Credit	657,252.46
Real Estate	201,728.99
Accrued Earnings Receivable (Net)	339,279.31
Overdrafts	14,944.20
Other Resources	117,919.11
	\$226,812,432.79

LIABILITIES

Capital	\$ 6,000,000.00
Surplus and Undivided Profits	7,929,281.26
Accrued Interest, Expenses and Taxes Payable (net) and Other Reserves	872,937.53
Acceptances and Letters of Credit	657,252.46
Other Liabilities	241,842.30
Deposits:	
U. S. Government, and Other Public Funds	\$ 9,210,902.17
Other Deposits	201,900,217.07
	211,111,119.24
	\$226,812,432.79

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93 Years of Banking Experience



Question: What do you think is the best way for the United States to help Europe?

B. P. St. John, cashier Okey-Vernon National Bank, Corning, Iowa: "Give them food and clothing. Supply leadership from America until leaders from their own number have been tried and found dependable.

"Development. Officials should always keep the best interests of the American taxpayer in mind. He has for some years past been the forgotten man."

Charles Novak, president, Bank of Brainard, Brainard, Nebraska: "I think that Europe's assistance must be geared to Europe's willingness to work, continually keeping one eye open on our own needs of keeping America economically sound in order to prevent national economic disaster, which if allowed to occur, would throw the world into chaos."

Ray Stevens, president, Early Saving Bank, Early, Iowa: "We do not know the whole story and are not qualified to give an answer to the question. However, we do think that our administration should be capable of handling and administering any help necessary."

J. O. Peck, president, Central National Bank, Columbus, Nebraska: "I think but few are qualified to express intelligently an opinion on the distribution of aid to Europe. Assuming that statements issued by well informed sources are correct, there should be no question about the necessity of our help being granted from a humanitarian point of view."

"With the many problems in the European countries, it is highly important that the United States protect its own economy before we extend substantial commitments abroad. Let us know accurately our own needs before over-extending aid to such an extent that our own future will be in danger."

"If further aid is granted, definite prescribed principles and regulations should govern the distribution. Those countries seeking help should produce and they should seek aid by way of modernization. In turn, we must insist that a competent committee of our own choosing be set up to supervise the distribution and insist on eventual repayment in all or part in some form when a country can afford to pay."

LEGAL QUESTIONS

(Continued from page 30)

tute in his name a foreclosure action thereon after a default in payments. The court dismissed the action because he was not the real party in interest. The defendant in the foreclosure proceeding sued him for damages for malicious prosecution of a civil action. Did the simple fact that the suit had been dismissed require a recovery in the damage suit?

No. The entry of an adverse judgment against a party instituting a civil action does not preclude inquiry into the question of whether there was probable cause for the action as respects liability for the malicious prosecution thereof. In other words, the fact that the foreclosure suit was dismissed does not, taken alone, mean that damages should be granted in the malicious prosecution suit. To recover therein it must also be shown that the foreclosure suit was instituted maliciously and without probable cause.

Q. Suppose that, in the preceding question, the owner of the note and mortgage had delivered them to the mortgage broker with instructions to foreclose prior to the institution by the broker of the foreclosure suit and that the broker believed and had reasonable grounds to believe that the foreclosure action and the means taken in prosecuting it were legally just and proper. Would you say that the broker had sufficient probable cause

to think that a favorable judgment would be received in the foreclosure action so that the malicious prosecution suit should fail?

The North Dakota Supreme Court in a recent decision involving analogous facts held that the mortgage broker had sufficient probable cause to believe that the foreclosure action would succeed at the time it was instituted and ordered a dismissal of the

STATEMENT OF CONDITION

December 31, 1947

RESOURCES

Cash and Due from Banks.....	\$ 3,934,985.98	
Loans and Discounts.....	3,195,096.92	
Bonds:		
U. S. Government Securities.....	\$6,289,339.14	
Federal Land Banks.....	312,040.29	
Municipal Securities.....	711,179.08	
Other Marketable Securities.....	1,034,375.31	8,346,933.82
Stock in Federal Reserve Bank.....		18,000.00
Banking House.....		35,457.86
Furniture and Fixtures.....		7,710.74
Accrued Interest.....		56,582.43
Overdrafts.....		900.42
Other Resources.....		2,335.60
		\$15,598,003.77

LIABILITIES

Capital.....	\$ 400,000.00	
Surplus.....	200,000.00	
Undivided Profits.....	109,306.37	
Reserve for Taxes, Interest, Contingencies, Etc.....	151,654.02	
Discount Collected but Not Earned.....	26,560.68	
Deposits:		
Demand.....	\$10,127,166.19	
Time.....	4,362,592.05	
U. S. Government War Loan Account.....	220,724.46	14,710,482.70
		\$15,598,003.77



NATIONAL BANK OF BURLINGTON

BURLINGTON, IOWA

Statement of Condition, December 31, 1947

ASSETS

Cash and Due from Banks.....	\$ 2,721,243.65
U. S. Government Securities.....	3,107,572.66
State, County and Municipal Bonds.....	1,904,361.08
Other Bonds.....	518,316.66
Loans and Discounts.....	2,706,198.90
Overdrafts.....	252.49
Stock in Federal Reserve Bank.....	15,000.00
Bank Building.....	37,602.00
Furniture and Fixtures.....	8,038.67
Other Assets.....	1,558.11
	\$11,020,144.22

LIABILITIES

Capital Stock.....	\$ 200,000.00
Surplus.....	300,000.00
Undivided Profits.....	130,753.67
Reserves.....	32,131.10
Interest Collected but Not Earned.....	10,466.43
Deposits.....	10,346,793.02
	\$11,020,144.22

John H. Witte, Jr., President
Vincent P. Cullen, Executive Vice President

Thomas L. Dyer, Cashier
F. J. Norton, R. K. Pearson, E. L. Hausknecht,
Asst. Cashiers.

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malicious prosecution suit. In doing so the Court pointed out that, under broad legal principles, title to a note and mortgage can pass by delivery and an assignee receiving title in that fashion can bring suit thereon and that, because of this, there was a reasonable basis for the broker's belief that the foreclosure action was just and proper.

Q. As an incident to settling certain family affairs in South Dakota one sister executed in favor of another a promissory note. As she went to hand it over to the payee the father of the

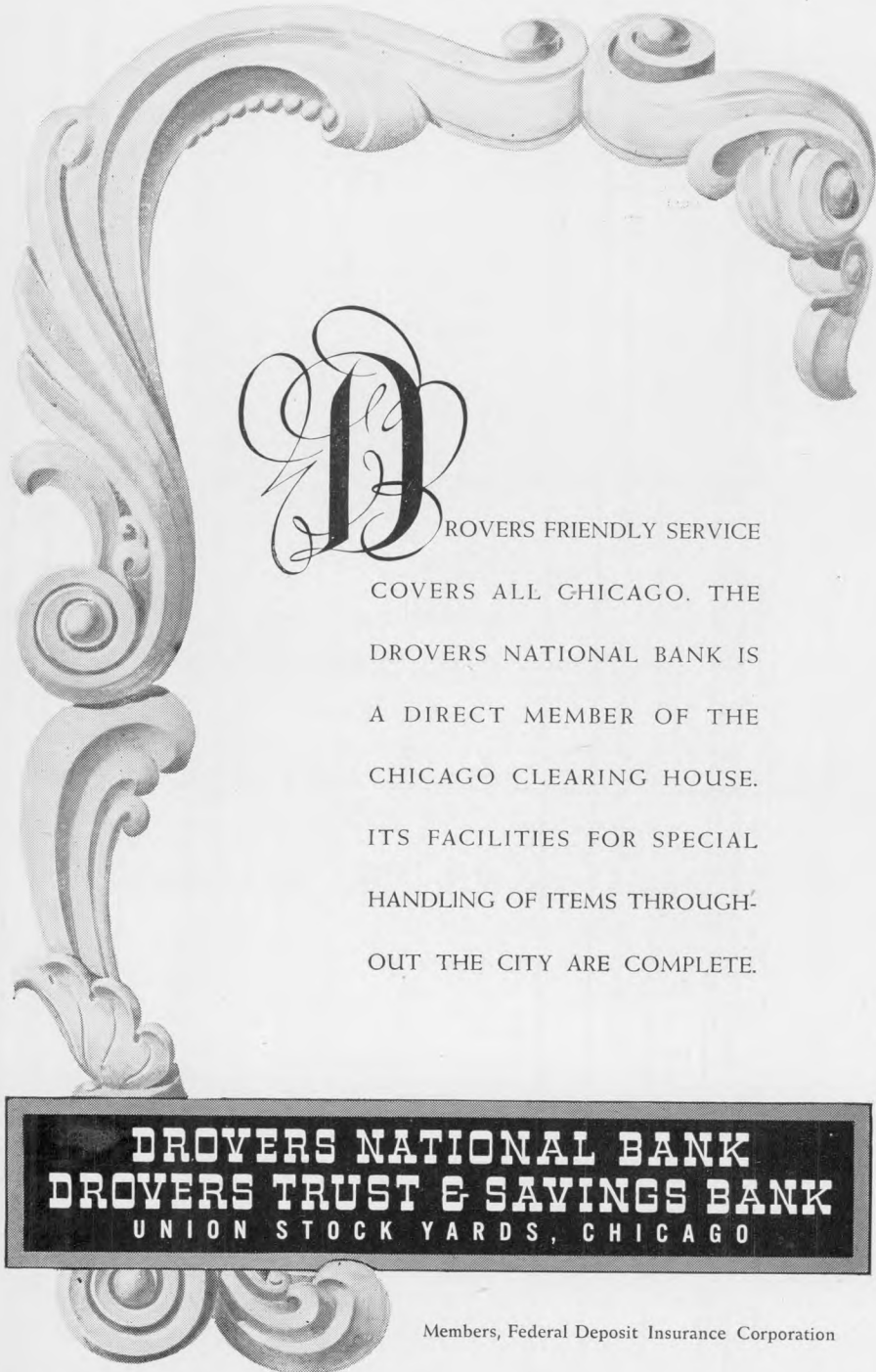
two picked it up and, to tease them, kept it. Shortly thereafter the sister signing the note wrote the payee, outlining in the letter the contents of the note and telling her that she wanted the letter to act as evidence of the note given if such was ever required as their father would not let her have the original instrument so that the note itself could be handed over. Could the payee base a suit on the letter even though the note itself was not delivered to her?

Yes. A note is incomplete and revocable until there is a valid delivery. However, what constitutes delivery

depends upon the intention of the parties and there need not be an actual manual transfer from the maker to the payee. Here there was an obvious intent to deliver and the letter constituted a memorandum outlining the provisions of the note and its attendant obligations upon which a law suit could be based. The South Dakota Supreme Court so held in a recent decision involving similar facts.

Q. Brown agreed to sell and Smith agreed to buy a garage building in Lincoln, Nebraska. The terms of the agreement were that Smith should pay \$10,000 in cash, which he did, and \$45,000 on a certain date in the future at which time Brown would convey the premises to him, giving him good title therefor. Before the closing date Brown unequivocally told Smith he would not go ahead with the deal and Smith, without waiting for the closing date to arrive, promptly sued Brown for specific performance. Could he recover on such an action?

Yes. Smith could have dealt with Brown's renunciation as an abandonment or breach of the contract on the one hand (he treated it as a breach) or alternatively he could have treated the renunciation as inoperative and wait until the closing date and then hold Brown liable for all consequences of nonperformance. The authority for this is a recent Nebraska Supreme Court decision which overruled previous decisions holding, in effect, that Smith could do nothing prior to the closing date on the contract. In taking its new position on these matters the Court candidly commented that its previous holdings were contrary to the rule followed in about all, if not all, of the jurisdictions of the United States other than Nebraska and also that such previous holdings were "illogical, and contrary to the welfare of business transactions."



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COVERS ALL CHICAGO. THE
DROVERS NATIONAL BANK IS
A DIRECT MEMBER OF THE
CHICAGO CLEARING HOUSE.
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HANDLING OF ITEMS THROUGH-
OUT THE CITY ARE COMPLETE.

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515 TWENTY EIGHTH STREET
DES · MOINES

QUALITY · EXPERIENCE · SERVICE

DEAR EDITOR

(Continued from page 13)

beautiful photographs showing eight types of loans: to finance your farm and farm home (farm real estate mortgage loans); to purchase machinery and equipment; to buy feeder cattle; to build or improve farm buildings; to carry on efficient livestock production; to meet planting and harvesting expenses; to conserve and maintain your soil; and to modernize and improve the farm home.

"Immediately behind the writer was a collection of colored illustrations of common injurious insects on the farm and suggestions for preventive treatment. This display had nothing, of course, to do with banking or credit but was intended and proved very useful in attracting farmers into the booth as an attention getter. At the left of the booth above the desk is a translucent screen which carried a series of eighteen printed slides projected from behind, listing and emphasizing the services of local banks to farmers together with copy designed to promote friendly and harmonious relations between farmers and bankers.

"The material on these slides was essentially a series of abstracts from the pamphlet handed out to each farmer visiting the booth, a copy of which is enclosed.

"In planning and executing this exhibit our one thought was that bankers are too often unfairly portrayed as hard-hearted and unhuman or unfriendly to farmers. We therefore have tried in this booth and in the literature handed out to promote better relations between farmers and local country bankers."

Walter B. Garver, Agricultural Economist, Federal Reserve Bank of Chicago.

"Young and Beautiful"

"You undoubtedly started something when you made the statement on page 22 of the December NORTHWESTERN BANKER that Philip H. Willkie, age 27 and son of the

late Wendell L. Willkie, was 'probably the youngest bank director in the country,' and you will probably hear from a lot of bankers in the United States in the next few months.

"To start off the parade, I herewith present my entry. She is Miss Catherine J. Kollmann, who is 23 years of age, and has been a director of the First National Bank of Parkston, South Dakota, since March 19, 1946. She was born July 29, 1924, and so you see she was 21 years, 7 months and 20 days old the day she was appointed a director of this bank, and has been such director ever since.

"I am enclosing a picture of Miss Kollmann to prove the truth of what I am saying. She is also assistant cashier of the bank, and by the way, she is smart, too!"

Wm. C. Rempfer, President First National Bank, Parkston, South Dakota.

"May I Commend You"

The November issue of the NORTHWESTERN BANKER was most interesting and may I commend you for the fine publication you turn out monthly."

William Feick, Vice President, Irving Trust Company, New York, N. Y.

"Short Trip"

Editor's Note: Frank Warner, Secretary of the Iowa Bankers Association received a letter recently from Fred S. Risser, who was formerly president of the First State Bank of Chariton, but who has retired from the banking business and planned to spend a year traveling, and a winter vacation in Florida. Mr. Risser got as far as Murfreesboro, Tenn., and bought a farm where he plans to make his permanent home. A part of Mr. Risser's letter to Mr. Warner is as follows:

Farmers State Savings Bank

INDEPENDENCE, IOWA

Statement of Condition, December 31, 1947

RESOURCES	
Cash and Due from Banks	\$1,009,419.92
Loans and Discounts	1,007,838.94
First Real Estate Mortgages	417,797.92
U. S. Government Bonds	3,790,436.36
Municipal Securities	256,655.28
Bank Premises Owned	4,000.00
Furniture and Fixtures	5,905.43
Overdrafts	1,330.24
	\$6,493,384.09
LIABILITIES	
Capital Stock (Common)	\$ 100,000.00
Surplus	100,000.00
Undivided Profits	101,240.15
Deposits	6,192,143.94
	\$6,493,384.09

27 Years of Continuous Service

OFFICERS
 E. F. Sorg, President
 E. E. Everett, Vice President
 C. L. Fiester, Cashier
 P. E. Sorg, Assistant Cashier

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American Trust & Savings Bank

DUBUQUE, IOWA

Organized 1905

Incorporated 1912

STATEMENT OF CONDITION, DECEMBER 31, 1947

RESOURCES		LIABILITIES	
Cash and Due from Banks	\$ 4,393,868.92	Capital Stock	\$ 250,000.00
U. S. Government Bonds	10,580,462.85	Surplus	350,000.00
Federal Reserve Bank Stock	18,000.00	Undivided Profits	157,964.43
State, County and Municipal Bonds	831,076.26	Reserves	125,000.00
Corporate Bonds	131,241.08	Deposits:	
Loans and Discounts	3,465,309.82	Demand	\$9,823,898.61
Overdrafts	324.73	Time	8,569,759.61
Bank Building	50,000.00	U. S. Gov. War Loan Acct.	199,791.47
Other Assets	130.46		18,587,449.69
	\$19,470,414.12		\$19,470,414.12

OFFICERS

C. J. SCHRUP, Chairman of the Board
 D. W. ERNST, President
 ROY F. GLAB, First Vice President
 C. J. KLEINSCHMIDT, Vice President
 A. L. VOGL, Vice President and Cashier
 N. J. GRETEMAN, Vice President
 M. J. BAUMHOVER, Assistant Cashier
 MERLYN B. KURT, Assistant Cashier
 J. L. RILEY, Assistant Cashier
 I. L. KIELER, Assistant Cashier
 HARLAN MELCHIOR, JR., Assistant Cashier

DIRECTORS

C. J. SCHRUP, Chairman
 D. B. CASSAT
 D. W. ERNST
 ROY F. GLAB
 W. N. GLAB
 OTTO F. HENKER

Member Federal Reserve System

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23-year-old Catherine J. Kollman—why directors of the First National of Parkston, S. D., attend meetings.

"You perhaps remember that I told you of our plans for a year's vacation and something as to the route we proposed to follow. Well, it didn't work out just that way. After a week at Hinsdale, Illinois, and ten days at Lexington, Kentucky, we drifted into this neighborhood. It was a little early to go to Florida so we parked our trailer house in a little village about 30 miles south of here. We explored what they call Middle Tennessee pretty thoroughly and wound up by buying an old brick house and 5 acres of ground.

"The house is no mansion but is about what you might expect when you know that it is 79 years old. While it has been made modern, it has many inconveniences. Nary a closet but six fire places, two-story porch and a style all its own. We have a frontage of 350 feet on the Shelbyville pike and a board fence the entire distance. While we are in the corporation we are really in the

country. We have some exceptionally fine hard maple trees and lots of shrubbery. Mrs. Risser enjoys working around the house and I spend several hours every day pulling weeds, cutting brush and the like. In another year or so I hope to qualify as a competent yard man."

BANKERS YOU KNOW

(Continued from page 23)

of all those on the bank staff and solicitous of the health and welfare of them and their families.

Patrons of the Valley Bank know that they are the most important individuals around the bank for Mr. Morrison insists that each person be given prompt consideration of all requests, especially for credit. He in-

sists also that the customer be notified promptly even when the credit is declined. His estimation of the customer's importance is evidenced when he sums up what he considers today's most important banking problem by saying, "We must give the utmost service to customers, remembering that a loan rejection is sometimes the best service you can give. The banker of tomorrow must keep alert to every new idea and program which will help to better serve his customers and community."

He considers a bank's most important job is that of loaning money and the Valley Bank has had an enviable position during the past four years in having loans outstanding of approximately 50 per cent of its assets. These loans have made an average yield of nearly 4 per cent. In looking at comparative figures one finds commercial loans materially less than one year ago, although deposits have increased slightly. Mr. Morrison's answer to this was that they had thought it wise to tighten credits 18 months ago.

Frederick Morrison was born December 3, 1901, at Onawa, Iowa. On October 3, 1924, he was married to Lucile Sandy and they have one son, James B., who recently joined the bank staff after having worked in several departments of the bank for many summer vacations during his prep school and college years.

Mr. Morrison is an avid reader and student, displaying a great fondness for books, especially the classics and collects first editions. A visitor to his private office is immediately impressed with the fine books. The library in his home contains more than 2,000 volumes. His interest in matters other than banking also embraces the fields of civic and cultural activities and philanthropy.

Members of the Des Moines Clearing House Association last month elected Mr. Morrison their president for 1948. His other business affiliations include the presidency of the Des Moines Liquidation Corporation, the Valley Investment Company and the Valley-Des Moines Company; a directorship of the Interstate Business Men's Accident Company of Des Moines and a trusteeship of Drake University.

Mr. Morrison is a member of the Christian Church, is a Mason and is active in work for the Community Chest, Des Moines Chamber of Commerce and the Polk County Tuberculosis Association. He is a registered Republican and holds membership in Wakonda and Des Moines clubs.

STATEMENT OF CONDITION CENTRAL NATIONAL BANK

IN CHICAGO

DECEMBER 31, 1947

RESOURCES

Cash and Due from Banks.....	\$20,240,164.63
United States Government Obligations.....	22,028,122.53
State and Municipal Obligations.....	2,163,217.88
Corporate Bonds and Other Securities.....	1,851,791.08
Commercial Paper Purchased.....	604,000.00
Loans and Discounts.....	17,989,604.00
Federal Reserve Bank Stock.....	48,000.00
Safe Deposit Company Stock.....	5,000.00
Central National Bldg. Corp. Stock.....	250,000.00
Operating Equipment.....	167,028.31
Prepaid Items.....	44,973.27
Accrued Interest.....	154,868.90
Other Resources.....	378,812.39
Customers Liability on Commercial Letters of Credit.....	14,970.16

TOTAL\$65,940,553.15

LIABILITIES

Capital.....	\$ 800,000.00
Surplus.....	800,000.00
Undivided Profits.....	125,981.22
Reserves for Contingencies.....	536,704.91
Reserves for Interest, Taxes, etc.....	50,476.92
Unearned Discount.....	130,878.16
Liability on Commercial Letters of Credit.....	14,970.16
Deposits.....	63,481,541.78

TOTAL\$65,940,553.15

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
MEMBER FEDERAL RESERVE SYSTEM

STATEMENT OF CONDITION IOWA STATE BANK

DES MOINES, IOWA

At the Close of Business December 31, 1947

ASSETS

Cash and Due from Banks.....	\$1,319,941.63
U. S. Government Securities.....	1,189,700.00
Other Bonds and Securities.....	10,969.11
Loans and Discounts.....	4,007,643.48
Furniture and Fixtures (Less Reserve).....	16,482.82
	<u>\$6,544,737.04</u>

LIABILITIES

Capital Stock (Common).....	\$ 100,000.00
Surplus.....	90,000.00
Reserves and Undivided Profits.....	118,820.35
Deposits.....	6,235,916.69
	<u>\$6,544,737.04</u>

OFFICERS

WM. A. BROQUIST, President	CARL W. MOODY, Cashier & Tr. Officer
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J. HAMILTON DAWSON, Vice President	F. T. LEWIS, Assistant Cashier
L. A. RODENBAUGH, JR., Vice President	W. L. WILDER, Assistant Cashier

Member Federal Deposit Insurance Corporation



Stuart Mosher, old-time coin collector and editor of *The Numismatist*, the official publication of the American Numismatic Association, has written a series of articles that will appear in the NORTHWESTERN BANKER each month.

Coin Editor Mosher will tell what makes a coin rare, why and how collectors collect them, and the historical importance of the various issues.

The American Numismatic Association is a mutual society of collectors with headquarters in Wichita, Kansas, P. O. Box 577. It does not buy or sell coins and those having coins for sale should get in touch with local coin dealers.

What Makes Coins Valuable?

Law of supply and demand rules in numismatic dealings.

The question "what makes a coin rare?" is a familiar one to connoisseurs of old money. That a United States copper cent of 1799 has sold for as much as \$2,500 and a silver dollar of the same year can be bought for less than \$25 is a puzzler to those unfamiliar with the coin market.

The rare coin market operates on the same principal as any other market, namely, the law of supply and demand, and it is subject to fluctuations in prices as all open markets are.

As an example, suppose that 10,000 citizens need a 1799 cent to complete their collection and there are only several hundreds of this particular date in existence. The demand puts a premium on the coin. When one is offered for sale at a coin auction each collector has an opportunity to bid for it. The highest bidder gets the coin and the price he pays establishes a fair market value of the cent. But suppose a barrel of these cents were to be discovered and dumped on the open market! Immediately the price would fall and collectors would no longer offer to pay a high premium for them.

Another factor that is important in the value of a rare coin is its state of preservation or "condition" as collectors call it. Many recent coins bring a good price when in unused condition. As an example, a nickel 5-cent piece of 1927 with the small D mint mark

under FIVE CENTS sells for over \$25 when in perfect new condition. Those in circulation are worn and not wanted by collectors. They are worth only a nickel each.—By Stuart Mosher, Editor of *The Numismatist*.

HOW A BANK DIRECTOR LOOKS AT BANKS

(Continued from page 28)

flicted upon depositors, borrowers, and the general public.

Objective Analysis

There is probably nothing more difficult for human beings than to view themselves and their work objectively—to see themselves as others see them. Bankers surely must realize that the layman sees them and their works through different spectacles than they themselves use. And of course, the banker is in a kind of showcase for

Commerce Trust Company

Established 1865

Kansas City, Missouri

Member Federal Reserve System

Statement of Condition at Close of Business December 31, 1947

RESOURCES

Cash and Due from Banks.....	\$157,510,837.45	
U. S. Obligations, Direct and Fully Guaranteed	130,147,507.34	\$287,658,344.79
State and Municipal Bonds.....	\$ 25,778,733.07	
Stock of Federal Reserve Bank.....	450,000.00	
Other Bonds and Securities.....	4,545,996.13	30,774,729.20
Loans and Discounts.....		117,450,676.50
Bank Premises		1,753,539.99
Customers' Liability Account Letters of Credit.....		929,180.24
Accrued Interest Receivable.....		512,334.83
Overdrafts		5,516.08
Other Resources		45,599.60
Total Resources		<u>\$439,129,921.23</u>

LIABILITIES

Deposits:		
U. S. Government.....	\$ 1,863,172.03	
Other Deposits	414,036,564.43	\$415,899,736.46
Capital	\$ 9,000,000.00	
Surplus	6,000,000.00	
Undivided Profits	6,709,038.67	21,709,038.67
Liability Account Letters of Credit.....		929,180.24
Accrued Interest, Taxes and Expense.....		439,281.67
Other Liabilities		152,684.19
Total Liabilities		<u>\$439,129,921.23</u>

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, January, 1948

BANKERS WANTS

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Tell What You Have to Sell . . .

Want Ads, 10c per word . . . Display Rates on Request
Northwestern Banker, 527 Seventh St., Des Moines, Iowa

FOR SALE—Fur lined cloth overcoat, fits 180-pound six-foot man; very good condition. Ideal for sale work. Write MF, Northwestern Banker, Des Moines, Iowa.

FOR SALE—Burroughs Proof Machine, Model 10-10-50. Under Service. Price \$250. Write Farmers Bank, Spencer, Iowa.

WANTED TO BUY—Some good steel Lock Boxes, 100 or more. Farmers Savings Bank, Kalona, Iowa.

FOR SALE—Diebold Money Chest with Time Lock Device on outer door. Two Inner Compartments locked with combination locks. Inquire Mason City Fur Shoppe, Inc., Mason City, Iowa.

Position wanted by experienced bank executive. Best references. Can invest. Replies confidential. Prefer Northern Iowa or Southern Minnesota. Write RLT, care Northwestern Banker, 527 7th St., Des Moines, Iowa.

Burroughs Transit Machine for sale. Used 2 years. Like new. Price \$350. Satisfaction guaranteed. Write Security Bank & Trust Company, Madison, South Dakota.

Burroughs Bookkeeping Machine, used for transit work. Recently overhauled. Good shape. \$100. Write Jones County State Bank, Murdo, South Dakota.

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MANSON, IOWA

all to see and analyze, because of the very nature of his work. In this connection, entirely too many people, rightly or wrongly, view bankers not as their warm and dear friends, but, on the contrary, regard them with feelings ranging from indifference to hostility. The chief reason for this lies in the fact that these people have been mishandled one way or another, or have heard of someone who has. While most people recognize the essentiality of banks this should not be confused with the idea that they approve and like the service or the people who render it.

It seems to me that there is no excuse for any director to be on the board of any bank unless he serves a useful purpose. *He should be carefully selected for a specific purpose.* Over the years many banks have selected bank directors on a "window dressing" basis or because of social connections. Where this has been the case it has not truly served the stockholder, the depositor, or the customer of the bank. Bank directors should be experts in their respective fields where such expertness can contribute something to the welfare of the bank. And, above all else, a man should not be a bank director unless he is willing to do some work for the bank and to forswear being a rubber stamp. *It is most important that at least one director of every bank should be an expert on merchandising.*

Wanted—Bank Leadership

Every thinking, intelligent person in the United States knows that if our society were not free we would retrograde at a rapid rate. Everyone who reads and observes knows of the activities of the many groups whose purpose is gradually to kill our form of creative, cooperative, independent enterprise.

As patriots the duty of every sound American is crystal clear. As business men who are *supposed* to have vision and understanding and would be greatly affected by socialization this

DES MOINES BUILDING-LOAN & SAVINGS ASSOCIATION

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Dial 4-7119

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Pres. and Sec. Asst. Sec.

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"WORLD OF MUSIC"

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is no time for silence, stuttering and stammering.

Whatever your or my business problems may be, they are all *petty* compared with the major problems of us all—that is, how may each of us in America work to preserve our free society, priceless to all of us and yet accepted casually and almost indifferently by most of the people who have forgotten the heavy price our forefathers paid for it.

The job is not going to be done by pussyfooting bankers and business men who fear to speak out because they might lose a few orders or a few deposits or because they fear reprisal by some bureaucratic government head or department. As a matter of fact, if the issue is to be judged on such a basis business leaders with such little vision will well earn what the leftists will give them.

Is this a problem in which the banker should be *frankly* and *fearlessly* active? I think it is. Is there any group in this country so completely dependent on the *foundation stone* of the *free society* as bankers? I think not. Does the banker owe it to others, whose business structure is dependent on a free society, to become articulate on this subject and take suitable action? Does he owe it to the people generally who, after all, can hardly be expected to be specialists in the complexities of economics to assume leadership on issues of this kind? The answers are obvious.

Bankers will have to throw off their lethargy and become an active, virile force in resolving the burning issues

of the day—or else parrot King Louis XV of France who said, “after me, the deluge.”—The End.

Meow!

Two cats were watching a game of tennis. “You seem to be very interested in tennis,” said the one cat to the other.

“Well, naturally,” was the retort. “My old man’s in the racket.”

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CONVENTIONS

- Jan. 28-29, Annual Meeting Iowa Investment Bankers Association, Cedar Rapids, Hotel Roosevelt.
- Feb. 9, 10 and 11, A. B. A. Mid-Winter Trust Conference, New York City, Waldorf-Astoria.
- Feb. 11-13, Midwinter A.B.A. Consumer Credit Conference, St. Louis.
- Feb. 12, Group One, Iowa Bankers Association, Sioux City, Hotel Martin.
- Feb. 22-23, Group Eleven, Iowa Bankers Association, Burlington, Hotel Burlington.
- June 11-12, North Dakota and South Dakota Joint Convention in the Twin Cities, Hotel Nicollet.
- June 15-16, Minnesota Bankers Association, Minneapolis.
- Oct. 24-27, Annual Convention Iowa Bankers Association, Des Moines, Hotel Fort Des Moines.



In the DIRECTOR'S ROOM



After Christmas Thought

Santa Claus is quite a guy.
He guides his reindeer through the sky,
Remembers the good and ignores the bad,
And always sends the bills to Dad!

Give Me Strength!

They were giving a small dinner party, and for a special treat the little son of the house had been allowed to come down.

They had reached the dessert stage when he remarked in loud, confidential tones to his mother:

"Will dessert upset me tonight, mummie, or is there enough to go around?"

Lady, Please!

At Esther Hall—a business girl's dormitory in Des Moines—the telephone is located in the dining room. When it rings, the nearest girl picks up the receiver and says, "This is

Esther. Who in the hall do you want?"

First Class Service

Once upon a time there was an ambitious young man, who after serving several years at a quick-lunch counter secured employment in a fashionable jewelry store.

His first customer was a woman who asked to see a lady's wrist watch.

The fellow bellowed lustily toward the rear: "One waterbury on a handcuff, female."

A second customer wanted a matched pearl necklace.

"Yes sir, we've got 'em," declared the salesman. "Fifty oyster growths on a string. Line 'em up. Who's next?"

"I want to get a ring," stated the third customer, "an engagement ring."

"Coming up," announced the salesman. "One tin shackle with a glass eye!"

Wrong Step

Two men left a banquet together after they had dined too well. "When you get home," advised one, "if you don't want to disturb your family, undress at the foot of the stairs, fold your clothes neatly and creep up the stairs and into bed. It's the undressing in your room that awakens the wife."

Next day they met at lunch. "How did you get along?" asked the one. "Rotten," said the other. "I took off all my clothes at the foot of the stairs as you told me and folded them neatly. I didn't make a sound. But when I got to the top of the stairs, I found it was the L-station."

Facing Facts

Sunday School Teacher: "And why did Noah take two of each kind of animal into the ark?"

Bright Child: "Because he didn't believe the story about the stork."

Practical Nut

1st Moron (on phone): Wrong number? Excuse it, please.

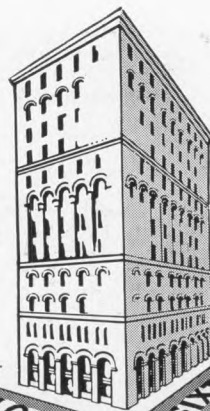
2nd Same: It's O.K. I had to get up to answer the telephone anyway.



Allan K. Jensen

"Look, Mike, here's another NORTHWESTERN BANKER! We find one in every bank we visit."

Northwestern Banker, January, 1948



ON LOCUST AT SIXTH

BANKERS TRUST COMPANY

Des Moines · Iowa



STATEMENT OF CONDITION

December 31, 1947

RESOURCES

Loans and Discounts	\$14,393,559.05
Other Securities	509,000.00
Stock in Federal Reserve Bank	60,000.00
Real Estate	6.00
Furniture and Fixtures	78,703.76
U. S. Government Bonds	\$24,593,749.65
Cash and Exchange	20,255,643.80
Customers' Liability on Letters of Credit and Trade Acceptances	12,280.00
	<u>\$59,902,942.26</u>

LIABILITIES

Capital (Common Stock)	\$ 1,000,000.00
Surplus	1,000,000.00
Undivided Profits	1,000,000.00
Reserve for Contingencies	1,000,000.00
Other Reserves	108,779.54
Reserve for Taxes and Interest	143,992.08
Deposits	55,637,890.64
Bank's Liability on Letters of Credit and Trade Acceptances	12,280.00
	<u>\$59,902,942.26</u>



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