

# NORTHWESTERN *Banker*

MARCH  
1948



Annual Bond  
and Investment  
Survey—Page 28

THOMAS B. McCABE, CHAIRMAN FEDERAL RESERVE BOARD—See Page 9



## Results Count

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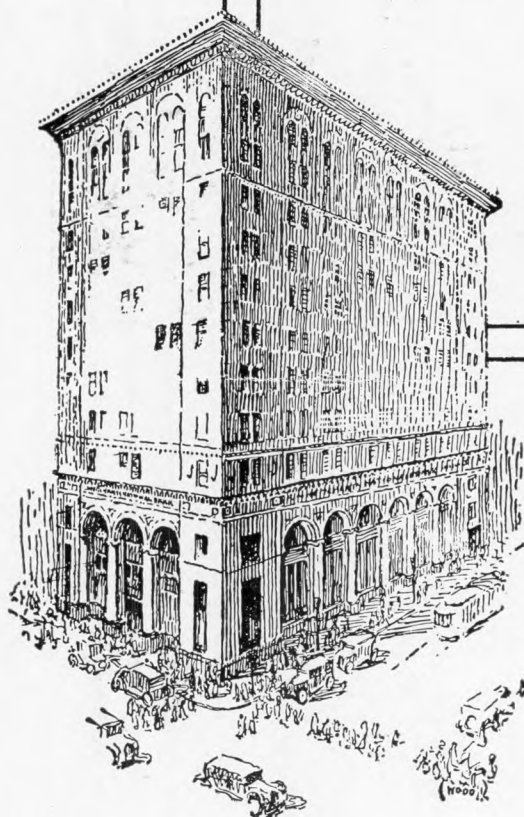
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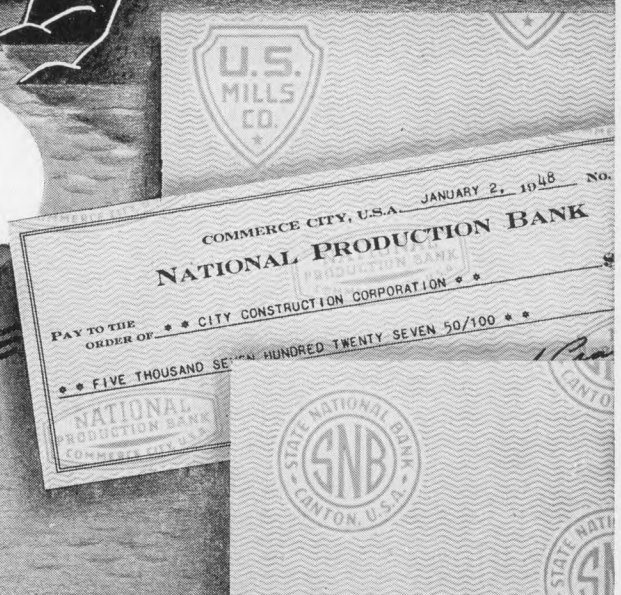
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Northwestern Banker, March, 1948



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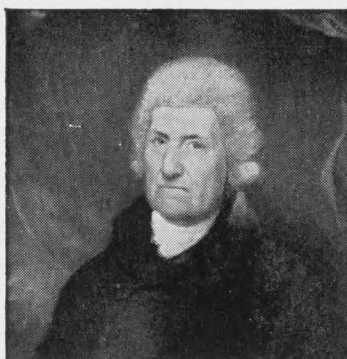
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Portrait of Augustus Van Cortlandt, memorial to great-great-great-grandson namesake who was killed in World War II

## Famous American Homes

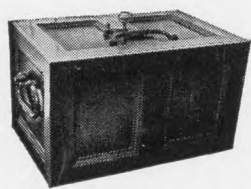
# Van Cortlandt House

*Bouwerie in the Bronx*



ONE day while General Washington was driving a sulky through the rain, a little girl spied the great man . . . "His uniform was covered by a greatcoat and his powdered hair was protected by a bandanna handkerchief bound around his head under his cocked hat." Evidently, the General was anxious to avoid meeting the Van Cortlandt ladies that evening with a water-soaked uniform and a face streaked with powder.

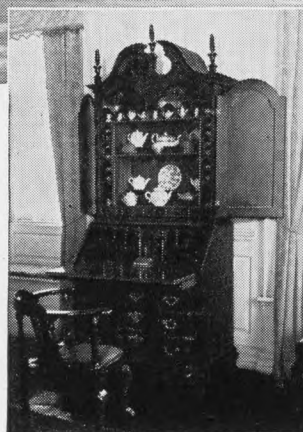
Washington's destination was the home of the distinguished Van Cortlandt family. The house, built in 1748 by Frederick Van Cortlandt, is still standing today within New York City's limits in a park bearing its name. Originally, however, it was a country estate—or bouwerie, as the Dutch termed it—a long journey distant from the city.



City records buried with this chest escaped detection by British

With no towns nearby, the Van Cortlandt establishment, like a southern plantation, had to be wholly self-sufficient, producing all food for the family and numerous servants. To provide clothing, sheep were raised and flax was grown, while masons and woodworkers were employed for construction and upkeep.

When war broke out, sharply divided neighborhood allegiance led to many skirmishes on this once peaceful estate. Moreover, both armies made repeated forays there and for a time the house was General Howe's headquarters. Later, to mislead the British into believing the



One of eight existing secretaries by John Goddard, noted cabinet maker

Americans were still nearby, a fire was kindled on Vault Hill, the family burial ground.

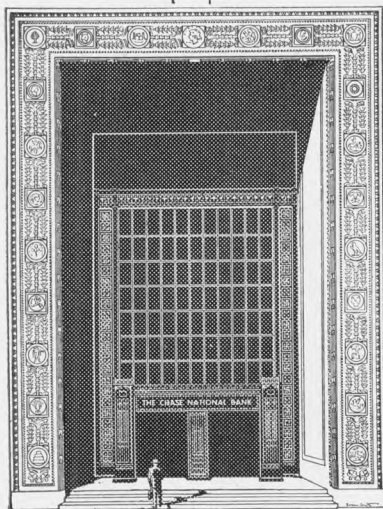
The Van Cortlandt family occupied the house until its purchase by New York City in 1889. Through the generosity of the Society of

Colonial Dames of the State of New York, an average of 50,000 people annually visit this 200-year-old bouwerie in New York City's Bronx County.

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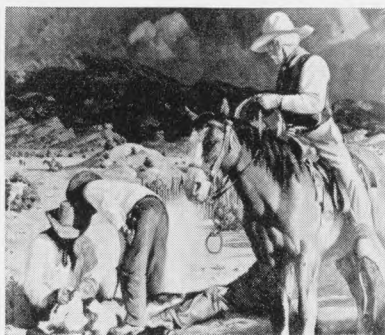
## Dear Editor



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

### "Exemplifies the Western Character"

"We are enclosing a photograph of an oil painting recently purchased by the Interstate National Bank of Kansas City, which is now hanging in their newly remodeled lobby. The picture itself is approximately 6 feet wide and 5 feet high and is painted



by the celebrated Western artist, Theodore van Soelen of Santa Fe, New Mexico.

"He made the first studies for it in 1919 while he was working on the Fernandez Company Ranch at San Mateo, New Mexico. He began the actual painting itself in Santa Fe, New Mexico, in 1923 and later completed the background at Cuyamungue, New Mexico. The figures in the painting are taken (Turn to page 82, please)

### ON THE COVER

Thomas B. McCabe reads telegrams of congratulations after his appointment as chairman of the Federal Reserve Board of Governors by President Truman. He succeeds Marriner S. Eccles, chairman of the board since 1934, who now becomes vice chairman.

Mr. McCabe, president of the Scott Paper Company, Chester, Pennsylvania, since 1927, has always taken an active interest in national affairs. He was executive assistant to E. R. Stettinus, Jr., of the advisory committee of the Council of National Defense, and in 1939 became chairman of the board of the Federal Reserve Bank of Philadelphia.

# NORTHWESTERN Banker

DES MOINES

Oldest Financial Journal West of the Mississippi • 53rd Year • No. 728

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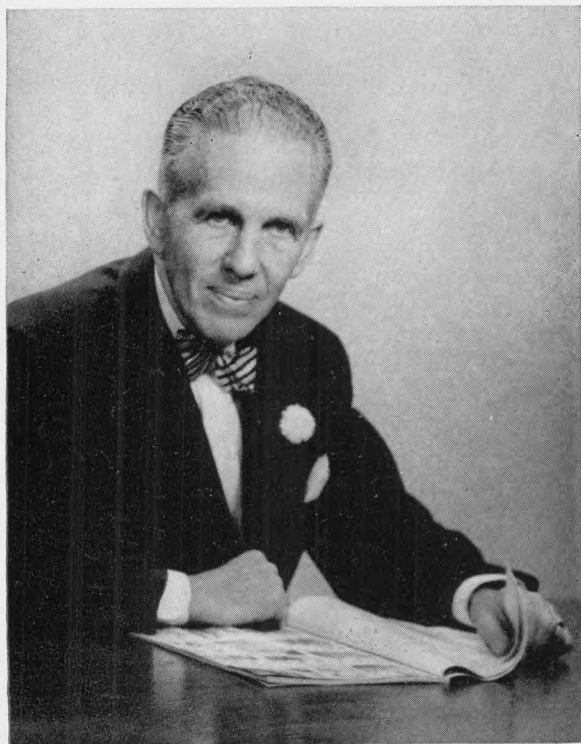
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Northwestern Banker, March, 1948



## Across the Desk From the Publisher

*Dear James Bryant Conant:*

*President of Harvard University*

Your annual report to the Board of Overseers of Harvard University was stimulating to us because you are thinking of the future, planning for the future and not living on the "glories of the past."

In your report you said: "The antiquity of a university is in itself of little value. Indeed, President Eliot once remarked that a good past was positively dangerous if it made one complacent about the future. On the contrary, one finds faculties and administrators harassed by doubts about the future of their undertakings, and citizens worried about whether there is any future for the civilized world."

"A vastly enlarged and altered nation seems to find an expanded academic community like our own of value both in advancing learning and 'perpetuating it to posterity.' So, I venture to believe, it will be a century hence, the pessimistic prophets of the moment to the contrary notwithstanding. Therefore, I conclude we must proceed with our long range planning."

If an educational institution or a bank or any other organization "rests on its laurels" and lives on its "antiquity," it is not taking a progressive view of the future. But if long years of service to a community, by a college or a bank, are but

stepping stones for better and more intelligent administration in the future, then students and bank customers alike, are assured of a better and more satisfactory tomorrow when faculties and bank officers will be of even greater help in solving their problems.

*Dear A. L. M. Wiggins*

*Under Secretary of the Treasury*

We disagree with you completely in your opposition to the so-called community tax bill which would allow an equal division of the net income between husband and wife for Federal income tax purposes.

You say that the income taxes should be kept high so that we can make additional payments on the national debt.

Certainly reduce the national debt, but by what methods?

As a former president of the American Bankers Association, Mr. Wiggins, may we suggest that before you oppose a reduction in income tax rates, it would be much better to reduce government expenses.

Some of your colleagues, Mr. Wiggins, have said that a reduction of income taxes which would give more money back to the taxpayers would cause inflation.

We simply ask the question as to whether the government should spend the money or whether the individual taxpayer should.

The NORTHWESTERN BANKER believes that it is about time that the individual citizen has a chance to spend some of his own money instead of tossing it into the "Washington Whirlpool" where it is not always spent wisely or well.

In a recent statement you said: "Under current conditions, when employment, production and the national income are at peak peacetime levels, it is imperative that the yield of the tax system should be maintained, in order to provide an adequate payment of the national debt."

Certainly, Mr. Wiggins, we want to make payments on the national debt, but let's first start by cutting down government expenses, and at the same time, enact the husband and wife income tax proposal.

After all, why should 12 states, including Arizona, California, Idaho, Louisiana, Nevada, Washington, Nebraska, New Mexico, Oklahoma, Texas, Michigan and Oregon, have this law on their individual state statute books and not make it universal?

Why should these states have a tax advantage which is denied to the other 36 states?



So we say, Mr. Wiggins, reduce government expenses **first** and at **long last** give the taxpayers a little relief by passing the husband and wife community tax split law and let the taxpayers spend a little more of their own money.

### Dear C. S. Young:

President Seventh Federal Reserve Bank

We have been studying with a great deal of interest your "member banks operating ratio" for the Seventh Federal Reserve District based on 1947 figures.

In this report you say: "The operating ratios of the member banks in the Seventh Federal Reserve District reflect the expansion in loans and reduced profits on securities characteristic of bank operations in 1947. While total operating costs of banks were nearly 12 per cent higher than in 1946, the increase was offset by larger earnings resulting from the greater loan volume. Total net recoveries and other profits declined 5.5 points as a percentage of total earnings, largely because of marked declines in securities profits and increases in farm losses. The resulting ratio of net profits to total earnings for 1947 is the lowest since 1942. Net profits to total capital accounts dropped to 10.5 per cent from 12.5 per cent in 1946."

In analyzing your report, the NORTHWESTERN BANKER thought it might be interesting to make a 5-year comparison of expenses and profits, and the results of these calculations are as follows:

#### 5-Year Sources of Earnings 1942 Compared with 1947

Earnings	1942	1947
Interest on U. S. Government securities	29.3	42.7
Interest and dividends on other securities		5.5
Earnings on loans	52.7	36.8
Service charges on deposit accounts	7.3	7.2
Other current earnings	10.7	7.8
<b>Total earnings</b>	<b>100.0</b>	<b>100.0</b>

In 1942 there were 923 member banks in the Seventh Federal Reserve District and in 1947 there were 999, or an increase of 76 banks.

Interest on Government securities **increased** 13.4% in the 5-year period or from 29.3% to 42.7% as shown by the accompanying chart.

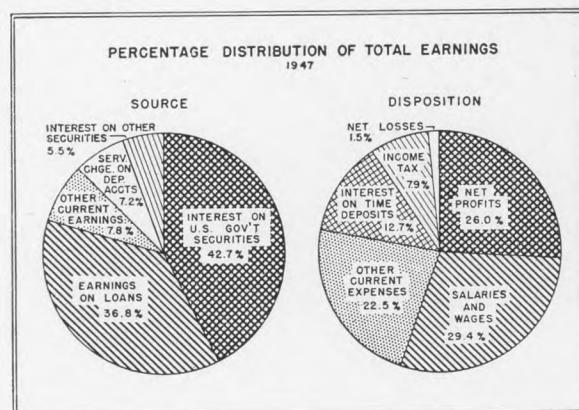
Earnings on loans in the same 5-year period **declined** 15.9% or from 52.7% in 1942 to 36.8% in 1947.

Service charge earnings remained about the same at 7.3% and 7.2% in the 5-year comparison.

Other current earnings **declined** from 10.7% in 1942 to 7.8% in 1947 or 2.9%.

#### 5-Year Expenses and Profits 1942 Compared with 1947

Expenses and Profits	1942	1947
Salaries and wages	32.1	29.4
Interest on time deposits	14.4	12.7
Other current expenses	26.6	22.5
<b>Total expenses</b>	<b>73.1</b>	<b>64.6</b>
Net current earnings before income taxes	26.9	35.4
Net recoveries and profits (or losses)	.4	-1.5
Taxes on net income	3.2	7.9
<b>Net profits</b>	<b>24.1</b>	<b>26.0</b>



Salaries and wages declined 2.7% in the 5-year period or from 32.1% to 29.4%.

Interest on time deposits also declined 1.7% and other current expenses were reduced 4.1%.

Comparing 1942 with 1947 the total expenses declined 8.5% or from 73.1% to 64.6%.

Current earnings before income taxes increased 8.5% or from 26.9% to 35.4%.

Taxes on net income increased from 4.7% or from 3.2% to 7.9% per cent in 1947.

Net profits showed a slight percentage gain of 1.9% as they were 24.1% in 1942 and 26% in 1947.

As for 1948 a NORTHWESTERN BANKER Survey which appears in this issue indicates that banks believe that while deposits may decline this year, that loans will increase, and let's hope that the net profits will be satisfactory at the end of the year.

Member banks in the Seventh Federal Reserve District for a number of years have shown very good "net profits" and today are certainly in a very liquid position with U. S. Government securities of 54% and cash of 22.5% or a total of 76% in governments and cash.

What applies to the Seventh District is reflected likewise in other districts of the country. Today as never before banking is on a very sound basis in the United States—let's keep it that way.

*Clifford DePuy*





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

**Northwestern Banker, March, 1948**



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AT THE George Washington Club first party, Hartwell Davis (left), personnel technician of the Omaha National Bank, and A. J. "Jack" Rhodes, assistant vice president, help to serve the excited youngsters.

## How a Bank Is Developing Honesty Among Youngsters

**The Omaha National Bank Has Established the George Washington Club to Prove "Honesty Is the Best Policy"**

HONESTY is always the best policy, said George Washington in his **Second Farewell Address**. The old adage has been given fresh meaning by the Omaha National Bank of Omaha, which has a smoothly functioning plan for rewarding youngsters who find money and return it to the owner.

The George Washington Club, sponsored by the bank, has acquired 90 members in the four months since the plan was inaugurated, and there seems to be no prospect of a let-up in the steady stream of reports which come to the bank each week, telling of the honesty of some child.

It all began when A. J. Rhodes, assistant vice president, read in the September issue of the Financial Public Relations Association *Bulletin* an article concerning a similar plan begun by a Denver bank. After an exchange of correspondence with Arthur Williams, originator of the Denver plan, it was decided to set up a like program in the Omaha bank. The tentative basis for rewards included, as its main points, an age limit of 14, and a minimum of one dollar in currency to be found.

### First Case

The first case which was reported to the bank was that of a little negro

girl who had found a pocketbook containing 25c on the school playground. The principal of her school wrote to the bank, acknowledging frankly that the case did not come within the rules set forth, but saying that the principle was important. One paragraph from his letter deserves quotation:

**"Sometimes, in the rush of everyday living, we adults forget to laud our children for the little things they do. Yet these little things are often the desirable traits which go to make good citizens . . . We hope, at our school, to point such desirable qualities up. Not with just the thought of tangible reward in mind, but rather the intangible qualities—the feeling of respect, usefulness, and dignity that can accompany one's being able to do his fellow man some good service."**

The sum which the child found was admittedly small, but the bank agreed with that principal—incidentally, the only negro principal in Omaha—and sent the girl a crisp new one-dollar bill as her reward. The first case demonstrates the initial difficulty the bank encountered: how to divide an abstract quality such as honesty into categories, and reward for it accordingly. Using the case of the little

negro girl as a yardstick, the bank devised a sliding scale, apportioning its rewards to the amount of money found. For the larger amounts, a billfold containing five one-dollar bills is the reward; for less, only the billfold; for small amounts, \$1.00; but in every case, no matter what the sum involved, the bank sends a congratulatory letter to the youngster, and makes the child a member of the George Washington Club. The bank also reserves the right to exercise its own judgment in choosing members. Although it originally stipulated that the child must find a minimum of \$1.00, it has in many cases rewarded deserving children who have found less. The very elasticity of its rules makes their strength, and each case is decided upon an individual basis.

The second case was that of a little boy of six, who had picked up a billfold containing \$79, and returned it to the owner. His mother brought him to the bank, where he was rewarded with a brand new billfold bearing his name, and five one-dollar bills inside it. The child was in the first grade, and had not yet learned to write, but printed in large, sprawling letters his name and the first initial of his surname. He had been something of a (Turn to page 24, please)

# Why Banks Must Have A Sound Loan Policy

## And Suggestions As to How Such a Policy Can Be Established

By WILLIAM G. F. PRICE

Vice President, American National Bank and Trust Company of Chicago

A SOUND loaning policy requires a periodic internal examination of the quality of the loan portfolio. Three suggestions might be in order with respect to an internal examination of assets:

The first: **Loans should be graded on the basis of quality.** Thus management gets an over-all picture of the risk it is taking. Furthermore, by watching the results of the periodic examinations, management has a measure of progress or retrogression.

The second: **Where weaknesses exist, corrective steps should be suggested and, where agreed upon, followed through.** I believe that the basis of an internal examination should be as stringent as possible, without at the same time being captious.

The third is a tough one. But it is probably the crux of the situation: **Sound loaning policy certainly would spell out that loans of a speculative character should not be made.**

### A Speculative Loan

The trouble comes in trying to define a speculative loan.

In the field of commercial credits the type of speculative loan most frequently sought is one based on inventory, whether or not the money is secured by a pledge of the merchandise. Not many inventories that go across my desk seem out of line with current sales. Quite a few are unreasonable when measured against the quick position of the borrower. Personally, I know of no description of a speculative inventory loan which is even reasonably precise. It is a matter of good judgment on the part of both banker and borrower. There must also be a firm conviction on our part that we should not make speculative loans today, even though it is not possible to define them precisely.

We can usually form positive conclusions in instances where an inventory plus forward commitment is excessive when it is measured against either current sales at cost or against working capital. When these facts exist, it seems to me that we should

satisfy ourselves on the following points:

1. What about the inventory itself—in pricing, quality, and styling? How is it divided between raw materials, work in process and finished goods?
2. What is the on order position? How much is it, when is it coming in,



WILLIAM G. F. PRICE  
"Three major financial problems"

who is it on order from, at what price, are the orders firm or subject to cancellation without penalty?

3. What is the backlog; with detailed information elicited by questions similar to those just indicated.

4. How do the products we are asked to finance compare with competitive products?

5. How do our borrower's costs and prices compare with his competitors?

6. Is the merchandise of a type with which the borrower is thoroughly familiar or is it strange to him?

7. What is the historical record of the price of the raw materials involved? What is the price today? How does today's price compare with the history? Has it gone up more, or less, or about the same as other prices? How big is the difference?

I have deliberately omitted what is perhaps the most important consideration of all. It deserves a place by itself. How well do we know how the borrower's mind works? Is he honest, intelligent, ingenious, well seasoned and well informed? The same line of reasoning would apply to speculative loans where assets other than inventory are involved.

For my own guidance, if for no other reason, I wish there were some means by which speculative loans could be tagged at sight. The judgment on whether a particular loan is or is not speculative depends on as complete knowledge as we can get about the transaction and the people under consideration. It is, of course, also essential that we know the answers to three of the basic questions which relate to any loan transaction:

1. **When** will it be paid back?
2. For **what purpose** will the money be used?
3. **How** will it be paid back?

We must remember, too, that the aggregate loan totals are the result of our own individual day-to-day judgment.

### Effect of Capital Loans

The fourth suggestion with respect to a sound loaning policy relates to capital loans. A capital loan, for the purpose of this discussion, is a loan the proceeds of which are to be invested either in fixed assets or in a permanent increase in working capital. The other characteristic is that repayment is contemplated from earnings and not from the turnover of assets.

There are many phases of capital loans which might be discussed. Our only concern in this discussion is with the effect such loans have on inflationary pressures.

New capital assets are generally bought with the aim of increasing production or of cutting costs. Either result should tend to decrease prices, which is greatly to be desired at this time. That, however, is only one part



of the story. When we make a loan we create buying power with which the borrower will buy something.

In the case of loans made to acquire capital assets, the new money which we have created enables the borrower to bid for labor and materials which otherwise might have gone into goods for current consumption. Assuming the safety of any specific application, it would seem that the criterion of sound lending policy might well be the time at which the capital assets to be acquired will come into production. If they can be put to use reasonably soon the loan might well be combatting inflation. If, on the other hand, the facilities will not be turning out products until well in the future, then a negative decision might well be reached. Such financing at this time is more appropriately done by savings already accumulated than by the creation through the banks of new and added purchasing power.

### Supervisors

The final thought to be offered is that sound lending policy today involves a full recognition by us of the important part which the supervisory authorities are playing in this matter. The services the examiners render us with respect to the appraisal of our assets has long been recognized and appreciated.

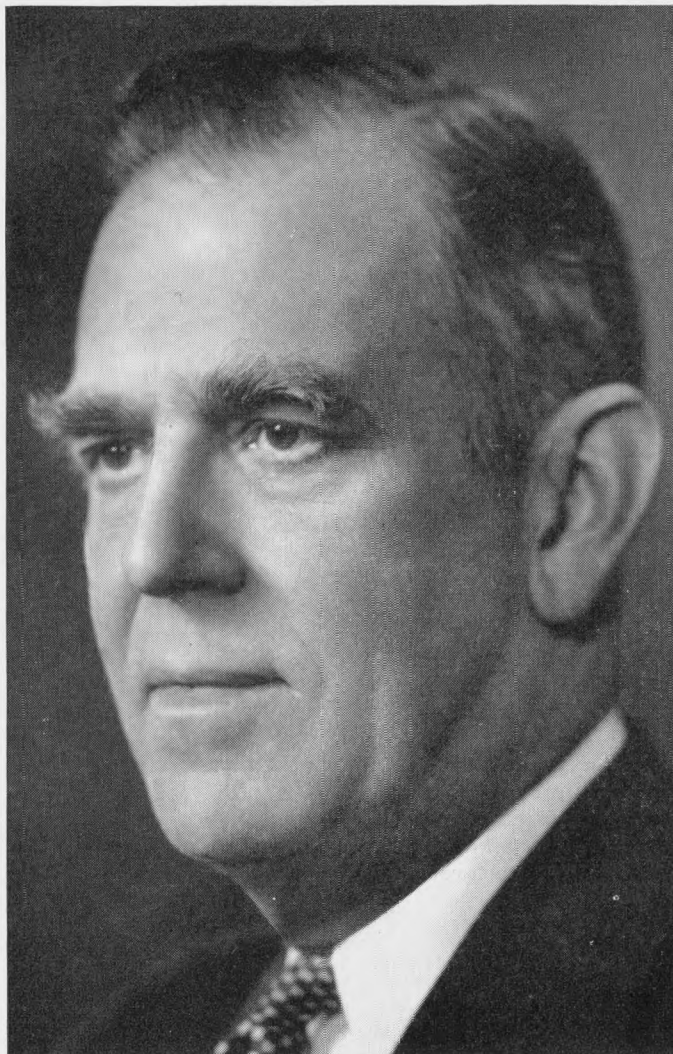
Today they are, in addition, a highly important part of the front which is struggling to prevent any further increase in prices. The supervisory authorities, in addition to their customary duties, must satisfy themselves now, as never before, as to the constructive character of the underlying purpose of the loans. Sound lending policy dictates that we have full understanding and give active cooperation to these important allies.

One of the more important changes which has taken place in our field is the sharp increase in commercial loans since the end of the war. In the last six months this increase approximated 25 per cent and brought these outstandings to the highest level on record. The loan figures are still in proportion to our enlarged Gross National Product. The problem here is what might happen if Gross National Product fell off sharply. The rate of increase in commercial loans lately has been much more rapid than the increase in either physical production or in prices. Meanwhile, there has been no increase in employment.

One effect of the substantial increase in loans, felt within the banking system, has been to run the loans-to-capital ratio up to 4 to 1. This is

(Turn to page 20, please)

## About Bankers You Know



CARL A. BIRDSALL

President, Continental Illinois National Bank & Trust Co., Chicago  
 "Gives constant attention to fundamentals of banking"

WHEN Carl A. Birdsall became president of the Continental Illinois National Bank and Trust Company of Chicago recently, his elevation was not merely an automatic promotion because of his long term of service. Rather it was the culmination on his part of many years of efficient work and when the time came he was ready to accept the great responsibility of being chief executive of the sixth largest bank in the country, the largest between New York and California.

Supervising the diversified, complex interests of a bank with \$2,230,000,000 in deposits requires not only the masterful touch of a man who has a keen understanding of these many operations within a financial institution, but also one who has the ability to analyze deeply and judiciously the many problems that daily confront top executives. Carl Birdsall has proven himself to be such a man by reason of his constant attention to the fundamentals of banking and through the continuous application of sound thinking to problems of credit, commerce, investments and commercial banking. His well trained memory is one of his greatest assets.

As he developed his talents in the many phases of bank operations, he acquired a reputation as a good organizer. This ability gave his career the final polish and at the annual meeting in January he was selected as the man to succeed James R. Leavell, brilliant president of the Continental Illinois since 1930, who some time ago expressed his wish to retire.

Carl A. Birdsall is the product of a small midwestern community. He

(Turn to page 22, please)

Northwestern Banker, March, 1948

# News and Views

## OF THE BANKING WORLD

By CLIFFORD DE PUY, Publisher

IT IS impossible for us to see how anyone who has "tasted freedom" could ever advocate **Communism** or a **Communitic dominated government**, yet there are some even in the United States who think Communism and the Russian way of life is better than ours.

If so, perhaps the following interesting article should be read by them.

"Russia is exerting frenzied efforts to portray Communism as superior to other forms of government. Ponder this statement by 'Believe it or Not' Ripley.

### A RUSSIAN CITIZEN

May not own land

May not strike

May not picket

May not employ labor

May not travel

May not own jewelry

May not be tried by jury

May not choose his own job

May not absent himself from work

May not ring a church bell

May not be a friend of a foreigner

Is forbidden freedom of speech, freedom of assembly, freedom of religion, freedom of soul.

"You will see why Communistic dictators are frantically resorting to misrepresentation of conditions in their own land and of conditions in non-Communitic lands."

While attending a luncheon recently, a prominent Englishman who was the speaker said most all invitations in London have the initials **B. Y. O. G.**, which means "bring your own grub."

**Edwin F. Buckley**, president of the Central National Bank and Trust Company, was elected to the board of directors of the Greater Des Moines committee.

Mr. Buckley replaces **B. Frank Kauffman**, chairman of the Bankers Trust Company, who resigned from the board in December. Mr. Kauffman has been elected an honorary life member of the board.

Personal incomes reached a record of 197 billion dollars in 1947. This topped 1946, the previous record, by 20 billion dollars.

Farm owners had income totaling 17 billion dollars last year compared with 15,200 million dollars in 1946.

**J. Cameron Thomson**, president of the Northwest Bancorporation of Minneapolis, believes that the United States will have continued prosperity for the first six months of 1948, but he is not sure what the situation may be after that period.

The second six months, he believes,



J. CAMERON THOMSON  
"Prosperity first 6 months"

"depends on crops and the trend of world events."

**Earl O. Shreve**, president of the United States Chamber of Commerce, believes that we must buy from other countries if we expect them to buy from us, and in a recent message said:

"The United States as the richest market in the world offers extensive opportunities for those who will actively endeavor to sell their products here.

"We are an active creditor nation. We must act as a creditor. We must accept payment from our debtors. They can make payment chiefly in goods and services.

"And if we are to be paid for our exports, we must accept the wares of our creditors in increasing quantities. We need stockpiles. We can increase the living standards of our people by taking many of the things which are produced abroad."

**Edward Eagle Brown**, chairman of the First National Bank of Chicago,

was re-elected president of the Federal Advisory Council of the Federal Reserve System for his 9th consecutive term at the 1948 organization meeting of the board.

**John N. Garner**, former vice president of the United States, is now telling about his relations with **Franklin D. Roosevelt**.

He said that he told Roosevelt that **Henry A. Wallace** had "crazy ideas" and **Henry Morgenthau, Jr.** "had no ideas at all."

In November, 1933, when Russia was recognized by the United States, Garner said, "if we have acquiesced in the comintern and given it opportunity to work unhampered in this country, we may be inviting trouble. This outfit wants to pull down our government.

"In time of a depression such as this, when millions of people are out of work, it looks like a poor time to invite in organized and disciplined agitators."

**Arthur W. Glennie** has joined the La Salle National Bank of Chicago as assistant vice president. Mr. Glennie, who has been associated with Chicago banks for 25 years, has most recently served as vice president and cashier of The South Shore National Bank of Chicago. He previously served for a number of years in the office of State Banks in Liquidation. Mr. Glennie has attended Northwestern Evening School of Commerce, and is a member of the class of '49 of the Central States School of Banking at the University of Wisconsin.

**Frank M. Hickok**, vice president in charge of the corporate trust division of the American National Bank and Trust Company of Chicago, retired from active duty on March 1st, according to **Lawrence F. Stern**, the bank's president. Hereafter, the corporate trust division will operate under the supervision of **Edmund L. Andrews**, vice president.

The domestic scheduled airlines of the United States have multiplied their passenger carrying from less than 48,000 air travelers annually to more than 13,000,000 in the span of 20 years, while fares have been reduced from 11c a mile in 1928 to





# OVERNIGHT COLLECTION AND TRANSIT SERVICE



**AIRMAIL- Coast to Coast**  
**RAIL MAIL- Within 500 Miles**

★ Our central location and mail facilities enable us to provide quick service on your collection and transit items.

★ Evening departures of air and rail mail give overnight delivery to east and west coasts, and to points on both borders.

The Omaha National Bank by virtue of these advantages has developed unusual speed and efficiency in handling items for correspondents.

Inquiries are invited.

# The Omaha National Bank

Member, Federal Deposit Insurance Corporation

Northwestern Banker, March, 1948

about 5c in 1947. The volume of under 59,000 ton miles of express has jumped to more than 68,000,000 ton miles of express and freight.

**Thomas W. Lamont**, a former partner of J. P. Morgan and Company, who died recently, was a great lover of journalism and told **Henry Seidel Canby**, publisher of the *Saturday Review of Literature*, that journalism had been his first love. "Not," he said, "that my life as a banker has not been enjoyable and interesting to a high degree, but I intended to become a

newspaperman, and the desire has never quite died."

As a matter of fact, Mr. Lamont was responsible for establishment of the *Saturday Review of Literature*.

Mr. Canby says of Mr. Lamont, "Personally, he was a man of infinite kindness and equal charm. He had a quality of steel which one saw only occasionally but which in a glimpse measured the man as a master of affairs and a leader of men."

Today in China \$89,000 equals 1 American dollar and at a dinner party

the other evening a friend of ours showed us a letter she had just received from Shanghai which had come air mail and had \$39,000 in stamps on it including 3-\$3,000 stamps, 1-\$10,000 stamp and 1-\$20,000 stamp.

Inflation in the United States has not quite reached this height as yet.

**James A. Farley**, speaking before Colgate University on the "Human Side of Politics" said that many of the world's ills could be traced to Mr. Roosevelt's third and fourth terms.

He said, "The third and fourth terms brought a great mind, but one worn by the weight of years and cares of state, to the all-important conference at Teheran and Yalta."

Instead of a strong mind at these conferences, "we had a weakened president dividing the world in a series of concessions embodied in secret agreements, which having arisen from the Pandora box of secret diplomacy, are plaguing the world's children with blood, death and fears."

**Robert H. McCrary**, Des Moines investment broker and golfer, has joined the firm of Bateman and Eichler and Company, investment bankers in Los Angeles, California.

Mr. McCrary was a member of McCrary and Dearth Investment Brokers, 600 Des Moines building. He won the Des Moines golf championship in 1923 and 1927; the Trans-Mississippi championship in 1929-30.—The End.

## BANKS MUST HAVE A SOUND LOAN POLICY

(Continued from page 17)

slightly higher than it was at the last preceding peak in 1929.

### Three Major Problems

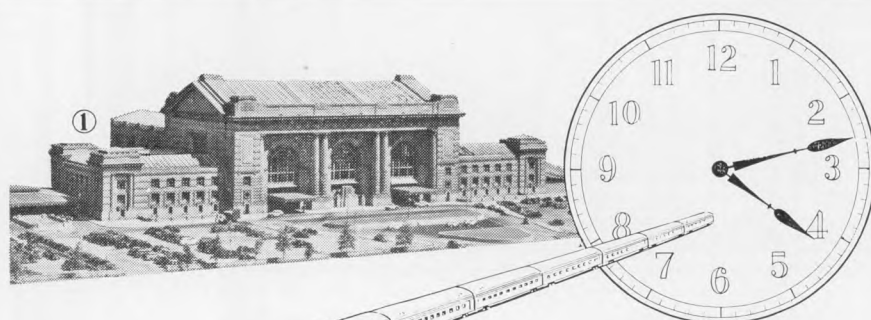
While these developments have been taking place, three major financial problems have been crystallizing for business:

The first is that business needs a great deal more money to handle its largely expanded physical volume at present price levels.

Secondly, this demand is not only running into higher rates but into a scarcity of equity capital as well. As a result an unbalanced position between debt and equity is being built up.

In addition to these two financial problems, business has to cope with a very high level of breakeven points. This brings about the risk that an appreciable drop in sales might seriously impair profit margins.

All of these considerations lead to the conclusion that a sound and clearly expressed loaning policy is essen-



## Commerce

SPECIALIZED TRANSIT SERVICE  
for BANKERS

The entire Commerce organization is geared to speed and efficiency. Twice around the clock—24 hours a day—is the Commerce transit operation. The pictures tell a graphic story of this Commerce specialized service for bankers—

- 1—Union Station where all rail service is combined in one terminal.
- 2—Approximately 150 mail trains enter and leave Kansas City every day.
- 3—Commerce Box 248 at the main post office where special messenger calls every 30 minutes.
- 4—Transit department in the bank building operates two shifts a day.
- 5—Night transit department in Union Station completing twice around the clock service to Commerce customers.



## Commerce Trust Company

Capital Funds Exceed 21 Million Dollars

KANSAS CITY'S LARGEST BANK  
Established 1865

MEMBER FEDERAL DEPOSIT  
INSURANCE CORPORATION

Northwestern Banker, March, 1948



# 80 Years of *Specialized Experience*



THIS BANK has been closely identified with the live stock industry in Chicago for more than three-quarters of a century. We know the importance of speedy transmission of proceeds of live stock sales and for years have had these credits in the hands of Midwest bankers the next day. This is only one of our many services used by bankers throughout the Middle West.

*The*

## LIVE STOCK *National* BANK *of Chicago*

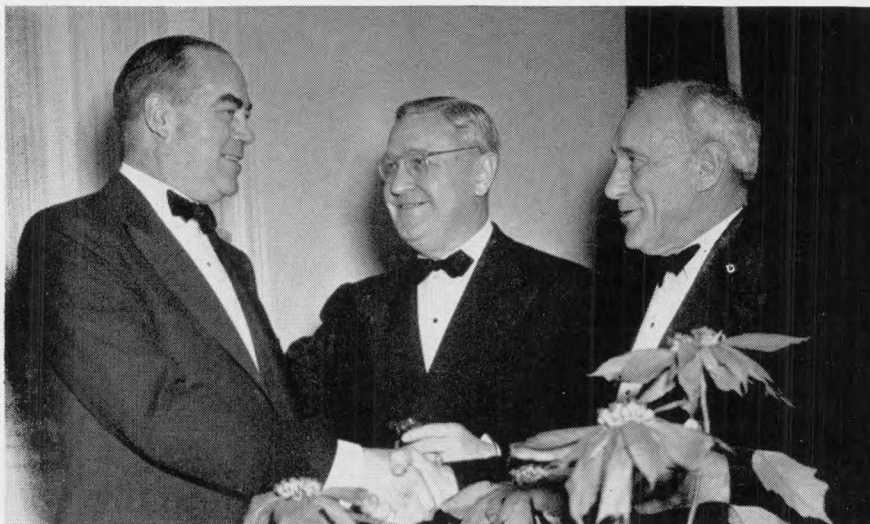
ESTABLISHED 1868

*Member Federal Deposit Insurance Corporation*

UNION STOCK YARDS

*Northwestern Banker, March, 1948*

## Celebrates His 50th Year



ON HIS GOLDEN jubilee in the banking business, Walter Kasten, left, president of the First Wisconsin National Bank, Milwaukee, was honored at a dinner at the Milwaukee Club.

Mr. Kasten is pictured with Walter Geist, center, president of Allis-Chalmers Manufacturing Company, and Harold Seaman, both directors of the First Wisconsin.

In addition to other officers and directors of the bank, the dinner was attended by bankers from many Wisconsin cities.

be avoided. When evidence of this is thought to exist an even more complete knowledge than usual of all of the facts is essential.

Capital loans also present unusual problems. Under present conditions, one important consideration is to determine how rapidly the facilities to be financed will be turning out goods. If the time is in the distant future it may be unwise to create new money. Under these circumstances the added purchasing power bids for labor and materials that otherwise would be available for production for current use.

Lastly, sound lending policy demands full cooperation with the supervisory authorities in the important part which they are playing in the fight against inflation.—The End.

### ABOUT BANKERS YOU KNOW

(Continued from page 17)

was born in Alexandria, Nebraska, June 28, 1892. His father was a doctor and young Carl lived in various small towns. He was drawn to Chicago where he entered the University of Chicago, paid his own college expenses through his job as reporter for Chicago papers, and was graduated from the University with a Bachelor

tial today. Such a policy could well aim at putting some ceiling on the amount of the loan portfolio. It also

might provide for a periodic, tough internal examination of loans.

Speculative loans should, of course,

## Field Warehousing—

*"Our operating methods based upon long, practical experience insure valid warehouse receipts. We invite your investigation."*

**St. Paul Terminal Warehouse Co.**  
ST. PAUL, MINN.

#### — Iowa Office —

515 Iowa-Des Moines National Bank Building  
DES MOINES  
TELEPHONE 2-1208  
T. C. CANNON, DISTRICT MANAGER

#### — Other Offices —

MINNEAPOLIS MILWAUKEE CHICAGO DETROIT  
NEW YORK BOSTON BUFFALO INDIANAPOLIS  
PHILADELPHIA PITTSBURGH SYRACUSE  
DALLAS MEMPHIS ATLANTA ALBANY, GA.  
CHARLOTTE JACKSONVILLE SHREVEPORT



# ANY BANK

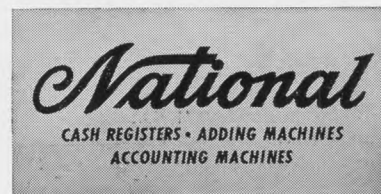
can profit by the seven basic services of this  
National Multiple-Duty Accounting Machine!



In a small bank, *one* National Multiple-Duty Accounting Machine can post the depositors' accounts, post the loan and discount record, post whatever type of mortgage record used, post the trust ledger, post the general ledger, make the daily statement of business, and write the payroll checks and records—*changing from one of these jobs to another in a matter of seconds*. For its removable form-bars simply lift off, and snap on—no screws, catches, or fittings to fuss with.

In a larger bank, separate National Multiple-Duty Accounting Machines may be assigned to handle one, or more, of these specific jobs. The functional flexibility of these National Multiple-Duty Accounting Machines permits them to handle any shifting overloads promptly *as they occur*, and they are kept busy every hour of the banking day.

National Multiple-Duty Accounting Machines speed production and reduce errors—as do any of the many other National machines and systems expressly designed for bank work. Call your local National representative. Or, write to The National Cash Register Company, Dayton 9, Ohio. Sales and Service Offices in over 400 cities.

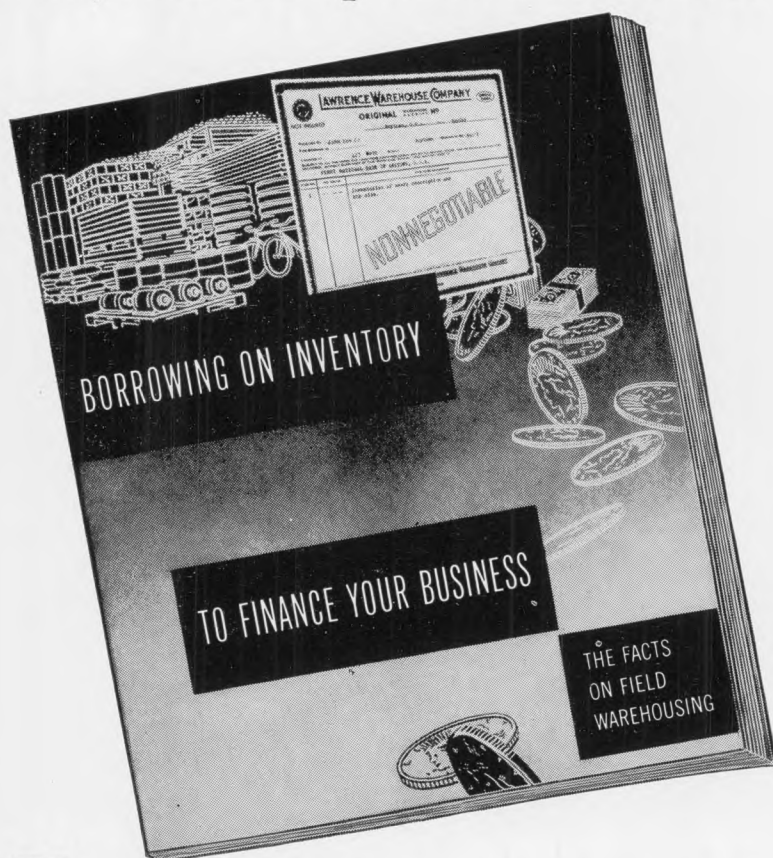


THE NATIONAL CASH REGISTER COMPANY

Northwestern Banker, March, 1948

# Prepared by LAWRENCE

...to help inform the businessman  
who needs to borrow  
beyond his open line of credit



**T**his new **FREE BOOK** can increase your opportunities to make safe, profitable loans through *warehouse receipts* issued by America's largest, strongest and most experienced field warehouse organization.

Write us for extra copies without charge for distribution to your clients.

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Boatmen's Bank Bldg.

NEW YORK 5, N.Y.  
72 Wall Street

Kansas City 7, Mo.  
933 Mulberry Street

of Science degree in 1917, just in time for military service. He put in a tour of overseas duty, came out of the Army Air Corps as a captain. In December, 1919, he was married to Frances Deneen, the same year he went to work for the Continental. Four years later he was named assistant cashier, became second vice president in 1927 and vice president in 1930. He was elected to the board of directors in 1947.

Mr. Birdsall is a member of Phi Kappa Psi fraternity, the Chicago Club and is a trustee of the Equitable Life Insurance Company of Iowa.

## HOW A BANK DEVELOPS HONESTY

(Continued from page 15)

problem at home, and his mother later told bank officials that the public recognition he had received proved to be of great value in pointing him in the right direction.

### Honor at Schools

Cases began to pour in, and it was decided that rather than have the children come to the bank, the rewards would be given through the schools, whenever possible. Teachers and principals have been most co-operative in reporting these cases, and the bank feels that the good done the individual child in giving him a pat on the back carries over to the others, who some day "go and do likewise."

From the beginning, the bank's idea was to establish a broad base for their reward plan. In other words, although each child would be rewarded according to the individual case, **all** of the children would belong to a club to be organized after the plan had been in effect for a month or two. By Christmas, over forty children had been rewarded, and letters were sent to each, wishing them a merry Christmas, and telling them that they were now members of the George Washington Club. All children who have been reported to the bank, and whose finds come within the age limit and eligibility rules of the plan, whether or not they receive a monetary reward, become members.

The cases reported to the bank have been as varied in interest as are the children they represent. One child was the bad boy of the neighborhood, yet, when he found a wallet with \$35 in it, he sought out the owner and returned it to her. That \$35 represented the total weekly income of a family of four, and the owner called the bank about the boy. She was able to give him only a very small reward for his honesty, but under the bank's rules, he was eligible for a leather billfold, stamped with his name, and





## BANK STOCK WANTED



Briefly outlined here are the wants of a few of the many bankers recorded with us who are now in the market for the purchase of bank stock carrying active executive positions.

1. A Norwegian-Lutheran, now active manager of a good Iowa bank, salary \$3,300. Has \$25,000 to invest. Wants control of a small bank in northern Iowa or southern Minnesota.

2. This man is highly recommended by the supervising authorities for the fine job he has done in the bank he now manages for others. He is 42, German Protestant. Can invest \$30,000 to \$50,000. Prefers north-central Iowa.

3. Very successful Nebraska banker, age 48, with \$70,000 to invest, wants control, town of 500 up. Eastern Nebraska, South Dakota, Iowa, Southern Minnesota, Wisconsin or Illinois.

4. A college graduate with both city and country bank experience. Excellent credit man, age 48. Can invest \$200,000. Wants control in town of 5,000 to 25,000 in Iowa or Illinois.

5. Here is another very fine successful banker with \$100,000 to invest in Iowa or southern Minnesota. He is a Norwegian and a Protestant. Present salary \$6,000.

6. This man, age 52, is German-Catholic. Can invest \$100,000. Fine record. Prefers Iowa or adjoining states.

7. Age 39, German-Lutheran, now running a good country bank for others. Can invest \$50,000 or \$75,000, if two positions available. Prefers North Dakota, South Dakota, Iowa, Minnesota or Montana.

8. Here is an outstanding young man, age 36, holding a very responsible bank position. Wants connection in central or northern Iowa in town of 800 to 2,500 where he can invest \$30,000 to \$75,000.

9. This successful Iowa banker wants bank in southwestern Iowa, town of 1,000 up. Will invest \$50,000 to \$100,000.

Confidential correspondence solicited regarding bank opportunities that would be of interest to any of the above men.

**Bankers Service Co.**  
Henry H. Byers, President  
P. O. Box 1435, Des Moines, Iowa



FOUR MEMBERS of the George Washington Club come from Benson West school in Omaha. William Hudnall, 12 (seated), is the school's newest member and is showing his new wallet to Thomas Plummer, 12 (left); Donald Brown, 13, and John Bird, 5. Young Hudnall found and returned \$35 lost by an Omaha woman.

in the city, was deeply disturbed by this unfair and unexpected accusation. The case was reported to the bank in a routine way, and after the girl had received a reward from the bank, presented to her by the principal of her

school, her father wrote to the bank, telling them that they had done a "far better thing" than they knew in rebuilding this child's belief in the goodness of people.

Some of the youngsters in the George

### **Effective co-ordination**

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

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

208 SOUTH LA SALLE STREET

(MEMBER FEDERAL DEPOSIT INSURANCE CORP.)





Washington Club have become members because they found as small a sum as 6c on the school playground, and took it to their teacher. The bank feels that 6c, to a six-year old, means more than a dollar bill. With 6c he can buy something he understands: a candy bar, an ice cream cone, a balloon. A dollar bill is usually pretty vague in his mind. When a child of six or seven finds these small sums, the bank makes them members of the club, and writes them a letter congratulating them on their honesty.

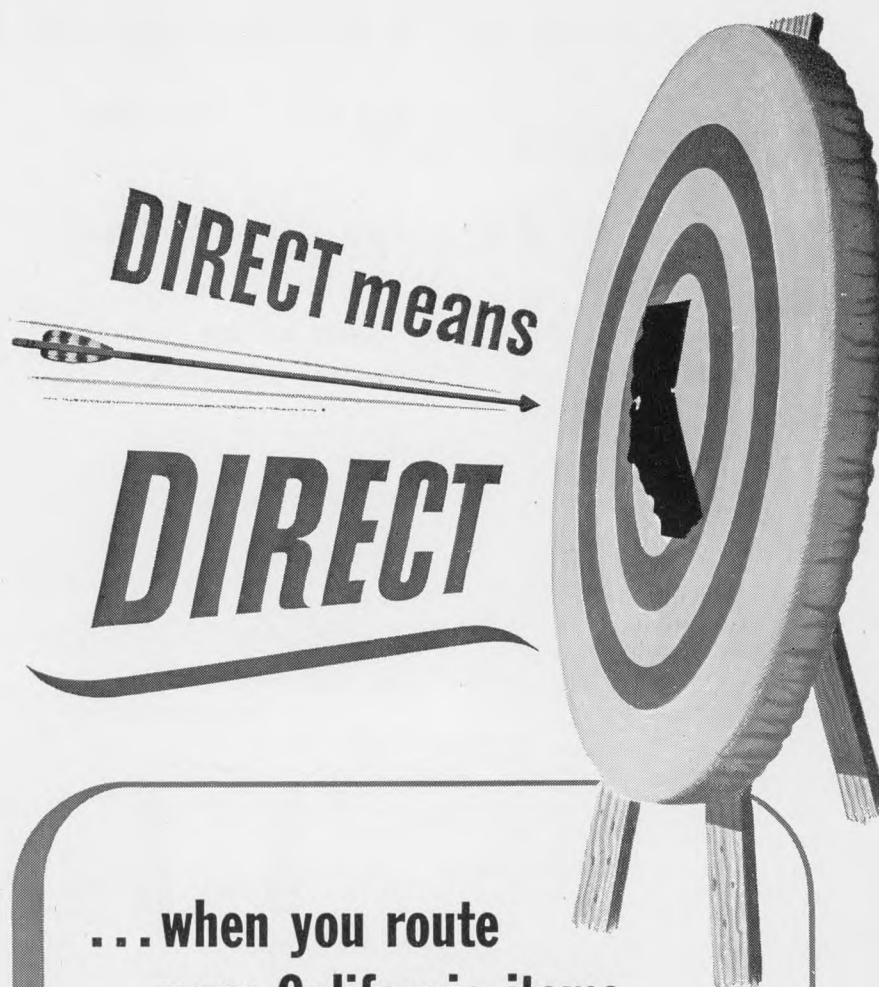
Today the George Washington Club is a flourishing organization. It totals 90 members, with 46 girls and 44 boys. Not all, of course, have received cash awards, but all, without exception, have been made members of the club. Their membership card is their passport to any group activities. The first club party was held on February 21st, the eve of Washington's birthday. Seventy-eight members were present and took part in a radio broadcast from a local station. The children were interviewed by the master of ceremonies, and some of them sang or played the piano or recited a poem. The show was extemporaneous in nature, but one small boy rose to the occasion with a "piece" he had memorized for the great day. In a small, but very proud, voice, he announced:

"I love George Washington,  
I love my country too;  
I love its grand old flag;  
Its red, its white, its blue."  
And sat down abruptly.

#### Officials Assist

A luncheon was served to the children and their parents in the studio and then they were all guests of the bank at a matinee. Two members were unable to be there because of illness, so the bank took the party to them. One of the bank officials brought them the same refreshments the other children were having.

The Omaha National Bank has "cast its bread upon the waters," and is confident that it will "find it, before many days." The program has received favorable comment from all sides. Parents, teachers, children, civic leaders—all are in agreement on the proposition that this plan is an aid to character building among the children of Omaha. It is these qualities of integrity and uprightness which make the good citizen, and the Omaha National Bank believes that its George Washington Club is a real influence in the lives of Omaha's youth. It believes also that some of the best goodwill advertising it has ever done has been achieved through this purely altruistic venture: The George Washington Club.—The End.



## ...when you route your California items through Bank of America

With Bank of America as your California correspondent, items for Stockton or Eureka are sent by you direct to this bank's branches in those cities. So, too, with items to any of more than 300 California communities where this bank has branches. One account with either the Los Angeles or San Francisco office of Bank of America makes this California-wide *direct* timesaving service available.

# Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

California's Statewide Bank

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION  
MEMBER FEDERAL RESERVE SYSTEM

Bank of America Travelers Cheques are known  
the world over. Sell them to your customer.



Northwestern Banker, March, 1948

# ANNUAL INVESTMENT SURVEY

## How Banks Are Investing Their Funds

**Results of a Survey Made Among Banks of the Middlewest on What Types of Securities Make Up Their Investment Portfolios**

**A NORTHWESTERN BANKER SURVEY**

**M**ATURITIES in the bond portfolios of banks in the middle west bulk largely in the three-year term bracket, according to a survey just completed by the NORTHWESTERN BANKER among 1,000 banks in this area. The survey was made among banks in Iowa, Minnesota, Nebraska, North Dakota and South Dakota.

The charts on this and the opposite page graphically depict answers the bankers made to eight questions, and to make the analysis of their answers more informative, the replies are divided into three deposit classifications—deposits under \$2,500,000, deposits of \$2,500,000 to \$5,000,000, and deposits over \$5,000,000. It was felt that such

### Key to Charts

Deposits of \$2,500,000 to \$5,000,000

Up to \$2,500,000 Deposits

More than \$5,000,000 Deposits



each bar applies to a deposit classification.

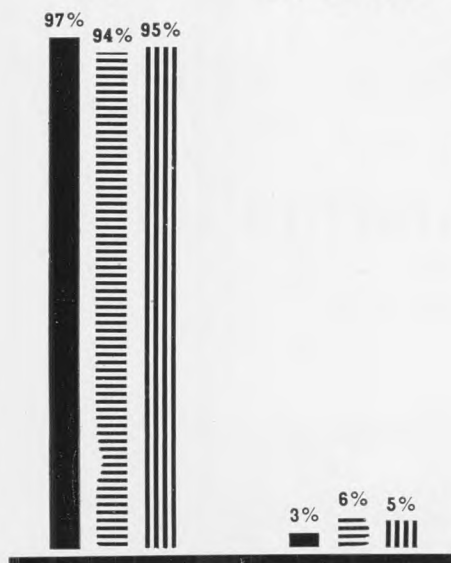
Referring again to the question, "How are the bonds in your investment portfolio diversified as to maturities?" it will be noted that comparatively few securities held are for more than a 10-year term, except in the one instance where small banks say their "other corporates" holdings are 17 per cent over 10 years.

To the question "With respect to your holdings of tax exempt and revenue, and other corporates, which do you consider the wiser investment?" 95 per cent of the banks preferred short-term high grade securities, and some of the comments as to why were as follows:

"I feel rates will stiffen before long, and I don't want to be too far out when it comes." "I want to have funds coming in to meet inflated deposits

### With Respect to Your Holdings of Tax Exempt and Revenue, and Other Corporates, Which Do You Consider the Wiser Investment?

Short Term High Grade      Some Longer Term Medium Grade



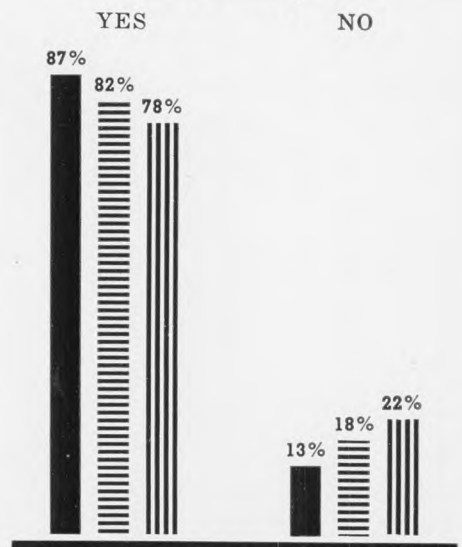
a division would allow readers to better apply the answers to their own banks.

It is important that the reader note the "Key to Charts" appearing on this page. It shows the three different styles of bars used in the charts, and

### What Per Cent of Your Total Reserves Do You Feel You Should Invest in Your Bond Account?



### Do You Buy Any Bonds Which You Do Not Intend to Hold to Maturity?



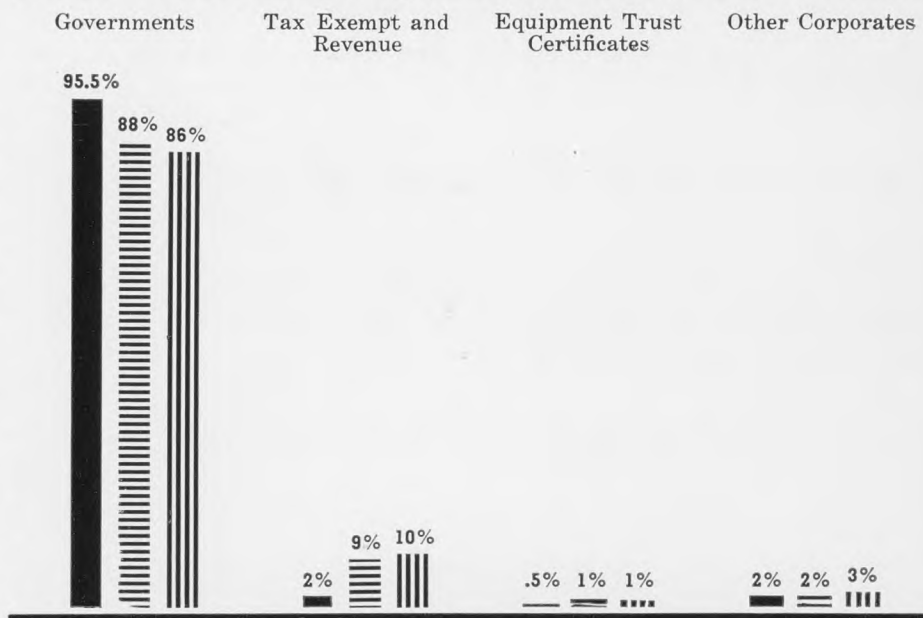
Northwestern Banker, March, 1948



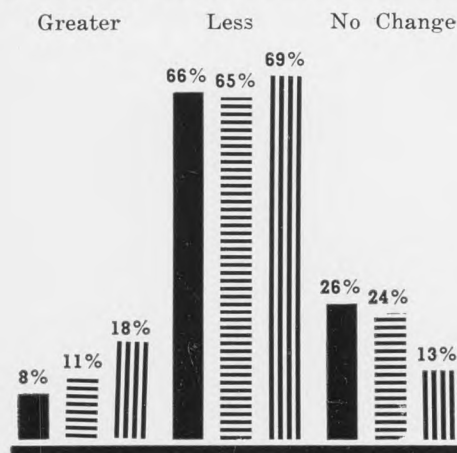
which may be withdrawn in the next few years." "Security and safety come first, and income second." "We always want high grades, whether longs or shorts, but especially in the longs." "The market price is too unstable to hold the longer term issues. High grades are preferred to medium grades because of the obvious results in the event a depression sets in." "I believe in medium term high grades in spaced maturities, allowing the governments to take care of our reserve requirements." "I'll take short term high grade. Tax-exempts, particularly, are not too marketable and therefore they should be short for liquidity."

A brief summary of the charts reveals that banks continue to have the largest portion of their bond holdings in governments; they rely upon their correspondent bank and investment services for advice on their bond portfolio; short-term high grade bonds are considered the wiser investment; deposits are expected to recede and loans are expected to increase in 1948.—The End.

## Of Your Total Bond Holdings, What Percentage Do You Have in



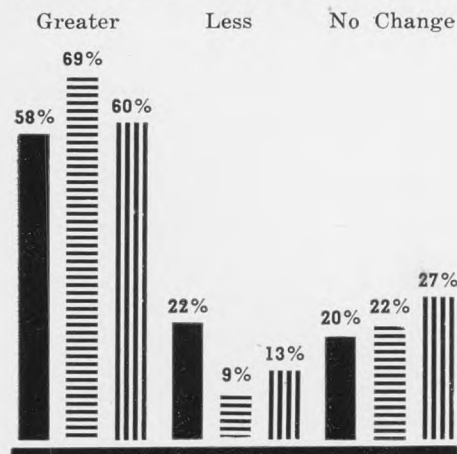
## Do You Expect Your Deposits to be Greater, or Less, in 1948?



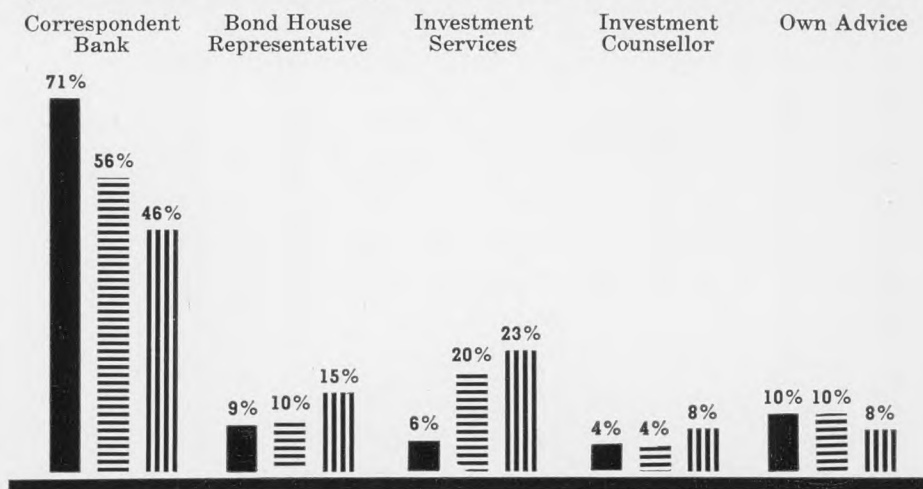
## How Are the Bonds in Your Portfolio Diversified as to Maturities?

Governments	Tax Exempt and Revenue	Equipment Trust Certificates	Other Corporates
3 years — 63%	3 years — 42%	3 years — 80%	3 years — 51%
3 - 10 — 29%	3 - 10 — 50%	3 - 10 — 20%	3 - 10 — 32%
Over 10 — 8%	Over 10 — 8%	Over 10 — 0	Over 10 — 17%
3 years — 61%	3 years — 40%	3 years — 79%	3 years — 51%
3 - 10 — 34%	3 - 10 — 52%	3 - 10 — 21%	3 - 10 — 45%
Over 10 — 5%	Over 10 — 8%	Over 10 — 0	Over 10 — 4%
3 years — 54%	3 years — 48%	3 years — 60%	3 years — 52%
3 - 10 — 39%	3 - 10 — 46%	3 - 10 — 40%	3 - 10 — 40%
Over 10 — 7%	Over 10 — 6%	Over 10 — 0	Over 10 — 8%

## Do You Expect Your Loans to be Greater, or Less, in 1948?



## Upon Whom Do You Rely for Advice on Your Bond Portfolio?



## Municipals Are Good Investment

**S**PEAKING before the Ninth Minnesota Bankers Conference at the University of Minnesota, Harry L. Severson, of the Municipal Service Department of Dun & Bradstreet, stated his belief that municipal bonds are relatively good investments at current market prices, but that state and local governments face many serious problems. He warned bankers that commitments should be restricted to high grade bonds which are improving or at least not deteriorating.

Mr. Severson pointed out that the yield available today on long-term bonds is higher than it has been for a number of years. A bank, he added, can often obtain a higher net return on municipals than it can on governments. He cites three reasons for this increase in yields:

1. Interest rates have risen and the Federal Reserve System has tightened the money market as an anti-inflationary measure.

2. As the increased volume of tax-

exempt bonds comes on the market, it becomes necessary to offer better yields relative to other securities to attract new buyers.

3. The tax exemption feature of municipal bonds may appear less attractive to some investors than formerly, largely because of the possibility of reduced taxes exerting a bearish influence.

Even though the bond market has been going downward for some weeks and may not have hit bottom, Mr. Severson said that it would probably work out best for a bank to keep its funds invested in maturities which fit in with an over-all investment plan, rather than keep its fund uninvested. The importance of a carefully worked out maturity plan was stressed.

In a period of rapid economic changes, Mr. Severson said great care should be exercised in selecting investments. The ability of the various local governments to meet the larger budgets, due to a higher price level, deferred maintenance, as well as demands for improved services, varies widely. Investment decisions based upon past impressions are subject to an accumulation of errors.

Mr. Severson then pointed out a number of problems of security analysis which are of particular significance at this time. The high cost of new construction makes necessary a careful consideration of the physical conditions of the capital improvements and plans for extensions. A superficial review of the financial record may give a wrong impression of the credit quality of the bonds, because almost all communities seemed to make progress during the war because they could not spend money. The important question is whether advantage was taken of this period of good business to improve their position.—The End.

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### On Trade Program

James L. Sharp, manager, foreign department, First National Bank in St. Louis, served on a banking panel of the Mid-Continent World Trade Council Conference held last month in Cedar Rapids, Iowa.

### Dividend

The board of directors of The First National Bank of Chicago, at their regular meeting last month, declared a dividend of \$2.00 per share on the capital stock of the bank, payable April 1, 1948, to stockholders of record March 24th; also a dividend of \$2.00 per share payable on July 1, 1948, to stockholders of record June 24, 1948.



# Equipment Trust Certificates For Bank Investment

**The Safety and Short Term Factors  
Should Interest Conservative Investors**

**By H. HOLDEN SMITH  
Halsey, Stuart & Co., Inc.  
Des Moines, Iowa**

FOR many years some of the most conservative banks and institutions have found Equipment Trust Certificates particularly well suited to their needs for top quality short term investment. Because of somewhat limited supply however, many others have not had occasion to become familiar with the remarkable record of these securities—extending back to 1868.

Present requirements for new equipment, combined with easing of shortages of material for its manufacture, are expected to increase the supply of Equipment Trust financing. As a result these securities will be available to a larger number of banks and institutions, making it timely to review some of the protective features which have made them so highly regarded.

## Philadelphia Plan

When railroads acquire new locomotives, freight or passenger cars, the purchase is usually financed through so-called "Philadelphia Plan" Equipment Trust Certificates; or less frequently through conditional sale or equipment mortgage agreements. Only the Philadelphia Equipment Trusts are discussed here since the other plans are seldom used for publicly offered issues. Under the Philadelphia Plan the railroad arranges for the purchase of new equipment and makes a down payment of usually 10 per cent to 25 per cent of the total cost. Equipment Trust Certificates are then issued and sold for the balance of the cost but the actual title to the equipment is vested in a trustee for the benefit of the certificate holders.

The equipment is then leased to the railroad, by the trustee, for rental payments sufficient to pay in full the serial maturities and dividends, or interest, on the certificates. Only when the final maturity of the certificates has been paid does the railroad gain title to the equipment. In addition, numerous other protective features are usually included in the agreement and lease such as: the guarantee of

principal and dividends by the railroad, agreement to keep the equipment repaired, insured, replaced if destroyed, etc.

The Equipment Trust Certificates are usually issued to mature annually or semi-annually, in equal amounts, due within ten or fifteen years. Thus, the principal amount declines rapidly while the equity for the remaining maturities is increasing. Furthermore, full payment of the debt is provided

for many years, as a result of their wartime performance. Their financial position likewise has greatly improved with substantial reduction of debt and fixed charges, and constant increase in operating efficiency. The extreme test of performance of equipment obligations, however, has come during times of financial distress, with reduced earnings and even receivership and bankruptcy. Their record during such periods has been enviable



**WHEN RAILROADS** acquire new locomotives, freight or passenger cars, the purchase is usually financed through the so-called "Philadelphia Plan" equipment trust certificates. Where safety of principal and short or medium maturity are of major importance, equipment trust certificates occupy a premier position.

for long before the end of the useful life of the equipment, which ranges from 20 years to 35 years or longer, depending on the type.

## High Standing

The exceptionally high standing of equipment obligations is based on the strength of these protective features plus the fact that the underlying security is indispensable. Obviously a railroad cannot operate without locomotives and cars. Also the equipment covered in most cases is new and, therefore, the most efficient and valuable asset.

Recognition of the value and importance of the railroad systems to the country is perhaps greater today than

with very few cases of any delay in payment and almost none of actual ultimate loss.

## Recognized by Courts

The courts have for many years recognized the prior position of equipment obligations as well as the indispensability of the equipment from an operating standpoint. As a result, regular principal and interest payments have been continued on equipment certificates even in difficult situations where a railroad was forced to defer payments on its senior mortgage bonds. Actually it is not unusual for railroads to issue and find ready demand for new equipment obligations even during periods of receivership—

*Northwestern Banker, March, 1948*

a further evidence of their strength of security.

It is natural that any investment of such recognized quality will not provide a yield as high as might be obtained from one involving greater risk. However, where safety of principal and short or medium maturity are of major importance, Equipment Trust Certificates occupy a premier position. The fact that an increasing supply may be available soon should be of interest to all conservative bank and institutional investors.—The End.

## Municipal Bond Price Comparison

STATE and municipal bonds declined nearly 10 points between December, 1946, and December, 1947, on an average for 10- to 25-year bonds as shown in the fourteenth annual price and yield survey of state and municipal bonds prepared by the Chemical Bank & Trust Company.

The 15-year period 1933 to 1947 saw municipal bond prices make their all-time lows and highs—from the deep

discounts of 1933 to the high premiums so common in the early months of 1946. The Chemical Bank & Trust Company's annual price comparison embraces this 15-year bond market cycle, and thus presents a most interesting record of the market performance of over two hundred major state and municipal issues, the majority of which were outstanding in 1933, with others added from time to time to supplement issues retired at maturity, called for payment or refunded.

Using all bonds included in the survey having maturities of 10 to 25 years (approximately 100 different issues with an average maturity of about 15 years) the record discloses an extreme price swing from 90% in December, 1933, to 134% in December, 1945, and a subsequent reaction to 119% in December, 1947. Expressed in terms of basis prices, or yield, the movement was from 5.29 to 1.47 per cent and then back to 2.18 per cent at the close of 1947, which is the most generous yield offered on bonds of this character since December, 1941.

While the survey was not designed primarily as a bond market index, its careful compilation and comprehensive scope furnishes the necessary data from which it is possible to construct a valuable set of municipal bond price averages as of year-end dates.—The End.

### Visit Chicago Bank

"We came to visit a user of our product," said one of a group of administrators and guests of the American Association of School Administrators who recently made a tour of the Continental Illinois National Bank and Trust Company of Chicago.

The administrators—108 in number—come from many western states. They were visiting industrial plants in the Chicago area. Twenty-seven of their number spent a day at the Continental Illinois, where they reviewed the services and the work of the bank, and discussed selection of young people and their education and training. They visited the bank's divisions to see the men and women actively engaged in carrying on the financial transactions of the largest institution of its kind in the middle west.

The group flew to Detroit to visit automobile plants. Then their air tour took them to New York and Atlantic City. As they moved eastward across the nation, the school administrators were joined by other members of their body. At Atlantic City they attended the national convention of the association.

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# Diversification Gives Protection

THE broad diversification of investment afforded by common trust funds allows "a more stabilized form of trust investment than was possible where each fund was invested by itself," Carl W. Fenninger, vice president of the Provident Trust Company, Philadelphia, Pennsylvania, said in an address to the Mid-Winter Trust Conference of the American Bankers Association in New York.

Ten years of experience with common trust funds shows that they are "practical and valuable tools in the management of trust estates," Mr. Fenninger continued.

"During the last ten years we have not experienced the kind of depressed security market which existed during the 1930's," he asserted, "and we measure in our minds just a bit what the position of the funds would be should we have a repetition of such market conditions. However, some commingled funds existed before the present common trust fund arrangements were set up and records which are available as to these funds during the early 1930's indicated that they fared substantially better than many trust funds invested on their own without the diversification made possible by the commingled fund.

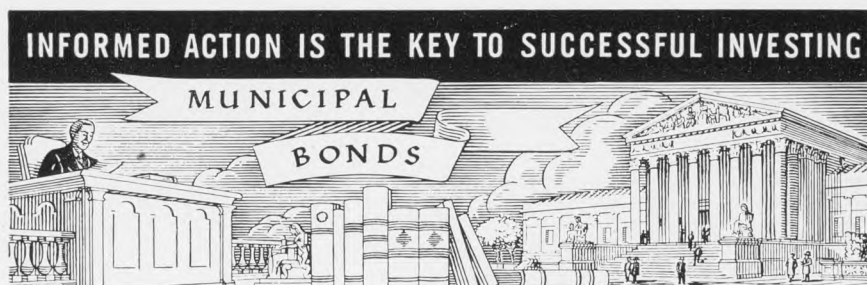
"While, of course, it is impossible to see what would occur under any given set of circumstances, it does seem that we are justified in believing that trust funds having participations in common trust funds will work out better, from the standpoint of both stability of value and income return, than individual trusts invested in the ordinary course of business.

"In the beginning, we stressed their usefulness to people of small and moderate estates, and in that field I think no one who has had part in their operation will deny that they are the outstanding contribution of many years.

"The objection to the use of the common trust fund as a business-building medium was logical and reasonable during the early days and it is probably still true that we should move forward in our use of them for this purpose with caution and reserve. This is especially true perhaps until such funds have operated over a longer period of time and have experienced more ups and downs in security markets and interest rate changes. However, it is still true that if these funds are to serve their fullest purpose, they should be more fully known. This can be done only by educating people as to their value.

"It would seem that there is a clear field for expansion without undue concentration and that thought should be given to the possibility of opening the door, at least to some extent, to educational publicity.

"It is, of course, well known to all of us that the trust business as such is not a very profitable business, that there is a definite limit to the charges which can be made for services and this probably has been reached in



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many places so that the reduction of expenses is of vital importance in our operation.

"The experience with the common trust fund has demonstrated that it does reduce expenses and that through its use costs of handling small accounts can be minimized. Indeed, it looks as though it were the only method through which small accounts may be handled without loss.

"While common trust funds are still in their infancy we know that never in the trust business have we had a major development of this kind with as great value in the accumulation and conservation of savings.

"The common trust fund presents a medium for investment of trust funds

which is of great social benefit from the public standpoint and of very material effectiveness in the administration of trust funds and should, therefore, be fostered."—The End.

### W. A. Rutledge "Poems"

"Poems from Just Between Ourselves" is the title of a book of verse published recently by the author, W. A. Rutledge, secretary and founder of the Farmers Mutual Hail Insurance Company of Iowa. It is a collection of interesting verse based, as the author says, "on the finest ideas gleaned from a full and busy life." The author, now in his 86th year, and still at his office daily, has written the verse at odd moments in the past two years.

### Proposed Merger

A proposal which will result in the business of The Continental Bank & Trust Company, New York, being joined with that of the Chemical Bank & Trust Company has been made to the former institution in a letter sent to them by N. Baxter Jackson, chairman of the Chemical Bank & Trust Company. Mr. Jackson stated that the directors of the Continental Bank & Trust Company have advised that the terms set forth in this letter are acceptable to them and that a stockholders' meeting will be called shortly for approval.

Following the consolidation of the business of The Continental Bank & Trust Company with that of the Chemical Bank & Trust Company, the main office of The Continental Bank & Trust Company at 30 Broad Street will become the Broad Street Office of the Chemical Bank & Trust Company, which will give it a more convenient location for serving many of its customers in the financial district.

John McKee, president of The Continental Bank & Trust Company, has been asked to become a senior officer of the Chemical Bank & Trust Company. All other officers and employees will also be invited to join the organization of the Chemical Bank & Trust Company.

It is stated that the directors of the Chemical Bank & Trust Company will be increased from twenty-two to twenty-five and that three of the directors of The Continental Bank & Trust Company will be elected to these places.



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# Bankers Are Determined to Battle Inflation Now

**Early 1948 Set-Back Does Not Mean They Will Retreat from Prudent Policies**

**By RAYMOND TRIGGER**  
Investment Analyst  
New York City

**W**HEN some 2,000 banking executives from all parts of the country met in New York toward the middle of February, the dramatic shake-out in commodities was the principal subject of conversation. Almost all agreed that the "adjustment" was salutary. For one thing, it was urged, the set-back was relatively modest and far less than that encountered in 1921. Other conditions have changed since then, too, and farmers today are protected by various devices. The European Recovery Program, likewise, will cost less if prices of commodities are lowered. Most important, of course, is that the banking fraternity was by no means caught unaware. It had already started a campaign emphasizing caution in loan making.

The determined efforts of the country's commercial bankers to battle inflation at this stage, rather than attempt a belated and ineffectual effort to escape the blame that might be (wrongfully, no doubt) placed on it when the inevitable crash comes, will be carried on. The ABA is committed to voluntary efforts by 15,000 member banks to avoid excessive or inflationary expansion of bank lending. The early 1948 set-back in the commodity markets will not be accepted as heralding a "deflation" that would justify retreat from prudent policies by the country's commercial bankers.

## Cannot Repeat Mistakes

From Mr. Dodge, ABA's president, came the warning and the counsel: "We cannot repeat the mistakes of former periods when banks contributed substantially to the inflation itself in the amount and nature of the credit granted, and then when a depression followed, made the situation worse by calling loans and being unable or unwilling to extend credit."

"Just as we are now using our effort to modify inflation on the upside, we must be prepared to step in and modify deflation on the downside with ample reserves of available credit."

Banking, clearly enough, is not pre-

**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.**

pared to supinely accept the role of villain, if and when a crash, depression or even a recession sets in. Obviously, the investment portfolios of the country's commercial banks must be fitted into the general picture. Under going conditions, there can hardly be any quarrel with the advice to stress conservatism. The authorities in Washington have almost endless powers to control developments, but have given all too little evidence of courage and grasp. Consequently, the investment portfolio manager is more or less the victim of too much power and too little willingness to face up to the economic facts of life centered in Washington.

Happily, this country is so rich and has such vast potentialities that political muddling can do little more than waste a fraction of the combined efforts of those who work and save.

## Treasury Retreats

The Treasury retreated a bit in late February when it decided to trade new one-year 1½ per cent certificates for close to five billions of old certificates and callable bonds. The rate was no higher than that named earlier in the year and marked the first pause in the program tentatively embarked upon last year of gradually upping money rates. Obviously, the Treasury cannot be expected to re-chart its course every time wheat and corn rise or fall a few cents a bushel and, presumably, its earlier brave determination to check inflation by pushing

money rates upward will not be entirely abandoned. For the moment, though, the will has weakened. Later on in 1948 perhaps, a 1¼ per cent rate on one-year paper will be announced and maintained. The present compromise is touted as saving the Treasury money on interest payments, as indeed it does, but at a further distortion of an already badly arranged total national debt.

Caution has been urged on commercial bankers by more than few heads of the country's leading large-city banks. They have also had the benefits of advice from experts outside their own profession. In words that are rather colorful for a school teacher, N. Y. U.'s professor of banking, lately summed up his views in this fashion:

"To really keep the boom going, it will be necessary for the following to continue: 1. Bank credit to industry to carry inventories and accounts receivable must continue to expand despite the active opposition of the Federal Reserve System and the bank examiners. 2. Expansion of plant and production facilities must be accelerated despite higher capital costs. 3. Individuals must spend more and save less despite the coming intensification of E bond and other savings drives. 4. Individuals must be willing (and able) to go deeper into debt despite the uncertain outlook. It seems too much to expect all of these to eventuate.

"In conclusion, let me say the current period of inflation has to be followed by a recession. How serious it will be, will depend on how soon it comes. If we only could have gone through with the readjustments which started last April, it would have been comparatively mild. If we can have the readjustment soon, it should not be too drastic or of very long duration. Basically, the economy of the country is sound; we only have to eliminate the maladjustments. Until this shake-out is completed—and it may be starting now or it may not start for another

*Northwestern Banker, March, 1948*

six months to one year, no one can be certain when—clearly credit policy should be one of caution. Better lose a little income than a lot of capital.”

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**Strong Position**

The Treasury, picking up more than seven billions of excess cash in the first 1948 quarter is in a strong position. It can easily manipulate the markets so as to force banks to sell long-terms to the Federal Reserve, or it can ease the general situation by retiring debt held outside the Federal Reserve Banks. The probability is that it will adopt a middle course and support the market for taxable Treasury obligations. If so, the spreads between governments and corporates should widen in direct proportion to the quality of the corporates. This would mean that banks can sell long governments at fairly good prices in order to meet demands for loans or to restore reserves. But, by the same token, there is no inducement for banks to switch from governments into corporates since the risk is greater and yields still remain comparatively uninviting. Short governments are somewhat better yields than a year ago, but even here the returns are modest. As it happens, there is a field into which banks may return, after a long absence.

The municipal market had a thorough shake-down in late 1947 and early 1948. It was painful and expensive for many underwriting houses specializing in the field, but it was a remarkably complete job. One of the reasons is that municipal underwriting is a never-ended job. Dealers, if they hope to stay in business, have to be prepared to bid for new issues every week. This entails cleaning out old, stale inventories. The only way to move sticky municipals is to slash

prices. It's bitter medicine, but there is no other, and it does work.

There will be large emissions of prime tax exempt bonds by States and municipalities in 1948. In many cases, legislatures have approved bonus payments to veterans and the fiscal officers have no choice other than to go to market and pay the going prices for the money with which to carry out the mandate of the voters. This means that yields on exempts will be attractive on almost any standard. No longer can States and municipalities sell bonds at high prices because of the tax shelter included. Yields and prices henceforth will be competitive if banks (mildly interested) and insurance companies (little interested) in tax exemption are to be persuaded to buy.

**Municipal Yield Increases**

As a matter of record, there has been such a great increase in the yield on municipal bonds since banks were last active in that field that those returning to it will find many opportunities to buy the best names in the country at yields running to twice what they were only two years ago. Current yields from exempts match those afforded by high grade corporates and, of course, are far greater when a 38 per cent corporation tax is taken into account. It may be that the municipal bond market has over-done its "adjustment," as some optimists aver, but that is not important. Prudent buyers of municipal bonds do not enter upon commitments for the purpose of gloating over paper profits, although no one objects to a market

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which rises subsequent to one's purchases.

More likely, pricewise, the municipal market has about found its proper level. Some moderate price concessions will doubtless be made to assure rapid placement of the larger prospective issues, followed by a mild recovery during the quieter periods. At the same time, there is little reason to refrain from contemplated purchases in the hope of anything like a sharp break in prices.

The Federal Reserve System plays a most important part in the general bond market, and a particularly effective part in the governments bond market, as everyone knows. Because of this, and because of the clarity with which he presented his ideas, certain observations of Leroy M. Piser of The First Boston Corporation are reproduced herewith:

"I should like to suggest, however, that those interested in the bond market follow closely the course of commodity prices, bank loans and Federal Reserve purchases of long-term bonds for any clues as to current developments that they might give.

"To summarize, I have tried to make several points that I believe to be worthy of consideration.

"First, in studying the bond market, it is necessary to take into consideration not only the so-called natural forces, but the policies of the Federal Reserve and the Treasury as well.

"Second, the natural forces are tending to lower bond prices.

"Third, this tendency is being offset by Federal support.

"Fourth, for all practical purposes there is no limit to the amount of Federal support.

"Fifth, this support provides banks with reserves and makes it possible for them to expand their loan portfolios.

"Sixth, various factors may help to retard the expansion of loans.

"Seventh, even if this does not happen, the consequences of a lowering of support prices, or of a complete abandonment of support, might well be more detrimental than a continuation of present support prices.

"Finally, even if your primary interest is outside the Government market, I believe that you will find that developments in the Government market will have a very important bearing on your own problems and on the action of the market in which you are primarily interested."—The End.

### All-Time High

Membership in the American Institute of Banking, educational section

of the American Bankers Association, has reached an all-time high, it was announced at the close of the three-day annual midwinter meeting of the executive council of the institute. Garnett A. Carter, president of the institute and vice president of Fulton National Bank, Atlanta, Georgia, who presided over the sessions, stated that on January 1st of this year membership totaled 80,695, as compared with 72,566 on January 1st a year ago.

Enrollments in institute courses of study, Mr. Carter said, number 35,342 for the first semester, as against 30,469 a year ago. In the year 1947, the number of chapters increased from 215 to 239, and the number of study groups from 102 to 139. Bank employees enrolled in correspondence courses increased from 1,111 to 1,663.

The annual midwinter meeting is held for the purpose of a midyear review of institute affairs, consideration of activities for the remaining institute year, and to make plans for the annual convention, which will be held this year in Buffalo, New York, June 7th to 11th.

The executive council of the insti-

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Dubuque

## Official Change

Harold S. Miner, a vice president of Manufacturers Trust Company, has been placed in charge of the bank's office at Fifth Avenue and 43rd Street, following the recent death of Elliott Debevoise, a former vice president of the Trust Company, it was announced by Harvey D. Gibson, president.

Mr. Miner began with the bank as an assistant secretary at the Fifth Avenue Office in 1924 and since that time has continued at that branch. He was appointed a vice president in 1931.

## Head Advertisers

Earl S. MacNeill, trust officer of the Continental Bank & Trust Company, was elected president of the New York Financial Advertisers, at the annual meeting. He succeeds P. Raymond Haulenbeek, executive vice president of North River Savings Bank.

Daniel F. O'Meara, vice president of Public National Bank & Trust Company, was elected first vice president, and Louis W. Munro, of Doremus & Company, was elected second vice president.

Mrs. Isabelle B. Murray of the Hudson Advertising Company was elected secretary of the group, and Robert J. Stiehl of the American Bankers Association was re-elected treasurer.

## Promotions

Four important promotions in Bank of America official ranks were announced by L. M. Giannini, president.

R. P. A. Everard is advanced to the position of assistant to the president. He began his career with the bank as a bookkeeper, and has been vice president and cashier of the institution since 1941.

Mr. Everard is being succeeded as vice president and cashier by P. C. Read, who joined the bank's inspection department in a junior capacity and has been chief inspector and auditor since 1934.

H. A. Leif, heretofore assistant chief inspector in charge of the bank's inspection and auditing force in southern California, is advanced to succeed Mr. Read as chief inspector and auditor. Mr. Leif started with the bank as a bookkeeper at Humboldt branch in San Francisco.

All will make their headquarters at the San Francisco Head Office of the institution.

C. H. Baumhefner, heretofore assistant chief inspector in San Francisco, advances to succeed Mr. Leif, with headquarters in Los Angeles. Mr. Baumhefner began his Bank of America career as a messenger.



# Why Your Bank Is A Protected Investor

**Only 15 of the 115 Billion in Bonds  
Eligible for Banks Mature Beyond 5 Years**

**By P. R. EASTERDAY**  
**Chairman of the Board**  
**The First National Bank of**  
**Lincoln, Nebraska**



P. R. EASTERDAY

**T**HIS short article will dwell on a most important phase of commercial bank-government bond relationship, which we do not think has been fully emphasized, and is not generally appreciated.

The commercial banking system, in its government bond holdings, has had a special protection thrown around it that is different from that of any other class of investors, and this is a good time to refresh our minds as to the significance of this special protection.

A good many commercial bankers have exhibited some concern about the recent fluctuation in bond quotations, and its possible effect on the banking system.

## Concern Unwarranted

In our judgment this concern is unwarranted. The system as a whole could not possibly get into an involved situation by reason of its government bond holdings, either from a liquidity standpoint or the effect of possible interest rate changes.

It is not possible for the system as a whole to acquire enough of the so-called long bonds to have any material adverse effect in any way.

A careful study of the facts should be convincing.

The total amount of government securities which are eligible for commercial bank holdings is around 115 billion. The special protection afforded commercial banks is by the wise provision that only 15 billion of the bonds eligible for banks mature (callable dates) beyond five years from today; and of this 15 billion, four billion are callable within seven years and only five billion beyond ten years.

On this page, Chart I is a list of all bonds eligible for commercial banks with callable dates beyond five years.

Under no set of circumstances, therefore, could the commercial banking system hold more than 15 billion of obligations with callable dates after five years from this date.

## Deposit Ratio

The commercial banks now hold about 70 billion of government securities (50 per cent of their total deposits of around 140 billion), and the significance of this is that, even assuming that the system owned all of these longer 15 billion bonds, it would represent only about 20 per cent of its present bond holdings, and only about 10 per cent of the total deposits. This would mean that commercial bank holdings of governments would consist of at least 55 billion of maturities within five years from this date, or an amount equal to about 40 per cent of total deposits. Add to this the 24 per cent average cash revenue held, and the result is that two-thirds of all commercial bank deposits would be off-set by cash plus governments due or callable within five years.

Recognizing the ability of the government to either pay or refund maturing obligations, the commercial banking system, therefore, could not possibly, within the foreseeable future at least, be adversely affected from a liquidity standpoint by its large bond holdings.

It is of course true that beginning with May, 1952, certain longer term bonds not now eligible for banks will become eligible, but when that date arrives, about four years from now, the maturity of the present existing 15 billion longer term bonds will have been shortened four years, and there will be at that time only five billion beyond a five year call date, as is shown by Chart II on this page.

In four years, therefore, and before additional eligibles are available, the amount of existing bank eligibles callable after five years from such date will be negligible. The use of callable dates is justified due to the higher coupons on these longer bonds and the relatively short option periods. How-

**Chart I**

* 2s of 1953-55	\$ 725,000,000	callable	5¼ yrs.
* 2¼s of 1954-56	681,000,000	"	6¾ yrs.
* 27½s of 1955-60	2,611,000,000	"	7 yrs.
2½s of 1956-58	1,449,000,000	"	8 yrs.
2¼s of 1956-59	3,823,000,000	"	8½ yrs.
* 2¾s of 1956-59	982,000,000	"	8½ yrs.
* 2¾s of 1958-63	919,000,000	"	10¼ yrs.
* 2¾s of 1960-65	1,485,000,000	"	12¾ yrs.
2½s of 1967-72	2,716,000,000	"	19½ yrs.
	<hr/> \$15,391,000,000		

\* Partially Tax Exempt.

**Chart II**

* 2¾s of 1958-63	\$ 919,000,000	callable	6¼ yrs.
* 2¾s of 1960-65	1,485,000,000	"	8¾ yrs.
2½s of 1967-72	2,716,000,000	"	15½ yrs.
	<hr/> \$5,120,000,000		

\* Partially Tax Exempt.

ever, the use of maturity dates would have only slight effect on the main point involved in this article.

#### **Rate Change Doubtful**

We think it doubtful if in the future commercial banks will be able to obtain higher interest rates on government obligations than those now existing based on present market quotations, but should such an event occur in the years ahead of us, certainly with the preponderance of short maturities

the system is in the most advantageous position to obtain the benefit of any such change in rates.

It should be mentioned that in the past period commercial banks were permitted to purchase a limited amount of ineligible bonds, but the total of such holdings in the system is too insignificant to be taken into consideration.

It must be obvious, therefore, that the commercial banking system has

been given a definite protection that should give bankers increased confidence in the stability of the system.

With this assurance, therefore, of the soundness of commercial banks as a whole, in spite of their large government holdings, the individual banker need only to concern himself with a common-sense diversification of his own maturities, properly considering both liquidity and earning power.

We believe a careful study of the figures presented in this article should relieve any banker of any concern which he may have had regarding the commercial banking system as a whole, in its relationship with government bond ownership.—The End.

#### **Loan Director**

William A. B. Iliff of Great Britain has assumed his duties as loan director of the International Bank for Reconstruction and Development.

As loan director, Mr. Iliff is responsible for the development and applica-

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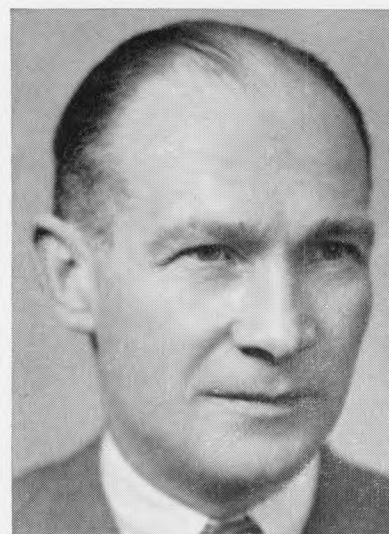
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WILLIAM A. B. ILIFF  
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tion of bank policies pertaining to loans made or guaranteed by the bank. This responsibility includes examining and reporting on all loan applications and negotiating loan agreements. It also covers the maintaining of adequate information concerning the economic and financial condition of member countries to enable the bank to reach decisions on loan applications and to follow developments in countries to which loans have been granted.

Mr. Iliff has recently returned from the Middle East where he had acted for several years as representative of the United Kingdom Treasury. He had formerly held appointments as financial counsellor at the British Embassy, Tehran, Iran, and as financial advisor to the Governor of Burma.



# What Is the Outlook For the Government Bond Market?

**The "One-Way Street" in Government Bonds No Longer Exists, and Conservative Portfolio Management Is in Order**

**By JOHN H. GRIER**

**Vice President, The First National Bank  
of Chicago**

IF I were to ask what specific questions you wanted to have answered, I believe 99 per cent would reply as follows:

1. Will long term Governments go below par?
2. Will the certificate rate go higher than  $1\frac{1}{8}$  per cent?
3. Shall I sell my long term Governments and buy shorter maturities?

To all of these inquiries I can only give my individual opinion for what it may be worth.

Regarding the query as to whether Government securities will in the foreseeable future sell below par, we have the assurances of those in responsible positions that they will not. Personally, I have little or no doubt as to the ability of the Federal Reserve System to support the market at par or at any price level at which they might elect to hold it.

However, it is conceivable to me that we might reach a state where it would become debatable as to the wisdom of supporting the bond market. Let us say that over a period of time the upward spiral of commodity prices continued unchecked and commercial loans followed the trend, as they probably would, is it not possible that in the best interests of the economy as a whole, it might prove desirable to withdraw support and permit interest rates to seek their own level?

Please do not misunderstand me; I am most emphatically making no such dire prediction, and neither do I anticipate any such unhappy state of affairs, but the possibility of such a condition is one which no one can definitely rule out. It, therefore, becomes an eventuality which must be considered in determining portfolio policy. The unknown factor in such a situation is the psychological reaction of the holders of Savings Bonds, which are outstanding in the amount of some \$51 billion, and which are demand obligations of the Treasury. A considerable proportion of these bonds are Series "E" which are held largely

**This prominent investment officer of one of the country's largest banks gives his personal opinion on the following timely questions:**

- 1. Will long term Governments go below par?**
- 2. Will the certificate rate go higher than one and one-eighth ( $1\frac{1}{8}$ )?**
- 3. Shall I sell my long term Governments and buy shorter maturities?**

by those who are economically inexperienced and whose emotions are unpredictable.

A debacle in the Government bond market might have repercussions from the holders of such bonds with conceivable disastrous results to the economy. In my own mind, I have always questioned the desirability of such heavy demand obligations of the Treasury, and so expressed myself as far back as 1942. The answer then was that the bonds could not have been successfully floated on any other basis, which is probably correct. I felt, personally, that we might have had a special war tax of 10 per cent of income, returnable in instalments over a period of years following the end of hostilities.

Such a method would have avoided demand obligations and possibly helped to counteract any business recession by providing purchasing power in postwar years. Under such a plan we would not have been confronted with present day fears of reaction of Savings Bond holders in an unpegged Government bond market.

## Certificate Rate

The possibility of a further increase in the certificate rate seems to me to be dependent largely on the success of the deflationary steps now being taken. If they are effective, then, in my opinion, certificates will go no higher. If they are not, an additional raise becomes a definite possibility, although a further raise would complicate the situation as it would unquestionably cause further weakness in the intermediate and longer term issues, and necessitate the Federal Reserve System's taking further substantial amounts of long bonds to protect the  $2\frac{1}{2}$  per cent rate. I do not

look for any further increase in the certificate rate in the next several months, but it remains a future possibility.

Regarding the question of selling long term Governments and buying shorter maturities, my answer is that if a bank's portfolio is top-heavy in the longer issues, then certainly consideration should be given to lessening the degree of market hazard. Banking has undergone quite a change in the past several years, and many institutions which formerly were somewhat in the category of investment trusts have now, with the sharp upturn in loans, again returned to the status of commercial banks. This considerable increase in the loan portfolio has naturally increased the proportion of risk assets, and it seems to me that under such conditions it would be prudent to effect some reduction in the degree of risk in the investment portfolio.

## Debt Reduction

During the next few months, if the Treasury figures as reported in the press and various services are correct, we may anticipate a possible reduction of some six or seven billion dollars in the national debt, and the method pursued in this program will undoubtedly have a pronounced effect on the Government bond market. To the extent which retired debt is owned by the Federal Reserve System, reserves are decreased by 80 per cent of such amount, obviously resulting in a squeeze on the banking system. But to the extent that retired debt is owned by commercial banks or individuals, the net result is a moderate easing of credit.

Therefore, the type of ownership of the securities to be paid off will affect

**Northwestern Banker, March, 1948**

the Government bond market, and should the current inflationary trend continue, it would appear likely that the debt retirement program would be of a deflationary character. Counteracting this, we have continuing gold imports which inflate the credit base, but, if found desirable, this may be offset at some later date by gold sterilization or a raise in reserve requirements. Currently, the Federal Reserve Board has authority to raise such reserve requirements in the two Central Reserve Cities—New York and Chicago—from 20 per cent to 26 per cent. If bank loans continue to expand and if gold continues to flow in, I look for the Board to exercise its existing authority, but if they do so, it probably would be effective 2 per cent at a time in order to avoid too much of a shock to the market, and too much pressure on the banks at one time.

#### Refunding Program

Still another matter of serious importance is the Treasury's refunding program, as in addition to the weekly maturities of bills and the almost monthly maturities of certificates, there are maturing or becoming optional in the next five calendar years \$64,203,000,000, most of which issues bear coupons sufficiently high to make it almost a foregone conclusion that the issues becoming optional will be

refunded, as well as those definitely maturing.

This matter of refunding is one meriting careful consideration. I believe we are all agreed upon the desirability of transferring as great a proportion as possible of the national debt from the banking system to private ownership, but the means of so doing and still maintaining the current pattern of rates constitute a difficult problem. Certainly, the management of a debt as huge as ours is a challenge to the ability of the most able financiers, and will have a profound effect upon our future financial well-being.

In conclusion, therefore, it is my belief that the key to Government bond prices and interest rates is primarily to be found in the trend of commodity prices and commercial bank loans. Granted a leveling off of both within a period of, say, the next few months, I am inclined to question any appreciable decline from the present level of supported prices, and such leveling off in commodities and loans would probably mean that the current certificate rate of  $1\frac{1}{2}$  per cent would go no higher, and from a technical standpoint, it would appear that Governments up to a five-year maturity have possibly adjusted themselves to such a rate.

There are, however, so many uncertainties in the outlook, as I have en-

deavored to illustrate, and until the full effect of any additional anti-inflationary steps which may be taken are felt, I am definitely inclined to counsel caution maturity-wise. With economic conditions in their present uncertain state, and unpredictable as the future is, it is apparent that the "one-way street" in the Government bond market, which prevailed for so long, no longer exists, and certainly portfolio management now, possibly more so than any time in the past few years, should be based on sound conservative banking practice and not on any fallacious dependence upon a so-called "pegged" market.—The End.

#### Celebrates 40th Birthday

The fortieth anniversary of the founding of The Public National Bank and Trust Company of New York was celebrated last month at a luncheon and dance in the grand ballroom of the Waldorf-Astoria Hotel.

A large birthday cake containing forty candles was cut by E. Chester Gersten, president of the bank, who thanked the more than one thousand members of the staff for their contribution to the bank's noteworthy progress.

#### Regional Conference

Joseph M. Dodge, W. Randolph Burgess, and Dr. Marcus Nadler are among the twelve nationally known authorities in the fields of finance, building, economics, and education who will address the Eastern Regional Savings and Mortgage Conference of the savings division of the American

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## New Officers of Iowa Investment Bankers



**NEW OFFICERS** of the Iowa Investment Bankers elected at the annual business meeting recently in Cedar Rapids are pictured at left above. Reading from left to right they are: **Sherman W. Fowler**, assistant vice president Iowa-Des Moines National Bank, re-elected secretary-treasurer; **Harry Graefe**, Graefe and Company, Des Moines, president; **Thomas L. Crabbe**, Thomas L. Crabbe Company, Cedar Rapids, first vice president,



and **J. H. Ruhl**, vice president Quail and Company, Davenport, second vice president.

Among the 75 in attendance at this excellent meeting were three men from the Securities department of the State of Iowa. Pictured at right above, they are: **Joe Glennon**, the **Honorable Sterling Alexander**, securities commissioner, and **Sam Orebaugh**, counsel for the securities commission.

Bankers Association at the Hotel Pennsylvania in New York on Monday and Tuesday, March 15th and 16th.

Bankers of nine states will attend the two-day meeting, coming from Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey and Pennsylvania.

The conference will include addresses covering bank operations, new construction and construction loans, mortgage lending and servicing, mortgage reserves, investments, and economics.

### Inflation Fight

The fight against inflation is being carried to the grass roots by the Illinois Bankers Association, according to Secretary Harry C. Hausman.

A letter has been addressed to the presidents of all county bankers federations in Illinois, giving them full information on the anti-inflation program of the American Bankers Association.

The county federation presidents are requested to call a meeting of their federations as soon as possible to discuss all phases of the program. In

these meetings throughout the state emphasis will be placed on the proper use of credit and bankers will be urged to discourage all types of loans of a speculative nature that might add to the forces of inflation by creating competition for raw materials. Loans that will aid the production and processing of necessary goods are to be definitely encouraged.

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# Financial Statement

of

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### Des Moines

as of December 31, 1947

#### DIRECTORS

**J. W. GUNN**  
Chairman of the Board  
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Des Moines, Iowa

**JOHN F. HYNES**  
President,  
Des Moines, Iowa

**DR. D. E. BAUGHMAN**  
Fort Dodge, Iowa

**W. H. BRENTON**  
Pres., Brenton Bros.,  
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**H. L. HJERMSTAD**  
Pres., Citizens Fund  
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**W. J. HYNES**  
Secretary,  
Des Moines, Iowa

**DR. L. E. KELLEY**  
Physician and Surgeon,  
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**FRANK KOHRS**  
Pres., Kohrs Packing Co.,  
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**CARL MUELHAUPT**  
Secy., Central Service Co.,  
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**AMOS C. PEARSALL**  
General Manager  
Pittsburgh-Des Moines  
Steel Company,  
Des Moines, Iowa

**W. Z. PROCTOR**  
Attorney at Law,  
Des Moines, Iowa

**R. W. WEITZ**  
Contractor  
Des Moines, Iowa

**M. J. WILKINSON**  
Vice-President and  
Supt. of Agents,  
Des Moines, Iowa

**DR. R. W. WOOD**  
Physician and Surgeon  
Newton, Iowa

#### ASSETS

United States Government Bonds*....	\$ 7,910,705.41
Other State and Municipal Bonds*..	1,797,462.88
No bonds owned by the company have ever been in default either as to interest or principal.	
Real Estate—Home Office Building	160,355.10
Cash in Banks.....	1,679,915.86
Real Estate Mortgages—F.H.A.....	109,366.40
Stocks and Federal Savings Certificates .....	64,070.00
Premiums Receivable—not past due	1,506,526.02
Current balances due from agents and policyholders.	
Interest Accrued .....	38,422.77
<b>Total Admitted Assets.....</b>	<b>\$13,266,824.44</b>

#### RESERVES

Reserve for Claims.....	\$ 5,660,256.68
Funds set aside to fully pay all incurred and expected losses.	
Reserve for Unearned Premiums.....	4,407,781.00
Funds set aside to return to every policyholder the unearned premium in event of cancellation.	
Reserve for Taxes—State and Federal .....	389,481.31
All Other Reserves.....	666,392.77
Included in this Reserve is a sufficient amount to pay dividends on all participating policies.	
<b>Total Reserves .....</b>	<b>\$11,123,911.76</b>
Surplus for Contingencies .....	\$ 300,000.00
Surplus Over All Reserves .....	1,842,912.68
<b>Total Surplus to Policyholders..</b>	<b>2,142,912.68</b>
<b>Total .....</b>	<b>\$13,266,824.44</b>

\*Amortized Values.

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Mr. Hausman emphasized that the Illinois Bankers Association is in full accord with the program of the American Bankers Association for the voluntary self policing of credit by individual banks. This program, if properly carried out, will show that the proposed controls by government are unnecessary, undesirable and detrimental to the proper financing of the national economy.

Emphasis will be given, in the county federation meetings, to the necessity of bankers acquainting the people in their communities with details of the plan through their bank advertising and the cooperation of local newspaper editors.

#### Leaves First Wisconsin

Richard J. Lawless, an assistant vice president of the First Wisconsin National Bank of Milwaukee, has been elected executive vice president and a director of the Wood County National Bank, Wisconsin Rapids, Wisconsin.

Mr. Lawless leaves the First Wisconsin to assume his new duties at the Wood County National Bank on March 1st.

Mr. Lawless has been an official of the First Wisconsin's banks and bankers division, serving correspondent banks, since 1929. Through these contacts he has become one of the best known bankers in the state and the middle west. He is popularly known as "Dick," not only to his First Wisconsin associates, but to hundreds of bankers throughout Wisconsin.

#### Elected President

B. C. Gardner, Montreal, Canada, executive vice president, the Bank of Montreal, has been elected president and chief executive officer of the bank, to succeed the late George W. Spinney, C. M. G.

Mr. Gardner, a native of Bristol, England, began his banking career in Canada with the former Bank of British North America, which merged with the Bank of Montreal in 1918. He held important positions in branches in various parts of Canada from British Columbia to the Maritimes and was, for a period, manager for the bank in St. John's, Newfoundland, prior to his transfer to the head office in Montreal, as superintendent of foreign branches. In 1932 he came to New York as second agent and later took charge of this important office. In 1935 Mr. Gardner returned to Montreal as an assistant general manager and became general manager in 1942 and executive vice president last December.



# INSURANCE

## What the Credit Manager Should Know About Insurance Coverage

**Many Businesses Are Financially Strong, but One or More of the Many Property Hazards Can Occur to Reduce Their Assets in a Few Hours**

**By IVAN H. ANTON**  
**Des Moines**

A SURVEY by the National Association of Credit Men indicates that over one-half of the country's manufacturing, jobbing, and wholesaling credit loss is caused by inadequate insurance. The same survey further disclosed that only 24 per cent of the manufacturers and 38 per cent of the wholesalers make it a regular habit to inquire or suggest that those with whom they are doing a credit business protect themselves by adequate insurance, as a means of stabilizing their credit position.

In almost every other line of credit extension, insurance is taken into consideration. Building and loan associations require insurance on the properties on which they make loans. Auto finance companies insist on fire, theft and collision on cars on which they advance funds. Bankers require proper protection of the assets which are the basis for their granting credit, and even personal loan companies often require term life insurance or limited disability insurance on the individuals to whom they loan money.

Does it not then appear in order for a wholesale credit man to consider the insurance of those to whom he grants substantial lines of credit?

What are the requirements of an adequate insurance program on the part of a debtor?

An adequate insurance program, from a credit standpoint, is one that

considers every possibility of a loss that may be catastrophic in its nature, regardless of the frequency of its happening; or, in other words, the possible severity of the shock from an occurrence should determine whether the hazard should be covered. The loss may never happen, but if its happening would seriously affect the financial equilibrium of a business, it should be insured.

Fire is, of course, the number one leveler of physical property! Fire losses for 1947 are estimated to exceed \$650,000,000—more than a 24 per cent increase over 1946, and more than double any year during the period 1933 to 1942!

It can safely be said that every stock of merchandise and every building should be properly insured. It has been demonstrated that the most modern buildings provide at best doubtful protection against conflagrations; fire in even so-called fireproof buildings are not uncommon, and serious losses are frequently suffered.

An insurance survey just completed by our office for a new account necessitated that the insurance be increased from \$1,100,000 to \$1,900,000 on one property, and from \$500,000 to \$900,000 on another. In both cases, up to the time the facts were brought to the attention of the property owners, they felt they were adequately insured. Unless the owner has materially in-

creased building and contents values within the last twenty-four months, chances are that he is materially underinsured.

Some firms today are still carrying outmoded windstorm insurance instead of extended coverage which includes, in addition to wind, the vitally important inside and outside explosion coverage.

A jewelry store in South Bend, Indiana, was almost entirely destroyed by an explosion which originated in an adjoining restaurant. The loss totaled \$28,000 and was uninsured because the firm still carried fire and windstorm insurance instead of fire and extended coverage. The firm only survived because of long term extensions of credit by the houses from which it purchased its merchandise; or, we might say, on capital which wholesalers were forced to lend to this retailer.

Business interruption insurance, or U. & O. as it was formerly called, would have taken care of the loss of net profits and the continuing expenses referred to in the loss just mentioned.

Just how important is business interruption insurance?

Let us assume that suitable vacant space for the credit customer was not hard to find if he burned out. Let us assume that he could rapidly rebuild, and that new machinery, equipment, and inventory was readily available.

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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Insurance Counselors



to Banks

Northwestern Banker, March, 1948

Even if those conditions were true, and they are not true today, business interruption insurance might still be more important to him than the insurance on his physical property. Numerous fires have resulted in a greater loss under business interruption policies than under the property damage policies. In the LaSalle Hotel fire the property damage loss was \$700,000—the business interruption loss was \$1,177,000.

It is even conceivable to me that if a firm burned, lacking proper insurance or even without insurance on physical assets, but with adequate business interruption insurance, they

might be in a better position to resume operations than one that carried only property damage coverage on their buildings and contents.

Surely an investigation of the credit customer's insurance would prompt an inquiry as to whether he carries public liability—both general liability and automobile. The important question, however, is, "What limits of liability does he carry?" Inadequate limits are not much better than no insurance.

This question may arise "How do I know what liability exposures exist in a customer's business, and may he not have overlooked insuring some of them?" The only real way you can

have assurance that all of his liability exposures are covered is if he has his insurance written under a comprehensive liability form, both as to general liability and as to automobile.

There recently appeared an article to the effect that fidelity losses within the United States are estimated to run \$500,000,000 a year. That fact may have even greater significance if you recall a previous comment to the effect that fire losses at their all time high are estimated to run \$650,000,000 this year.

That fidelity losses could begin to approach the volume of fire losses was at first hard for me to visualize but, within the last few weeks in newspaper articles and in insurance publications, I have run across reports of losses which do indicate the size that fidelity claims can assume.

The fact that a blanket bond may be carried by the credit customer does not necessarily mean, however, that his fidelity coverage is adequate. It would also be in order to inquire as to the amount of the bond and whether or not there is excess coverage on key employees.

I can only briefly mention the other important forms of coverage that should appear in a debtor's insurance program. You should expect workmen's compensation insurance. In Iowa a death claim on an employee having dependents will exceed \$6,000. In Nebraska it can run as high as \$7,000, and in South Dakota \$7,500, and there is always the possibility that an explosion or other catastrophe may involve a number of employees.

If there is considerable money or securities subject to loss in a business, adequate burglary, hold-up, and forgery insurance should be carried.

Boiler insurance also deserves the credit man's attention as a boiler explosion may not only severely damage and destroy property of the insured but make him heavily liable for damage to property of others.

One other form of coverage I want to mention, due to the fact that such uninsured loss may be of serious proportions; I refer to accounts receivable insurance.

Accounts receivable coverage insures the loss caused by the inability of the insured to collect his receivables due to the destruction of his records by fire, theft, explosion, or other hazards. It is possible that the destruction of a firm's records might so impair its condition as to affect its balances.

The thought occurs to me that some credit men may feel somewhat incompetent in tackling the problem of reviewing the insurance of their customers for, after all, insurance is a rather

## FINANCIAL STATEMENT

DECEMBER 31, 1947

### ASSETS

CASH ON HAND AND IN BANKS.....	\$ 5,300,962.92
BONDS: U. S. Government.....	60,052,854.49
Other Bonds.....	5,992,469.48
CASH AND BONDS.....	\$ 71,346,286.89
MORTGAGE LOANS ON REAL ESTATE.....	71,054,025.87
HOME OFFICE BUILDING.....	770,000.00
OTHER REAL ESTATE.....	223,785.76
REAL ESTATE SALES CONTRACTS.....	52,937.98
STOCKS.....	892,572.00
INTEREST AND RENTS ON INVESTMENTS ACCRUED BUT NOT YET DUE.....	703,534.23
INTEREST AND RENTS DUE ON INVESTMENT (None of which is past due more than 90 days).....	112,890.30
OTHER ASSETS, PRINCIPALLY NET PREMIUMS IN COURSE OF COLLECTION.....	2,374,475.45
LOANS TO POLICYHOLDERS.....	14,488,175.37
(1) TOTAL ASSETS.....	\$162,018,683.85

### LIABILITIES

POLICY RESERVES.....	\$143,702,741.56
MASS HAZARD RESERVE FOR GROUP INSURANCE.....	1,424,590.00
PREMIUMS AND INTEREST PAID IN ADVANCE.....	1,039,947.28
RESERVE FOR TAXES.....	1,074,226.88
ESCROW FUNDS (Deposited by mortgagors for payment of taxes and expenses).....	292,898.79
RESERVE FOR ACCOUNTS NOT YET DUE.....	565,625.70
POLICYHOLDERS' DIVIDENDS.....	2,127,288.53
TOTAL.....	\$150,227,318.74
PORTION OF CURRENT YEAR'S EARNINGS AVAILABLE FOR FUTURE DIVIDEND DECLARATION TO PARTICIPATING POLICYHOLDERS.....	572,553.00
CONTINGENCY RESERVE UNDER PURCHASE AGREEMENT INCLUDING RESERVE FOR REVALUATION OF REINSURED POLICIES.....	7,544,625.80
RESERVE FOR REVALUATION OF OTHER POLICIES.....	500,000.00
OTHER CONTINGENCY RESERVE.....	1,174,186.31
SURPLUS.....	2,000,000.00
TOTAL LIABILITIES.....	\$162,018,683.85

(1) Includes assets in "Old Company Account" established under Purchase Agreement dated September 7, 1933, on file with the Superintendent of the Insurance Department of the State of Missouri.





complex business, even requiring constant study and alertness on the part of an insurance man.

We, who are in the general insurance business, have a full-time job merely to keep up with the field. A credit executive with many other duties besides supervising insurance cannot be expected to do so, but he can look to us in the insurance business to keep him informed and to assist and educate him in properly underwriting his accounts from an insurance standpoint. This is a service that we must perform if the credit man is to secure the information he desires and if we, as agents, are to continue to secure the premium dollars business pays for protection.—The End.

### Needs More Copper

The United States is no longer self-sufficient in copper in periods of high industrial activity, according to an article in *Business Comment*, the bulletin of The Northern Trust Company. Prior to 1940, domestic copper output was sufficient not only for our own needs, but exports of the red metal regularly exceeded imports, the article pointed out.

Imports soared during the war years, however, reaching a peak of 847,000 tons in 1945, the article continued.

This wartime dependence on foreign sources of supply has persisted for the past two years, with imports exceeding exports by 314,000 tons in 1946 and by about 205,000 tons last year.

Refined copper shipments to domestic consumers last year totaled 1,384,000 tons, an increase of 10 per cent over 1946 and approximately double the 1935-39 annual average, the bank stated. This figure is only 16 per cent below the 1943 wartime peak. Deliveries of new refined copper, of course, do not fully reflect aggregate supplies for domestic consumption and export shipments.

Available supplies in 1947 probably totaled 1.8 million tons, consisting of copper output from domestic ores of 860,000 tons, estimated imports of 400,000 tons, a net reduction in government and private stocks of 120,000 tons, and use of old scrap amounting to 440,000 tons, the bank reported. Exports of refined copper and copper manufacturers were about 205,000 tons last year, which leaves domestic consumption at approximately 1.6 million tons, compared with 1.5 million tons in 1946.

Two significant developments in the domestic copper industry last year

## Another Year of Growth Shows

### GAINS IN ASSETS

### GAINS IN RESERVES

### GAINS IN SURPLUS FUNDS

### GAINS IN PREMIUM INCOME

### GAINS IN INSURANCE IN FORCE

#### Financial Statement—January 1, 1948

#### ASSETS

Cash and Bonds.....	\$3,052,180.58
First Mortgage Loans on Real Estate.....	3,287,919.37
Home Office Building and Other Real Estate.....	198,480.09
Stocks .....	607,065.54
Loans to Policyholders and Other Secured Loans.....	241,111.12
Interest and Rents Due and Accrued.....	36,586.24
Net Premiums in Course of Collection.....	93,818.83
Total Assets .....	\$7,517,161.77

#### LIABILITIES

Policy Reserves .....	\$5,544,294.35
Reserves for Policyholders Dividends.....	156,401.04
Premiums Paid in Advance.....	508,170.15
Other Reserves and Liabilities.....	238,683.60
Total Liabilities .....	\$6,447,549.14
*Surplus to Policyholders.....	1,069,612.63
Balance .....	\$7,517,161.77

\*Includes Capital Stock of \$204,398.67.

## POLICYHOLDER'S NATIONAL LIFE INSURANCE COMPANY

SIOUX FALLS, SOUTH DAKOTA

## FORTY YEARS of Progress

We are proud of our record  
in the Insurance field and of  
our Banker Representatives.

We write a complete line of  
**Fire - Windstorm - Automobile & Plate Glass Insurance**

## WESTERN MUTUAL FIRE INSURANCE COMPANY

NINTH & GRAND DES MOINES 8, IOWA

*"Mutual Insurance Is American Insurance"*

were the firming of refined copper prices at 21½ cents per pound, the highest average annual level since 1918, and a two-year suspension of the four cents per pound tariff.

### California Bank

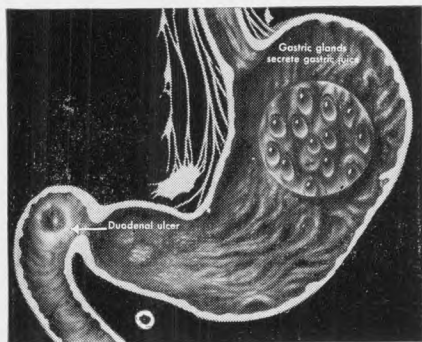
Arthur T. Brett, vice president, California Bank, has been appointed a member of the budget committee of Los Angeles' Welfare Federation. The Federation operates the city's Com-

munity Chest and the Welfare Council.

For the seventh consecutive year, Harry E. Hudson, vice president in charge of California Bank's Santa Monica office, was recently elected treasurer of the Santa Monica-Ocean Park Chamber of Commerce. Mr. Hudson was also re-elected to the Chamber's board of directors and appointed to the executive committee.

Frank L. King, president of the California Bank, and W. Wayne Glover, vice president, attended a meeting of the California Bankers Association committee for the revision of the State Banking Act in San Francisco.

Frank H. Schmidt, executive vice president, California Trust Company, attended the mid-winter Trust Conference of the American Bankers Association in New York.



### Longer life for people past 40

About one in every ten Americans now living will at some time have an ulcer. In most cases the ulcer will be of the duodenal type, illustrated above; the gastric ulcer is less common.

An ulcer usually results from excessive flow of the stomach's acid-containing digestive juices. It is now recognized that nervous tension, worry, and emotional strain, even more than food and drink, stimulate the flow of these juices. Therefore, effective treatment of an ulcer often calls for teamwork by physician, psychiatrist, and surgeon.

The physician, by determining that the ulcer is of the duodenal type, can reassure those who fear cancer, for the duodenal ulcer is rarely, if ever, cancerous. The psychiatrist, by learning the source of mental stress, may remove the basic cause of the ailment. And the surgeon, if need be, can now safely clear up even the most critical and far-advanced ulcer cases through application of remarkable new techniques.

Ulcer, heart trouble, kidney diseases, diabetes, anemia and many others are being mastered through application of "miracle drugs" and new surgical techniques. As a result, the 40-year old man or woman today can, on the average, count on at least 30 more years of pleasure and accomplishment.

Full enjoyment of these years calls for financial solvency, best attained through a sound program of savings and life insurance. Your NWNL agent, paid not primarily for how much insurance he sells you but for what you keep in force, has a strong interest in providing you with just the kind and amount of life insurance you need and can afford.

**NORTHWESTERN National LIFE**  
INSURANCE COMPANY  
MINNEAPOLIS 4 MINNESOTA  
R.C. STAGG - PRESIDENT  
OL. ARNOLD - CHAIRMAN

Northwestern Banker, March, 1948

### Elect Jackson President

In a series of executive promotions announced by the St. Paul Fire & Marine group following the annual meetings, Charles F. Codere, president of the three companies for the past 10 years, becomes chairman and senior vice president of each company.

A. B. Jackson, who has been vice president of the three companies, was elected president of the St. Paul Fire & Marine and of the Mercury Insurance Company. M. D. Price was made president of the Saint Paul-Mercury Indemnity Company. He also has been a vice president of the three companies.

Three new offices were created in each company: P. A. Codere was made resident vice president, Canadian department; G. W. Coward, resident vice

president, Eastern department, and Paul F. McKown, resident vice president, Pacific department.

Other changes announced were: R. M. Hubbs was made assistant to the president of all three companies; R. B. Shepard, Jr., was made assistant secretary of the St. Paul Fire & Marine and Mercury, and E. B. Barry was elected resident secretary, Pacific department, of those two companies. W. E. King becomes assistant secretary of the Saint Paul-Mercury Indemnity Company.

C. F. Codere, the new chairman, joined the St. Paul in 1908 and planted the company in Canada. He came to the home office in 1920, was made vice president in 1925 and president in 1938.

Mr. Jackson was born in St. Paul January 15, 1899, and joined the home office staff immediately after his graduation from Princeton in 1922. He was elected assistant vice president of the St. Paul Fire & Marine in 1937 and assistant to the president in 1938. He was elected vice president of the St. Paul and of the Mercury in 1943 and of the Saint Paul-Mercury Indemnity Company in 1946.

### Promotions

The First National Bank in St. Louis has announced the following promotions in its official staff:

Ray J. Miller, from assistant vice president and personnel director, to vice president and personnel director. He was elected an assistant cashier in 1938, an assistant vice president in 1945 and personnel director in 1946. He has been with the bank for 35 years.

## Low Cost, Non-Assessable FARM LIABILITY INSURANCE for Your Farmer Clients

Allied Mutual pioneered this worry-free protection which defends the farm owner in case cattle get into neighbor's corn, loose horse injures motorist on highway, hired man is hurt by tractor—or any one of a hundred other common farm hazards. Up to \$250 medical, surgical, hospital payments for hired men or hired girls regardless of responsibility. Essential protection. Easy to interest farmer. Investigate for your agency. Write

## ALLIED MUTUAL CASUALTY COMPANY

Harold S. Evans, President

Hubbell Building

Des Moines 7, Iowa



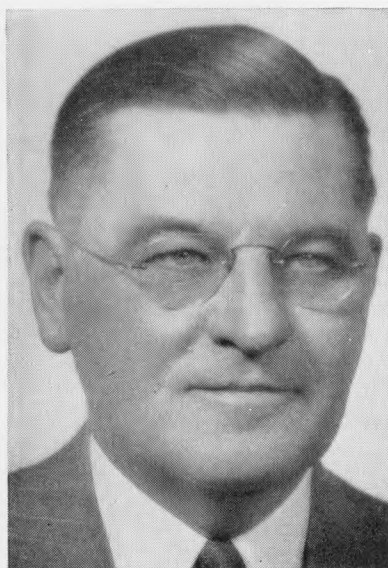


Leonard J. Schrewe, from assistant cashier to assistant vice president. He is a territorial officer and represents the bank in Missouri, as assistant to Frank C. Hunt, vice president. He has been with the bank for 22 years.

Harry L. Smith, from assistant cashier to assistant vice president. He is a territorial officer and represents the bank in Texas, as assistant to W. C. Collins, vice president. He has been with the bank for 24 years.

### Becomes Cashier Also

Albert J. Egger, for the past 14 years a vice president of the Chase National Bank, has been appointed



ALBERT J. EGGER  
Vice President and Cashier

vice president and cashier of the bank by the board of directors.

Mr. Egger, senior personnel officer of the bank, has been a member of the staff for 38 years. He joined the Equitable Trust Company as a junior clerk in 1910, was appointed an assistant secretary in 1924, and became Equitable's first personnel officer. He was elected an assistant vice president in 1930 and a vice president of Chase in 1934. He is chairman of the bank's personnel committee and of the advisory committee of the Chase Bank Club.

William H. Moorhead, formerly cashier, continues as a vice president of the bank.

### Special Exhibit

Outstanding letters and documents from the long-secret Abraham Lincoln Collection in the Library of Congress have been photographically enlarged for a special exhibit at the Chicago Historical Society in Lincoln Park, which continues until April 1st.

This sampling of the much-discussed papers was donated to the society by The First National Bank of Chicago, which was chartered during Lincoln's administration; in fact, the first guns of Gettysburg were fired on the very day The First National opened its doors. This exhibit offers the first opportunity for Chicagoans to examine the papers recently opened in Washington, D. C., after years of nationwide interest and speculation.

### Bank Women's Convention

The national convention of the Association of Bank Women will be held

at the Hotel Fort Shelby, Detroit, Michigan, September 24th to 26th, it is announced by Miss Willa A. Riley, president of the association. Their convention, as usual, immediately precedes the convention of the American Bankers Association.

### Quarterly Dividend

The board of directors of the Chemical Bank & Trust Company has declared the regular quarterly dividend of 45 cents per share on the capital stock of the bank, payable April 1st to stockholders of record March 15th.

## 55th Annual Statement of AMERICA'S *largest* *exclusive* DWELLING INSURANCE COMPANY

December 31, 1947

### ADMITTED ASSETS

Cash in Banks and Office — — — — —	\$ 306,145.16
Federal Savings and Building and Loan Associations — — — — —	314,000.00
United States Government Bonds — — — — —	1,455,634.40
State, County and Municipal Bonds — — — — —	104,016.29
Canadian Bonds — — — — —	106,126.23
Canadian National Railway Bonds — — — — —	104,002.27
<i>(Guaranteed by Canadian Government)</i>	
Public Utility Bonds — — — — —	73,856.88
Miscellaneous Bonds — — — — —	10,000.00
Stocks — — — — —	127,247.50
Accrued Interest and Dividends — — — — —	8,718.46
Agents' Balances (Not over 90 days due) — — — — —	60,241.29
Other Assets — — — — —	604.54

TOTAL ADMITTED ASSETS — — — — — \$2,670,593.02

### LIABILITIES

Reserve for Losses and Adjusting Expenses — — — — —	\$ 28,880.68
<i>(Losses incurred and in process of adjustment)</i>	
Reserve for Unearned Premiums — — — — —	1,305,644.38
Reserve for Taxes and Expenses — — — — —	49,188.24
Other Liabilities — — — — —	1,102.83

Total Liabilities and Reserves — — — — —	\$1,384,816.13
Guaranty Fund — — — — —	\$ 200,000.00
Surplus — — — — —	1,085,776.89

SURPLUS TO POLICYHOLDERS — — — — — 1,285,776.89

TOTAL — — — — — \$2,670,593.02

Insurance in Force December 31, 1947  
(\$805,361,003.00)

# Town Mutual

## Dwelling Insurance Company

B. REES JONES, President  
Hubbell Building, Des Moines



*Worth  
crowing  
about...*

OF IOWA'S record two-billion-dollar estimated farm income in 1947, an important share came from poultry and dairy products . . . Proud holders of first place in the nation in egg and chicken production, and second in butter, Iowa's 250,000 farmers last year sent to market a total of 4,250,000,000 eggs and some 6,600,000,000 lbs. of milk (a lot of omelets, in any language). In fact, four great markets—New York, Chicago, Boston and Philadelphia—obtained one-sixth of all their eggs and dressed poultry and one-fourth of their butter from Iowa during '47 . . . To handle this tremendous volume, 5,000 Iowa creameries, produce stations and poultry plants employ an estimated 25,000 persons.



# FIRST NATIONAL BANK OF MINNEAPOLIS

HENRY E. ATWOOD, *President*

## DEPARTMENT OF BANKS AND BANKERS

M. O. GRANGAARD, *Vice President*

J. J. MALONEY, *Assistant Vice President*

K. T. MARTIN, *Assistant Vice President*

G. S. HENRY, *Assistant Vice President*

J. M. DOWNES, *Assistant Cashier*

C. E. CORCHRAN, *Assistant Cashier*

*Member Federal Deposit Insurance Corporation*

**Northwestern Banker, March, 1948**





**JOHN CARLANDER**  
President  
Faribault

## Minnesota NEWS



**ROBERT E. PYE**  
Secretary  
Minneapolis

### Increases Surplus

The Home State Bank of Kandiyohi, Minnesota, recently increased its bank stock from \$15,000 to \$25,000 and also increased its surplus to \$20,000, placing its total structure at \$45,000.

### New Bank at Dzer Creek

A new bank incorporated as the Security State Bank of Deer Creek, Minnesota, was scheduled to open last month in Deer Creek.

The board of directors consists of the following stockholders: Fred W. Noreen, Wadena; George W. Rebehn, H. O. Carew and E. M. Thompson, all of Deer Creek, and M. A. Langemo, Claremont.

Deer Creek had been without banking facilities since the First National Bank's assets were purchased by the Wadena bank about a year ago.

### Clearinghouse Head

Willis D. Wyard, First & American National Bank president, was elected head of the Duluth Clearing House Association last month at its annual meeting in the Athletic Club.

He succeeds Wilbur F. McLean, first vice president, Northern Minnesota National Bank.

Other officers named were Herman Matzke, president, City National Bank, first vice president; Mr. McLean, second vice president; Julian V. Hagberg, president, Duluth National Bank, treasurer, and Sylvester T. Strain, cashier, First and American National, manager.

Members of the association are the First & American National Bank, Northern Minnesota National Bank, City National Bank and the Duluth National Bank.

### Resigns at Litchfield

Elmer Bratsch has resigned as cashier of the Northwestern National Bank at Litchfield, Minnesota, to become cashier and a director of the Union State Bank in Thief River Falls. He took over his new duties the first of this month.

C. G. Nybakken had been acting as cashier temporarily at the Union State Bank, awaiting Mr. Bratsch's arrival.

Mr. Nybakken now has gone to Warren where he had been named earlier as executive vice president and cashier of the Peoples State Bank. The Union State Bank, at the annual meeting, had its surplus account increased from \$70,000 to \$80,000.

### Houston Banker Marries

Joseph J. Kelly, assistant cashier at the Houston State Bank, Houston, Minnesota, was married recently to Clara Everson in Winona. Mrs. Kelly's home formerly was in La Crosse.

### New Building

Plans for the construction of a modern new building to house the First National Bank of Cloquet have been announced by Lynn S. Olson, president. The work will start this spring, just as soon as weather permits.

Functional modernism keynotes the design of the one-story building. Rear



Architect's drawing of proposed new bank building at Cloquet.

and side exterior walls will be of brick. The front is to be done in stone and will feature a large double-glass window and a large brick pylon. This pylon enhances the architectural design by appearing to divide the front of the building into two distinct parts. Actually it serves an important functional purpose by providing a high surface on which to display the bank's name.

Interior of the bank has been designed to afford the utmost in customer convenience and ideal working conditions for employees. In the main banking room, the tellers' units will be located immediately opposite the front entrance. They will serve customers across counters of low, open design. To the right will be the officers' space, set apart from the lobby by a low counter.

Facilities for the Cloquet Northern Insurance Agency also will be provided in the new structure. This agency will occupy space immediately to the right of the main entrance foyer. It is situated so that customers may have access to the insurance agency after banking hours.

Established in 1900, the First National Bank of Cloquet has assets in excess of \$6,500,000 and has completely outgrown its present quarters. First Bank Stock Corporation has had an interest in the bank since 1936 and has held the majority of the stock since 1946.

Officers of the bank are Lynn S. Olson, president; C. I. McNair, Jr., vice president; W. N. Campbell, cashier; and Arthur J. Anderson and C. K. Sunnarborg, assistant cashiers. Directors are E. P. Dupont, A. H. Kennedy, Allen Spafford and Messrs. McNair and Olson.

### Warren Bank Expanding

R. J. Schirber, re-elected as president of the State Bank of Warren, Minnesota, has announced that surplus of the bank was increased by \$10,000 at the annual meeting and now totals \$50,000.

During the summer an addition will be built to the present building to accommodate needed space for one of the building tenants.

### Remodeling at Dodge Center

Remodeling of the Dodge Center State Bank is now near completion. A. C. Bell, executive vice president and cashier, states there will be an extension of 20 feet to the building, also new vaults have been added and the bank has been completely remodeled.

Several changes have been noted in the bank's official staff. Mr. Bell, who formerly held the title of cashier, now has the duties of executive vice president. Lora E. Fette has been added to the staff as assistant cashier.

### Promotion

Mrs. Wanda J. Lee has been promoted from teller to assistant cashier at the Northern State Bank, Thief River Falls, Minnesota. Another teller, Gladys O. Strande, resigned last month prior to her marriage. The changes were announced by George W. Werstlein, cashier.

Audrey Harrington of Bemidji has been added to the bank staff as a bookkeeper.

### New Assistant Cashiers

Two changes in the official roster of the Minnesota National Bank, East Grand Forks, Minnesota, were made

last month after the resignation of Howard R. Graveseth as assistant cashier.

Mr. Graveseth's duties have been taken over by John A. Malmberg, who has been associated with the bank since 1940. He has been manager of the Minnesota National Insurance Agency in addition to being assistant cashier.

Mr. Malmberg's position as manager of the agency has been taken over by Marlin F. Manthey, who held a similar position with the Farmers National Bank at Waseca. Mr. Manthey also was elected an assistant cashier of the Minnesota National Bank. Both he

and Mr. Malmberg saw extensive overseas service with the Army.

### **Andrew O. Netland**

Andrew O. Netland, mayor of Northfield, Minnesota, and director of the State Bank of Northfield since 1910, died at his home there last month after a short illness.

Born in Stavanger, Norway, Mr. Netland emigrated to the United States as a young man. He was associated with the First State Bank of Audubon before coming to Northfield.

He is a past president of the Northfield bank. His wife and six children survive him.

### **Special Meeting**

A special meeting of the stockholders of the Northern National Bank of Bemidji, Minnesota, was to be held last month for the purpose of increasing the common stock of the bank from \$50,000 to \$100,000 by the issuance of a \$50,000 stock dividend.

### **Elected Vice President**

William A. McCurdy was elected vice president of the State Bank of Virginia, Minnesota, at the board of directors meeting held recently. He replaces Frank Jenia.

Other officers of the bank who were re-elected are J. E. Takkinen, president; R. H. Willenbring, cashier; Martin Virshek, assistant cashier.

### **Fills Vacancy**

Charles E. Welch was elected to fill the vacancy on the directorate of the First National Bank of Two Harbors, Minnesota, caused by the passing of William G. Peterson, director and executive vice president. Directors re-elected are: A. E. Haugan, Helen C. Barton, Lloyd A. James and Edward J. Nauha.

Officers named are: A. E. Haugan, president; Edward J. Nauha, vice president and cashier; Jordis Floathe, Arnold LeClair and Geo. W. Peterson, assistant cashiers.

### **Joins Rush City Bank**

At the regular annual meeting of the stockholders and directors of the State Bank of Rush City, Minnesota, M. B. Thorsen of Minneapolis was elected a vice president and director. Mr. Thorsen is a prominent business man of Minneapolis and St. Paul.

John E. Ordner who has been associated with the bank since 1930 was advanced from assistant cashier to cashier.

### **In 38th Year**

T. F. Bergquist was re-elected president and George D. Erickson, New Ulm attorney, a new member of the board of directors of the Citizens State Bank of Lafayette, Minnesota. Mr. Erickson succeeds O. W. Strom who passed away recently.

Mr. Bergquist is entering upon his 38th consecutive year as president of the banking institution in that building. He was the first president when it was organized in 1910 and continued in that capacity until 1933 when the Citizens State Bank was organized.

### **Sell Bank Interests**

The Northwest Bancorporation has sold its interest in the First State Bank of Malta, Montana, to R. C. Monroe, president, and his associates.

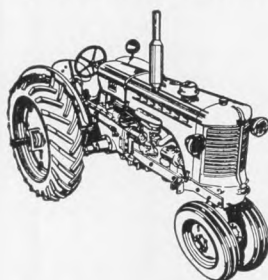


## **VISIONLINED TRACTORS**



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Ruggedness and all-round "go" are coupled with fuel economies in MM Visionlined Tractors to assure reserve power and outstanding performance under all field and weather conditions. From the famed MM Visionlined "foursome"—the models R, U, Z and GTB—choose the power-packed tractor engineered for your particular farm needs! Special features include: fewer parts



and greater accessibility; anti-friction sealed transmissions with precision-cut, heat-treated, alloy steel gears; high turbulence type cylinder heads; force-feed lubrication systems. "Quick-On—Quick-Off" tools for all MM Visionlined Tractors offer greater utility and real economy.

Safe, dependable MM Visionlined Tractors mean time saved and more profits on all your farm power-jobs—all the year round! No matter how tough the job, there's an MM Tractor for better and easier farming... ready to give you that profitable teamwork of MM TRACTORS and MM MODERN MACHINES.



**MM TRACTORS ARE VISIONLINED FOR EFFICIENCY, COMFORT, AND SAFETY!**



**MINNEAPOLIS-MOLINE POWER IMPLEMENT COMPANY**  
MINNEAPOLIS 1, MINNESOTA





## Twin City News

**CLARENCE R. CHANEY**, vice chairman of the board of Northwestern National Bank of Minneapolis, has been cited for the third time in three months for civic activities in Minneapolis.

His most recent recognition came in the form of a scroll for distinguished service, awarded by the Minneapolis Council of Social Agencies. Mr. Chaney is executive committee chairman of the council.

Last October, he was honored by the Minneapolis Y.M.C.A. at the conclusion of his sixth year as president of that organization. In addition, he also was presented a scroll signed by **Mayor Hubert H. Humphrey** of Minneapolis.

Mr. Chaney has been head also of the Minneapolis Urban league, an interracial group. He was the unanimous selection for the social agencies' citation.

**Augustus H. Kennedy** was elected chairman of the board of directors and **Ellwood O. Jenkins** was named president of First Service Corporation, operations subsidiary of First Bank Stock Corporation, at the directors' annual meeting in St. Paul.

Other officers were re-elected. **Mr. Kennedy**, president of First Bank Stock Corporation, had been president of First Service Corporation since 1941. He succeeds **C. T. Jaffray** as board chairman. Mr. Jaffray continues as a director.

All directors were re-elected at the annual meeting of First Service Corporation stockholders.

**Mrs. Henrietta S. Sifferle** has become the first woman to be named an officer of Farmers and Mechanics Savings Bank of Minneapolis in its 73 years of operation. She was elected assistant secretary at the annual meeting of bank trustees. All other officers were re-elected. Mrs. Sifferle has been with the bank since 1922 and has had charge of the bank's insurance savings department since 1924.

**Wallace L. Boss**, a vice president of First National Bank of St. Paul, has been named campaign manager for the Minnesota Cancer society's April fund drive. Mr. Boss is a former treasurer of the United States Chamber of Commerce.

Combined net earnings of 74 bank affiliates of First Bank Stock Corporation of Minneapolis last year totaled \$5,989,795. The corporation's portion of this amount, together with results of operations of the parent corporation and its other affiliates, First Banccredit Corporation and First Service Corporation, produced combined net operating earnings of \$5,727,251. This was equivalent to \$2.02 per share, compared with \$2.07 a share in 1946.

Directors declared a 40-cent dividend, payable March 10th to stockholders of record February 20th. Dividends of 80 cents per share were voted in 1947.

Value of the corporation's capital stock was reported \$24.61 per share on December 31, 1947, compared with \$23.78 per share the previous year. In addition, the corporation had a proportionate interest in certain interior reserves and other assets aggregating approximately \$14,000,000.

First National Bank of Minneapolis and six affiliates in Minneapolis, Edina and Robbinsdale earned \$1,850,179; the First National Bank of St. Paul, the First Trust Company and four affiliated St. Paul banks, \$1,667,471; and 63 affiliated banks and branches outside the Twin Cities, \$2,472,145.

Total deposits at the year end, after elimination of inter-bank balances, were \$1,143,813,076. Loans and discounts increased from \$206,275,355 to \$262,181,255.

Election of **Samuel Mairs**, chairman of the board of directors of Archer-Daniels-Midland Company of Minneapolis, as a director of First Bank Stock Corporation was announced by **Augustus H. Kennedy**, president, following the annual meeting of stockholders. All First Bank Stock Cor-

poration officers and directors were re-elected.

Summarizing the report to stockholders issued by himself and **C. T. Jaffray**, chairman of the First Bank Stock board, Mr. Kennedy pointed out that while 1947 started amid forecasts of a business recession, the record shows that for the Ninth Federal Reserve district, as well as for the entire nation, the year turned out to be one of the most prosperous on record.

**Lloyd M. Wickre** of the Richfield State Bank and Trust Company has been elected president of the board of directors of Richfield Community council. Richfield is a suburb of Minneapolis.

**Melville A. R. Krogness**, assistant cashier of Northwestern National Bank of Minneapolis, has been elected president of the board of directors of North East neighborhood house in Minneapolis.

Twenty-three employees of Northwestern National Bank of Minneapolis, Northwest Bancorporation and Northwestern Mortgage Company were initiated last month into the Twenty-Year club of the organizations at the Nicollet hotel in Minneapolis.

They are **Lloyd E. Bengston**, **Arthur J. Burke**, **M. J. Crowe**, **Arthur R. Elisen**, **Vera M. Erickson**, **Stanley A. Frees**, **Milton E. Gebert**, **John S. Gisdahl**, **John Gmitro**, **Frieda E. Goldschmidt**, **Allan C. Halgren**, **Paul L. Hesselroth**, **Jalmer Jensen**, **Fred E. Johnson**, **Ray F. Johnson**, **Merrill Klassy**, **Milan M. Kope**, **Von E. Luschner**, **Ora L. Morris**, **Earl A. Patch**, **Clarence L. Smith**, **Arthur Snartemo** and **Vernon R. Sorensen**.

When **Mrs. Lowell C. Knowlton** of Minneapolis showed up at Farmers and Mechanics Savings Bank of Minneapolis with her triplets to open Stork club savings accounts for them, the bank tripled the amount Mrs. Knowlton deposited in each of the babies' accounts as a gift to the children.

**Donald C. Dayton**, a director of the Lincoln office of Northwestern National Bank of Minneapolis, was named the "outstanding young man of Minneapolis in 1947" by the Minneapolis Junior Chamber of Commerce. Mr. Dayton is executive vice president and general manager of the Dayton Company, Minneapolis department store. He also is national president of the Elizabeth Kenny foundation, which combats infantile paralysis, and president of the Minneapolis Retailers Association and of the H. J. Nelson Company.

Improved financial position of farmers, aided by industrial postwar developments, will help the seven-state

northwest area to adjust itself to lower farm prices if they come, **J. Cameron Thomson**, president of Northwest Bancorporation, said in a recent report.

Farm mortgage indebtedness in the seven states served by Banco affiliates has decreased 37 per cent since 1940, compared with an increase of 71 per cent from 1915 to 1920.

**Ben S. Woodworth**, assistant cashier of First National Bank of Minneapolis, has been re-elected a director of Minneapolis Athenaeum, one of the oldest libraries in Minnesota.

**Herbert S. Woodward**, vice president of Columbia Heights National

Bank, has given \$300 to the University of Minnesota Greater University fund. His gift is one of the first two gifts made to the fund.

**Rome B. Gross**, 49, assistant manager of the North American office of the Northwestern National Bank of Minneapolis, died unexpectedly last month. Services and burial took place in Minneapolis.

Two hundred Minnesota bankers attended the ninth annual Minnesota Bankers conference at the University of Minnesota. Cooperating in sponsoring the conference were the Minnesota Bankers Association and the Minnesota state banking department.

Among speakers were **Paul McCracken** of the Minneapolis Federal Reserve Bank; **K. O. Sattre**, Blue Earth, Minnesota, banker, and **H. L. Severson** of Dun & Bradstreet.

Directors of Investors Selective Fund, Inc., Minneapolis open-end investment company, declared a dividend of seven cents a share for the first quarter of the current fiscal year. **E. E. Crabb**, president, announced. The firm is affiliated with Investors Syndicate, principal underwriter and investment manager of the fund.

Three St. Paul bankers were among candidates for the board of directors of the St. Paul Association of Commerce. They are **H. William Blake**, vice president and cashier of Empire National Bank and Trust Company; **Wallace L. Boss**, vice president of First National Bank of St. Paul, and **Clarence A. Maley**, vice president and trust officer of American National bank.

The Minneapolis Mortgage Bankers Association held its annual dinner meeting at the Minneapolis Athletic club. Members of the St. Paul Mortgage Bankers Association and presidents of Minneapolis downtown banks were invited. **R. L. Davidson**, assistant treasurer of Farmers and Mechanics Savings Bank of Minneapolis, is president of the Minneapolis association.

Officers of the four cooperative credit banks in the Seventh farm credit district were re-elected by directors of the farm credit administration of St. Paul. They are **M. D. Avery**, federal land bank; **George Susens**, production credit corporation; **Fred H. Klawon**, intermediate credit bank, and **Hutzel Metzger**, bank for cooperatives. **Robert J. Barry**, St. Paul, was re-named district general agent.



**F**OREIGN exchange regulations, import restrictions, and economic conditions are constantly changing throughout the world. Keeping abreast of new developments in overseas trade is an important part of the work of our Foreign Department. This specialized knowledge—and our facilities for the efficient consummation of dealings abroad—place us in a favorable position to cooperate with your bank in rendering service to your customers who buy or sell overseas.

Inquiries are invited by our Foreign Department regarding any phase of this service.

## AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

LA SALLE STREET AT WASHINGTON

Member Federal Deposit Insurance Corporation





Deposits in Minnesota state banks now are at the highest point in Minnesota banking history, **F. A. Amundson**, state commissioner of banks, announced. Loans and discounts are increasing and are at the highest peak since November 7, 1927, the report showed. Mr. Amundson's report showed an increase of \$10,976,000 in loans and discounts for the fourth quarter of 1947 to a total of \$230,384,166 for 1947. Loans and discounts increased \$8,892,984 during the three-month period to a total of \$981,506,209.

**S. L. Jerpbak**, president of Richfield State Bank and Trust Company, has been elected treasurer of Lake of the Isles Lutheran church, Minneapolis.

**Milton W. Griggs** and **Harold O. Washburn**, directors of First National

Bank of St. Paul, have been named to the board of directors of Zinsmaster Baking Company of St. Paul. Mr. Griggs is president of Griggs, Cooper and Company, wholesale grocers, and Washburn is president of American Hoist and Derrick Company, both of St. Paul.

Bank debits in Minneapolis totaled \$1,197,947,000 during January, 1948, an increase of 25 per cent over the same period a year ago, according to the Federal Reserve Bank of Minneapolis. St. Paul showed an increase of 21 per cent over 1947, with January, 1948, debits totaling \$522,084,000. State debits were up 23 per cent and in the entire ninth federal reserve district, 21 per cent.

**Joseph F. Ringland**, president of Northwestern National Bank of Minneapolis, has been elected to a three-year term on the Minneapolis Chamber of Commerce board of directors. **Clarence R. Chaney**, vice chairman of the bank board, is one of eight retiring directors, who are limited by custom to one term.

**Mrs. Elsie Stapleton**, nationally-known budget authority, spoke before the February meeting of the Home Institute Club of the Northwestern National Bank. Mrs. Stapleton, who was at the Northwestern Bank in January, 1947, when the budget department was started, returned after a year's absence full of additional information garnered from hundreds of

The Minnesota Commercial Men's Association had a very successful year during 1947. The statement below indicates its strong financial position. Liberal sickness and accident policies paying from \$25.00 to \$75.00 a week for disability with \$5,000 for accidental death are available for select risks at a very low cost. A hospital policy covering hospital and surgical expenses is also provided.

#### Statement as of December 31, 1947

ASSETS		LIABILITIES	
U. S. Government Bonds.....	\$152,120.00	Claims Pending, Estimated .....	\$ 28,745.50
Municipal Bonds .....	130,076.50	Accrued Expenses and Unpaid Bills.....	1,297.60
Railroad Bonds .....	13,875.00	Reserve for Taxes.....	4,050.00
Stocks .....	18,851.25	Unearned Premiums .....	40,965.00
Insurance Endowments (Paid-Up).....	28,510.38	RESERVE FOR PROTECTION OF	
Savings and Loan Assn. Deposits.....	10,035.16	MEMBERS .....	360,441.29
Real Estate (Office Building).....	18,000.00		
Cash in Banks and On Hand.....	57,997.62		
Accrued Interest, Dividends.....	2,194.98		
Market Value Bonds, Stocks over			
Book Value .....	3,838.50		
TOTAL .....	\$435,499.39	TOTAL .....	\$435,499.39

*Write for Applications and Literature*

## MINNESOTA COMMERCIAL MEN'S ASSOCIATION

PAUL CLEMENT, Secretary

2550 PILLSBURY AVENUE

MINNEAPOLIS 4, MINNESOTA

interviews, through personal appearances, and the conducting of her own radio programs. It was another full house for this fifth meeting of the Home Institute Club for its 1947-1948 lecture series. Mrs. Stapleton's subject for the evening was "How to Make Your Dollars Do More."

**Goodrich Lowry**, assistant vice president, Northwestern National Bank, has been elected to the governing committee of the Minneapolis Club to serve for a three-year term.

**Joseph F. Ringland**, president of the Northwestern National Bank, has been elected director to the board of Minneapolis Chamber of Commerce to serve a three-year term.

### Advanced at Mora

Robert L. Nikodym was elected assistant cashier of the Kanabec State Bank at Mora, Minnesota, at the annual directors meeting recently, it was announced by Frank P. Powers, president. Mr. Nikodym started as a bookkeeper in 1941, served until 1946 in

the Navy, re-entered the bank as a teller and more recently has been devoting a great share of his time to field representative work. Other officers all were re-elected.

### Hold 45th Meeting

The stockholders of the State Bank of Hanska, Minnesota, held their 45th annual meeting at their banking house recently.

The surplus was raised from \$40,000 to \$45,000 which gives the bank a total of \$85,000 capital and surplus. A small dividend was declared and paid.

### Promote Officers

At the annual meeting of the Northwestern State Bank of Hallock, Minnesota, Cashier Wikholm was elected to the position of one of the vice presidents, Art Larson was promoted to cashier replacing Mr. Wikholm and Mrs. Stella Moore was elected to the position of assistant cashier. The other officers are J. R. Chappell, president; Dr. J. L. Delmore, Roseau, vice president; G. S. Wass, vice president, and Wm. L. Petersen, Lancaster; C. B. Dahlquist, Roseau, and C. D. Tearse, Winona, directors.

### Eveleth Bank Meeting

Dante Paciotti and J. R. Schuknecht were advanced to vice presidents and George Bodovintz was elected cashier at the annual meeting of directors of the Miners National Bank of Eveleth, Minnesota.

Alfred Hoel was re-elected president and Raymond Hoel as vice president.

### Hold Open House

The Third Northwestern National Bank of Minneapolis, fourth to be re-decorated in a series of remodelings performed within the offices of the Northwestern National Bank, held its open house last month in celebration of its new quarters. George Christoferson, president, greeted old friends of the community to the bank and members of the staff were on hand to show visitors the new building and the function of each department. The remodeling of the Third Northwestern went a step farther than most re-decorative jobs, the bank moved into an entirely new location, a completely rebuilt and remodeled structure just a few doors from their old location. Their new quarters gives the particular community they serve, East Side Minneapolis, its most modern banking facility.

## NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

### FINANCIAL STATEMENT

December 31st, 1947

#### ASSETS

Cash in Banks . . . . .	\$ 3,886,897.43	
Investments:		
Bonds of United States		
Government . . . . .	\$16,754,304.21	
All Other Bonds . . . . .	1,970,116.31	
Preferred Stocks . . . . .	4,664,241.00	
Common Stocks . . . . .	8,058,292.00	31,446,953.52
Capital stock of National Surety Marine Insurance Corporation, a wholly owned subsidiary . . . . .		1,663,891.87
Premiums in Course of Collection,		
Not over 90 Days Due . . . . .		2,102,770.92
Accrued Interest . . . . .		73,722.79
Reinsurance and Other Accounts Receivable . . . . .		90,764.50
Home Office Building . . . . .		500,000.00
<b>TOTAL ADMITTED ASSETS . . . . .</b>		<b>\$39,765,001.03</b>

#### LIABILITIES, CAPITAL AND SURPLUS

Reserve for losses and Loss Adjustment Expenses . . . . .	\$ 5,813,222.91	
Reserve for Unearned Premiums . . . . .	10,400,713.46	
Reserve for Commissions, Expenses and Taxes . . . . .	1,877,742.42	
Capital Stock . . . . .	\$ 2,500,000.00	
Surplus . . . . .	19,173,322.24	
Surplus to Policyholders . . . . .		21,673,322.24
<b>TOTAL . . . . .</b>		<b>\$39,765,001.03</b>

Investments are carried on the basis prescribed by the New York Insurance Department—bonds being carried at amortized values and stocks at values based on rates promulgated by the National Association of Insurance Commissioners. If investments, including those of National Surety Marine Insurance Corporation, a wholly owned subsidiary, were carried at the December 31st, 1947 market quotations, total assets and surplus would be decreased by \$156,056.42.

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



## New Paintings in Marquette Bank

VISITORS to the department of banks and bankers at the Marquette National Bank of Minneapolis are singing the praises of the beautiful Indian paintings recently installed there. The group of pictures represent typical scenes of life among In-



CHIEF EAGLE WING FAN  
On Exhibition at Marquette National

dians and in the west. They were painted by Mrs. Elizabeth Lochrie, wife of A. J. Lochrie, president of the Miners National Bank in Butte, Montana.

Mrs. Lochrie gathered all the background for these works of art from personal acquaintances with members of the Blackfeet tribe of Montana. The paintings now hanging in the Marquette National Bank are typical of her work, for they have captured the natural expressions of her subjects, presenting a realism that makes the observer want to reach out to touch them and see if they are real.

"Laughing Girl" is a portrait of little May Old Person, a modest, lovable youngster who was very proud to pose for Mrs. Lochrie. Another portrait, "The Eagle Wing Fan," shows Chief Eagle Child in all his finery as a Medicine Man. He and the artist have been friends for many years and he is considered by all to be a real gentleman, kind, friendly and proud.

Mrs. Lochrie's husband received his early bank training at Murray and Osecola, Iowa. She was born in Deer Lodge, Montana; was graduated from Pratt Institute Art School in Brooklyn, New York, and entered in her first National Art Exhibit in 1935. Since that time she has entered the Art Exhibit annually. A member of the Associated American Artists, the Professional League and other similar

groups, Mrs. Lochrie lectures frequently on various art subjects.

Many murals from her gifted hand have been installed in buildings and offices throughout the northwest. Three of her exhibits are out at the present time. Mrs. Lochrie also has painted portraits of many dignitaries, including three of Montana's governors.

She has painted Indians, landscapes and portraits from Canada to Mexico, and throughout all her work, the qualities of naturalness and realism prevail.

## Change Bank Name

The Scanlan-Habberstad Bank, one of the old names in Minnesota banking circles, had its name changed at the annual meeting of stockholders to the Lanesboro State Bank. The stockholders also added two new members to the board, Teman Thompson and Adolph Doffing.

Mr. Doffing was named president by the directors, O. T. Simonson was elected vice president and cashier and Mabel Sorum is assistant cashier.

## With Albert Lea Bank

L. R. Wescott, prominent lumber dealer in Albert Lea, Minnesota, was

## Your BANK'S Bond Account EARNINGS

Bankers find our Bond Department officers helpful in suggesting ways to improve net returns from their investment accounts. We would welcome an opportunity to discuss this important source of your bank's earnings. There might be substantial benefits for your bank from such a discussion. Your inquiry is cordially invited.

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"Effect of Bond Tax Status On Bank Earnings"*

BOND DEPARTMENT

## THE NORTHERN TRUST COMPANY

50 SOUTH LA SALLE STREET, CHICAGO 90, ILLINOIS

*Member Federal Deposit Insurance Corporation*

elected to the directorate of the Security State Bank there at the annual stockholders meeting. Mr. Wescott also is a city councilman in Albert Lea. Resources of the bank were more than \$900,000, a 25 per cent increase in 1947.

### Kasson Election

Four officers of the Kasson State Bank, Kasson, Minnesota, were advanced at the annual meeting of the stockholders and directors.

C. L. Palmer, former president, was elected chairman of the board of directors, and C. G. Palmer, former executive vice president, was advanced

to the presidency. G. Skogsmark, former cashier, was advanced to vice president. Charles E. Palmer, former assistant cashier, was named cashier to succeed Mr. Skogsmark.

### Correction

In a news item appearing in the January NORTHWESTERN BANKER, it was reported that E. L. Olson was assuming his duties as assistant cashier of the Ellsworth State Bank at Ellsworth, Iowa. This should have been Ellsworth, Minnesota. Mr. Olson formerly was associated with the Marquette National Bank in Minneapolis.

### Reports Excellent Year

Following a year of most satisfactory business in 1947, the Minnesota Commercial Men's Association has started 1948 with every indication of attaining new records.

During 1947 the association increased its assets 1.92 per cent, a total of \$435,499. These assets listed in the report of Paul Clement, secretary and general manager, include the following: Cash, \$57,997 (13.30 per cent); U. S. government bonds, \$152,120 (34.88 per cent), and other high-grade bonds, \$143,951 (33.01 per cent), and select stocks, \$28,886 (6.62 per cent). This includes \$10,035 in Federal Savings and Loan shares. Real estate owned and free of all encumbrances was \$18,000, which is the association's practical and attractive home office building in Minneapolis. It is conservatively valued. Interest accrued but not yet due was \$2,194.98 and all other assets totaled \$28,510.

*The* BANK



*at the* YARDS

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

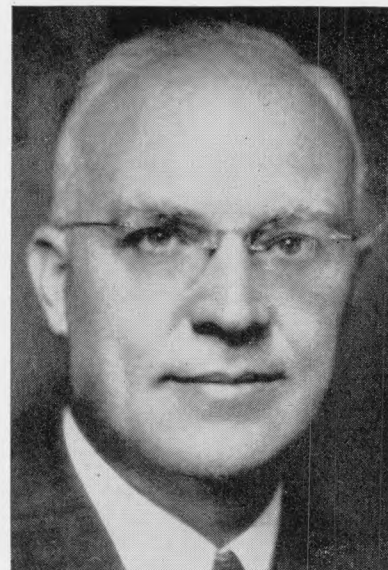
JAMES L. SMITH  
Asst. Cashier and Auditor

KINLEY W. SMITH  
Asst. Cashier

STANLEY W. EVANS  
Field Representative

## LET'S HAVE A VISIT!

The next time you're in Sioux City—either on business or pleasure, let's do a little visiting over our back fence. We'd be glad to see you and visit with you. . . . And if you'd like to mention your correspondent needs in Sioux City, we'll be glad to talk about that, too. . . . But anyway, won't you drop in for a visit?



PAUL CLEMENT  
Association in favorable position

*The*  
**LIVE STOCK**  
**National Bank**

*of* SIOUX CITY

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

The association's total 1947 income was \$324,995. Losses paid, plus the expense of doing business, amounted to \$312,542. The ratio of income to disbursements was 103.9 per cent, which indicates that the association took in \$104 for each \$100 it paid out. The excess income either was credited to policyholders reserves or passed to surplus for their additional protection.

Net premiums written during 1947 totaled \$310,471 against underwriting expenses of \$114,652, or 36.9 per cent of premiums written.

Earned premiums totaled \$311,075, while loss and adjustment expense was \$189,895, or 61.04 per cent of the premiums earned. The association showed a net underwriting loss of \$3,762, or 1.2 per cent.





A. E. DAHL  
President  
Rapid City

## South Dakota NEWS

CARL E. BAHMEIER, JR.  
Secretary  
Huron

### Select New Secretary

**Carl E. Bahmeier, Jr., Unanimously Elected to Office**

CARL E. BAHMEIER, JR., was unanimously elected as executive secretary-treasurer of the South Dakota Bankers Association at a meeting of the executive council late last month at association headquarters in Huron. Mr. Bahmeier succeeds George M. Starring, who resigned the first of the year.

In announcing Mr. Bahmeier's selection after a careful study of all applicants, A. E. Dahl, president of the South Dakota Bankers Association, stated the secretary is well experienced in organizational work and the fact that he has had no banking experience is considered an asset by the association officers since he will be able to learn his new duties with an open mind.

Mr. Bahmeier is a graduate of the University of Minnesota. He entered the army as a private in 1941 and received his discharge in 1945 as a colonel. Since his retirement from active duty he has been in radio and public lecturing work.

Mrs. Lois Halvorsen, who performed the duties of the dual office during the war years and had been acting in the same capacity during the past two months, will continue with the state office full time through March 31st, but wishes to be relieved of all duties by July 1st.

### Attend Short Course

About 60 bankers attended a two-day agricultural short course and school in Brookings, South Dakota, last month. Those attending were unanimous in their enthusiasm for the program prepared by the agricultural committee of the South Dakota Bankers Association and the South Dakota State College staff.

Carl J. Odegard, chairman of the SDBA agricultural committee and vice president of the Northwest Security National Bank, Huron, stated that attendance was lower than expected, due to snow and high winds the evening before the meeting opened.

Chairman Odegard presided at the opening session Wednesday morning, introducing the various speakers.

Thursday morning's session was presided over by H. T. Haynes, cashier, Spink County Bank, Redfield, and member of the SDBA agricultural committee.

Fred L. Christensen, also a member of the SDBA committee, and cashier of the Bear Butte Valley Bank, Sturgis, conducted the afternoon session.

Talks and demonstrations by well qualified bankers and university personnel covered practically every field of endeavor connected with farming.

### Add Two Directors

Stockholders of Farmers State Bank, Flandreau, South Dakota, recently voted to add two more directors to the board. Named for these two positions are Judge George A. Rice and Mrs. Henry Russell, long identified with the active work of the institution.

B. J. Tighe was re-elected as president, and William Duncan was named to succeed to the position of vice president which was formerly held by Arthur R. Johnson.

The usual dividend was declared and a transfer of funds made to the reserve fund to further strengthen the capital structure of the bank.

### Heads Emery Bank

C. T. Coyne was elected president of the Security State Bank at Emery, South Dakota, by directors at their annual meeting. He succeeds the late J. J. Hofer who had been president in the bank since 1920. John Schwans was re-elected vice president; J. W. Hofer was advanced to the position of cashier and Doris M. Miner was named assistant cashier. L. N. Arend was voted to the board of directors by stockholders.

The same group of officers were elected to head the Security State Bank at Alexandria, with the exception of Mr. Arend being named cashier

at the latter bank. Nellie F. Ingersoll remains at the latter institution as assistant cashier.

### Succeeds Father at Mitchell

Herbert Hitchcock was elected chairman of the board of directors and J. M. Patton president of the Mitchell National Bank, Mitchell, South Dakota, at its annual meeting.

Mr. Patton succeeds his father, the late M. F. Patton, as president of the bank. Other officers chosen include J. N. Shelby, vice president; George Fredericks, vice president; C. E. Fristad, cashier, and C. J. Schiltz, assistant cashier. Mr. Fristad comes to the Mitchell National from the Huron branch of the National Bank of South Dakota, where he was assistant manager.

Members of the board of directors, all but one of whom were re-elected, include F. J. Herrick, Mr. Fredericks, Mr. Hitchcock, Bradley Young, Mr. Patton, and Mr. Shelby, who takes the place of the late M. F. Patton.

### Officers Advanced

A. G. Berger was elected president of the Deuel County National Bank of Clear Lake, South Dakota, at the annual meeting of the board of directors recently. Mr. Berger, who formerly was cashier, succeeds S. E. Anderson who now becomes chairman of the board.

Verner Berg and N. A. Dobie were elected vice presidents and H. F. Anderson was named cashier, replacing the vacancy left by Mr. Berger's advancement.

Stockholders learned at their meeting that the bank ended the year with the highest deposit total in its history, the figure being \$3,336,495 and assets of \$3,501,611 were a half million greater than a year ago.

### Runs for State Office

Walter K. Johnson, vice president and cashier of the Farmers State Bank of Estelline, South Dakota, has announced himself as a candidate for the Republican nomination for state senator, representing the Hamlin-Kingsbury senatorial district.

Mr. Johnson was born in Minnesota, has been a South Dakota resident since 1931, and prior to his bank connection in Estelline, was assistant manager of the Gregory branch of the Northwest Security National Bank of Sioux Falls.

### Capital Is Increased

The capital of the Ipswich State Bank was raised to \$50,000 at the annual stockholders' meeting in Ipswich, South Dakota, recently. This was an

increase of \$23,000 from the previous total of \$27,000.

W. K. Herrick was elected to the board of directors, filling the vacancy left by the death of H. J. Bebermeyer. At the directors' meeting, all officers were re-elected. H. S. Crissman is president, J. F. Holdhusen is vice president and J. S. Holdhusen is cashier.

### Elected Cashier

S. C. Young, assistant vice president at the First National Bank at Aberdeen, South Dakota, since 1946, was elected cashier at a recent meeting of the board of directors.

### Appointed by Governor

C. H. Gunderson, president of the Security State Bank at Irene, South Dakota, has been appointed a member of the South Dakota state highway commission to succeed Earl Guernsey, Parker, who resigned recently because of ill health, Governor George T. Mickelson has announced.

Mr. Gunderson is a former state legislator, having served in the House in 1939, 1941, 1943 and 1945. During all four terms he was a member of the house committee on highways and

served as chairman of the group during the 1945 session.

Mr. Gunderson also served as president of the South Dakota Implement Dealers in 1944 and was on the state livestock sanitary board for six years.

## Sioux Falls News

**TOM S. HARKISON**, president of the National Bank of South Dakota, was elected chief rabban of the 1948 divan of El Riad Shrine. **O. A. Bray**, assistant cashier of the Northwest Security National Bank, was named treasurer of the local temple. Mr. Harkison was also elected trustee for a term ending in 1951.

**W. C. Duffy**, president of the Union Savings Bank, in company with Mrs. Duffy, is spending a several weeks' vacation in California. The Duffys are headquartering in Glendale.

**Tony Westra**, assistant cashier and agricultural and livestock representative of the Northwest Security Bank, has received an achievement award in agricultural projects from the Junior Chamber of Commerce.

**Frank Cinkle**, cashier and vice president of the National Bank of South Dakota, was elected treasurer of the Associated Retailers.

**Dr. and Mrs. W. R. Laird** spent a winter vacation in California, spending part of their time with their son, Lt. Comdr. W. R. Laird, Jr., in Coronado. Dr. Laird is a director of the Northwest Security National Bank.

**C. A. Christopherson**, chairman of the board of directors of the Union Savings Bank, discussed world peace and its present status in a talk sponsored by the International Relations club of Augustana college.

**Tom Hayter**, vice president of the First National Bank and Trust Company, and **Tom S. Harkison**, president of the National Bank of South Dakota, were in a group of civic leaders conferring with the state highway commission at Pierre regarding the approach of highway 38 to the city of Sioux Falls.

**Robert Griffiths**, department manager of the First National Bank and Trust Company, received word that his mother, Mrs. W. D. Griffiths, suffered leg, rib and collarbone fractures and lacerations when run down by a truck in San Bernardino, California, where she had been visiting.

Loud ringing of the burglar alarm at the First National Bank and Trust Company, of which **William W. Baker** is president, brought police on the run one night recently. They found everything in order. So they shut off the alarm. Then one morning it rang again, and again police came on the double. Again everything was in order—except the alarm. The trouble was traced to a short circuit.

Whether a "yes" meant to be a "no" will still cost the Farmers and Merchants Bank of Platte \$2,380.47 was basis for a suit filed in federal court here against the United States.

The bank contended that in 1942 it mistakenly answered a question "yes" on an excess profits tax return, thereby electing to include in net income interest attributable to government obligations.

The bank claimed that a Bureau of Internal Revenue agent accepted its explanation, changed the "yes" to "no." Later, the St. Paul office of the agency made it "yes" again, and assessed a deficiency against the bank.

The bank asked judgment for the amount, charging that its claim for a refund had not been acted upon.—The End.

## CALL IN A SPECIALIST

In almost every field the specialist is called in for consultation whenever a tough question poses itself. If the specialist has earned his rating he can make a real contribution, but if he is one of those self-appointed characters he just confuses the issue.

We are bank check specialists, having earned our rating over a period of thirty-two years, and in our field the need for consultation is becoming more apparent. Because we make nothing but bank checks, and because we have been so close to the checking system for so many years, we find ourselves more and more in consultation on complex questions which, until recently, would not have been raised at all.

For years the production and distri-

bution of bank checks presented no problem to either banks or printers. We would run a million checks, bind them up, pack them in cases and ship them to the bank. The bank in turn would unpack the checks, put them in the stockroom, and pass them out over the counter as customers needed them. Nothing to it!

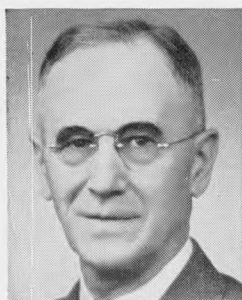
But now checks are imprinted for the individual and, instead of one order for a million checks, we have five thousand orders and consequently complications can set in unless bank and check printer get together and work out a streamlined procedure. So, whether you have a thousand orders . . . or five thousand . . . or a hundred thousand . . . let's get together! Call in a specialist.

**De Luxe**  
CHECK PRINTERS  
Inc.

Manufacturing Plants at:

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





## North Dakota NEWS

F. A. FOLEY  
President  
Rolla

C. C. WATTAM  
Secretary  
Fargo



### Promoted at Northwood

Theo. H. Tufte was elected president and cashier of the Northwood State Bank, Northwood, North Dakota, at the recent annual meeting by the board of directors. He succeeds Nels A. Nelson who was elected chairman of the board.

A resident of the Northwood vicinity all of his life, Mr. Tufte has been



THEO. H. TUFTE  
President, Northwood State Bank

employed in a bank at Northwood since 1920. He was one of the organizers of the Northwood State Bank in 1931, and since has served as cashier and director. Since 1931 deposits of the bank have increased from \$160,000 to \$3,315,855 as of December 31, 1947.

All other officers were renamed. They are A. A. Halverson, vice president, and E. A. Loe and Judith Jorgensen, assistant cashiers.

All directors also were re-elected. They are Nels A. Nelson, O. T. Stenmo, Albert Hagen, Henry O. Wickney, Gillis Gulbrandson and Mr. Tufte and Mr. Halverson.

In addition to his banking duties, Mt. Tufte is serving as mayor.

### Add Two Directors

Two new and additional directors, A. H. Goehl and Roy A. Holand, were elected by stockholders of the First State Bank of LaMoure, North Dakota, at their annual meeting.

The five old directors were renamed: Paul Adams, Olive M. Adams, Herman Goehl, M. J. Lere and C. H. Alin.

Naming of two new directors increased the board from five to seven directors.

Directors renamed officers as follows: President, Paul Adams; vice president, Herman Goehl, and cashier, C. H. Alin.

### New Director at Langdon

G. S. Goodman was elected a member of the board of directors of the Northwestern Bank of Langdon, North Dakota, at the annual stockholders' meeting of the bank. He succeeds the late Mark I. Forkner.

A. J. Backes and A. O. Aune were re-elected as directors at the same meeting. At the directors' meeting which followed, Mr. Aune was re-elected president, Mr. Backes was elected vice president, Gus Hartman, cashier, and Myles Johnson, assistant cashier. Mr. Forkner was vice president at the time of his death three months ago.

### Election at Grafton

A. C. Idsvoog was re-elected president of the Grafton National Bank, Grafton, North Dakota. R. D. Harkison was promoted to vice president and Hazel Johnson was elected first assistant cashier. D. M. Upham is the cashier. Directors are Mr. Idsvoog, Mr. Upham, Martin Monson, Carl Hvidsten and J. I. Hegge of Hillsboro.

### Vote Stock Increase

Stockholders of the First National Bank in Grand Forks, North Dakota, voted at their annual meeting to increase the institution's capital structure by the sale of additional stock and then re-elected the bank's ten directors for the ensuing year.

The sale of additional stock will increase the bank's capital to \$400,000

and its surplus to \$400,000, which with undivided profits of \$80,000 will give it a capital structure of \$880,000, one of the largest of northwest banks outside the metropolitan centers.

The board, in addition to re-electing Fred R. Orth president, renamed the other officers and added two new officers, B. P. McDermott and L. S. Bue, as installment loan officers.

### Hold Goodrich Meeting

R. E. Martin, vice president of the First State Bank of Goodrich, North Dakota, was re-elected chairman of the board at the annual meeting. The other directors include G. Buechler, who is president of the bank, and Helen Martin. W. A. Muralt is cashier.

### Exchange at Coleharbor

The First Security Bank of Underwood, North Dakota, has opened an exchange at Coleharbor, with C. Murphy in charge of the exchange. Mr. Murphy also operates an insurance and real estate agency in that community.

### New Directors

At the annual elections held by banks in Devils Lake, North Dakota, two new directors were elected by stockholders.

At the First National Bank, Ruth Collinson, wife of President R. C. Collinson, was elected to succeed the late Mrs. H. E. Baird.

W. G. Elmslie was named to the board of the Ramsey County National Bank, filling the vacancy left by the late T. A. Haslam.

All other directors and officers of both institutions were re-elected.

### Receives Civic Honor

F. B. Heath, president of the Dakota National Bank at Bismarck, North Dakota, was selected "Boss of the Year" by the Bismarck Junior Chamber of Commerce. Selected as the "Outstanding Young Man of the Year" from the Junior Chamber was Lorin Duemeland, an official of the Patterson Land Company, and one of the state's leading young livestock experts.

### Bank Stock Changes

The articles of incorporation for three banks were amended recently to provide for an increase of common stock, according to an announcement from R. S. See, chief deputy examiner.

The Citizens State Bank of Neche has increased its stock from \$20,000 to \$30,000, the Elk Valley State Bank of Larimore boosted its total from \$35,000 to \$50,000, and the State Bank of Streeter's stock was raised from \$15,000 to \$25,000.



For 92 Years  
*SOUND BANKING SERVICE*

OFFICERS

HERBERT M. BUSHNELL  
 President

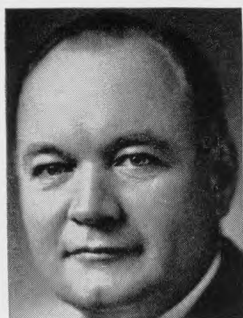
ELLSWORTH MOSER  
 Executive Vice President

VICTOR B. CALDWELL.....	Vice President
RICHARD H. MALLORY.....	Vice President
THOMAS F. MURPHY.....	Vice President
CASPER Y. OFFUTT.....	Vice President
EDWARD W. LYMAN.....	Vice President
HARRY E. ROGERS.....	Asst. Vice President
AUSTIN L. VICKERY.....	Asst. Vice President
HAROLD T. UEHLING.....	Trust Officer
ARTHUR D. ANDERSON.....	Cashier
JAMES L. SHIELDS.....	Assistant Cashier
NELS L. SHOLIN.....	Assistant Cashier
ELDRIDGE C. McELHANEY.....	Asst. Trust Officer
HENRY B. PIERPONT.....	Asst. Trust Officer
GEORGE E. WINSLADE.....	Asst. Trust Officer
LEO M. BROWN.....	Comptroller

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

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

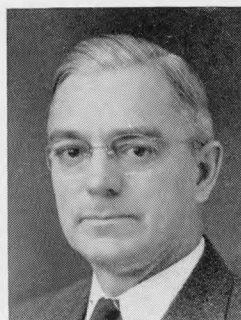




**J. O. PECK**  
President  
Columbus

## Nebraska NEWS

**CARL G. SWANSON**  
Secretary  
Omaha



### Nebraska Group Dates

Dates for the 1948 group meetings of the Nebraska Bankers Association have been announced and, according to word from the office of Secretary Carl Swanson, the group trip special train will make the rounds again of each meeting with the exception of the program at Norfolk.

Dates and locations of the meetings are as follows:

- Group 4, Holdrege, April 19th.
- Group 6, Alliance, April 20th.
- Group 5, Ord, April 21st.
- Group 2, Fremont, April 22nd.
- Group 3, Norfolk, April 22nd.
- Group 1, Lincoln, April 23rd.

Programs for the meetings have not been announced yet, but will be published in the April issue of the NORTHWESTERN BANKER.

### Combined County Report

A condensed statement of the nine Dawson County banks was sent out on post-card forms to a large percentage of the population in the county. The report was sent to 1,700 business people by the Cozad State Bank, Cozad, Nebraska, and shows that the combined assets of the nine county banks totals \$18,703,296; combined capital is \$360,000, surplus is \$284,000 and deposits are \$17,878,716.

W. E. Young, vice president of the Cozad State Bank, believes this is the first time that such a statement of Dawson County banks has been presented to the people in that territory.

### Name Assistant Cashier

Miss Zora Mae Long was promoted to the office of assistant cashier at the Citizens State Bank of Decatur, Nebraska, according to an announcement from H. C. Larson, cashier. Mr. Larson also states that the Citizens State Bank is being completely remodeled and modernized and it is hoped to have the new offices ready for operation within a short time.

### Coleridge Banker Ill

George A. Gray, president of the Coleridge National Bank, Coleridge, Nebraska, has been confined to his home during the past several months

with a heart ailment. Mr. Gray has been president of the Coleridge National Bank since its founding in 1902 and has been in continuous service to the bank and community during the past 46 years.

### Resigns at Grant

H. G. Brainard, who has been with the Farmers National Bank at Grant, Nebraska, for 21 years, resigned his position as cashier recently and has purchased a Motor Motel Court in Mesa, Arizona.

Charles Jackman, assistant cashier, fills Mr. Brainard's vacancy. E. E. Jackman continues as president of the institution and F. W. Jackman was advanced to be executive vice president.

The annual report issued shows the Farmers National has capital assets of \$135,000 and deposits of \$3,500,000. A new safety deposit vault with 720 modern boxes has just been added to the bank, giving it one of the finest safe deposit vaults in that section of Nebraska.

### Elected Director

D. Roger Thuman was elected a director of the State Bank of Trenton, Nebraska. His father, A. Thuman, continues as president and has been managing officer of the State Bank since its establishment over 30 years ago. Other officers are E. E. Thuman, vice president; B. G. Shillington, cashier. D. Roger Thuman also is assistant cashier in the bank.

### Capital Increases

The Farmers and Merchants National Bank of West Point, Nebraska, has increased its common capital stock from \$50,000 to \$75,000 by a stock dividend. Other capital increases among Nebraska banks are as follows: the Security State Bank, Holbrook, upped its capital \$5,000 for a total of \$25,000; the Auburn State Bank, Auburn, increased capital from \$25,000 to \$50,000; the Commercial Bank, Blue Hill, raised its capital the same amount, from \$25,000 to \$50,000, and the Farmers and Merchants Bank,

Waco, doubled its capital, going from \$10,000 to \$20,000.

### New Kearney President

John M. Spear, who has been serving in the dual capacity of vice president and cashier of the Fort Kearney National Bank, Kearney, Nebraska, was elected president of the bank at a recent meeting. At the same time, Thomas Gass was advanced from president to chairman of the board of directors. It was stated in the February issue of the NORTHWESTERN BANKER that Mr. Gass had been re-elected president. The list of directors remains unaffected by these two promotions.

At the same meeting Tom C. Russell was advanced from assistant cashier to cashier, and J. W. Poynter was elevated from assistant vice president to vice president.

### Farm Scale Model

A scale model of an 80 acre Nebraska farm showing the details of a complete soil conservation program was on display in the lobby of the York State Bank, York, Nebraska, last month. The exhibit was furnished by O. J. McDougal, Jr., extension conservationist from the College of Agriculture, and was on display for about a week in York.

According to Glen Feather, Conservationist for the local soil conservation district, the model displays closely the pattern being developed by farmer cooperators of the York district and illustrates some useful principles in conservation planning.

### Remodeling Decatur Bank

The Citizens State Bank at Decatur, Nebraska, has been undergoing extensive remodeling, with two additional rooms being added to the bank space. Both doors are being replaced, tile flooring is being laid, walls and ceilings are being painted with a sound-proof ceiling installed and a new heating system is also being installed. Fluorescent lighting is expected to add greatly to the appearance of the banking interior.

### Heads Denver Bank

J. Howard Ferguson, formerly of Guide Rock, Nebraska, and a graduate of Nebraska University, was recently elected president of the United States National Bank of Denver. Mr. Ferguson had been connected with banking in New York for 20 years and has been affiliated with the bank in Denver for three years where he had been executive vice president before his election to the presidency.

**New Cozad Bank Sign**

The Cozad State Bank, Cozad, Nebraska, has given its banking edifice a "new look" by erecting a large neon sign on the southeast corner of the bank. The sign extends along the east and south sides at the top of the building.

**Elgin Changes**

At the annual meeting of the Bank of Elgin, Elgin, Nebraska, held recently, Ralph S. Chandler was elected to the board of directors to take the place of Frank X. Fritz, who resigned because of ill health.

Miss Estella L. Link was promoted from cashier to vice president and Mr. Chandler from assistant cashier to cashier.

President Geo. A. Wright reported an increase in deposits of over a quarter million dollars during the past year.

Frank Horst, 90, pioneer businessman and former cashier of the First National Bank, died at his home in Madison last month after an illness of several weeks.

**Open House at Hastings**

An estimated 1,500 people attended the open house of the Hastings Na-

tional Bank, Hastings, Nebraska, last month to view the remodeled and expanded building and banking facilities.

The Hastings National recently rented the structure adjoining its building and remodeled both, expanding the original floor space almost double.

Bank employees demonstrated the various machines used in banking procedure, including the Recordak machine which photographs checks.

**Speaks at Norfolk**

Richard W. Trefz, president of the Beatrice State Bank, Beatrice, Nebraska, and a popular speaker, addressed the Norfolk Chamber of Commerce at the regular February luncheon meeting at Hotel Waldorf. He spoke on the subject, "Looking Forward."

Within the past year Mr. Trefz has filled speaking engagements in Montana, Wyoming, Colorado, Wisconsin, Indiana and Pennsylvania.

**Elected Cashier**

John Van Horne was elected cashier of the Farmers State Bank, Pawnee City, Nebraska, at the annual meeting. He is a son of E. N. Van Horne, president of the Federal Farm Land Bank of Omaha. Other officers elected were

H. C. Van Horne, a pioneer Pawnee City banker, as chairman of the board; M. K. Van Horne as president; C. T. Barton as vice president and Ronald Loch as assistant cashier. H. C. Van Horne is the father of E. N. Van Horne.

Prior to his election as cashier, John Van Horne had been serving as a teller in the First National Bank at Albuquerque, New Mexico, since his discharge from service.

**Heads Stromsburg Bank**

A. W. Kjelson was chosen president of the First National Bank, which in June will complete its 69th year of continuous banking in Stromsburg, Nebraska.

J. W. Anderson was chosen vice president; C. G. Rudeen, cashier; and H. J. Fusby, assistant cashier. Directors elected were Fred, J. W., and Ruben Anderson, Rex Nelson, and Mr. Kjelson.

**New Syracuse President**

J. R. Mueller, Syracuse attorney, was elected president of the First National Bank of Syracuse, Nebraska, at an organization meeting recently.

He succeeds E. A. Duff, Nebraska City, who died recently. Mr. Duff served as president of the bank for many years.

Eugene A. Pratt was renamed cashier and Perry Andrews, assistant cashier.

**Aurora Election**

The board of directors of the Farmers State Bank, Aurora, Nebraska, met recently and elected George Wanek president, replacing Frank Wanek who has served as president for a number of years. Clayton Wanek was elected cashier, replacing George Wanek. Mel Hedlund was elected assistant cashier. Other officers are Frank Wanek, vice president; Charles Adams, second vice president, and J. A. Wanek, director.

**Elected Scout Official**

C. E. Nelson, cashier of the American National Bank of Kimball, Nebraska, was among the district chairmen elected to the Wyo-Braska Scout Council executive board at the reorganization dinner at Scottsbluff recently.

**BANKS Bought and Sold**

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**BANK EMPLOYEES PLACED**

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**CHARLES E. WALTERS CO.**  
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# **STOCK YARDS NATIONAL BANK**

## **Omaha, Nebraska**

Member Federal Deposit Insurance Corporation

*Northwestern Banker, March, 1948*



**C**HARLES D. SAUNDERS has announced his resignation as a vice president and director of the First National Bank of Omaha.

Mr. Saunders is vice president of the Omaha Public Power District Board of Directors. As chairman of the power board's finance committee, Mr. Saunders was responsible for the December, 1946, sale of \$42,000,000 in OPPD bonds. Wall Street observers hailed the sale as the "deal of the year."

Mr. Saunders has been an Omaha civic leader. He was chairman of the Downtown Ration Board from its organization until October, 1943—a period of 22 months. He also was the 1945-46 president of the Omaha Chamber of Commerce and in 1946 headed the Christmas Seal sale drive in Omaha.

A former employe of the Federal Land Bank of Omaha in the 30's, **Mel Wettgreen** is hoping to be able to give up his job in Washington for a permanent place in "Tin Pan Alley." Right now he's working for the Bureau of Ships in the capital.

Mr. Wettgreen and **Bill Johnson**, a Washington orchestra leader, received a couple thousand dollars in royalties last year from sales of their tune, "Dontcha Think I Oughta Know?"

Now he's working on a song, "Sonya," which he has named after his seven-month-old daughter.

**Kenneth G. Harvey**, president of the Douglas County Bank of Omaha in suburban Benson, has been elected president of the Nebraska Children's Home Society.

He succeeds **Axel T. Hansen** of Omaha, president for 11 years.

**Fred W. Thomas**, new president of the First National Bank of Omaha, is treasurer of the Society.

Directors of the Northern Natural Gas Company, with headquarters in Omaha, recently declared a dividend of 40 cents a share on common stock. The dividend is payable March 25 on stock of record March 5th.

**Miss Dorothy Solomon**, daughter of Mr. and Mrs. E. N. Solomon, was married recently at Pearl Methodist Church in Omaha to **Vaughn Hazen**. The bride's father is an officer of the First National Bank of Omaha.

**Mrs. Josephine Parker Brisbin**, 82, whose father was James Monroe Parker, cashier of the first bank established in Florence, pioneer settlement north of Omaha which now is included in the city limits, died recently. She was born at Florence, which was winter quarters for the Mormons on their trek across the country.

The Omaha National Bank's 20-Year Club now has 68 members. The most recent, **Miss Katherine Schlager**, book-keeper, was honored at a dinner at the Blackstone Hotel in Omaha recently. **Norman Dudley** is president.

**Dale Clark**, president of the Omaha National, has been with the bank 28 years. He is entering his twentieth year as president.

**Otis T. Alvison**, vice president, is one of the veteran members of the Club. He has been with the bank 48 years.

The Club was formed in 1943 for employes with the bank 20 years or more.

The Omaha National Bank has announced a new "Year 'Round Thrift Club." Under the plan, a customer goes to the bank's savings department and gets a coupon-book in any amount from 50 cents to \$20 a coupon.

Then he or she makes deposits as often as desired. The bank clips a coupon from the book when the deposit is made. There is no weekly deposit requirement and no deposit slip to make out.

After such savings have mounted, the book-holder can then transfer the sum to a regular savings account or can withdraw the entire amount.

**Edward Lyman**, vice president of the United States National Bank, has been elected a new member of the

## AT YOUR SERVICE

### The First National Bank St. Joseph, Missouri

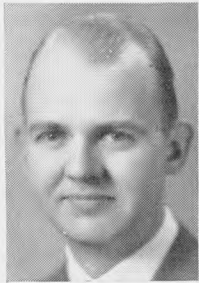
George E. Porter, President  
R. E. Jones, Jr., Vice President  
J. D. McCaskey, Vice President  
Jno. J. Walsh, Assistant Vice President  
V. P. Meyer, Assistant Vice President  
Walter Canter, Cashier  
L. A. Walker, Assistant Cashier  
J. M. Ford II, Assistant Cashier  
Graham Porter, Assistant Cashier

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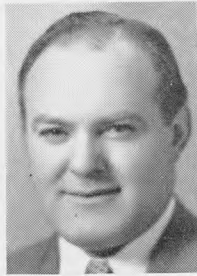


Board of Trustees of the Orthopedic Association of Omaha, which manages the Hattie B. Munroe Home for Convalescing Children. Mrs. Jasper Hall and Miss Catherine Ann Coad are among other new members.

The Live Stock National Bank of Omaha has announced that **Victor W. Nielsen**, discount teller, and **Marvin R. Werve** have been elected assistant



V. W. NIELSEN



M. R. WERVE

cashiers of the bank. Mr. Werve will continue as manager of the installment loan department. Other officers and directors were re-elected at the annual meeting.

**Charles D. Saunders** and **Samuel L. Cooper** filed for election as directors of the Omaha Public Power District. Mr. Saunders is vice president of the District and until recently was vice president of the First National Bank of Omaha. Mr. Cooper is president of the Orchard & Wilhelm Company, furniture retailers, wholesalers and manufacturers.

Both are completing an appointive term to which they were named by former Governor Dwight Griswold in 1945. Mr. Saunders also serves on the Power Committee, of which Mr. Cooper is chairman. Both are also members of other committees.

They will be candidates in the primary election April 13th. Their filings were made with the Nebraska Secretary of State.

Mr. Saunders and Mr. Cooper formed the committee appointed by the board of OPPD early in 1946 to negotiate the purchase of the Nebraska Power Company.

**Miss Elizabeth Jean Scott** and **Charles Tiffany Karpf** were married recently at the First Presbyterian Church in Omaha. The bridegroom is the son of Mr. and Mrs. Henry C. Karpf. **Henry C. Karpf** is president

of the Live Stock National Bank of Omaha. The bride is the daughter of Mr. and Mrs. Wray M. Scott of Omaha.

The couple was to be at home at Morrill, Nebraska, about March 1st, following an extended motor trip through the south. They attended the Mardi Gras in New Orleans.

**Arthur L. Coad**, president of the Packers National Bank of Omaha, was elected treasurer of the Nebraska Medical Service (Blue Shield Plan) at the recent annual meeting. **E. K. McDermott** is secretary.

**Ford E. Hovey**, former longtime Omaha banker, was re-elected president of the Occidental Building and Loan Association of Omaha recently. All other officers also were re-elected at the annual stockholders' meeting.

**Lyman G. Cross**, 59, president of the Central Securities Company of Omaha since 1930, suffered a fatal heart attack while on a vacation at a ranch near Tucson, Arizona, recently. He was a past president of the Nebraska Investment Bankers' Association. His wife survives.

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*Bank and Trust Company*

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

Directors and officers of the North Side Bank of Omaha were elected at the annual meeting recently. **W. B. Roberts** was elected a director at a shareholders' meeting and then was chosen president of the bank. Other directors are **Fred W. Thomas, John F. Davis, John Lauritzen** and **L. Dale Matthews**. Mr. Matthews recently was elected vice president and cashier to succeed **Robert Hall**, resigned. **Don W. Ryan** is assistant vice president.

**Richard Haeder** of Wolsey, South Dakota, has been named a new member of the Farm Credit Association Board, with headquarters at Omaha. **L. E. Laird** of Worland, Wyoming, is chairman of the board. Mr. Haeder farms 480 acres and was president of the first voluntary soil conservation district in the United States. His farm was featured in a recent *Saturday Evening Post* article.

**E. N. Solomon** of the First National Bank of Omaha was a speaker recently at a meeting of the Omaha Association of Credit Men at the Rome Hotel. **Herbert Meile** was chairman.

Omaha banks generally are joining in the voluntary campaign of the American Bankers' Association to curb inflation by avoiding excessive or inflationary increases in the use of bank credit.

However, one Omaha banker was fearful lest the campaign carry with it the force of dictating where funds should be loaned. He believes the public should dictate what it wants to buy.

The ABA carried its program to the 15,000 member banks at a series of regional meetings.

**Stephen Wirtz** of the Omaha National Bank served as a division major

in the Omaha Y.M.C.A. drive to raise \$598,000 for an expansion program.

**Mr. and Mrs. Dale Clark** have returned from a short stay in Los Angeles and Phoenix, Arizona. In California, they visited Mrs. Clark's brother and sister-in-law, Mr. and Mrs. Fred Johnston. Mr. Clark is president of the Omaha National Bank.

The Farm Credit Board of Omaha has re-elected all Farm Credit Administration officers. **N. G. Kraschel**, former Governor of Iowa, was reappointed FCA general agent at Omaha.

**E. N. Van Horne** was re-elected president of the Federal Land Bank of Omaha. **M. E. Welsh, Jr.**, was re-elected president of the Federal Intermediate Credit Bank of Omaha and given the additional duties of treasurer. **E. J. Petrik** was re-elected president of the Production Credit Corporation and **T. F. Tobin** was re-elected president of the Bank for Co-Operatives.

Those \$20 gold pieces the Government called in some time ago contain an ounce of the precious metal. It brings \$36 an ounce, but banks pay only face value.

There have been reports that the coins bring nearer their actual gold value when disposed of in other channels. Bankers estimate that there is still a fair supply of gold coins in hiding. They look for no "opening of the sock" until times really get hard.

**President Ray R. Ridge** of the Omaha Chamber of Commerce, who is vice president of the Omaha National Bank, recently issued a statement, praising the Omaha Real Estate Board's part in the civic effort which obtained for Omaha the \$10,000,000 Veterans' Hospital. Construction of the hospital starts soon.

Mr. Ridge reviewed the five-year effort which brought the Hospital to Omaha.—The End.



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is adapted to your  
particular needs.

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**CONTINENTAL NATIONAL  
BANK  
of  
LINCOLN**

Member Federal Deposit Insurance Corporation

# First National Bank of Omaha

*Oldest National Bank From Omaha West*

Member Federal Deposit Insurance Corporation

*Northwestern Banker, March, 1948*





## Lincoln LOCALS

Lincoln Clearing House banks at the close of business January 31st, continued to show business on the increase in the Nebraska capital city, in 1948, compared to 1947. January clearings were better than 2¼ million dollars above the same month in 1947 at a total of \$31,721,358. Compared to the last month of 1947, January, notwithstanding a heavy holiday business in December, was the larger by \$1,401,051.

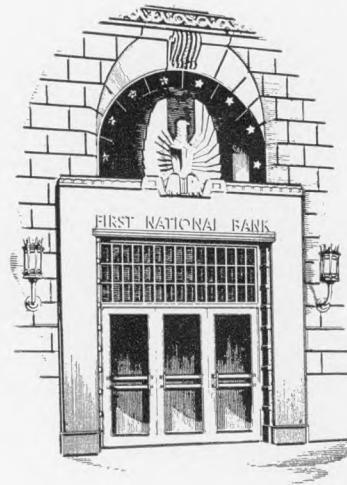
Lincoln has lost one of its most outstanding and popular young bankers. **Milton F. Barlow**, assistant secretary of the First Trust Company, left on March 1st for Kansas City, Missouri, where he is now vice president and trust officer of the Jackson County National Bank and Trust Company. Associated with the First Trust Company for more than eight years. Mr. Barlow came to Lincoln from Mankato, Minnesota, to which city he had gone from Omaha, where he had been assistant cashier of the U. S. National Bank, which was founded by his father, Milton T. Barlow. The elder Barlow was president of the U. S. National for many years.

President of the American Institute of Banking in 1937-1938 Milton junior was the youngest person ever elected to that position. He will be joined by Mrs. Barlow and their three children as soon as living quarters are available.

**J. F. McLain**, director of the Nebraska department of banking, has announced that a sizable portion of

the surplus of the state's 383 state banks in 1947 was converted into additions to the capital structures of the banks. The conversions were disclosed by the statements reaching the banking department in response to a call for statements showing the condition of business as of December 31st. The gains aggregated \$1,716,500, boosting the total capital to \$20,582,563.

With the exception of cash, and the U. S. government account, all departments of the banks showed gains in 1947 over the previous year. The government account was down because of withdrawals amounting to \$3,913,328. Cash on hand was shown as \$3,092,284, virtually all of the drop in that account coming during the last three months of the year.



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## Scarborough & Company

Insurance Counselors  to Banks

Northwestern Banker, March, 1948

The statements did not reveal what was responsible for the declines. However, opinion was to the effect that the money was used for the purchase of feeder cattle. **Rufus Howard**, state director of agriculture, "conservatively" estimated that 200,000 cattle went into the state's feed yards during the final quarter of 1947, at a cost approximating \$30,000,000.

Purchases of U. S. savings bonds by Nebraskans in January this year, exceeded December, 1947 buying by 2½ million dollars. A large part of the total purchases were made through the banks, it was reported. The total purchase of series E bonds totaled \$7,736,770. Series F and G purchases amounted to \$5,506,947. Purchases of E bonds in Lincoln were \$146,336.25, and for Lancaster county outside of Lincoln, \$785,406.25. Series F and G bonds purchased in Lincoln aggregated \$97,014, and \$1,180,416.50 in the county.—The End.

### Changes at Blair

John F. Davis of Omaha, former resident of Blair, was named president of the Washington County Bank of Blair, Nebraska, at a recent directors' meeting. He succeeds Charles D. Saunders, also of Omaha.

Mr. Davis is also vice president of the First National Bank of Omaha.

Added to the local bank's board of directors were Stanley J. Bednar of Blair and John Lauritzen, assistant vice president of the First National Bank of Omaha, formerly of Blair.

George T. Hedelund remains as vice president of the Blair institution, Mr. Bednar as cashier and Earl Jenkins as assistant cashier.

### Elected Cashier

A. Ray Kuhlman was elected cashier of the First National Bank of Scribner, Nebraska, at the annual stockholders meeting, succeeding Her-

bert Bose who has disposed of his interests in the institution and withdrawn as one of its officers. There was no other change made in the officers or directors of the bank.

### Two New Directors

Stockholders of The Tilden Bank held their annual meeting in Tilden, Nebraska, recently, and named to the board of directors, in addition to the present members, two new directors.

Dean R. Hales, who has been associated with the bank for the past twelve years and who was named cashier recently, was elected to the board as also was W. W. Putney of Lincoln, Nebraska.

Mr. Putney was born in Tilden. He is president of the Midwest Life Insurance Company and a member of the board of directors of the Continental National Bank, the Lincoln Telephone and Telegraph Company and the Standard Reliance Insurance Company in Lincoln.

### Heads Clearinghouse

William C. Connett, executive vice president of the First National Bank in St. Louis, has been elected president of the St. Louis Clearinghouse Association. Harold T. Jolley, president of Boatmen's National Bank, was elected vice president. Mr. Connett succeeds William J. Bramman, executive vice president of the Mississippi Valley Trust Company. R. R. Tillay was re-elected manager.

### Receives Award

Cummins Business Machines Corporation of Chicago has been added to the honor roll of business firms throughout the United States selected by the Brand Names Foundation to receive the "Certificate of Public Service" for the 50 years its brand name "Cummins" has "held public confidence through unfailing integrity, reliable quality and fair pricing."

The coveted award was presented to Paul Jones, president of Cummins Business Machines Corporation, at a dinner at the Chicago Club.

Only brand names which have been in continuous use for 50 years or more qualify for the award, which was created by the Foundation to recognize the proven value of brand names in their service to consumers.

Cummins Business Machines Corporation was founded in 1887 by B. F. Cummins. The company was originally known as the B. F. Cummins Company and later as Cummins Per-

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forator. At that time the chief product manufactured was perforators. The company now manufactures electric perforators, endorsers, check signers and other business machines. Cummins Portable Tools, a subsidiary, manufactures a line of portable electric drills.



Paul Jones, right, president of Cummins Business Machines Corporation, receives award from Henry E. Abt, president of Brand Names Foundation.

The presentation was one of the highlights of a Brand Names meeting, at which leading industrialists, business, and advertising executives reviewed ways to foster public understanding of the services rendered by America's brand names.

The citation describing the long history of responsible service to the public by the brand name "Cummins" was made by Henry E. Abt, president of Brand Names Foundation.

### Citizens Honor Banker

On completion last month of his 30 years of association with the Frenchman Valley Bank, Palisade, Nebraska, Arlie J. Baxter, president, was honored at an informal party in his home by many friends and business people in the Palisade community.

The Baxter home was decorated with beautiful flowers from the family's four children and banker friends.

Mr. Baxter began his employment in the Frenchman Valley Bank February 1, 1918, as "custodian of the broom," as he likes to refer to the duties of his first job. Two years later he was elected assistant cashier, moved up to the cashier's post in 1929 and became president of the bank in February, 1946.

### Edward F. Jepsen

Edward F. Jepsen, 68, assistant cashier of the First National Bank of Omaha, passed away at his home in Omaha late last month. Mr. Jepsen was born in Omaha January 16, 1880, and had resided in Omaha all his life. In two years he would have completed

50 years of service with the First National Bank of Omaha, where he was the ranking officer in years of service. He was elected an officer of the bank in January, 1921.

Mr. Jepsen is survived by his wife, Lillian Christenson Jepsen; three sons, Howard E., Herschel L., Paul H.; three brothers, John, Fred and Richard; one sister, Jeanette Jepsen, and nine grandchildren, all of Omaha.

Pallbearers at the services in Omaha were officers of the First National Bank.

### Coast Bank Hits Peak

California Trust Company's total 1947 volume of new wills and trust business was 70 per cent above the

1946 figure and reached an all-time high, according to Frank H. Schmidt, executive vice president.

"Over \$62,300,000 in new business was obtained, compared with \$36,484,000 in 1946," Mr. Schmidt said, "indicating an increasing interest by the public in wills and corporate trust services."

### Guaranty Trust Dividend

The board of directors of the Guaranty Trust Company of New York has declared a quarterly dividend of \$3 per share on the capital stock of the company for the quarter ending March 31, 1948, payable on April 1st to stockholders of record at the close of business March 10th.



Special Attention given  
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Northwestern Banker, March, 1948





W. W. BLASIER  
President  
Jesup

## Iowa NEWS



FRANK WARNER  
Secretary  
Des Moines

### Osage Bank Promotions

A. T. Altick, president of the Osage Farmers National Bank, Osage, Iowa, has announced the promotion of two members of the bank's staff.

Ewald A. Heiden, former cashier, has been named executive vice president. He has served in the capacity of cashier since he joined the staff of the Osage Farmers Bank in 1937. Mr. Heiden has had many years of continuous banking experience, having served as bank receiver at Sheldon, Spirit Lake, and Sioux City. Prior to that time he was associated with the First National Bank at Sheldon, as well as the Sheldon Savings Bank.

Clifford P. Moss has been promoted to the position formerly held by Mr. Heiden. Mr. Moss served as Mitchell county auditor before taking up his duties as assistant cashier at the bank, a position which he has held for the past 10 years, except for 4 years' leave of absence to serve in the armed forces.

### County Bank Elections

Reports on five Iowa County Bankers Associations' annual meetings and elections are as follows:

#### Cerro Gordo County

H. L. Young, Des Moines; Douglas G. Swale, executive vice president of the First National Bank in Mason City, and Jim Wagner, manager of Mason City's municipal airport, were speakers on the program of the Cerro Gordo County Bankers Association's annual meeting held at Hotel Hanford in Mason City recently.

Roy B. Johnson, assistant vice president, First National Bank, Mason City, was elected president of the Association; Lynn Sherman, cashier, Clear Lake Bank and Trust Company, was chosen vice president, and Howard Stewart, assistant cashier, United Home Bank and Trust Company, Mason City, was named secretary-treasurer.

#### Hardin County

The Hardin County Bankers Association met in the school gym at Hubbard. Dinner was served to 30 bankers by the Hubbard Band mothers.

Ben Jaspers, president of the asso-

ciation, called the meeting to order, then turned the meeting over to R. B. Clift, president of the Alden State Bank of Alden, who had charge of the program.

Speakers were E. W. Jones, vice president of the Iowa-Des Moines National Bank, Des Moines, and H. S. Lekwa, vice president and cashier of the Ackley State Bank, Ackley.

Others called on for reports were Elmer Ringen, executive vice president of the Citizens State Bank, Iowa Falls; F. A. Rummell, president of the Williams Savings Bank, Williams; J. L. Rummell, vice president of the Iowa Falls State Bank, Iowa Falls, and V. H. Reid, president of the Security State Bank, Hubbard.

Also called on for remarks were Robert D. Dixon, cashier of the Farmers State Bank, Stratford and president of the Hamilton County Bankers Association, and Everett M. Griffith, vice president of the Iowa-Des Moines National Bank, Des Moines.

#### Story County

Edwin Hauge, vice president, Story County State Bank of Story City, was elected president of the Story County Bankers Association at the annual meeting held recently in Nevada. Mr. Hauge had been vice president of the organization.

Chris Budlfson, assistant cashier, College Savings Bank of Ames, who had been secretary-treasurer, was elected vice president, and Chas. W. Yeager was elected secretary-treasurer.

Dan Peters, cashier, Maxwell State Bank of Maxwell, is the retiring president of the Story County Bankers Association.

Around 80 bankers, bank directors and office staffs were in attendance at

### Iowa Group Meetings

1948

May 10	Group 8	Clinton
May 11	Group 10	Oskaloosa
May 12	Group 6	Perry
May 13	Group 5	Council Bluffs
May 25	Group 2	Estherville
May 26	Group 3	Charles City
May 27	Group 7	Vinton
May 28	Group 4	Waukon

the dinner held in the Rotary club rooms of Story Hotel.

Don Reed of Des Moines, executive secretary of the Iowa Press Association, was guest speaker.

#### Mitchell County

The Mitchell County Bankers Association met in Osage, Iowa, recently for their annual meeting.

G. F. Thorkelson of Austin, Minnesota, representing Doane's Agricultural Service, talked on "Farm Conditions and the Farm Outlook." John Halverson of Austin was a visitor.

This was the annual meeting and new officers were elected. Clifford Moss, assistant cashier, Osage Farmers National Bank, Osage, was named president and G. H. Parkhurst of Mitchell, secretary-treasurer.

#### Pocahontas County

Guy G. Butler has been elected president of the Pocahontas County Bankers Association, succeeding H. O. Bencke of Palmer. A. M. Kuhl of Fonda was elected vice president and Alfred Miller of Pocahontas secretary-treasurer.

### Open Pulaski Office

The State Savings Bank of Cantril, Iowa, was authorized last month by the state department of banking to open an office in Pulaski, according to word received from H. D. Koenecke, cashier of the State Savings Bank.

### Annual Party

Correspondent bankers of the First National Bank of Mason City, Iowa, were entertained at the annual stag party given by the First National last month. Officers and directors of the banks were guests at a bowling meet and dinner and went on an industrial tour through the Northwestern States Portland Cement Company plant in Mason City. The 60 bankers met at Hotel Hanford for dinner where W. Earl Hall, managing editor of the *Globe-Gazette*, was the speaker.

### Elected Vice President

T. L. Vinyard has been promoted from assistant vice president and manager of the installment loan department of the First Trust and Savings Bank, Davenport, Iowa, to be a vice president, it was announced by Harold R. Bechtel, president, following a meeting of the board of directors.

In his new position Mr. Vinyard will devote his time to general banking.

Frank A. Johnson is also a vice president of the First Trust Bank and will continue to hold his same duties and responsibilities.

Carl E. Rylander, for the past 4½ years manager of the farm service department at the First Trust and Savings Bank, has resigned his position.



**Ferd E. Skola**, president Farmers Savings Bank, Kalona, Iowa; **J. Forrest Embree**, vice president Security State Bank, Keota, Iowa; **Harold J. Stowell**, cashier Security State Bank, Keota; and **Everett Griffith**, vice president Iowa-Des Moines National Bank.



**William Poz**, National Corporation, Des Moines; **S. T. Egertson**, Federal Reserve Bank representative, Estherville, Iowa; **L. L. Patton**, president Cleghorn State Bank, Cleghorn, Iowa; and **G. E. Wilson**, president Cherokee State Bank, Cherokee, Iowa.

## The Group Meetings

### Groups One and Eleven Hold Annual Meetings in Sioux City and Burlington

RECORD attendance was registered at both of the February Group Meetings of the Iowa Bankers Association. At Sioux City, for the Group One meeting, the total was 620, reported to be a record. In addition to those registered from Iowa, there were many bankers from South Dakota and Nebraska who took advantage of the Lincoln's Birthday holiday to meet with their good neighbors in Iowa. Seemingly growing larger each year, the Group One meeting is beginning to tax the luncheon and banquet facilities of any one Sioux City hotel, and the affair has now reached

the proportions of a young Iowa Bankers convention.

Although it has never drawn the crowds registered at Sioux City meetings, Group Eleven this year had an attendance approaching 300, which is considered large compared to past gatherings. The program for the Group Eleven meeting continues to be the brain child of Ed Ebersole, of Keokuk, and this year was in red, white, and blue pass-book style, a work of art and satire, and prepared with the cooperation of Carl Mayle, Todd Company, whose company supplied the stock and did the printing.

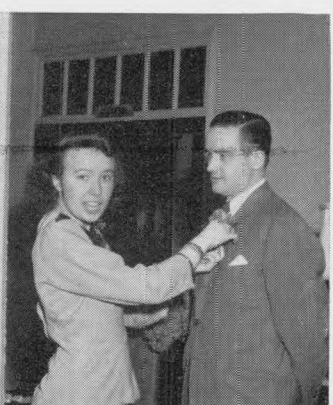
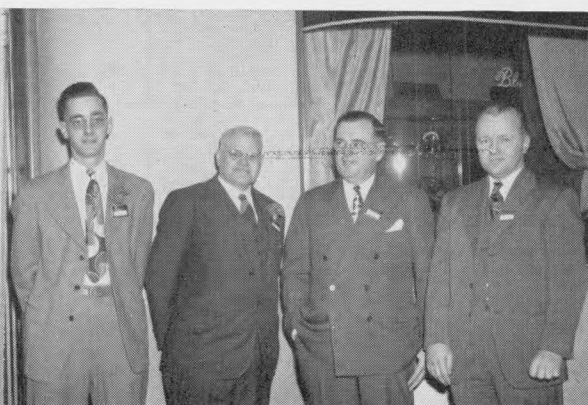
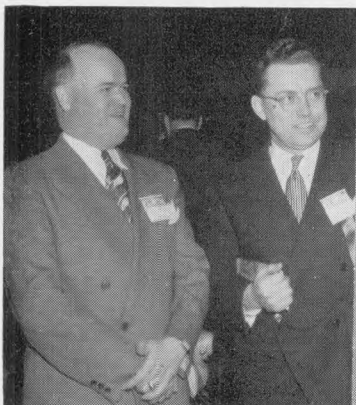
The red carnations at Burlington were again pinned on with the compliments of the Hanna-Kramer Company.

W. W. Blasier, president of the Iowa Bankers Association; Frank Warner, secretary of the Association; and N. P. Black, Iowa superintendent of banking, were present and spoke at both meetings. Principal guest speaker at Sioux City was R. F. Patterson, dean of the school of business administration of the University of South Dakota, and headliner at Burlington was Arthur R. Upgren, professor of economics at the University of Minnesota. (Turn to page 76, please)

**Fred D. Cummings**, assistant cashier Drovers National Bank, Chicago; and **Stan W. Evans**, Live Stock National Bank, Sioux City, Iowa.

**Thomas J. Thornton**, Citizens State Bank, Donnellson, Iowa; **M. G. Addicks**, vice president and cashier, Citizens State Bank, Donnellson; **Robert Lough**, vice president Drovers National Bank, Chicago; and **Charles H. Beck**, assistant cashier, Iowa State Bank, Morning Sun, Iowa.

AT BURLINGTON — **Betty Welch**, of the Hanna-Kramer Company, Burlington, Iowa, pins a red carnation on **Dale C. Smith**, assistant cashier of the Central National Bank, Des Moines.



Northwestern Banker, March, 1948





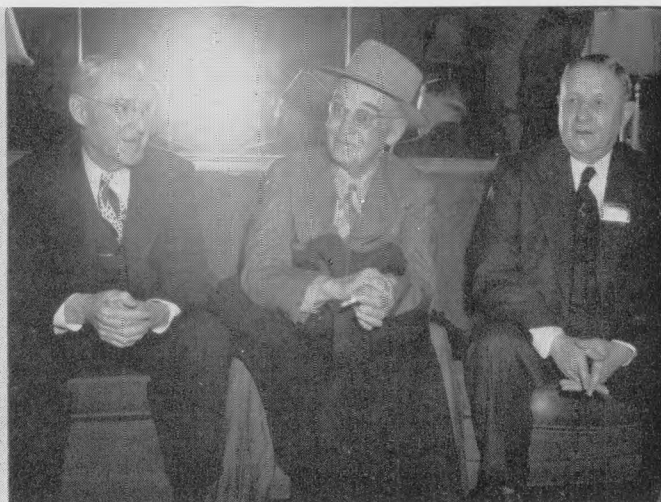
**W. E. Brockman**, vice president Midland National Bank, Minneapolis; **Richard C. Schall**, manager field warehousing division St. Paul Terminal Warehouse Company, St. Paul; and **James H. Moore**, vice president Omaha National Bank, Omaha.

**E. O. Thomas**, cashier Lee County Savings Bank, Ft. Madison, Iowa; **M. F. McFarland**, vice president Lee County Savings Bank; and **E. A. Ebersole**, vice president and cashier State Central Savings Bank, Keokuk, Iowa.



**Frank Fuchs**, vice president First National Bank, St. Louis; **William H. Miller**, vice president City National Bank, Chicago; **J. M. Hutchinson**, executive vice president Davenport Bank and Trust Company, Davenport, Iowa; and **Charles L. Bosier**, vice president Burlington Savings Bank, Burlington, Iowa.

**E. R. Manuel**, assistant cashier George State Bank, George, Iowa; **E. E. Manuel**, president George State Bank, George; and **B. M. Wheelock**, vice president Security National Bank, Sioux City, Iowa.



**T. R. Richardson**, assistant cashier Mediapolis Savings Bank, Mediapolis, Iowa; **Philo J. Beattie**, Grandview, Iowa; and **V. Z. Breneman**, cashier Farmers State Bank, New London, Iowa.

**Carl Bloom**, assistant cashier First National Bank, Omaha, Nebraska; and **B. J. McCartney**, United States Check Book Company, Sioux Falls, South Dakota.



sota, both of whom spoke on inflation, and the dangers thereof.

Officers and representatives of many large city banks attended both meetings, including several from New York, Chicago, St. Louis, Minneapolis, Omaha, and Sioux Falls.

### Capital Increases

The Iowa department of banking has authorized capital increases in four additional state banks, according to an announcement from S. H. Redman, assistant to State Superintendent Newton P. Black.

The Security Savings Bank of Marshalltown increased its capital stock

from \$100,000 to \$150,000 by sale of an additional \$50,000 of common stock.

The Hardin County Savings Bank of Eldora sold \$25,000 of preferred stock to place its capital at \$100,000.

Payment of a stock dividend doubled the capital of the Cedar Falls Trust and Savings Bank from \$50,000 to \$100,000.

The Gilbertville Savings Bank of Gilbertville also doubled its stock, the stock dividend raising the total from \$15,000 to \$30,000.

### Renews Charter

The First State Bank at Britt, Iowa, recently renewed its charter with the state. The original charter was signed

20 years ago when the bank opened with capital of \$25,000, surplus of \$10,000 and undivided profits of \$2,500. On the renewal date this year, the First State Bank's capital was \$50,000, surplus was \$75,000 and undivided profits and reserves were \$85,000 with deposits totaling \$3,835,000.

At the recent annual election officers and directors named were: V. D. Koons, president; James Kent and C. W. Botsford, vice presidents; F. D. Reibsamen, cashier; E. G. Bartik, James L. Huygens and Blanche L. Anderson, assistant cashiers, and George Kotthoff, a director along with the first four named officers. The bank also maintains offices at Corwith and Woden.

### Bank Auditors Meet

The Iowa Association of Bank Auditors and Comptrollers held its 23rd quarterly meeting last month. The dinner-meeting was held at the Roosevelt Hotel in Cedar Rapids.

The highlight of the meeting was the panel discussion on the subject "Iowa 'Schedule' Suggested for Destroying Old and Obsolete Bank Records and Files." The "Committee on 'Destruction List' of Bank Forms" of the Iowa Bankers Association provided the panel. E. H. Spetman, chairman of that committee, and vice president and cashier of the Council Bluffs Savings Bank, was leader. Two other members of that committee aided him. They were F. C. Atkins, vice chairman of the committee, vice president and cashier, Bankers Trust Company, Des Moines; and R. L. Carson, member of the committee, comptroller, Iowa-Des Moines National Bank, Des Moines.

Other speakers who added much to the interest of the program were L. W. Stritesky, president of the Cedar Rapids Clearing House Association, assistant cashier of the First Trust and Savings Bank, Cedar Rapids; W. P. Ronan, vice president of the Iowa Association of Bank Auditors and Comptrollers, vice president of the Decorah State Bank; W. W. Blasier, president of the Iowa Bankers Association, president of the Farmers State Bank, Jesup; Harold N. Bean, state vice president of the National Association of Bank Auditors and Comptrollers, auditor of the Citizens National Bank, Boone; and Louis Martin, member of the board of the Iowa Association of Bank Auditors and Comptrollers.

## Extra Care For Your Business

The First National Bank in Sioux City bends over backward to give PLUS service to business that comes from a distance. It therefore treats out-of-town items with EXTRA care and consideration. This is the type of service your correspondent bank business receives at the First National.

We can serve you well in Sioux City.

A. G. SAM, President

J. T. Grant, Vice President

J. R. Graning, Cashier

E. A. Johnson, Assistant Cashier

H. H. Strifert, Assistant Cashier

K. J. Shannon, Assistant Cashier

J. Ford Wheeler, Auditor



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75th  
ANNIVERSARY  
YEAR

*Northwestern Banker, March, 1948*

trollers, cashier of the First Trust and Savings Bank, Davenport, who reported plans for the next quarterly meeting which is scheduled to come in April, 1948, the exact date yet to be chosen.

### Now in 90th Year

The State Central Savings Bank of Keokuk, Iowa, is now in its 90th year of operation. The bank dates back to October 12, 1858, when Governor Ralph C. Lowe issued a proclamation establishing the Keokuk branch of the State Bank of Iowa.

This was 12 years after Iowa became a state and when Keokuk was but 11 years of civic age. The first president

was Samuel E. Miller, prominent Keokuk attorney, who was succeeded through the years by E. H. Harrison, James F. Cox, Arthur Hosmer, Judge William Logan, and the latter's grandson, W. A. Logan, who is now president. E. A. Ebersole is vice president and cashier of the State Central Savings Bank.

For a time the bank held a national charter but when it expired in 1885, the officers drew up a state charter, then in 1890 the bank was given the name it now operates under today.

### N. J. Feltes

N. J. Feltes, of Worthington, Iowa, died in St. Joseph's Mercy Hospital at

Dubuque, Iowa, recently, after a short illness. He was a director of the State Bank of Worthington, since it was organized in 1937, and held that position continuously until his death. He was also the father of George N. Feltes and Frances M. Feltes, vice president and cashier, respectively, of that institution. He was survived by three sons and three daughters.

### Changes at Guaranty Bank

Reginald B. Figge last month announced his resignation as vice president and member of the board of the Guaranty Bank and Trust Company at Cedar Rapids, Iowa. He will join John S. Vavra in the investment business in Cedar Rapids.

Milo G. Blahnik has been named cashier of the bank.

Mr. Blahnik, who started his career as a messenger with the Guaranty bank in 1934, also was named to the board of directors, as was John W. Beck. Mr. Blahnik has been an assistant cashier.

The board of directors also announced the resignation of another assistant cashier, E. J. Distelhorst, and the appointment of Mrs. Gladys Chiverton as trust officer. She had been assistant trust officer.

### Cashier Married

Muriel Goslin, cashier of the First State Bank in Battle Creek, Iowa, was married recently to Wendell A. Bertelsen of Battle Creek. The wedding ceremony took place in Clarion, the bride's home.

Mrs. Bartelsen has been cashier at the bank for several years and her husband has been engaged in farming since his return from the marine corps.

### State Deposits Up

Iowa's national banks and state chartered banks had \$2,389,626,000 in deposits at the end of 1947, setting a new record.

Deposits in the 96 national banks were \$782,442,000, the comptroller of the currency announced in Washington, D. C. Deposits in the 558 state banks were \$1,607,184,000 at the end of the year, N. P. Black, Iowa superintendent of banking, announced.

### Elect New Director

Roy Allbaugh was elected to the board of directors of the Security Savings Bank, Eagle Grove, Iowa, at its annual meeting. He will succeed to the place of the late Ward Barnes who was director of the bank for a number of years.

## Experienced Service

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#### OFFICERS

CHARLES R. GOSSETT, President

B. M. WHELOCK, Vice Pres.	ROBERT W. LEWIS, Asst. Cashier
ALBERT C. ECKERT, Vice Pres.	FRANK H. ABEL, Asst. Cashier
DANIEL B. SEVERSON, Vice Pres.	CHARLES H. WALCOTT, Asst. Cash.
R. EARL BROWN, Cashier	ORVILLE BOE, Asst. Cashier

#### TRUST OFFICERS

HOWARD L. JOHNSON, Trust Officer  
D. W. JURGEMEYER, Assistant Trust Officer

**SECURITY  
NATIONAL BANK**  
*of Sioux City*

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Other officers and directors elected at this meeting were: president, Ben W. Olson; vice president and cashier, O. G. Uhr; assistant cashier, T. G. Thompson; directors, Dr. L. C. O'Toole, A. E. Spangler, Mrs. J. H. Howell, Ben W. Olson and O. G. Uhr. Mr. Allbaugh is the only change in the directorship.

### Soil Groups Meet

Johnson county's soil conservation district commission was host to the corresponding groups of three other counties of the area at an all-day program last month at the Wellman Savings Bank in Wellman, Iowa.

### Becomes President

H. Lloyd Haraldson, cashier of the First National Bank of Rembrandt, Iowa, was elected president to succeed the late W. O. McGrew, who had been president for the past 15 years.

Edgar Eastman was added to the board of directors and Agnes Rystad was promoted to cashier.

Mr. McGrew had been a member of the board of directors since 1916.

### Assistant Cashier

Miss Helena Jacobson was elected to the position of assistant cashier for Inwood State Bank, Inwood, Iowa, in a recent meeting of the bank directors. Miss Jacobson's promotion was the only change in the organization at the first meeting of the board members, all re-elected for 1948.

### Iowa City Election

Ben S. Summerwill was re-elected president of the Iowa State Bank and Trust Company by the newly chosen board of directors for 1948.

At a stockholders meeting, seven men were named to the board of directors, after which the board selected the officers for the bank.

On the board of directors are Mr. Summerwill, W. W. Summerwill, W. F. Schmidt, M. B. Guthrie, R. J. Baschnagel, Roy J. Koza and Omar Yoder. Mr. Koza and Mr. Yoder are the new members of the board, replacing Dean Ewen W. MacEwen and George Thompson, who died during the last year. Mr. Schmidt was appointed to the board during 1947 to replace Guy A. Stevens.

Other bank officers elected by the board include W. W. Summerwill, vice president; Walter F. Schmidt, vice

president; M. B. Guthrie, vice president and cashier; M. E. Taylor, auditor; James H. Schmidt, Ben E. Summerwill, Milo Novy and O. D. Bartholow, assistant cashiers.

Only new officers are Walter F. Schmidt, who was elected to a vice presidency formerly held by Dean

MacEwen, and Mr. Guthrie, who was elected to a newly created post, vice president and cashier.

### To Grundy Center

John Pardun is a new assistant cashier in the Farmers Savings Bank, Grundy Center, Iowa.

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## Scarborough & Company

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Northwestern Banker, March, 1948

Mr. Pardun was raised at Iowa Falls. He was employed in the bank at Williams until he entered the navy where he served three years during the war. When he returned from the navy he was given a position in the Security First National Bank of Los Angeles in the Hollywood branch.

### Add Two Directors

Stockholders of the Landmarks National Bank of Kimballton, Iowa, elected two new men to the board of directors at the annual stockholders meeting.

Hans P. Hansen and Morten Nelsen were named to the board to succeed

Folmer Faaborg and Thomas Christensen, both of whom declined re-election.

Other officers renamed to the board were Dr. P. Soe, Anker Hald, Chris Hansen, H. S. Aamoth, and Alfred Nissen.

### Lone Tree Election

Stockholders of the Farmers and Merchants Savings Bank, Lone Tree, Iowa, at their 47th annual meeting elected L. O. Adams as a new director of the bank.

Officers and directors who were re-elected are Herman Wiese, president; Ed. F. Hotz, vice president; J. E. Ashton, cashier; W. P. Ashton, assistant

cashier; Elsie Smid, bookkeeper; Ed F. Hotz, William Hotz, Herman Wiese, J. W. Carey, J. E. Ashton, and W. P. Ashton, directors.

At a directors' meeting which followed the meeting of the stockholders F. A. Kirchner was named manager of the Nichols branch of the bank. Mr. Kirchner has assumed his new duties.

### Director Retires

The annual meeting of shareholders of the First National Bank of Marion, Iowa, was held recently and officers and directors for 1948 were named.

The officers are: R. N. Fitzgerald, president; W. B. Sebern, vice president; H. F. Lockwood, cashier; and Emery J. Miller, assistant cashier.

These four with Dr. J. J. Booth, W. H. Bleakly, and D. H. Smith, comprise the board of directors. Mr. Smith, a Marion attorney, was elected to the board.

A. E. Blinks, who has been a director of the bank for many years, retired from the board due to ill health.

### Sioux City News

**W. C. SCHENK**, assistant vice president and cashier of the Live Stock National Bank, has been named chairman of the Soomen committee of the Sioux City Chamber of Commerce. This committee plans business trips made by Sioux City businessmen into the surrounding territory.

Mr. Schenk on March 1st completed 31 years service with the Live Stock Bank, having started work with that institution March 1, 1917.

**Ralph R. Brubacher**, president of the Toy National Bank, left Sioux City March 1st on a three weeks vacation.

Mr. Brubacher will travel through Cuba and Guatemala.

**C. L. Fredricksen**, president of the Live Stock National Bank, has been elected president of the Sioux City Clearing House Association.

**W. G. Nelson**, vice president of the Live Stock National Bank, recently was re-elected president of the Sioux City Y.M.C.A.

**Mark A. Wilson**, vice president of the Live Stock National Bank, has returned to his duties after a three-week vacation, spent in the Rio Grande valley in Texas and making two trips into Mexico.

Mr. Wilson reports he had a fine time enjoying the sunshine and playing golf.—The End.



### Frontier Trader

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## Des Moines News

**MRS. GRACE K. GOODWIN**, 69, wife of **William J. Goodwin**, chairman of the board of Central National Bank and Trust Company, died at her home in Des Moines last month.

Mrs. Goodwin was the daughter of an early Iowa pioneer, **Albert Smith Kingman**, who moved here from New York and engaged in nursery and farming business. She is survived by her husband; two sons, **William J., Jr.**, and **Robert K.**; two sisters, **Mrs. I. A. Bennett** of Portland, Oregon, and **Mrs. H. G. Van Doran** of Grimes; one brother, **Walter Kingman** of Des Moines, and four grandchildren.

**Fred C. Robison** was elected vice president of the First Federal State Bank last month, it was announced by **E. A. Tylor**, president. Mr. Robison has been a director a number of years. He takes the place of **Dr. Andros Carson**, who has retired as vice president.

**Herbert L. Horton**, president, and **Clyde H. Doolittle**, vice president and trust officer of the Iowa-Des Moines National Bank, attended the annual Trust Conference of the American Bankers Association in New York City last month.

**Mr. and Mrs. J. R. Astley** went on a two weeks' trip last month to Phoenix, Arizona, but spent one week of that time trying to get out of the Middle West, and trying to get back in. They returned right in the midst of the worst snowstorm in recent years. Mr. Astley is a vice president of the Valley Bank and Trust Company.

### Becomes President

**P. H. Borcharding** was elected to the presidency of the Hampton State Bank at Hampton, Iowa, recently to fill the vacancy caused by the death in January of **D. D. Inglis**. Mr. Borcharding had been vice president of the bank.

At the same time it was announced that **Ralph R. Stuart** was added to the board of directors. Mr. Stuart is a prominent Hampton attorney.

### Promoted by Paper Firm

**Charles H. Pearson**, manager of the Newhouse Paper Company in Des Moines, was elected a director and vice president of the company at a recent meeting at the firm's home office in Minneapolis.

The position of vice president had been vacant since the death in 1945 of **Ray S. Pierce**, who was Des Moines manager for the company.

Mr. Pearson joined the Newhouse Company in 1921 as a salesman. He was assistant manager for eight years before becoming manager in 1945.

The company deals wholesale in printing paper and has offices and warehouses at Minneapolis and St. Paul; Moline, Illinois; Dubuque and Des Moines. Mr. Pearson is well acquainted with many bankers in Iowa. **A. F. Newhouse** is president and **H. M. McCarthy** is executive vice president. Both are of Minneapolis.

### Increase Surplus

The Mapleton Trust & Savings Bank, Mapleton, Iowa, has recently

modernized their counters and installed the latest type fluorescent lighting throughout the building. Several new pieces of equipment are being added. It was voted at the bank's annual stockholders' meeting to increase the surplus account \$10,000, making the total capital and surplus accounts \$125,000.

Officers of the bank are **N. W. Pike**, president; **C. G. Whiting**, vice president; **A. H. Bruning**, cashier, and **J. G. Whiting**, assistant cashier.

### Promote Two Officers

**Charles F. McNamee** and **Carl J. Heiles** have been promoted from as-

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sistant vice presidents to vice presidents of Manufacturers Trust Company, Harvey D. Gibson, president of that institution, announced this month.

Mr. McNamee will be located at the bank's Fifth Avenue and 43rd Street office. He is a native New Yorker and has been in the banking business since 1919. He was with the State Bank when it became a part of the Manufacturers Trust Company in 1929 and was appointed an assistant vice president in June, 1941. Until recently he has been officer-in-charge of the bank's University Place office.

Mr. Heiles, also a native New Yorker, became associated with Manufacturers Trust Company in 1924, was made an assistant secretary in 1929 and in 1934 was promoted to assistant vice president.

**Gordon S. Rentschler**

Gordon S. Rentschler, 62, chairman of the board of the National City Bank of New York, died in the Nacional Hotel at Havana, last month of a heart attack.

He had been chairman of the bank, the country's second largest, since 1940. Prior to then he had been president since 1929, when he succeeded Charles E. Mitchell.

**DEAR EDITOR**

(Continued from page 9)

from actual employees who were working on the Fernandez Ranch in 1919. The roper on horseback, George Fugate, and the man doing the branding, Jeff Davis, were both old Matador cowboys who were raised on

the range, married cowboys' daughters and spent their entire lives on Western ranches. One item of especial interest are the old-fashioned tapaderos shown on the stirrups. These were colloquially known as 'Eagle-Beak Taps' and were commonly used by the ranchers and riders in the Southwest thirty years ago.

"The painting was exhibited at the National Academy of Design in New York, the Pennsylvania Academy of Fine Arts in Philadelphia, the Detroit Art Museum and the Chicago Art Institute before it was purchased by David T. Beals and given a place of honor at the Inter-State National Bank.

"It exemplifies to a very high degree the Western character and atmosphere that has been associated with the Inter-State National Bank since it was founded in 1890, with the primary purpose of serving the live stock interests of the West and Southwest.

"I believe the story of this picture might be of interest to your NORTHWESTERN BANKER readers."

Homer Hatten, Potts-Turnbull Co., Kansas City, Mo.

"We are out here at the Sovereign Hotel, Long Beach, California, basking in the sunshine for the winter. We expect to return about the middle of April. The weather is delightful and really think it is going to prove very beneficial to me.

"As to sending me the NORTHWESTERN BANKER direct here, I asked the bank to forward me mine when I left so I presume we had better leave it that way.

"Thanks a lot for your thoughtfulness just the same.

"As you already know, I regard the NORTHWESTERN BANKER as the best publication of its kind. It covers the Middlewest so thoroughly. Also I enjoy Cliff's editorials so much that with my acquaintance over the territory, I would be completely lost without it. In fact, it is a sort of second Bible to me."

H. N. Boysen, Vice President, Merchants National Bank, Cedar Rapids, Iowa.

Through the use of modern equipment, a competent and trained staff, and an experienced technique, the City National offers complete facilities which assure our correspondent accounts an unexcelled modern banking service.



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### "Interesting Publication"

"This will acknowledge receipt of your letter advising me that I am to receive copies of the NORTHWESTERN BANKER for the next 12 months through the courtesy of the First National Bank of Selby.

"I shall appreciate reading this interesting publication each month and wish to thank you for your courtesy in writing me.

"I will look forward to reading the article which you enclosed on 'How a Bank Director Looks at Banks'."

*George T. Mickelson, Governor  
State of South Dakota,  
Pierre, South Dakota.*

### "Layout Is Splendid"

"My congratulations to you on the story in the NORTHWESTERN BANKER of our correspondent bank conference. Your layout is splendid, and the story as you have written it is full of interest."

*Louis H. Northrop, Ass't  
Vice Pres., First National  
Bank of Chicago, Chicago,  
Illinois.*

### "To the Point"

"I have always enjoyed reading your editorials in the NORTHWESTERN BANKER. They are always current and to the point. I am particularly interested this time in your letters in the February NORTHWESTERN BANKER to John K. McKee and M. S. Szymczak. There is no doubt but what a more careful watch must be kept over banking credit.

"It is a smart move to halt inflation, but there is a good deal of doubt in my mind how wise too much broadcasting of it may be, particularly in view of the fact that government spending and government lending continue on a high plane, and also if a sharp recession should occur, it leaves the banks in a vulnerable position to be made the scapegoat of the depression."

*Robert I. Stout, President  
First National Bank of Tekamah, Tekamah, Nebraska.*

### "Amend the Law"

"I would like to have you discuss in the NORTHWESTERN BANKER the Wage and Hour Law, which I think should be amended so as to eliminate banks from this legislation."

*D. J. Christenson, Vice President and Cashier, Renwick Savings Bank, Renwick, Iowa*

### "Par Clearance Banks"

"We would be interested in seeing the NORTHWESTERN BANKER publish articles which might eventually lead to nation wide par clearance banks.

"We believe that the small number of banks now charging exchange should no longer expect National or State banks that are on a par basis to subsidize their operations. There is no question but what all banks can operate successfully without exchange on checks, if they install reasonable service charges and have the initiative to develop the other departments of their banking institution."

*Leo H. Scherf, President,  
Lakeside State Bank, Isle,  
Minnesota*

### "Malicious Conspiracy"

"I would like to have you discuss in the NORTHWESTERN BANKER the wicked and malicious conspiracy of the Federal Reserve Board and the Treasury in depressing treasury bond prices. And don't tell me that it is to prevent inflation with all the inflationary practices of the government now going on. It will prevent inflation in the same proportion as giving a patient with a bad case of pneumonia a couple of aspirin tablets to cure him. If an examiner finds a poor farmer with a \$500 note in some bank, and there aren't enough milk cows to promptly pay it, the bank might take a loss, and they must collect, but the Federal Reserve Board can cause a \$300,000 loss on bonds, and it's all O.K."

*E. W. Clark, President,  
United Home Bank and  
Trust Company, Mason City,  
Iowa.*

### "Would Appreciate Such Articles"

"I think the NORTHWESTERN BANKER is a fine magazine and have no fault with it, except I would appreciate occasional articles dealing with problems of the real small town banks—not 'small town' banks in towns of 4,000 to 5,000 population, but rather the little fellow in villages of 500 to 2,000 dealing with the rural problems in such communities."

*Millard M. Martin, Cashier,  
Security State Bank, Allen,  
Nebraska*

### "Interesting and Informative"

"We at the Public National Bank and Trust Company of New York enjoy reading the NORTHWESTERN BANKER every month and have always found it very interesting and informative."

*Robert E. Jensen, Assistant  
Vice President, The Public  
National Bank and Trust Co.  
of New York*

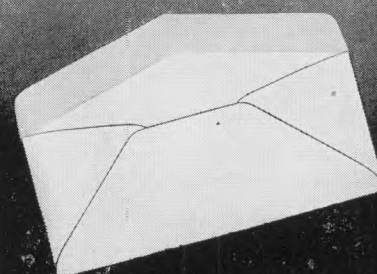
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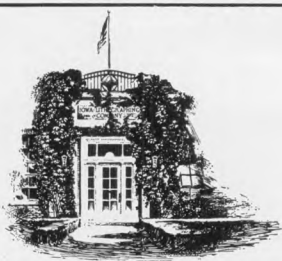
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## The Coin Collectors Column

Don't try to corner the market in Indian head cents. It is estimated that there are over 200,000,000 yet in the hands of the public. There is a belief, and it is wide-spread, that these coins are all worth more than face value, regardless of date or condition. How this mistaken impression could gain such a wide-spread popularity is not easy to understand.

Some people are saving them because they believe the government has "called them in" and in time they will become very valuable. The belief is entirely without foundation. Our government has never paid a premium on any coins and with the exception of the gold issues it has never called any in.

Coins that are worth more than face value are rarely found in circulation

and the premium that is offered for rare coins depends on how much coin collectors are willing to pay.

The rarest of the Indian head cents is the one dated 1877. If you were to find one in circulation you could probably sell it for \$5 or \$10. A few other dates in the 1870's are scarce and can be sold if they are not too badly worn. Another valuable Indian head cent is the 1909 issue with the S mint mark. Even one in used condition is worth many times its face value.

But the ordinary run of Indian head cents, unless they are in new condition, are worth only one cent each. If you have any quantity of them it is better to cash them in and buy a government bond.—By Stuart Mosher, Editor of *The Numismatist*.

### Honor St. Louis Banker

William A. McDonnell, president of the First National Bank in St. Louis, was to be presented one of the St. Louis Community Chest's awards for "outstanding citizenship" at a luncheon to be held on March 16th. He served as general chairman of the 1947 campaign.

### Presents New Trophy

James B. Forgan, vice chairman, The First National Bank of Chicago, earlier this month presented to Victor Jankoski, president, Chicago Chapter of American Institute of Banking, a new trophy for the famous "Banker's Mile" track event, now a feature event in the Chicago Relays.

This trophy replaces the Melvin A.

**WANTED:** A mature type of man who can talk a Banker's language. He must be aggressive, ambitious, possess a driving urge to earn a substantial income, have a working knowledge of FHA mortgages, own a car in good condition, and be willing to do some traveling.

We need a combination salesman and contact man to work with banks and other financial institutions in the state of Iowa. Residence in the east-central portion of the state would be desirable. Write Amortized Mortgages, Inc., 125 East Wells St., Milwaukee 2, Wis.

Traylor trophy which was placed in competition by the late Melvin A. Traylor in 1931 and which was won permanently by Gil Dodds in 1947. Under the terms of the event, the trophy must be won three times for permanent possession.

The Banker's Mile was instituted at the Chicago Chapter, American Institute of Banking Indoor Track and Field Meet in 1922, and its popularity soon attracted the leading "milers" of the country. The first trophy was donated by the Chicago and Cook County Bankers Association, and was in competition for seven years until Lloyd Hahn won it for the third time and permanent possession in 1928.

The last track meet sponsored by Chicago Chapter, American Institute of Banking, was held in 1932. When the Chicago *Daily News* revived indoor track athletics in Chicago in 1937, the directors of Chicago Chapter A.I.B. authorized placing the Melvin A. Traylor trophy in competition for the Banker's Mile as a feature event in their famous Chicago Relays.

Competition for the first leg of the new trophy promises to be keen when the race is again scheduled in the Chicago Relays at the Chicago Stadium on March 20th.

## In the Heart of Down Town Sioux City THE TOY NATIONAL BANK

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Northwestern Banker, March, 1948



## CONVENTIONS

March 22-23, Central States Conference, Chicago, LaSalle Hotel.

April 6, Banking Conference, Wisconsin Bankers Association, University of Wisconsin, Madison.

April 19, Nebraska Bankers Association Group Meetings scheduled for this week, no definite dates available yet.

May 5-8, National Association of Bank Auditors and Comptrollers, Mid-Continent Regional Conference, Dallas, Baker Hotel.

May 12-13, Indiana Bankers Association, Annual Convention, Indianapolis, Hotel Claypool.

June 2-4, Illinois Bankers Association, Annual Convention, Chicago, Edgewater Beach Hotel.

June 7-11, American Institute of Banking, Annual Convention, Buffalo.

June 11-12, North Dakota and South Dakota Joint Convention in the Twin Cities, Hotel Nicollet.

June 15-16, Annual Convention, Minnesota Bankers Association, Minneapolis.

June 19-July 3, Graduate School of Banking, Rutgers University, New Brunswick, New Jersey.

June 21-23, Wisconsin Bankers Association, Annual Convention, Milwaukee, Hotel Schroeder.

June 24-26, Michigan Bankers Association, Annual Convention, Mackinac Island, Grand Hotel.

August 23-September 4, Central States School of Banking, University of Wisconsin, Madison.

September 26-29, American Bankers Association, Annual Convention, Detroit.

Oct. 24-27, Annual Convention Iowa Bankers Association, Des Moines, Hotel Fort Des Moines.

November 29-December 2, Financial Public Relations Association, Annual Convention, Hollywood, Florida, Hollywood Beach Hotel.

## No Rough Stuff, Now!

In a phone call to the editor of a local newspaper, a man explained that his uncle had been a regular subscriber for half a century. "He's always been a model of propriety—doesn't smoke or drink; never uses strong language and hasn't ever been to a theater or the cinema," the nephew explained. "In fact, my uncle has absolutely no vices or excesses. And he's going to celebrate his 80th birthday tomorrow."

"How?" asked the editor.

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Northwestern Banker, March, 1948

R.J. FLYNN, Pres. D.L. DUNGAN, Secy.

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# In the DIRECTOR'S ROOM



## *The Real Answer*

Teacher: "What is capital punishment?"

Pupil (whose father was a big businessman): "It's when the government sets up business in competition with you, and then takes all your profits with taxes in order to make up its losses."

## *Bad Character*

The reason no woman has ever married the man in the moon is because he only makes a quarter a week, gets full once a month, and stays out all night.

## *My Buddy*

Eye Doctor: "Read the fourth line on the chart."

Patient: "Read it? Why, I know the guy personally. He used to play football at Fordham."

## *Be Ambidextrous*

Fellows who drive with one hand are usually headed for a church aisle. Some will walk down it and others will be carried in a box. Either way, it's better to use both hands.

## *All Set*

New teacher: Class, I want you all to be as quiet as you can be; so quiet that you can hear a pin drop.

Piping voice (after deep silence ensued): Let'er drop!

## *Fast Comeback*

Police sergeant (to rookie being examined): If you were in a police patrol car and a gang of desperadoes doing forty miles an hour passed you, what would you do?

Rookie: Sixty!

## *Well Known*

He (taking her hand in his and gazing proudly at the engagement ring he had given her): Did your friends admire it?

She (coldly): They did more than that—two of them recognized it!

## *Voice of Experience*

Junior: Dad, is a taxidermist anything like a taxi-cab?

Father: No, son, a taxidermist skins only the lower animals.

## *One Less*

"What happens when you take one cigarette out of a package?"

"The package becomes a cigarette lighter."

## *Following the Style*

June: What is juvenile delinquency?

Jane: Kids acting like their parents.

## *New Life*

Tavern owner (awakened at 5 a. m. by pounding on the door): Go 'way. You can't have anything to drink at this hour.

Man: Who wantsch anything to drink? I left here at closhing time without my crutches.

## *Bad Guess*

A motorist in the south found a bridge over a stream washed away by a recent storm. A native sat whistling near by.

"How deep is this stream?" asked the motorist.

"Dunno."

"Think I can drive through it?"

"Sure thing."

The emboldened motorist drove headon into the stream. His car promptly sank out of sight and he himself barely got out with his life.

"What do you mean telling me I could drive through that stream?" he cried furiously. "Must be ten feet deep."

The native scratched his head. "Can't understand it," he admitted. "The water is only up to there on the ducks!"

## *Scientific Design*

A manufacturer sent an efficiency expert through the factory to work out improvements. After a thorough inspection, he reported: "My only suggestion is that you bank the curve near the time clock."

## *Buddies*

There's something about the brotherhood of man. During a recent cold spell a man who resides in the suburbs had trouble with his car and at midnight had failed to arrive home. Frantic, his wife sent wires to six closest friends, asking as to poor hubby's whereabouts. Next morning she received six wires: "John is spending the night with me."

## *Dumb Dora*

A friend of ours caught in Manhattan traffic saw a little woman dash in front of a car. The driver stopped just in time. "Then," says our friend, "the traffic cop turned to the woman and said, 'Lady, that's abusing the privilege of being stupid!'"

## *Prove It!*

Bank Teller: This check, I'm sure, is valid, but do you have anything by which to identify yourself?

Lady (hesitantly): Well, I have a mole just above my waistline.

## *Epitaph*

Two travelers in Ireland, returning home late one night, lost their way.

Said one, "We must be in a cemetery. Here's the gravestone."

"Whose is it?" asked the other.

The more sober of the two, having struck a match, said "I don't know but he seems to have lived to a ripe old age—175."

"Can you read the name?" insisted his companion.

Another match having been lit: "I don't know him. Some fellow called 'Miles from Dublin.'"

## *Not That Low*

A man who had never done very well financially entered a cheap restaurant to get a meal. In the waiter who approached him he recognized an old college friend whom he had not seen for 10 years.

"What! You a waiter here," he exclaimed in surprise.

"Yes," growled his friend, "but thank goodness I don't have to eat here."





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6. State-wide connections.
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