

NORTHWESTERN *Banker*

APRIL
1948



**Public Relations
and Your Bank**

—Pages 14, 15

TESTING NEW COINS—Page 9

Our Own "Network"

The policy of this bank is to give full, personal and attentive service in all correspondent relationships. That policy has existed here for the full sixty-eight years of our history. It is the reason for the large "network" of Iowa banks which use Merchants National Bank service. We cordially invite the accounts of bankers who wish a correspondent connection in Cedar Rapids.

*A Cedar Rapids Bank
Servicing The Midwest*



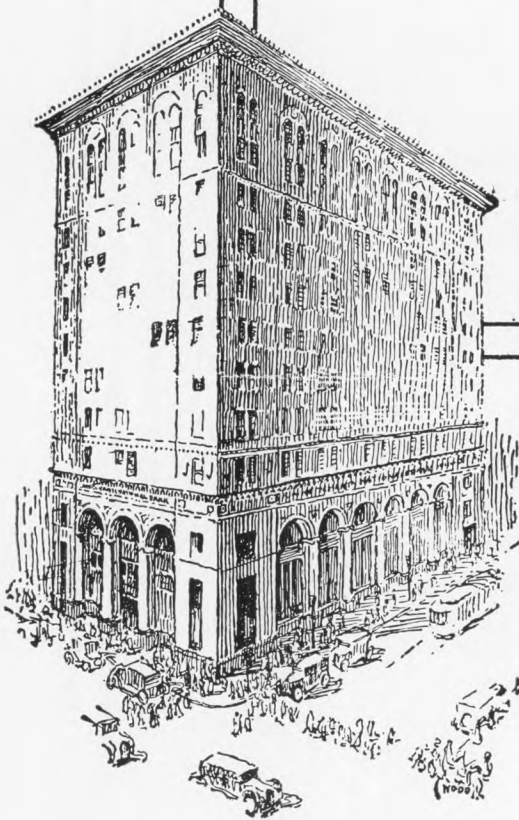
THE MERCHANTS NATIONAL BANK

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Cedar Rapids Iowa

Member Federal Deposit Insurance Corporation



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1853

THE HOME

1948

...through its Agents and Brokers, is America's leading Insurance Protector of American Homes and the Homes of American Industry



BALANCE SHEET

December 31, 1947

ADMITTED ASSETS

Cash in Office, Banks and Trust Companies	\$ 26,330,163.87
United States Government Bonds	59,492,297.55
Other Bonds and Stocks	64,539,027.59
Investments in Associated Companies	24,963,562.47
Real Estate	3,984,382.15
Agents' Balances, Less Than 90 Days Due	9,904,935.42
Reinsurance Recoverable on Paid Losses	2,796,195.95
Other Admitted Assets	1,886,092.82
Total Admitted Assets	\$193,896,657.82

LIABILITIES

Reserve for Unearned Premiums	\$ 91,473,696.00
Reserve for Losses	23,904,922.00
Reserve for Taxes	3,720,000.00
Liabilities Under Contracts with War Shipping Administration	3,718,542.91
Reinsurance Reserves	1,650,557.00
Other Liabilities	2,746,852.05
Total Liabilities Except Capital	\$127,214,569.96

Capital	\$15,000,000.00	
Surplus	51,682,087.86	
Surplus as Regards Policyholders		66,682,087.86
Total		\$193,896,657.82

NOTES: Bonds carried at \$5,391,045.38 amortized value and cash \$50,000.00 in the above statement are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners.

Canadian Assets and Liabilities have been adjusted to the basis of the free rate of exchange.

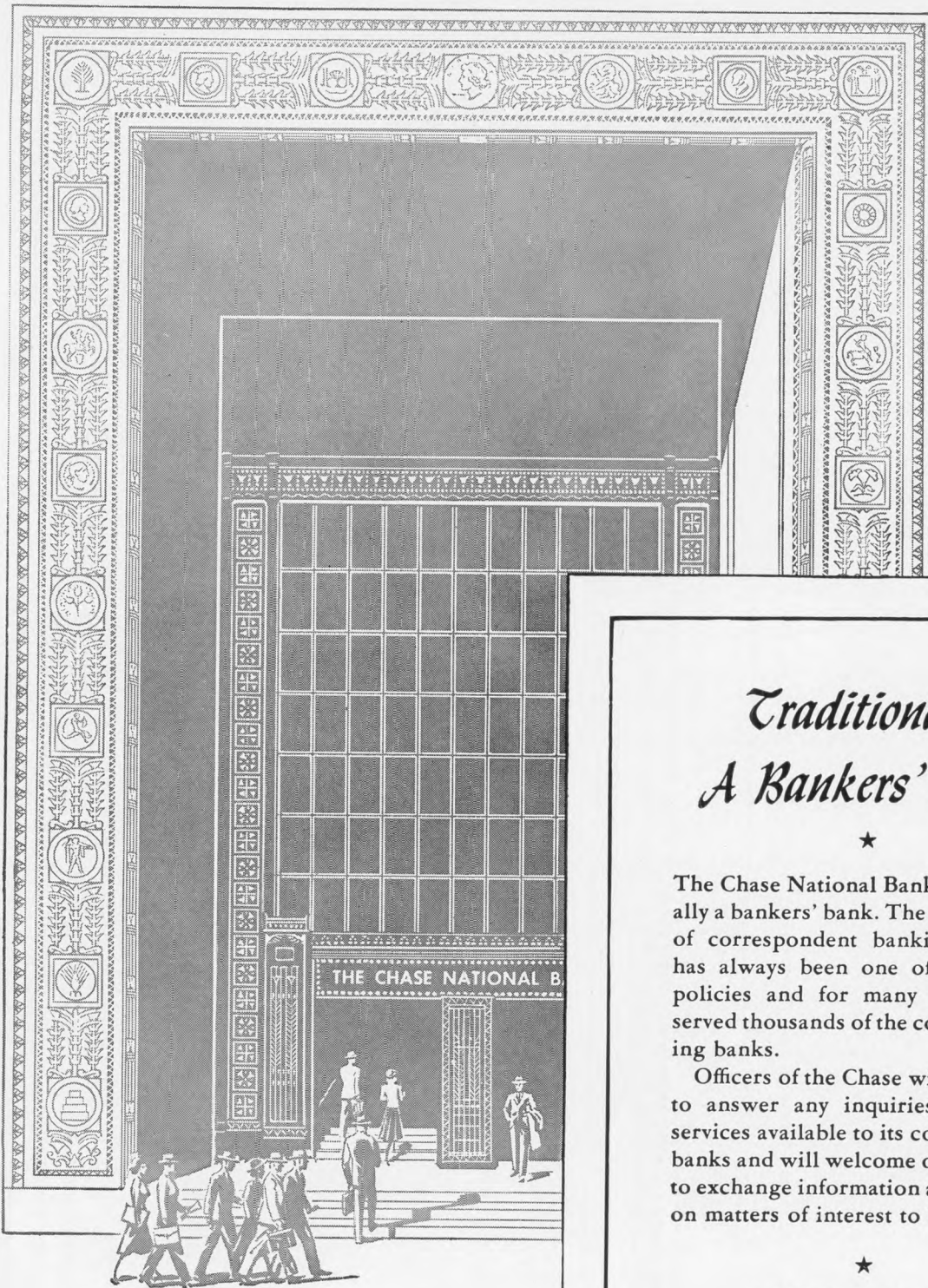
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*Traditionally
A Bankers' Bank*

★

The Chase National Bank is traditionally a bankers' bank. The development of correspondent banking relations has always been one of its guiding policies and for many years it has served thousands of the country's leading banks.

Officers of the Chase will be pleased to answer any inquiries relative to services available to its correspondent banks and will welcome opportunities to exchange information and opinions on matters of interest to bankers.

★

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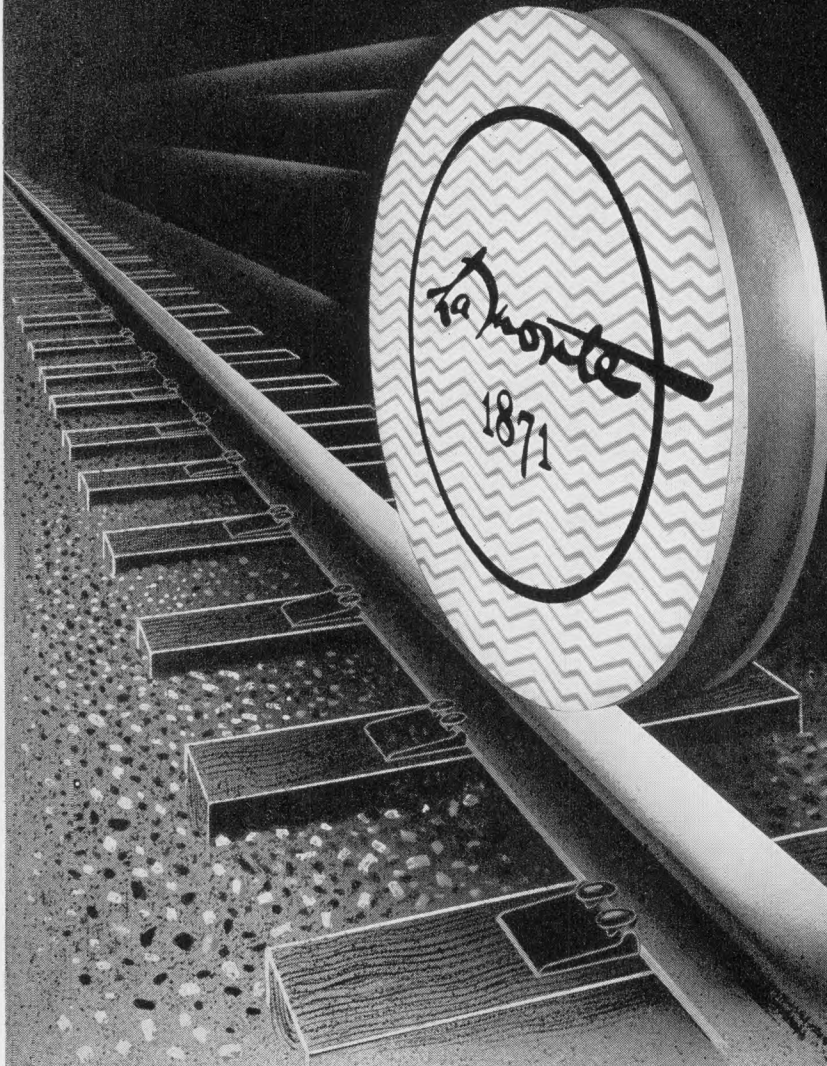
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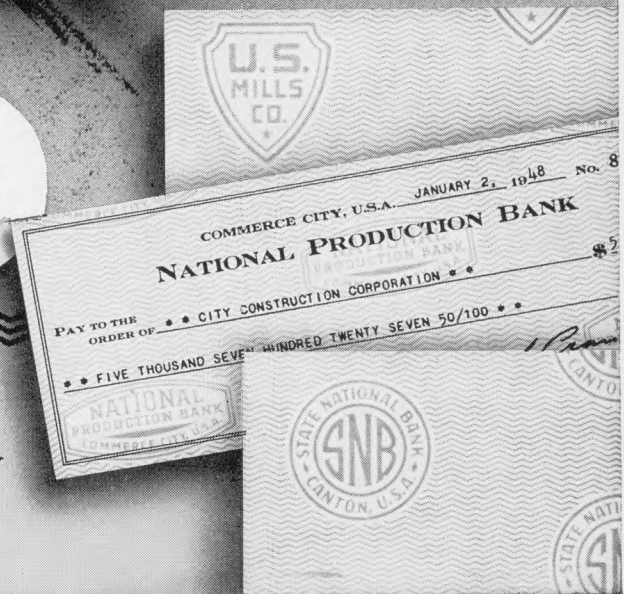
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checks . . .*

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ACCOUNTING MACHINES

THE NATIONAL CASH REGISTER COMPANY, DAYTON 9, OHIO

Northwestern Banker, April, 1948

★

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in Chicago

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Vice-Chairman

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The First National Bank of Chicago

Building with Chicago and the Nation Since 1863

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Dear Editor



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

"Well Be Proud"

"May I say that you may well be proud of your very creditable publication, the NORTHWESTERN BANKER?"

*Fred W. Thomas, President,
First National Bank of
Omaha, Omaha, Nebraska*

"Keeps Me Posted"

"As a salesman, I can say that your publication, the NORTHWESTERN BANKER, is a must in my territory, as it keeps me posted on the many changes that take place in my area.

"Mrs. King and I have just returned from two months on the West Coast. It's nice country and plenty of scenery, but it's good to get back to the nation's bread basket, and to work again."

*Austin C. King, Jr., Lincoln,
Nebraska*

"Read With Interest"

"I have read with interest your comments in the March NORTHWESTERN BANKER on our 'member banks operating ratio' for the Seventh District and your 5-year comparison of expenses and profits, 1942-1947. Thanks for this nice editorial."

C. S. Young, President Federal Reserve Bank of Chicago.

ON THE COVER

New Coins On Trial—Mrs. Nellie Tayloe Ross, center, director of the United States Mint, looks on as Mrs. Kathryn Sura, left, and Mrs. Reeve Schey, members of the Annual Assay Commission, check newly-minted quarters through a coin-counter at the Philadelphia Mint.

This yearly "Trial of the Coins" was first instituted many years ago by Alexander Hamilton.

NORTHWESTERN Banker DES MOINES

Oldest Financial Journal West of the Mississippi • 53rd Year • No. 729

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Northwestern Banker, April, 1948



Across the Desk From the Publisher

Dear John Banker, M. D.:

The financial diagnostician in any bank

Since the banking profession frequently has "brickbats tossed its way, the NORTHWESTERN BANKER was very pleased to receive the "bouquet" for the banking profession which was addressed to "John Banker, M. D." by McClean Works, vice president of Ketchum, Inc., public relations counsel, Pittsburgh, Pa.

"The 'orchids' to the banker and the service he renders in his community, is so well expressed that we feel sure the readers of the NORTHWESTERN BANKER will enjoy the following well deserved paragraphs:

"When a banker walks down the street, no one says, 'Hello Doc!' but it shouldn't surprise him if he were greeted in this fashion, for John Banker, M. D., has been prescribing potent medicine for the sick and ailing for a long time. A firm finger on the fading pulse of a dying business, a transfusion of new blood, or a raised eyebrow at the high blood pressure of an over-expanded venture, are all in the day's work of this skilled diagnostician.

"When 'Doc Banker' gives out those sugar-coated dollars his job doesn't stop, for he keeps an experienced eye on his patient for reaction. Many's the time he finds the patient needs a booster shot, and gives it in the form of sound advice.

It isn't unusual for him to call for new thinking and new direction, and often he advises a healthy dose of public relations. For he knows a business must be right with its suppliers, employees, community and customers in order to function in a healthy, profitable manner.

"Strangely enough, some folks find a banker's advice is as hard to take as castor oil. Yet, from all sections of the country, we are hearing more and more about the value of his thinking and efforts in behalf of business in his community.

"'Doc Banker' has reason to be concerned about community business health. He knows the seller's market cannot last indefinitely. The worker, the businessman, the community, and his own bank will suffer from any slump. He offers his best thinking and advice to business and industry in an effort to promote community stability and prosperity.

"He is a good man to listen to. Day in and day out he keeps an eye on deposits, loan activity, and security movements. He is instantly aware of any change in local and national business conditions. Over the years he has acquired knowledge of the workings of all business and a specific knowledge of those organizations with which he does business.

"The industrialist and businessman are recognizing the healing power of 'Doc Banker's' prescription. They know that back of his advice is study, sound thinking, and loyalty to their interests."

As the NORTHWESTERN BANKER has mentioned many times before, the growth of American industry has been due to the sound counsel and advice given by bankers throughout the nation because they realize that as each individual prospers, so will the community, and in turn, their own banks succeed in the process.

So we say, more power to "John Banker, M.D."

Dear Lady Nancy Astor:

Former Member British Parliament

When you spoke before the National Farm Institute recently, we were very much impressed with your vigor, your vitality and your youthful appearance at the age of 69.

Frankly, we are only sorry that there are not more women, to say nothing of men, who say what they think and express their opinions with emphasis.

One remark which you made and which impressed us very much was, "I am tired of hearing so much talk about the common man, because it is the uncommon man who really creates ideas which help and benefit the common man."

The world could not operate without the common man, but by the same token, the common

man would not have the benefits of our modern world if it was not for the **uncommon** man who by his brains, his genius and his executive ability has designed, developed and financed the telephone, radio, automobile, airplane and a thousand other articles which have brought to the common man both employment and a better standard of living.

The common man benefits only as the uncommon man succeeds.

And who are the uncommon men? They are just the common men who have worked a little harder, have studied a little longer, and who by their own initiative and driving force have reached upward to higher goals and greater achievements.

Just recently a young man of 47, Leroy A. Wilson, was made President of the American Telephone and Telegraph Company at a salary of \$200,000—but he started at \$1,320 a year or \$110 a month just 26 years ago. **He is a common man who has become an uncommon man** through his own efforts, and the example could be multiplied many times in the United States.

So we say with you, Lady Astor, it is time we gave some praise to the uncommon man of today, and at the same time to encourage every common man to strive always to improve himself in a land where freedom to achieve and freedom of speech are still part of our greatest heritage—and remember, you get neither in Russia.

Dear Senator Glen Taylor:

Vice Presidential Candidate Third Party

Don't you think it is about time you stopped "welcoming" Russians to the United States? Is any Communist official of the Stalin dynasty welcoming any official of the United States to Russia—unless it would be to "double cross" him and us?

When you greeted Alexander S. Panyushkin, new Russian Ambassador to the United States, you said: "I must apologize, Mr. Ambassador, for a small clique in our country representing special privilege which seems determined to lead in this struggle against the economic and social changes so long over-due in so many parts of the world.

"We may not be altogether pleased with the attitude your government has taken at times, but neither are we willing to accept the premise of our money changers and militarists that you are irrevocably committed to a course of wrecking the peace."

And in answer to you, Senator Taylor, your "esteemed friend," Ambassador Panyushkin, replied: "A monstrous slander campaign is being waged against Russia—a nation that has always

stood and now stands for peace and international cooperation."

You must feel very proud, Senator Taylor, to "welcome" a member of the Moscow Marauders, who stand for "peace and international cooperation" by turning loose their secret police, their political gangsters and their strong arm officials to "take over" a dozen countries by methods which are abhorrent to every right thinking American.

You and Henry Wallace and your third party must be a source of "real joy" to the Communist crooks in the Kremlin.

We apologize to them for you, but never in a thousand years will we ever apologize to them for our efforts to maintain order in a world which every day is faced with the threat of disorder, intrigue and disaster by Communist inspired Stalinites.

Dear Alfred P. Sloan Jr.:

Chairman General Motors Corporation

Your suggestion that there should be a 50% ceiling on all taxes is a definite and constructive suggestion in these days of constantly increasing government expenses and therefore constantly increasing taxes.

For 15 years, or ever since the advent of our late lamented Franklin D. Roosevelt, **our government has spent more money than it has received**, and that is an unsound basis on which to operate.

First of all, our government should do everything possible to reduce expenses and then, as you suggest, **"no one should be required to contribute more than half his income to the maintenance of the government."**

If we stifle initiative with high taxes, we will soon be in the position of not making our capitalistic system work, of not being able to make our free enterprise inviting enough, and therefore business will decline and likewise the government will not be able to collect taxes to pay its operations.

You also said, **"We must return to the concept of making it worthwhile to do things, and making it possible to do things worthwhile."**

Russia is simply waiting for our economic system to collapse, so she can move in. One way to keep the United States from collapsing is to keep our taxes as low as possible, our government expenses reduced, and likewise give every possible incentive for business to succeed and prosper.

Clifford DePuy



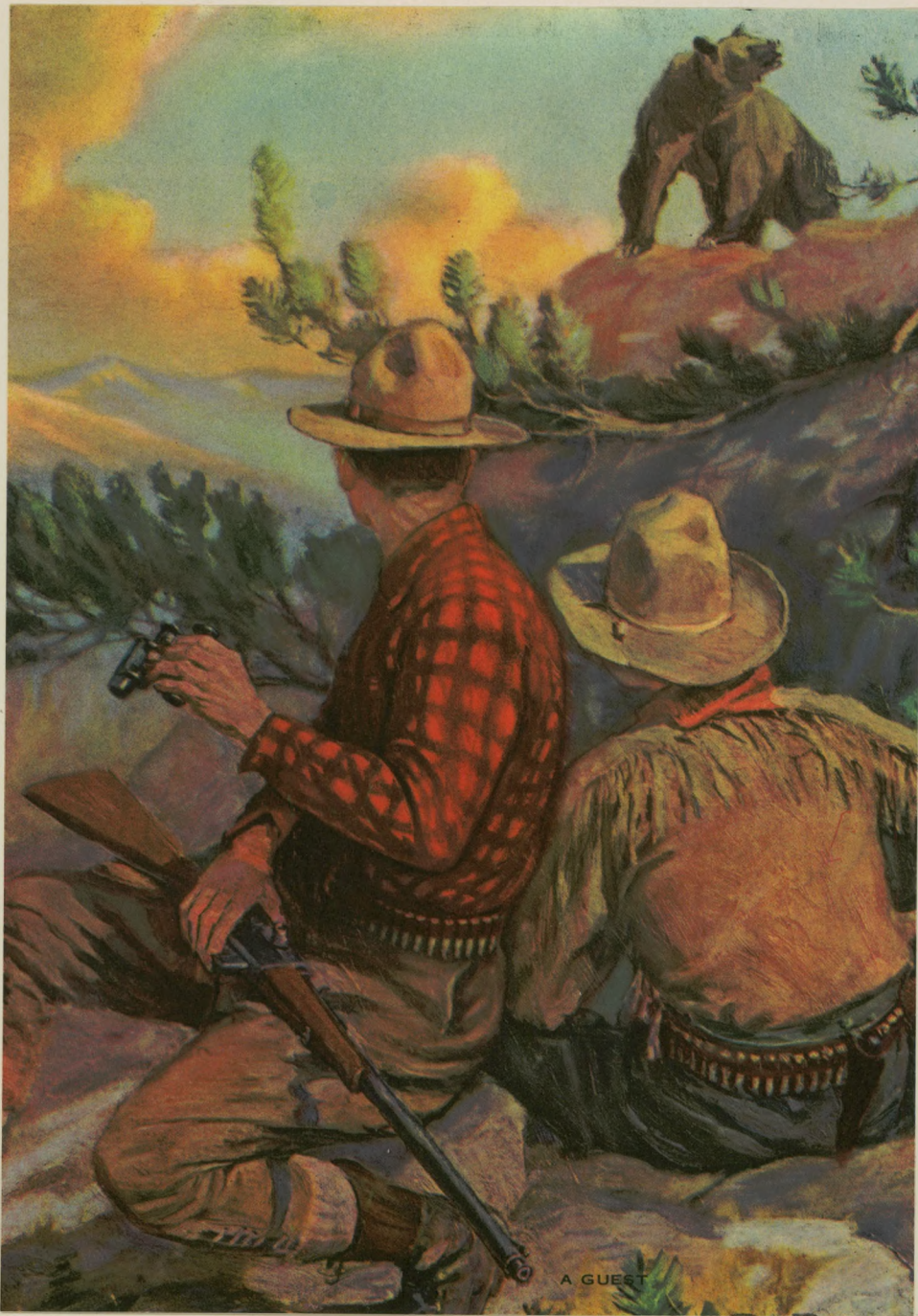
WHERE FRIENDLINESS IS A TRADITION . . .
 WHERE THE PROMPT, EFFICIENT HAND-
 LING OF EVERY CORRESPONDENT AND
 TRANSIT ITEM IS AN INVIOLEABLE RULE

"Iowa's Friendly Bank"

**THE CENTRAL NATIONAL
 BANK AND TRUST COMPANY**

Des Moines, Iowa

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



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, April, 1948

What You Want to Know About Bank Public Relations

Ideas Presented at the Recent Conference of the
Financial Public Relations Association in Cincinnati

"Keep Close to Your Customers"

By **ROBERT LINDQUIST**, Vice Pres., La Salle Nat'l Bank, Chicago
President, Financial Public Relations Association

WE ARE all aware of actions by the Federal government and its instrumentalities which are step by

small step taking from banks more and more of their management functions and responsibilities. We are also conscious of the attitude toward banking on the part of new political bodies who are bidding for public support. It all adds up to the fact that long-range political and economic trends are moving banks inexorably toward government domination and ultimate ownership—**unless** banks everywhere, on Main Street and Wall Street, realize the vital importance of keeping close to **people**—not only those who come into our banks, but those who walk by our doors as well.

"Nothing is more important to a bank today than a consciousness on the part of its management of the vital importance of the human factor in the bank's relations with its employes and customers, and in the goodwill of its entire community. We bankers have long looked at the goodwill item on the statements of our customers, appraising it carefully on

the basis of sound public acceptance and preference for the customer's product.

"In our own business of banking, we seldom give thought to our own asset of goodwill. It must be an invisible item and cannot be shown in dollars on our statement because it is based, not on product acceptance, but on the confidence and trust of people. But this is all the more reason why we must zealously guard and nurture our relations with the public. And because much of this public goodwill is based on confidence in banking as a whole, it is important that we all work together toward better public relations throughout all banking.

"Let us then face courageously together the job ahead, for if banking is known as serving only big business—if it blows hot and cold on loans to individuals—if it leaves the encouragement and implementing of thrift to other institutions—if it exhibits little concern for the banking needs of all the people, then banking cannot hope to have the support of the people in the only place in which the dangers facing us can be finally resolved—the ballot boxes of the nation!"



ROBERT LINDQUIST

"Public Relations and Your Loan Policy"

By **A. G. ROPP**, Exec. Vice President, Industrial National Bank, Detroit

PRESENT lending policy seems to require what has always been best policy—a sound middle course. Such policy does not contemplate that banks will restrict the normal and legitimate credit demands of business, particularly loans for the purpose of increasing production. The point is, will we be able to have the public understand that? Just to the extent that we are able to cause the public to realize that the present program is in their best interests, and in the best interests of the country as a whole will we be successful in carrying out a good public relations program. We must, by all means, not permit the public to get

the impression that this move is merely a selfish desire on the part of banks to protect the interests of the banks. Self-preservation is the first law of nature. This is for self-preservation of all of us. It will not work well unless we all participate. Banking is in a position where it can direct the course of the economic well being of the country to a greater extent than at any previous time, in view of the rapid increase in prices which, if continued, will bring greater troubles to everybody. Already questions are being asked as to whether or not the bank anti-inflation credit program has not had the effect of



A. G. ROPP

Northwestern Banker, April, 1948

"slowing up" which is a little evident in spots here and there. Maybe so. That's what we wanted. Things were moving too fast. It's the job of public relations men to make the public aware that this is good, and in the best interests of everybody.

"It is, of course, apparent to all of us that no matter what the public relations effect, it is imperative that banks take the lead in bringing about sound measures for directing the economic course of the nation, insofar as bank credit influences that course.

"Good banking judgment and good public relations were never needed more. Nowadays, with many different opinions from many different sources, some from sources that are not well informed, it is not always easy to keep one's self on an even keel, but the necessity for the use of calm conservative judgment is ever present. Some say bankers wax hot and cold about credit. It may appear so from the other fellow's viewpoint. Another public relations opportunity. A customer said to me just recently, 'If

three men tell the banker today that business is tough, he will be so influenced as to tighten up—likewise, if three other men tomorrow say "business is fine," the banker eases up again.' That's exaggerated, of course, but there may be a little truth to what the customer said. The responsibilities of the banker to all groups are so great that he may unknowingly allow himself to be swayed by special circumstances that should not be allowed to influence sound banking policies."

"Some Bank Accounts Are Murdered"

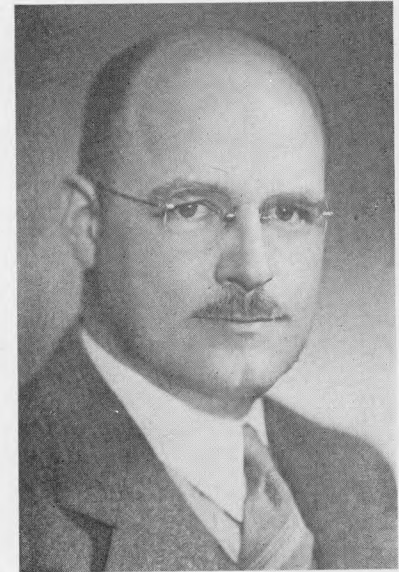
By P. K. BARKER, Vice Pres., Granite Trust Co., Quincy, Massachusetts

THE responsibility of tellers and all other bank employes in carrying out a successful customer relations program was dramatized to the employes of our bank a few years ago by a lecturer. He inquired whether the employes had considered the causes for the closing out of accounts. He said that the average bank account has a life expectancy of seven years. This lecturer further stated that many bank accounts did not die a natural death but were murdered. They were murdered by the carelessness and indifference of tellers and bookkeepers, by tellers who would talk among themselves and let depositors wait, by bookkeepers who posted the wrong checks to customers' accounts, by mailing clerks who mailed statements to the wrong persons, by tellers who would pitch a passbook back to a depositor rather than pass it back with a pleasant smile. Though the killings

were not premeditated, they nevertheless fell in the category of homicides.

"I believe in a New Account Desk rather than a New Account Window. It seems that it is extending more courtesy to the depositor and makes it easier for him to fill out the signature cards and other forms that are required. Equally important, the desk affords an opportunity to get additional information indirectly for the bank's records and also sell other services of the bank.

"I should like to emphasize that there is much more that most of us can do to improve customer relations. It takes leadership. We must train our employes to be thoughtful, courteous and tactful, and to render just as good service as possible. We must educate the officers to do their part also. And by so doing we shall profit from a program designed to make us know our customers and their prob-



PHILIP K. BARKER

lems better. The adoption within our banks of the slogan 'Know Your Customer' would be a constant reminder of some of the things that we can do to bring about improved customer relations."

"Help Farmers and Small Business Men"

By FRED L. O'HAIR, President, Central National Bank, Greencastle, Indiana

MOST farmers and small business men of today are babes in the woods of financial management. Their experience has been limited to a rising market. Few of them realize that prices can fall, and not many of them have any real appreciation of credit risks. They need somebody to do their financial thinking for them.

"I know of only two country banks attempting anything even approaching such a service, and their activity is limited to farm customers. I understand it is profitable to the bank as well as to the customer. This assistance originates as an accounting service which under present conditions is badly needed by small business management. As a result of the bank's

familiarity with the customer's finances it is in a position to advise on necessary steps to assure sound and profitable operation. The state agricultural colleges have available an unlimited amount of research material on farm management which can be used by banks for the guidance of farmers. Unfortunately, however, it is necessary for interested persons to hunt it up themselves. Appraisal methods, feeding tables, time studies and management practices are examples.

"The same idea of operating standards could be applied to virtually any small business as well as to farming. I know of no such efforts along this line but it seems to me that it offers an

excellent opportunity to city banks who are interested in correspondent balances. In the years to come all of these small businesses, which depend so much on the experience and ability of the owner, will need some yardsticks by which they and their bankers can measure their operations and estimate their prospects.

"It would be possible, I believe, to develop standards of practice and simple analysis methods for various types of retail business, which could serve as guides for the bank and to teach the customer the financial facts of life. Many country banks are handicapped by lack of experienced personnel to diagnose the variety of customer's operating problems which come their way. I believe they will soon need better tools than now available to them and they will need help in providing them."

Northwestern Banker, April, 1948

News and Views

OF THE BANKING WORLD

By CLIFFORD DE PUY, Publisher

Frank Warner, secretary of the Iowa Bankers Association, has been having some interesting correspondence with 3 of the former ex-presidents of the Iowa Bankers Association and all 3 of them are in good health and enjoying life.

They include:

J. K. Deming, 90, Dubuque, Iowa;

Charles Martin, 85, Pasadena, California;

Charles Mills, 80, Moline, Illinois.

Mr. Mills is known as the "Globe Trotting" Ex-President of the Iowa Bankers Association as he recently returned from several months' visit in Berlin with his son who is connected with the War Department.

It certainly would be wonderful if all 3 of these ex-presidents could be at the Iowa State Convention in Des Moines October 25, 26, and 27, 1948.

James Roosevelt, eldest son of the late president, says that **Henry A. Wallace** is a "political faker." Perhaps so, but don't forget, James, that your distinguished father once picked him for a vice president.

Robert Lindquist, president of the Financial Public Relations Association and vice president of the La Salle National Bank of Chicago, has announced that the organization will establish a school of public relations at Northwestern University August 16th to 28th of this year.

The other day at the Rotary Club luncheon we were very much interested in listening to **J. C. Penney**, 73 years of age, and founder of a chain of 1,600 or more stores which did a business last year of \$776,000,000, and which incidentally was an increase of \$100,000,000 over 1946.

Mr. Penney started his first store in Wyoming, 46 years ago, with a total investment of \$500.

He told the Rotarians that **"the free enterprise system in the United States had brought us the greatest amount of happiness and highest standard of living of any economic system in the world and we should see to it that this way of life is not destroyed by the bureaucrats at Washington."**

Mr. Penney said that he "was a democrat, but not a new dealer."

"No bank in this country can afford not to advertise today," **Lewis F. Gor-**

don, vice president in charge of public relations and advertising for the Citizens and Southern National Bank, at Atlanta, Georgia, advises bankers. "If any bank fails to advertise, it will fall hopelessly in the procession. Never was there such a challenge; never did bank advertising hold such a glorious future. Banking is now and will continue to grow as a mass service industry. You have a marketing, merchandising and advertising job to do."

Robert J. Kerner, professor at the University of California, recently said, "If the Bolsheviks succeed in making the Czechoslovaks happy and content, it will be ominous for the rest of the world. If they do not, it will be the beginning of disaster for the Kremlin."

There are many authorities who believe that Russia may have territorial or geographical indigestion by trying to absorb so many countries so quickly, and this may very definitely be the case in regard to Czechoslovakia.

Allen Crawford, vice president of the Financial Public Relations Association and also vice president of the Bankers Trust Company of Detroit, believes that, "Good public relations is the gracious and never-failing 'thank you' between employes. It is the holding open of a door for another to pass through. It is the tone-of-voice in a mailing piece—in a folder—in a booklet—in a broadside delivered from house to house—in newspaper display ads, or even on a Government post card. It thinks first of the other fellow and his viewpoint. It leans over backwards to make friends and influence prospects, for it is working for a house which wants the good-will of customers and knows the value of earning it.

"It is ever and always and sincerely, simple good manners—in print or in person."

Lawrence B. Sizer, vice president of Marshall Field and Company, Chicago, believes that: "A great many people in business today have forgotten, or have never learned, what a real day's work is. Merit threatens to disappear entirely in a welter of wage scales and arbitrary standards.

"Two do the work of one, producing one blade where two grew before. Such a system of controlling work is

possible only through strong regimentation which tends largely to eliminate enterprise. It is far too prevalent to be ignored as a factor in the days ahead."

Dr. Marcus Nadler, Professor of Finance at New York University, believes that: "Although many savings banks are concerned over their long-term Government obligations, fearing that sometime in the future a material break may occur, this fear is not warranted. The monetary authorities seem to be set on maintaining the 2½ per cent rate on long-term Government obligations, and only a further serious increase in prices of commodities accompanied by a sharp increase in the volume of bank loans could alter this policy. Such a development, however, is not to be anticipated.

"Evidence is accumulating that the inflationary boom is gradually coming to an end."

Sir Stafford Cripps, Chancellor of the Exchequer of England, has told the world that unless Britain gets U. S. aid this year, she will be in serious condition.

As every American knows, we have recently loaned England \$3,750,000,000 and this has now been used up and they are in need of more funds.

Mr. Cripps in a recent announcement said: **"The year is bound to be one of great anxiety, but we can help to make it the first year of a great upward turn in the European economic recovery."**

"This year will beyond doubt be dominated by the decisions of the American Congress on the grant of aid to Europe for reconstruction. Without further substantial external aid, we can have no hope of recovering equilibrium at a reasonable standard of life within the next few years."

Richard F. Behrendt, Professor of International Affairs at Colgate University, has written an article on "Inter-American Economic Relations" and in referring to our Latin-American associates, he says: "It seems unlikely that we shall be able to induce our neighbors to the south to give full rein to free international trade and to the free private enterprise system, whose benefits most of them have never tasted in the past. The best we

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Northwestern Banker, April, 1948

How We Service Installment Loans

Installment Lending Requires Many More Entries to Complete Each Transaction Than Does Regular Commercial Bank Lending



VIRGIL E. SAMPLES
"Monthly Payments Should Be Kept as Large as Possible"

BECAUSE servicing is the keeping of records, the accepting of payments, the analysis of types of business, costs, the checking of collateral, and all of the other operating detail, it is practically impossible to talk of requirements or procedures in general terms. To be of much value, a discussion needs to concern a specific set of circumstances with due consideration being given to the size of the operation, physical layout of the bank, type of business being handled, and all other factors.

Handling an installment note case is not the same as handling a bank's regular loan accounting, and we must be willing to change procedures and methods to meet different conditions. Basically, what is required is a control of outstanding balances, record of maturities for follow-up purposes, a record of payments made, and a record of earnings and costs. Naturally, these can be kept in many forms; each a matter of individual opinion and need, based upon the number of accounts, the kind of business, the reaction of counsel, etc.

It is apparent that a bank with a Consumer Credit Department manned by several employes needs more and different controls and analyses of its accounts than does the bank whose Department is operated by one person. In any case, it is important to have a control of the major types of paper purchased or loans made; such as, farm implement, automobile, personal loans, FHA Title I, and appliances. Further sub-controls are feasible and generally highly desired; but in some cases I doubt that management really makes enough use of them to warrant the cost of maintenance.

**By VIRGIL E. SAMPLES
Vice President
Commercial National Bank
Peoria, Illinois**

Maturity Controls

The problems of maturity controls are just as varied. If your portfolio is largely of farm implement paper of quarterly or semi-annual payments, your maturity control is relatively simple compared to that of an institution which purchases large monthly installment notes or even notes with semi-monthly installments.

While speaking of maturity control, we should mention the cost of accepting individual payments, and suggest the possible error of being willing to accept too small and too frequent payments. There is a distinct trend toward increasing the minimum monthly payment required—a hard-headed approach to the problem of increasing costs. General averages seem to indicate that the cost is somewhere between 60c and \$1.00 for each payment accepted; so you can see the wisdom of thinking in terms of larger payments.

Maturity control also covers delinquency control which every department must have. It is essential to maintain this control by degrees of delinquency, with the analysis being made at least monthly, and under certain conditions more often. All of you, no doubt, have been asked for delinquency reports by the Federal Reserve Bank and the American Bankers Association. The period included in these reports is generally accepted for comparison purposes. Study your own de-

linquency accounts for trends; watch the amounts move from one classification to another; and do something to make them move the right way, or at least stand still. The delinquency control account is very important.

Cost Control

Cost control is another account needed by every operation. Again, the type and nature required varies tremendously between different banks. Just recently, some of the major finance companies increased finance charges on new and late model used cars, basing that action on increased costs. Our costs are also increasing, and we must know what they are if we are to intelligently determine the charges which we make. Among other things that cost control will highlight is the need for minimum charges and minimum monthly payments.

Then there is the control of items charged to profit and loss. This is important because it is desirable in servicing installment credit notes to charge off delinquent notes according to a pre-determined schedule of delinquency. Consequently, substantial numbers of notes are charged off which are later collected, making for increased activity in this account.

There are many types of records for keeping payments, outstanding balances, and analyses. Larger departments generally use some method of pre-posting maturities, payments, and balances; either on card or envelopes. Some use machine accounting. Only a very few endorse payments made on notes, since the card or envelope record has been found to be sufficient.

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Northwestern Banker, April, 1948

LEGAL

Does Acceptance of a Check Constitute Payment of Debt?

Q. Buck, a bank director, issued to Russell, in Missouri, a check in the amount of \$75 in payment of a week's salary for services performed in Buck's bed factory. Russell placed the check in his locker at the plant. It was stolen, his name forged thereon as endorser, and the instrument was cashed by the forger before payment could be stopped. There had been no agreement between the parties that Russell's act of accepting the check in and of itself would constitute payment of Buck's indebtedness to him for salary. Could Russell recover \$75 from Buck?

Yes. A payee's mere acceptance of his debtor's check will not constitute payment of the debt in the absence of an express agreement to that effect, and without such agreement or consent, which may be shown from the circumstances and conduct of the parties, the debt is not discharged until the check is in fact paid in due course. The St. Louis Court of Appeals has so ruled in a recent decision.

Q. Jones became indebted to Brown, a banker, on a note that was secured by a mortgage on a certain business property and on a note that was not secured. Both matured, but were not paid when due. Thereafter, Jones made certain payments to Brown. These were simply received by him and there was no definite understanding between the two parties regarding the note to which they should be applied. No rights or liabilities of third parties, such as guarantors, were involved. Would it be held as a general rule that the payments should be applied first to reduce the unsecured indebtedness.

Yes. The majority rule in these cases is that the payments should be applied first to reduce the unsecured or least secured debts in preference to those secured or more adequately secured. Where the parties fail to exercise effectively their power of making a specific application of payments the courts do so in accordance

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

with the principles of equity and justice and this rule is one that is commonly followed by them in their dealings on such matters.

Q. Suppose that, in the preceding question, there was behind the secured note a mortgage on Jones' homestead in Minnesota instead of a mortgage on business property belonging to him. Should the payments be applied first to reduce the unsecured indebtedness in such a case?

No. The Minnesota Supreme Court has recently ruled in an analogous situation that the payments should be applied first so as to protect and preserve the homestead, or, in other words, to the note which was secured by the mortgage thereon. It has always been the policy of the law to protect with jealous zeal the homestead right of a citizen and his wife and minor children and to hold as a fundamental conception that the home should be a citadel of security against the misfortunes and uncertainties of life. Because of this the equities favor payment applications to free homesteads as herein indicated.

Q. The son of a Nebraska banker married the daughter of another banker in that state. It was a war-time romance for both of them and it developed that they could not get along together as they settled down to a normal existence. One sued the other for a divorce because of extreme cruelty, which is one of the grounds for divorce in that state. It developed that each was guilty of extreme cruelty to the other. Would the divorce be granted?

No. In a recent decision involving an analogous situation the Nebraska

Supreme Court held that no divorce should be granted and that the suit should be dismissed. The statutes of that state provide that no divorce shall be decreed in any case when it shall appear that the party seeking it is guilty of the same misconduct as that of the other. Such statutes, of course, control and it follows that the Court was bound thereby in its decree on the matter.

Q. Rowland, a banker, owned an office building in Kentucky. Some unknown person for whose acts the owner was not responsible left a bottle of varnish remover on one of the window sills of one of the leased offices. It was blown to the street by a sudden gust of wind and injured a pedestrian. Neither the banker nor any of his agents knew the bottle was on the window sill and it had not been there a sufficient length of time so that he and his agents, in the exercise of ordinary care, should have known of its presence. Was Rowland liable for damages to the pedestrian on account of his injuries?

No. In Kentucky an owner of a building can not be held liable for damages sustained by a pedestrian when a bottle of varnish remover, left on a window sill of a leased office in the building by someone for whose acts the owner was not responsible, fell to the pavement, unless the owner or one of his agents knew the bottle was on the window sill or that it had remained there such length of time that they, in the exercise of ordinary care, should have known of its existence. To put the matter another way, liability existed only in the event of negligent omission, as where the owner knew or with reasonable care might have known of the danger and failed to take preventive measures.

Q. Bolian, a South Dakota banker, owned and operated a grain elevator in that state. One of his employes was injured during 1941 in the course of his work and it became necessary to

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Central States Conference Meets in Chicago

WITH WALL G. COAPMAN, secretary of the Wisconsin Bankers Association, presiding as president, the **Central States Conference** held its thirty-seventh annual meeting in Chicago on March 22 and 23. First organized as a Conference of Secretaries, the Conference now consists of the officers of sixteen middle western Bankers Associations. The total number of banks which are members of the Associations represented comprise about half of the institutions in the United States.

Some of those attending the Conference are pictured on this page. Reading from left to right they are:

1—**Carl G. Swanson**, Omaha, secretary Nebraska Bankers Association; **Glen T. Gibson**, Gibbon, past president of the Nebraska Bankers Association; **J. O. Peck**, Columbus, president of the Nebraska Association; and **J. R. Kenner**, Hebron, Nebraska vice president.

2—**Arne A. Gregor**, Leeds, North Dakota, vice president of the North Dakota Association; **F. A. Foley**, Rolla, North Dakota, president; and **C. C. Wattam**, Fargo, secretary for North Dakota.

3—**Carl E. Bahmeier, Jr.**, Huron, recently elected secretary and treasurer of the South Dakota Bankers Association; and **Arthur E. Dahl**, Rapid City, South Dakota, president.

4—**Frank Warner**, Des Moines, secretary Iowa Bankers Association; **W. E. Sheldon**, Osage, Iowa, chairman of the Savings Bond committee for the Iowa Bankers Association; and **W. W. Blaiser**, Jesup, president of the Iowa Association.

5—**Robert E. Pye**, Minneapolis, secretary of the Minnesota Bankers Association; **Frank Powers**, Mora, Minnesota, treasurer of the American Bankers Association; and **John Carlander**, Faribault, Minnesota Association president.





"Sixty Years of Banking"

ANOTHER chapter was added to the illustrious career of one of Iowa's oldest bankers recently when Frank von Schrader completed his 60th year of banking. Mr. von Schrader has just retired as chairman of the board of the Union Bank and Trust Company of Ottumwa, and prior to his several years service in that position he had been president of the bank since its founding December 28, 1887.

Mr. von Schrader has seen the greater part of Iowa's rural and commercial development, all the major and minor depressions which have beset the Hawkeye state, and his proudest memory is the fact that through all these difficult periods his bank always was able to pay depositors on demand without having to sell any preferred stock. Only once did the bank borrow money. This was in the spring of 1933 and the loan was repaid in six weeks time.

Frank von Schrader was born November 6, 1859, in Scranton, Pennsylvania. He attended Grinnell College and the University of Michigan. Early in the fall of 1887 he moved

Bankers You Know

Frank von Schrader

Director, Union Bank and Trust Company,
Ottumwa, Iowa

from Burlington to Ottumwa as secretary to the Burlington railroad's Iowa superintendent of lines. In December of that year he opened the Ottumwa Savings Bank with the position of president. Later, several other banks were merged with his bank and the institution was then called the Union Bank and Trust Company.

At the age of 88 Mr. von Schrader is still active mentally and physically and is one of the first to arrive at the bank each morning. Although he retired as chairman of the board at the annual meeting, the directors voted a unanimous resolution asking him to retain his desk at the bank.

Mr. von Schrader was married to Jean Freeman. They had four sons, one of whom is Max von Schrader, president of the Union Bank and Trust Company. The elder von Schrader was one of the organizers of the Ottumwa Country Club in 1900 and played golf almost every day during the golf season until a few years ago. He is a member of the First Congregational Church, the B.P.O.E. and is a registered Republican.

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Northwestern Banker, April, 1948.

An Office for Farm Sales



CLERKING SALES—This is how the traveling office of the First State Bank of Lynnville looks when set up in a farm yard. It makes snug quarters for the sale clerk.

BANKERS who are called upon to clerk farm sales in the winter time know what it means to have cold hands and feet, and to experience the general discomfort that goes with the job, especially if there is snowfall along with the low temperatures. To the rescue of these unfortunate souls now comes J. B. Wasson, vice president of the First State Bank of Lynnville, Iowa, who takes his office with him when he clerks a farm sale.

The office starts with a framework constructed of wooden posts two inches square, the framework measuring four feet wide, seven feet long, and seven feet high. The corner posts on this frame are hinged, so that they will fold up when not in use.

Over the frame goes heavy, waterproof canvas, of the same or slightly larger dimensions than the framework. The tent has two windows, one on each side, made of flexible glass, which can be sewed to fit into the proper opening cut in the canvas. A board

table, 14 inches wide, is mounted to swing from the upper framework.

For heating equipment, Mr. Wasson uses a gas pressure stove and, after picking out a level, dry spot, out of the wind upon which to pitch the office tent, he places on the floor a heavy section of carpet covered both sides with oilcloth, which keeps his feet off the bare ground.

For dark days, when insufficient light would be admitted through the windows, it is usually possible to run an electric light cord from one of the outlets in the farmhouse or barn.

With the canvas covering all in one piece, and the framework hinged, the entire outfit can be folded up and carried in a luggage carrier mounted on top of the car.

Cold weather and farm sales are both about over for this spring, but this summer will be a good time to get your office tent ready for next winter.

from \$600,000 to \$1,500,000 through issuance of stock purchase rights to shareholders, together with the continued good earnings of the bank, makes this dividend action possible."

April Meetings

Bankers of Illinois, meeting for the first time in spring group meetings, will take stock of the results of the voluntary credit curbs placed on inflationary-type loans for the past two months.

Harry C. Hausman, secretary of the Illinois Bankers Association, announces that the meetings for the banks in the southern section of the state will be held as follows: April 5th, Jacksonville; April 6th, Belleville; April 7th, Winchester Club, Route 37, 12 miles north of Cairo; April 8th, Mattoon; April 9th, Decatur.

The banks in the northern groups will meet April 12th, Joliet; April 14th, Chicago (Chicago District); April 15th, Dixon; April 16th, Galesburg; April 28th, Chicago (Group 3).

All groups will have an afternoon and a dinner meeting, with planned programs. A change in the by-laws of the association last June established the spring group meetings and designated them as the annual meetings for the purpose of election of officers of the groups for the ensuing association year.

Declare Dividend

The directors of Investors Mutual, Inc., open-end investment company, have declared a quarterly dividend of 12c a share, it was announced by E. S. Crabb, president and chairman of the board. The current dividend, derived exclusively from interest and dividend income, is payable April 21, 1948, to shareholders of record as of March 31, 1948.

As a matter of company policy no dividend distribution from profits on the sale of portfolio securities will be made until the final quarter of the fiscal year.

Net assets of Investors Mutual, Inc., as of March 11, 1948, were \$108,280,555, with shares currently owned by more than 58,000 shareholders. Investors Syndicate, Minneapolis, is the principal underwriter and investment manager of the fund.

Back to School

Over 430 bankers, ranging from assistant managers of departments with executive responsibilities, to vice presidents, presidents and board chairmen, from 24 states and the District of Columbia, will be going back to school when the School of Banking at the University of Wisconsin, spon-

Dividend Basis

Capital stock of the La Salle National Bank, Chicago, was placed on a dividend-paying basis last month by action of its board of directors in declaring a dividend of 50c per share, as announced by John C. Wright, president. This dividend, which will be paid on April 15th to shareholders of record April 9th, places the bank's

30,000 shares of \$50 par capital stock on a \$2 annual dividend basis.

Mr. Wright pointed out that this is the first dividend paid by La Salle National Bank since opening for business in the Field Building in 1940. "The rapid growth of the bank has made it advisable," he said, "to retain all of the bank's earnings in capital accounts. The recent capital increase

sored by the Central States Conference, opens its doors for its fourth session August 23rd. The school will be in session from August 23rd to September 4th, on the University campus at Madison.

In making this announcement, Harry C. Hausman, chairman of the board of trustees of the school, and secretary of the Illinois Bankers Association, stated that the remarkable thing about the school is the fact that the opening session this year will see a return of almost 100 per cent of last year's first and second year students. The school is conducted for two weeks each year, and attendance for three years is required for graduation.

The school was started in 1945, with 47 students from three states, grew to 131 students from 16 states the second year, 289 students from 19 states the third year and, as mentioned above, will have in excess of 430 students from 24 states and the District of Columbia this year.

Wall G. Coapman, president of the Central States Conference, registrar of the school and secretary of the Wisconsin Bankers Association, announces that 197 freshman applications have been received, almost filling the maximum quota of 203 freshman students for this year's class, and that soon applicants will be placed on a reserve list to fill a few last minute cancellations that may occur or for entry in the 1949 freshman class.

Dr. Herbert V. Prochnow, director of the school and vice president of The First National Bank of Chicago, announces the addition of 18 new members to the faculty, which this year will consist of more than 115 lecturers. The faculty has grown from the original 22 lecturers the first year, and consists of bankers, specialists in their respective fields, practicing attorneys, business men, officials from the office of the Comptroller of the Currency, the Federal Reserve Board and Federal Deposit Insurance Corporation, and state banking agencies and members of the faculty from twelve universities.

Discussion Leader

James L. Sharp, manager, foreign department, First National Bank in St. Louis, will serve as a discussion leader at the Banking Session of the Third Mississippi Valley World Trade Conference, to be held in New Orleans, Louisiana, April 15th and 16th.

Society Treasurer

William M. Sherrill, manager, advertising and publicity, First National Bank in St. Louis, was recently re-elected state treasurer of the Missouri Society, Sons of the American Revolution.



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Whatever your requirements — routine banking service, special information, or off-the-beaten-path assistance — the chances are that the facilities, long experiences and statewide contacts of the first Wisconsin National Bank of Milwaukee can supply the answer.

This bank is the largest in the state . . . 29th in size among all banks in America . . . and over 92 per cent of the hundreds of banks throughout Wisconsin are First Wisconsin correspondents.



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2. *Installment Loans*
3. *Agricultural Loans*

1. *Investment
Portfolio Analysis*
2. *Securities Trading*
3. *Safekeeping Service*

1. *Cash Letters*
2. *Collection Items*
3. *Return Items*

Speedy Consideration of **OVERLINE LOANS**

The ability to consider promptly and thoroughly any excess-credit requests is one of the services the Northwestern Bank endeavors to render its correspondents.

Banks are encouraged to submit overline commercial, installment or agricultural loans to us and discover the mutually profitable service arrangements that can be developed.

Conscientious handling of these specialized loaning requests requires complete analysis of the Capital, Character and Capacity of the borrower. Northwestern's staff is trained to make a thorough survey of these conditions.

Skilled Handling of **SECURITIES**

Northwestern is prepared to assist in the supervision of your bank's investment portfolio constantly. We are equipped to handle all your investment problems and transactions from the *beginning to the end*. We will make an analysis of your securities portfolio—we'll be glad to handle any sales or purchases of securities through our *trading* department—we'll hold your securities in *safekeeping* for you.

Rapid Processing of **TRANSIT ITEMS**

There's not much glamour to a Transit Department—but a sense of precision, urgency and responsibility makes Northwestern's Transit Department especially efficient.

The large, well trained staff is organized to render speedy service on: Cash Letters, Collection Items and Return Items. It's a specialized staff that shows initiative in remedying small defects and correcting oversights wherever possible. It's a fast-moving staff geared to rail and air schedules for prompt dispatch of every transit item.



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Capable Handling of **FOREIGN TRANSACTIONS**

The mysteries of foreign exchange are quickly solved when using the facilities of the Northwestern National Bank's Foreign Department.

Our experienced personnel can:

- Give general travel information for any area—kind of exchange to carry—passports—methods of transportation and ticket—travel conditions and restrictions.
- Assist in solving any of your general or credit problems in foreign countries.
- Purchase foreign currency and coin.
- Issue drafts on foreign countries where United States Government will permit.

- Make payments to foreign countries by cable or air mail.
- Issue traveler's checks.
- Issue traveler's letters of credit.
- Issue commercial letters of credit for importation of merchandise.
- Negotiate drafts drawn against letters of credit, both traveler's and commercial.
- Collect drafts drawn on foreign countries.
- Make payments in the United States for our foreign correspondents.

Northwestern always gives fast, capable handling of any foreign service requirements.

Efficient **CREDIT ANALYSIS**

Credit information and analyses are extremely important functions of banking. But, to set up a complete department to do this properly is too expensive and burdensome for most country banks. Should you have inquiries regarding concerns or individuals outside of your territory, just contact Northwestern and we

will try to be helpful. Our large, experienced staff will be glad to assist you in making credit analyses of any unusual loan requests.

These, and many other competent services are available to fulfill our objective of offering complete service to correspondent banks.

Department of Banks and Bankers

D. E. CROULEY, *Vice President* • L. P. GISVOLD, *Asst. Vice President*
 F. W. CONRAD, *Vice President* • ALTON F. JUNGE, *Asst. Cashier*
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National Bank of Minneapolis

Marquette Avenue—Sixth to Seventh Streets

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LEGAL QUESTIONS

(Continued from page 18)

pay benefits to him under the Workmen's Compensation Law. These benefits were paid voluntarily for a while, but a dispute arose and it was necessary to take the matter to court in 1946. When the injury occurred the law provided for the payment of medical benefits of \$100. When the case was heard the law provided for medical benefits of \$200. Should the law in effect at the time of the injury be applied in determining the medical benefits to be paid?

Yes. Such a situation was before the South Dakota Supreme Court recently and it was held that the medical benefits provided by statute as of the date of the injury should be granted to the injured workman rather than those provided by the statute in existence at the time of the court hearing on his claim. To hold otherwise, commented the Court, would impair the obligations of contracts.

Q. Keegan, a retired banker, executed and delivered a warranty deed to a Kansas farm in favor of his son as security for certain tax and mortgage advances made by the son, the

total amount of which could be computed by an accounting between them. No maturity date was set, but Keegan, within a reasonable time, attempted to repay the advances and secure a deed back of the property. The son refused to accept the repayment and to reconvey, claiming that since no definite agreement as to maturity or as to a certain amount was made when the deed was executed in his favor, the instrument could not be dealt with as a mortgage. Would the son be sustained in such a contention?

No. In a recent decision the Kansas Supreme Court said that it could find no cases to support a contention that an instrument in form a deed may not be construed as a mortgage unless the continuing debt is definite in amount with a fixed date of maturity. Instead, the Court went on to say, the rule as laid down seems only to require that there be a continuing debt, determinable in amount, for the enforcement of which an action would lie. Since the contention of the son ran contrary to such rule his position would not be sustained.

Q. A St. Louis County, Missouri, sewer district brought suit in 1932

against Taffany, a banker residing in the district, for certain delinquent sewer taxes. Shortly after the suit was filed a writ of summons was issued but it was returned by the sheriff as unexecuted. No further process was issued and the suit dragged along until 1946, when the banker asked that it be dismissed. The claim by the district was subject to a five year statute of limitation which barred it unless the filing of the suit removed the bar. Should the banker prevail in his suit to dismiss and thereby bar the claim?

Yes. It is the duty of a plaintiff to prosecute his case with due diligence and, if he fails in this duty, the consequences are the same as though no action had been begun. To prevent a statute of limitations from running, a suit must be brought and prosecuted in good faith, and, if the time constituting the bar is permitted to elapse between the suing out of one process until another, the mere bringing of the suit will not prevent the statute from running. The most that could be said in this instance was that the sewer district had filed suit. This was not enough to keep the statute from running as the suit was not prosecuted after it was once filed and the banker should therefore prevail.

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

Q. Brockton, a banker, made various advances in Minnesota to Smith, one of his friends, in an effort to help him out of certain financial difficulties. The matter originally started as a simple affair but, through the years, became quite complicated and involved. One feature was that a note and mortgage was given on certain business property. The note was not paid as it came due and a renewal note was given. There was no agreement that the renewal note cancelled the previous note and the security behind it. Did it do so?

No. A note taken in renewal of a prior note secured by a mortgage is presumed to have been accepted as a conditional payment only. In the absence of an express or implied agreement that the renewal note constituted absolute payment, the mere acceptance of the renewal note was only a conditional payment and did not effect an absolute discharge of the prior obligation. There are many decisions that go even farther and hold that, where the renewal note contains a recital that it is given in settlement or payment of the prior obligation, such obligation is not absolutely discharged.

Q. Bradley, a banker, owned a building in a Kentucky city which was rented to Sullivan who used it as a cafe. Sullivan also, without Bradley's knowledge, conducted certain gambling operations there. The Commonwealth obtained an injunction against Sullivan prohibiting the gambling activities and against Bradley prohibiting the maintenance of a nuisance on the premises. Since Bradley did not know the premises were being used as a nuisance did the injunction rightfully lie against him?

Yes. The weight of modern authority is that, in a suit to enjoin a nuisance, it is not necessary to prove knowledge of the owner that his property is being used as such. The reason for this is that an owner of property is under a duty, and had the primary obligation, to keep his premises from being a nuisance. Since Bradley had failed in such duty an injunction would rightfully lie against him. Alabama, and Texas are among the states so holding, along with Kentucky.

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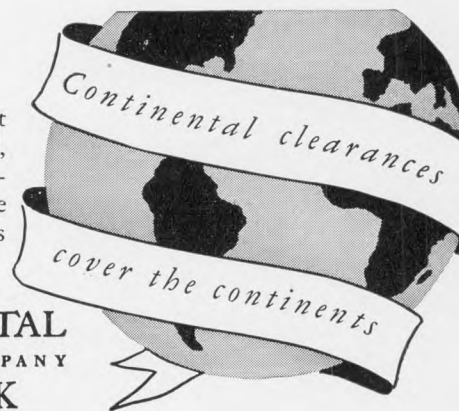
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Northwestern Banker, April, 1948

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Annual Report as of December 31, 1947

SAN FRANCISCO	ASSETS	
LOS ANGELES	CASH IN BANKS AND ON HAND	\$ 171,979.37
PORTLAND	ACCOUNTS AND NOTES RECEIVABLE	1,666,144.28
SEATTLE	DEPOSITS WITH INSURANCE COMPANIES	<u>21,426.99</u>
SPOKANE	TOTAL CURRENT ASSETS	\$1,859,550.64
STOCKTON	WAREHOUSE AND OFFICE EQUIPMENT	115,214.23
FRESNO	Cost	\$255,834.12
PHOENIX	Less Reserve for Depreciation	<u>140,619.89</u>
CHICAGO	DEFERRED CHARGES TO FUTURE OPERATIONS	197,961.22
HOUSTON	Prepaid Insurance	\$ 44,742.96
DALLAS	Inventory of Supplies	46,374.67
NEW ORLEANS	Improvements to Leased Property	76,597.12
DENVER	Other Prepaid Expenses	<u>30,246.47</u>
KANSAS CITY	TOTAL ASSETS	<u>\$2,172,726.09</u>
ST. LOUIS	LIABILITIES AND CAPITAL	
CLEVELAND	ACCOUNTS PAYABLE	\$ 224,881.83
CINCINNATI	NOTES PAYABLE TO BANKS	455,000.00
NEW YORK	ACCRUED TAXES—NOT DUE	414,136.83
BUFFALO	Income Tax Withheld from Employees	\$157,628.71
BOSTON	Social Security Taxes	102,783.14
PHILADELPHIA	Federal Taxes on 1947 Income	149,389.46
PITTSBURGH	Other Federal, State and Local Taxes	<u>4,335.52</u>
ATLANTA	TOTAL LIABILITIES	\$1,094,018.66
JACKSONVILLE	CAPITAL STOCK—AT STATED VALUE	573,745.00
CHARLOTTE	Preferred Stock—8009 shares—	
WASHINGTON, D. C.	\$25.00 Par Value	\$200,225.00
MANILA, P. I.	Common Stock—25,784 shares—	
	No Par Value	373,520.00
	SURPLUS	504,962.43
	Paid-in Surplus	\$ 4,053.20
	Earned Surplus	<u>500,909.23</u>
	TOTAL LIABILITIES AND CAPITAL	<u>\$2,172,726.09</u>

Short Term Issues Are Still the Best Buy for Banks

The Prudent Manager of the Commercial Bank's Portfolio Will Not Lengthen the Average Maturity

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

SOME two years ago, the fiscal authorities in Washington concluded that the then existing pattern of interest rates was conducive to an expanding supply of money and that this was a bad thing. It was acknowledged that the relatively high prices, and low returns, on short governments encouraged banks to sell the shorts and put the proceeds into the better-yielding longs, or into corporate bonds or loans to individuals and to business.

The authorities decided that higher yields on shorts was the solution and took a series of steps along that road. The aim was to narrow the spread which invited inflationary shifting by the banks. The effort has failed. True, shorts yield more than they did two years ago and word comes from Washington that the aim is to establish a 1¼ per cent return on one-year certificates has not been abandoned. But the longs dipped further and faster. In March, 1946, the spread between the return afforded by one-year certificates and the longest bank eligible governments was 110 basis points. In March, 1948, the spread was 129 basis points.

Prices Could Go Higher

A good many other things have also happened in those two years, but the stage is set for a resumption of the behavior of the banks that the authorities set out to discourage two years back. In other words, intermediate and long-term bond prices could go higher. The view has been published that such a move is likely, following the release of pressure on bank reserves caused by tax collection in March. Such a forecast, though, is quickly qualified by the suggestion that counter-inflationary moves will limit the prospective rise rather significantly.

Another, more cautious, opinion is that only slightly better prices are at all likely and that the more interesting speculation is not whether, and how

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.

much, prices will rise, but whether or not the current floors provided by the Reserve Banks will hold solid indefinitely. Here, the forecast is that present pegs will not be lowered until late in the year and that there is no point in looking further ahead because there may be a change in the administration in November. This forecast, too, is quickly qualified.

The qualification is, in effect, that there be no resumption of the boom and, indeed, that at least a further mild recession occur. Reversing the terms, if the banks resume heavy lending on mortgages and to commercial borrowers and resume buying corporate bonds on a large scale, all accomplished by selling government bonds to the Reserves, the pegs will be lowered again in order to discourage such inflationary actions.

Taking all the foregoing together, the end-conclusion might be that prices of long and intermediate governments could rise in the second and third quarters of the year, but that they likely will not and might decline despite the fact that the spread between shorts and longs is wider today than two years ago. One explanation for this is that the last factor is the result of artificial controls and that it can readily be significantly changed, thus throwing the whole question out

of whack. Just another little jiggle, say from 1¼ to 1½ per cent as the return from a one-year certificate, and all the relative appeal of the intermediates and longs disappears.

Extremely close followers of business conditions and money markets may choose to buy intermediates and longs on the theory that the floors will hold until election day, at least, and that the return until then is more than can be had from one-year, or shorter, Treasury obligations. Additionally, these experts may get a relatively good return for a few months, plus a possible small trading profit. All that is possible, but it is risky. The possible profit, too, in passing, is probably far less than the possible loss should floors be lowered again.

Middle of the Road

The middle of the road appears to be the smoothest at this time. Concretely, the prudent manager of the average commercial bank's investment portfolio will not lengthen the average maturity. Rather, he will permit the passage of time to automatically shorten the average maturity. In this way, the bank will have an adequate supply of governments in the interest of liquidity and to fall back on should the year witness the onset of a brief, but likely fairly sharp, recession in production and prices. Income should not suffer, as it seems almost sure that maturing short-term obligations can be replaced at better yields. As and if short-term yields edge higher, they should engage a steadily expanding proportion of available investment funds.

If it is accepted that such a middle of the road policy is proper with respect to governments, it is considerably more urgent that a similar philosophy should prevail with respect to corporates. It is historically true that prices of even the best corporates move through wider arcs than do

Northwestern Banker, April, 1948

those of governments, for perfectly natural reasons: the risk is greater. And the amplitude of those swings by corporate bond prices extends farther and farther as the quality drops from top to high to good and so on down the line.

In between governments and corporates lies a field which has been largely ignored by a great number of investors in the past decade, but in which interest has revived notably in recent months. Not unnaturally, the explanation of the recent livelier interest in municipals on the part of insurance companies and commercial banks is simply that prices of tax-exempts have undergone drastic adjustments in late months. Insurance companies care not at all for tax-exemption and most commercial banks aren't particularly concerned about this aspect. Additionally, it has long been recognized that the remarkably high prices of municipals a couple of years ago was in great part due to the tax feature and that that feature would be less valuable should taxes ever decline.

All that is history now and many splendid municipal obligations are currently priced at levels which entitle them to compete with taxables for the favor of shrewd investors. Briefly,

tax-exempt yields have risen 85 per cent since April, 1946, and roughly half of the rise was scored in the last quarter of 1947.

Still Borrowing

Oddly enough, the steep rise in costs to municipalities has by no means deterred them from borrowing, or planning to borrow. For one thing, some municipal and State finance officers were anxious to get their funds before costs rose even further. In other cases, it was mandatory to borrow the money with which to pay veterans' bonuses.

Last year saw about 2.3 billions of new money raised by States and municipalities. This was roughly double the amount borrowed in 1946 and set an all-time high record. In these years the long-time downtrend of outstanding State and municipal debt was reversed, but the total today is still below pre-war levels.

It is entirely likely that 1948 will be another year in which the market is flooded with tax-exempts. It does not follow, though, that the price pattern of municipals this year will parallel that of 1947, mainly, of course, because the starting level is so much lower in fact and, when compared with governments and corporates, a great deal lower. It cannot be denied that a truly staggering amount of public works is

in the planning stage, but there are several reasons why some of it will have to be deferred and persuasive reasons why some of it should be voluntarily put over for some time.

The compelling reasons are that costs have zoomed so much in some cases since the communities laid plans a few years ago, that either an entirely new, and much larger, authorization will have to be secured from the electorate, or the plans sharply trimmed down to the amount of funds authorized.

The persuasive reasons are that deferment of contemplated public works at this time is urged for the purposes of "withholding some upward push to prices, of getting better value when costs are lower, and providing local jobs when really needed" as The National City Bank of New York lately put it.

In sum, then, municipal bond prices are much lower than two years ago and do compete on a yield basis (ignoring tax exemption) with governments and corporates: grandiose plans have been made and their prompt execution could require another flood of new municipal bonds this year, but for a variety of reasons plans may be deferred and total 1948 new-money municipals may be well within the market's capacity without resorting to disturbing price adjustments.

Revenue Bonds

Revenue bonds lately were discussed by a Chicago investment banker, Walter C. Cleave, of Blyth and Company, in an article which developed several interesting practical angles. Since Mr. Cleave was speaking primarily to the investment banking fraternity, his observations may have escaped the notice of commercial bankers, although their interest in Mr. Cleave's views should match those of investment bankers. Slightly paraphrased and somewhat condensed, Mr. Cleave's remarks:

"In recent months I have heard many comments from bond men in different parts of the country regarding local bank examiners' attitude toward bank holdings of municipal revenue bonds. Some of these statements have gone so far as to indicate that banks in Michigan, Indiana, Ohio, Illinois and other states have been advised by bank examiners to get out of all municipal revenue bonds.

"It appears that many bankers have adopted the policy of buying no more revenue bonds in order to avoid continually defending revenue bond investments. History shows that properly set up revenue bond issues have had an almost 100 per cent perfect record for prompt payment of prin-

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Of course we are close to banks and to the checking system, so it didn't take much selling to convince ourselves of the merit in such an arrangement. Generally speaking, business concerns aren't ready as yet to accept the idea but we predict that some day it will be common practice.

For banks this presents some food for thought because, like group insurance, it permits a "wholesale approach to a retail market" and makes possible the sale of a small item at a reasonable sales cost. Have your salesmen try it out on a few small, friendly industrial firms. It probably won't result in any sales right now but it should provide meat for some interesting visits.

We have a printed folder on this subject which we will be pleased to send to any banker who wants to look it over. It may have a thought or two that will help you reach the mass market.



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cipal and interest. The record was splendid during the depression years of the early 1930's when many tax-supported bonds defaulted. Obviously, some revenue bonds might not be of the quality that banks should own, but it seems most unfair to classify all revenue bonds as questionable investments, which seems to be the growing tendency with some local bank examiners."

It is an interesting comparison to look at recent issues of San Francisco, Illinois and Dallas water and sewer revenues, all three rated AA, but the San Francisco and Illinois sold out promptly, whereas Dallas bonds at much more attractive yields are still available, no doubt because of the fact that they are revenues.

Again, when the State of Oregon veterans' welfares and the State of Montana highways (payable solely from the proceeds of the five-cent gasoline tax) are compared, the result is the same. Both are rated AA, but the revenue bonds—although yielding better—are still available, whereas the Oregons are all sold.

Many municipalities need to finance important projects with revenue bonds and the vast field of bank investment should not be denied them through what appears to be a lack of complete understanding between the heads of the bank examiners and their field men. The inference is, however, that the local examiner is working according to orders from Washington; but at the same time, RFC, PWA and FWA have been the principal originators of revenue bonds over a period of years.

Mr. Cleave concludes with the suggestion that action be taken toward a complete understanding of this important matter so that all bankers, investment bankers and examiners understand the rules.—The End.

On Metropolitan Board

The election of Gale F. Johnston to the board of directors of the Metropolitan Life Insurance Company was an-

nounced last month. Mr. Johnston is president of the Mercantile-Commerce Bank and Trust Company, St. Louis.

Twenty-three years ago Mr. Johnston started working for the Metropolitan Life as a salesman. He was promoted to divisional sales manager in charge of ten southwestern states in 1928, and to regional manager in 1939. He was given leave of absence in 1941 to accept a call from the Treasury Department to plan and organize the mass selling of defense savings bonds. Late that year he was elected by the Metropolitan Life as vice president in charge of group insurance sales for the United States and Canada, with the responsibility of directing production among the Metropolitan's 26,000 agents and field representatives. In 1947 he resigned from Metropolitan to accept the presidency of the Mercantile-Commerce Bank and Trust Company. His election to the board of the largest life insurance company (assets \$8,500,000,000 and life insurance in force \$37,000,000,000) culminates a 23-year period of growth and progress.

Mr. Johnston is also on the boards

of the American Automobile Insurance Company, the American Automobile Fire Insurance Company, the Frisco Railroad and several other business organizations. He holds posts in many business, civic and community undertakings.

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REPRESENTATIVE MUNICIPAL LISTINGS (Compiled by The Northern Trust Co., Chicago) as of March 22, 1948

Alabama	3¾%	7-1-63	2.15
California	1¾	2-1-60	2.10
Fresno, California S/D	2	8-1-61	1.95
Atlanta, Georgia	1½	9-1-67	2.25
Illinois	1¾	5-1-64	1.95
Indianapolis, Indiana			
Sch. City	1¾	4-1-66	1.80
Spencer, Iowa I/S/D	2¼	11-1-62	2.00
Baltimore, Maryland	1½	11-1-65	1.90
Pittsfield, Mass.	1.90	3-1-62	1.80
St. Paul, Minnesota	1½	10-1-66	2.10
Newark, New Jersey	2.20	12-1-61	2.25
Charlotte, N. C.	2¼	4-1-66	2.20
Ohio	2	4-15-62	1.80
Pennsylvania	1¾	10-1-69	1.75
Williamsport, Pa. S/D	2¼	3-15-68	2.20
Richmond, Virginia	1¾	1-1-64	1.55
Madison, Wisconsin			
Metro. Sew. Dist.	2	8-1-66	2.00



Investors Mutual, Inc.

Prospectus on request from Principal Underwriter

INVESTORS SYNDICATE

Minneapolis, Minnesota

Banks More Cautious on Loans

EVIDENCE is accumulating that the inflationary boom is gradually coming to an end, Dr. Marcus Nadler, professor of finance, New York University, told the Eastern Regional Savings and Mortgage Conference of the American Bankers Association at its meeting last month.

Speaking on the subject, "Investing Savings Funds in 1948," Dr. Nadler urged savings bankers to maintain the flexibility of their position by investments in government bonds, and to exercise caution in mortgage lending during the current inflationary period.

"Experience has shown that depositors in savings banks are more interested in safety, availability, and convenience than in the return received on their savings," Dr. Nadler said. "This attitude of depositors should determine the investment policies of savings banks. The banks should be interested primarily in investment in high-grade securities and sound mortgages. During the war, the larger portion of the funds at the disposal of savings banks was invested

in government obligations. Now a shift is taking place into mortgages; and, to a lesser extent, into high grade corporate obligations.

"The investment policies of savings banks and other institutional investors in mortgages," Dr. Nadler continued, "can have a profound effect not only on the safety of their investments but also on the construction industry and business activity in general. Since real estate prices are highly inflated and the value of many houses, large as well as small, is determined by the great scarcity of dwellings, it is evident that mortgagees must adopt a careful policy. Otherwise, they may suffer losses when the pent-up demand for housing has been met and prices of real estate begin to decline. Too liberal lending by institutional mortgagees not only stimulates the upward swing of real estate prices but also contributes to the inflationary forces in the construction industry. Sound policy would therefore indicate that savings banks become more cautious

in their lending operations while real estate prices are increasing, and adopt a more liberal attitude when prices are declining and the cost of construction is decreasing. There is no shortage of mortgage money at the present time, and none is likely to develop in the foreseeable future. Institutional lenders have merely become more careful.

"Although many savings banks are concerned over their long-term government obligations, fearing that sometime in the future a material break may occur, this fear is not warranted. The monetary authorities seem to be set on maintaining the 2½ per cent rate on long-term government obligations, and only a further serious increase in prices of commodities accompanied by a sharp increase in the volume of bank loans could alter this policy. Such a development, however, is not to be anticipated. Evidence is accumulating that the inflationary boom is gradually coming to an end.—The End.



55th ANNUAL FINANCIAL STATEMENT

As of December 31, 1947

ADMITTED ASSETS		LIABILITIES	
Mortgage Loans	\$ 206,131.53	Reserves:	
Bonds and Stocks	3,813,937.11	Losses and Claims	\$ 342,267.72
Deposits in Banks	1,442,678.58	Unearned Premiums	997,310.86
Building and Loan Association Shares ..	50,000.00	Salaries, Rents, Expenses, Etc.	6,277.68
Agents' Balances	126,833.41	Taxes (Federal, State and Other)	171,457.20
Interest Due and Accrued	18,880.68	Contingent Commissions	239,834.33
Home Office Building	130,000.00	All Other	12,671.03
All Other	5,336.83	Total	\$1,769,818.82
Total	\$5,793,798.14	Surplus as Regards Policyholders	4,023,979.32
		Total	\$5,793,798.14

Surplus Over All Liabilities \$4,023,979.32

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STOREKEEPERS' liability insurance is an entirely new policy, comprehensive in its scope, which should win the instant approval of the retail store owner or operator.

This policy applies to retail store risks only, which means stores selling goods or products primarily at retail with not more than 50 per cent of the sales by mail order. This policy provides general liability and medical payments insurance for designated premises and the common store exposures on a single premium basis of area. In general, the policy covers store premises, incidental premises if used in connection with the insured premises, and operations necessary or incidental thereto. Coverage is included for advertising signs, dog liability, equipment or appliances owned or rented to others, booths, exhibits, athletic teams

sponsored by insured, employe entertainments and conventions, products, and contractual liability for written premises lease agreements at address designated in contract, easement agreements, agreements required by municipal ordinance, and sidetrack agreements.

The types of retail stores for which this coverage does not apply are as follows:

Auction, barber shops or beauty parlors, chain stores with more than ten locations, cleaning and dyeing establishments or receiving stations, department, drug, dry goods, five and ten cent or stores advertising or dealing principally in merchandise at a maximum or minimum price, with an average of five or more employes, laundries or laundry receiving stations, mail order houses, open air markets.

The storekeeper's liability policy is an optional form of coverage. Existing manual coverages, rules, rates, etc., for such risks may be used in lieu of the new form if desired.

Farmers' Comprehensive

Prior to this time, a comprehensive personal liability could not be issued to a farmer. Now, the comprehensive personal liability policy is available to farmers and provides the same kind of coverage that is available to other individuals, and in addition includes coverage for farming operations. This form of insurance is applicable to all farms except:

(a) Farms where the principal purpose of the farm is to supply commodities for manufacturing or processing by the insured for sale to others, such as creameries and dairies (but not dairy farms), farms operating

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Northwestern Banker, April, 1948

freezing or dehydrating plants and poultry factories. The word "processing" does not apply to the slaughtering and dressing of livestock or to such operations as bunching of vegetables or crating of berries.

(b) Farms whose principal business is raising and using horses for racing purposes.

This policy gives coverage for the insured's personal activities as well as farming operations. It provides a single basic limit of \$10,000 for bodily injury and property damage liability arising out of one occurrence, plus immediate medical expenses in the event of an accident causing bodily injury, sickness or disease, and in addition a

basic limit of \$250 for medical expenses for each person who is injured by accident (does not include insured or farm employes. However, coverage can be provided for farm employes).

Optional coverages include:

(1) Animal collision, which pays up to \$200 for loss by death of each animal (cattle, horse or hybrid thereof, hog, sheep, or goat) caused by collision of such animal and a motor vehicle not owned or operated by an insured or any employe thereof, while such animal is within a public highway and is not being transported.

(2) Employer's liability and medical payments for farm employes.

(3) Custom farming, which pro-

vides coverage to the insured for farm tractors, trailers, implements, draft animals or vehicles for use therewith while used under contract to others for a charge.—The End.

Expect Insurance Decline

A further modest decline in sales of new ordinary life insurance during 1948 compared to last year is foreseen in an economic analysis made by Northwestern National Life of Minneapolis. The estimate indicates probable ordinary sales of all companies in 1948 of about \$14,000,000, or 4.6 per cent less than in 1947, assuming that past relationships between life insurance sales and discretionary spending continue.

The study, under the direction of Stahrl Edmunds, Northwestern National Life's economic analyst, carries on in the vein of smaller studies made in 1946 and 1947. The 1947 forecast predicted that all companies would sell \$14,400,000,000 of new ordinary during the year, and the year end figures revealing that actual sales were \$14,776,000,000 show the estimate to have been off by 2.5 per cent.

Still in the experimental stage, the estimate is made by relating a forecast of the amount of optional or non-subsistence spending power in the hands of families to volume of ordinary life insurance sales. Continued price rises have raised the average family budget level to an estimated \$3,160 for 1948, with 508 per cent of all families expected to remain above that subsistence standard. This compares with a subsistence budget level of about \$2,800 for 1947, during which 518 per cent of all families were over that level. Thus the anticipated increase in amount of optional spending power, with certain adjustments, points to a further moderate decline in life insurance sales for 1948.

Although during both 1946 and 1947 the ordinary sales of NwNL conformed closely to the national pattern, the conclusions of the study all represent averages. Widely varying circumstances within the individual companies themselves will, of course, result in deviations by many of them from this anticipated sales pattern, the study emphasizes.

Why, Miss Simpson

The boss was dictating a letter when he paused a moment to consider the use of a phrase. For a space he wrinkled his brow.

"Miss Simpson, do you 'retire' a loan?"

Miss Simpson (little minx!) let her eyes drop demurely. "No, sir. I sleep with mama."

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

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President
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Minnesota NEWS



ROBERT E. PYE
Secretary
Minneapolis

treasurer of the Knights of Columbus at Mankato; treasurer of the Junior Chamber of Commerce; commissioner of the Boy Scouts; on the board of directors of the A.I.B., and volunteer recruiting officer of the Marine Corps. He is a veteran of World War II and is married and has one child. He will move to St. Cloud as soon as living quarters are obtained. He assumed his new duties at St. Cloud on April 1st.

Sell Medford Bank

Harlan Pye announced recently the sale of the First State Bank of Medford, Minnesota, to W. P. Jones, cashier of the First State Bank of Meriden, and his son, Ferris Jones, of Minneapolis.

The Medford bank has been owned and operated for the past 17 years by the Pye family who also own the State Bank of Morristown. The Morristown bank will remain in their possession.

Henry A. Larson

Henry A. Larson, state senator from Preston, Minnesota, 22 years, died recently in Tulsa, Oklahoma. He was 71 years old.

Death came to the veteran legislator in Hillcrest Memorial Hospital where he had been taken after a stroke. He was visiting a niece, Mrs. James Fraley.

He was chairman of the standing committee in the Senate on banks and banking. He had represented the First District since 1926 and served as president pro tem of the Senate from 1939 to 1941.

Senator Larson was president of the Farmers & Merchants Bank in Preston at the time of his death.

Elect Officers

Fifty-five persons recently attended the annual dinner of the American Institute of Banking group, which has been engaged in continuation studies at Worthington, Minnesota, once a week for the past 22 weeks, beginning in October.

One of the main items of business was election of officers. V. L. Kirk, State Bank of Worthington, was re-elected president, with John Suedbeck, Murray County State Bank, Slayton, vice president; Murial Horak, Worthington National, secretary-treasurer, and Esther Nerge, First National, Heron Lake, assistant secretary-treasurer.

Directorial choices were W. E. Marston, Adrian State; C. A. Thorkelson, Rock County Bank, Luverne; F. W. Penrod, Citizens State, Fulda, and W. G. Quarnstrom, First National, Brewster. E. W. Kane was appointed senior bank officer adviser.

Lloyd P. Kingston

Lloyd P. Kingston, 67, vice president and director of Hastings National Bank, Hastings, Minnesota, died last month at his home in Hastings.

A lifelong resident of Dakota county, Mr. Kingston formerly operated an automobile agency in Hastings for 27 years.

Bank Debits Up

Upper Midwest bank debits, one measure of general business activity, reached a new peak in January, the Federal Reserve Bank of Minneapolis said in its monthly review.

According to the review, the index month (adjusted for seasonal variations) was 382 per cent of the 1935-39 average, substantially higher than at any other time during the war or postwar period.

The previous peak was established in October, 1947, when the adjusted index stood at 363 per cent of the prewar average.

Joins St. Cloud Bank

R. P. Howe, president of the Guaranty State Bank and Trust Company, St. Cloud, Minnesota, announces the election of Jerry J. Kigen as assistant



JERRY J. KIGEN
Joins St. Cloud Bank

cashier of the bank. Mr. Kigen has been assistant cashier of the National Citizens Bank of Mankato, Minnesota, and has been past lecturer and present

New Rockford Bank

After a number of years without a bank in the town, the people of Rockford, Minnesota, learned recently that the Federal Deposit Insurance Corporation had given its approval to the proposed Rockford State Bank.

The new bank, which had previously been granted a state charter, is expected to open this spring after articles of incorporation have been drawn up and the building to be used is vacated.

The bank is being organized by a group of farmers and business men in Rockford.

It will be capitalized at \$25,000, with a \$5,000 surplus and \$7,500 undivided profits.

Stock is being sold now and an organizational meeting will be held after it has been sold, at which time directors will be elected.

Cashier of the new bank will be W. W. Lindquist of Grey Eagle, Minnesota.

Goes to Minneapolis Bank

Otto H. Preus, who recently resigned as cashier of the State Bank of Cokato, Minnesota, has assumed duties as an assistant vice president of Marquette National Bank of Minneapolis. The board of directors of the Cokato institution has announced that R. M. Peterson, president, will serve also as cashier, and Clifford E. Olson, attorney, will be a vice president.

Recordak Installed

The Union State Bank of Thief River Falls, Minnesota, recently installed a Recordak machine which makes photostatic copies of all checks included in remittances to correspondent banks in other cities, E. O. Peterson, president, stated.

Hold Bank Conference

About 40 northern Minnesota and northwestern Wisconsin bank auditors and comptrollers met in Duluth recently for a conference on banking problems.

R. W. Hotchkiss, vice president of the First and American National Bank, conducted an open forum on "Bank Portfolio Management."

Name Officers

Stockholders of The Bank of Long Prairie, Minnesota, met last month and elected officers and directors.

Named to the board were H. W. Schroeder, S. H. Adams, R. E. Beach, E. R. Lux, Henry F. Prinz, R. A. Schroeder and George H. Dinkel.

The following officers were elected: H. W. Schroeder, president; E. R. Lux, vice president, and George H. Dinkel, cashier.

Assistant cashiers are J. H. Reed, R. A. Schroeder, Peter P. Klick and E. C. Thomas.

With its organization now completed following the purchase of the Peoples National Bank, The Bank of Long

Prairie has now completed the major work which culminated in one of the largest financial transactions ever recorded in central Minnesota banking history.

Wells Bank Anniversary

The Peoples State Bank of Wells, Minnesota, celebrated its "sixth birthday" one day early on Saturday, February 28, 1948.

The day was commemorated by a day long party in the directors' room of the bank, at which coffee, doughnuts, and cigars were served to all the bank's customers and friends. About 550 friends called to extend congratu-

lations and partake of the refreshments.

Correspondent banks and friends brightened the appearance of the bank with flowers.

Appoint Helfman

Adolph Helfman has been appointed first vice president of the St. Paul, Minnesota, Chapter of the American Institute of Banking.

Appointment was made by the board of governors, William Wolf, chapter president, announced.

Mr. Helfman has been associated with the First National Bank of St. Paul for many years and was prominent in St. Paul Junior Association activities, especially in connection with the St. Paul Open Golf Tournaments.

50 Years' Service

Members of the board of directors of the Citizens State Bank of New Ulm, Minnesota, assembled at the home of F. H. Retzlaff recently to honor him for his 50 years of continuous service as a director of the bank, and presented him with a gold watch to commemorate the occasion.

Announce New Hours

New Saturday banking hours have been announced by three banks in Hubbard county, Minnesota. The Citizens National Bank and State Bank of Park Rapids and the Farmers State Bank of Dorset will close at noon Saturday.

These three have been about the last banks in that area to remain open on Saturday afternoon. They will be open from 9 to 12 on Saturdays and other hours during the week will remain the same.

Increases Capital

The First National Bank of Aitkin, Minnesota, was recently granted permission by the Comptroller of the Currency, Washington, D. C., to increase its capital from \$50,000 to \$60,000, by the sale of additional stock.

The additional stock was all subscribed by local business men.

This expansion brings the total capital structure of the bank to a total of approximately \$230,000.

Theodore E. Aune

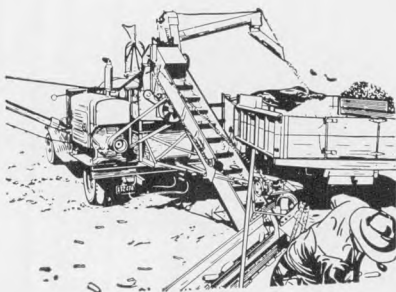
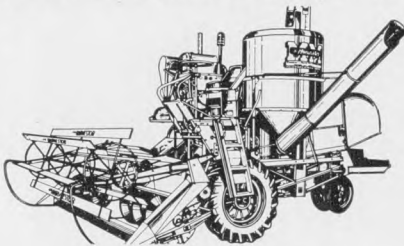
Funeral services for Theodore E. Aune, 83, first president of the Swift County Bank of Benson, Minnesota, when it reopened after reorganization, and long-time Glenwood, Minnesota, resident, were held in Glenwood recently. Rev. David J. Quill officiated at the services and interment was in the Glenwood Lutheran Cemetery.

TEAMWORK Couple Up To PROFIT!



Preparation of the seed bed, cultivation of the growing crop, picking and husking, shelling, feed grinding—all require rugged, dependable MM MODERN MACHINERY and TRACTORS built to do the job *exactly right!* MM Hi-Klearance tractor-moldboard, Wheatland Disk, and TRA Disc plows lead the parade of rugged, light-draft, good-scouring plows. And precision cultivation is simple with efficient MM "Quick-On—Quick-Off" Tools. Drudgery is eliminated from corn picking and husking with the new 1-Row or 2-Row MM HUSKORS. Longer picking rolls and more husking rolls give a cleaner, quicker handling of heavier yields. For smooth, large-capacity shelling you can't beat the light-running MM SHELLERS. Gentle rubbing action rolls off kernels *without cracking corn and without cracking cobs to bits.*

There's TEAMWORK in MM TRACTORS and MM MODERN MACHINES . . . the teamwork of long-life *economy and dependability* . . . teamwork that spells extra profits for aggressive farmers. See your Friendly MM Dealer today!



MINNEAPOLIS-MOLINE POWER IMPLEMENT COMPANY
MINNEAPOLIS 1, MINNESOTA



Twin City News

BANKERS of the Northwest are being shown what "makes the wheels go 'round" at Minneapolis Federal Reserve Bank under a plan announced by **John N. Peyton**, president.

The latest innovation is a short course in central banking for key men of the 475 member banks in the Ninth federal district.

The "students" see how the check collection department handles some 160,000 checks daily and observe other operations of the bank. A "dormitory" has been set up at a Minneapolis hotel, providing opportunity for evening "bull sessions" on economic questions and banking problems.

The idea of the short course, proposed in novel booklet form, won immediate response. Among the first to register were five bank presidents. The course may be come a permanent feature. **Oliver S. Powell**, first vice president, described the course as "public education." It is limited to a group of 12 each week.

Minneapolis Federal Reserve Bank was first among such institutions to circulate a movie on its operations, to stage conferences of district bankers, to put on a radio program, to conduct forums, to stage reciprocal industrial tours, to conduct bond clinics.

Russell G. Chapple, 1268 Osceola avenue, St. Paul, an employe of the St. Paul Federal Land Bank, has been appointed Minnesota chairman of the All-American Drum Majors association. Mr. Chapple also is a member of the All-American Drum and Bugle Corps and Band association and a member of the All-American Contest Judges association.

Clifford Anderson, a director of Midland National Bank of Minneapolis, has been elected a director of the Minneapolis Chamber of Commerce. Mr. Anderson is president of the Crown Iron Works Co. of Minneapolis and a director of St. Andrew's hospital and Associated Industries of Minneapolis.

Three St. Paul bankers have been

elected to 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, and **Clarence A. Maley**, vice president and trust officer of American National Bank.

Peter Edmonds of Farmers and Mechanics Savings Bank of Minneapolis has been named co-chairman in charge of publicity and promotion for the Minneapolis 1948 Community Chest campaign.

His hobby of collecting odd and old coins and currency has won public attention for **H. C. Core**, personnel officer and senior officer of the Minneapolis Federal Reserve Bank. Mr. Core was the subject of a feature article in a recent edition of the St. Paul Sunday Pioneer Press. His currency dates back to the earliest days of the United States.

George C. Kind, cashier of First National Bank of River Falls, Wisconsin, was elected president of Group I of the Wisconsin Bankers Association at a meeting in Minneapolis. **W. F. Kirchner**, Alma, Wisconsin, was named vice president and **Millard Barlow**, Bloomer, Wisconsin, secretary-treasurer.

Funeral services were conducted in Minneapolis for **Dr. Lawrence Peter Leonard**, 84, a director of the Guaranty

State Bank and Trust Company of St. Cloud, Minnesota, who died in Prescott, Wisconsin.

Adolph Helfman, 1726 Scheffer avenue, St. Paul, of First National Bank of St. Paul, has been appointed first vice president of the St. Paul chapter of the American Institute of Banking, according to announcement by **William Wolf**, chapter president.

Appointment of **A. S. Andersen** as comptroller of Midway National Bank of St. Paul was announced by **A. L. Ritt**, president.

Mr. Andersen also is manager of the bank's personnel and employment department. **Henry W. Johnson**, manager of the business and real estate loan department, and **Walter A. Carpenter**, head of the bookkeeping and transit departments, were appointed department managers at a meeting of directors.

Another series of watercolors by **Clarence R. Chaney**, vice chairman of the board of Northwestern National Bank of Minneapolis, has been reproduced in the rotogravure section of The Minneapolis Sunday Tribune. Painting is Mr. Chaney's hobby. The pictures reproduced, together with 15 others by him, are scheduled to be shown at Rockefeller center, New York, this month. They will be the first of a series of works by bankers to be exhibited under sponsorship of the Colonial Trust Company, New York.

SPECIAL OFFER

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

MINNESOTA COMMERCIAL MEN'S ASSOCIATION

2550 Pillsbury Ave. So.

Minneapolis 4, Minnesota

Ralph Manuel, chairman of the board of Marquette National Bank of Minneapolis, has been renamed to a three-year term on the advisory board of the Salvation Army in Minneapolis.

Election of **Carl F. Wieseke** to vice president of the Fifth Northwestern National Bank of Minneapolis was announced by **Ruston O. Thayer**, presi-



CARL F. WIESEKE

dent. Mr. Wieseke has been manager of the collection department, assistant cashier and, more recently, in the correspondent bank department.

Four Minnesota bankers were among eight men active in the treas-

ury department's savings bond sales who went to Washington to receive instructions for a security bond drive scheduled to begin April 15.

They are **Von E. Luscher**, Minneapolis, vice president of the Northwest Bancorporation; **H. R. Kurth**, Hutchinson, chairman of the savings bond committee of the American Bankers Association; **Robert Pye**, Minneapolis, secretary of the Minnesota Bankers Association; and **E. B. Larson**, vice president of the Minneapolis Federal Reserve Bank.

Lyman E. Wakefield, Jr., vice president of the First National Bank of Minneapolis, has been named a division chairman in charge of special events for the 1948 Minneapolis Aquatennial, civic celebration.—The End.

New Machine Purchased

The Root River State Bank of Chatfield, Minnesota, has installed a Recordak to speed up its work and to provide further protection for its customers and itself. All checks and drafts on other banks, which include all out-of-town items, also all bonds and coupons that are cashed, are run through this machine and photographed, both front and back.

To Conduct Forum

S. T. Strain, Duluth, Minnesota, district director of the National Association of Bank Auditors and Comptrollers, has been named to conduct an open forum May 6th to 8th at the 11th annual mid-continent regional conference of the organization in Dallas, Texas. Mr. Strain is director for the

states of Minnesota, Wisconsin, Wyoming, North and South Dakota, Nebraska and Montana.

New County President

Robert Cameron, assistant cashier of the First National Bank of Deer River, Minnesota, and a native of Little Falls, Minnesota, is the newly elected president of the Itasca County Bankers Association. Mr. Cameron is the son of Judge D. M. Cameron.

Another Little Falls man, M. R. Adams, was also named to office at the association's recent annual meeting in Grand Rapids. Cashier of the bank in which his son-in-law, Mr. Cameron, is assistant cashier, Mr. Adams will serve as treasurer of the association the coming year.

Park Rapids Bank Elects

At a meeting of the board of the Citizens National Bank of Park Rapids, Minnesota, held recently, all present directors and officers were re-elected.

Directors are H. W. Ressler, Emma Boyer, M. E. Smith, H. N. Bishop and C. A. Fuller. Officers are H. W. Ressler, president; Emma Boyer, vice president; M. E. Smith, vice president; C. A. Fuller, cashier, and H. F. Hoffman, assistant cashier.

NEWS AND VIEWS

(Continued from page 16)

can hope to achieve is a long-term understanding which would preclude an excess of uneconomical protectionism, anti-foreign legislation and governmental regimentation, while satisfying the Latin American demand for a minimum measure of guarantee against the abuse of economic power by strong concentrations of capitalist enterprises, national or foreign."

Paul Garrett, vice president of the General Motors Corporation, Detroit, has just sent out a very interesting booklet, "Mainspring, the story of human progress and how not to prevent it."

We are sure that if you have not seen this booklet that Mr. Garrett will be glad to send it to you with his compliments.

One paragraph which impressed us very much was this, "I realize that America is far from perfect, but in recent years the negative side has been so much over-stressed, that I make no apologies for concentrating on the doughnut instead of the hole."

When **Gordon S. Rentschler**, chairman of the board of the National City Bank of New York, died suddenly, a very fine tribute was paid to him by

Banks and Bankers will find this institution especially well equipped to handle their Chicago accounts. Our complete facilities are at the disposal of all in need of this service.

CITY NATIONAL BANK

AND TRUST COMPANY of Chicago

208 SOUTH LA SALLE STREET

(MEMBER FEDERAL DEPOSIT INSURANCE CORP.)



Each Bank's Business is *Different*

Recognizing this, The New York Trust Company is equipped to adapt its services accurately to your bank's particular requirements

To do full justice to the needs of a given correspondent bank, the officers of The New York Trust Company, in close contact with the most important commercial and financial affairs of our measure and adjust this those needs. These type of recognized time, both here and abroad, bank's facilities to fit facilities include every banking service.



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Commercial Banking
and Loans

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Investment Review
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Corporate Trusteeships
and Agencies

David Lawrence who said, "Here was a man who lived a useful life—a life of benefit to others—and who worked so hard that at the age of 62 the tension under which he labored broke him down.

"He departs as one of the unsung heroes of a great career—unknown to the public at large but a personality indelibly impressed on those who did know his character and integrity. He was a servant of the people as much as any man who served in public office."

A.I.B. Presidential Candidate

The Milwaukee Chapter of the American Institute of Banking has placed

in nomination the name of Pierre N. Hauser, vice president and director of personnel of the First Wisconsin National Bank of Milwaukee, as a candidate for president of the American Institute of Banking.

This election will be held in Buffalo, New York, at the annual national convention of A.I.B. in June, 1948.

Mr. Hauser attended the Milwaukee Normal School as well as University of Wisconsin and taught in public schools of Wisconsin for two years. He entered banking in 1918 and except for a period of service in the Army Air Corps during World War I, has been continuously associated with the

banking profession and the Institute since that time.

He received his standard certificate in 1923. He has held every elective office in Milwaukee Chapter, from treasurer in 1921 to president in 1926, after which he was president of the Alumni Association and a member of the board of governors.

Recognizing education as the primary consideration of Institute work, Mr. Hauser was for several years Milwaukee Chapter's instructor in banking fundamentals and economics and for eight years a member of the educational committee. He also served as a member of the advisory committee for a number of years.

He has served on numerous national committees and from 1942 to 1944 was a member of the National Executive Council. He was elected to the office of national vice president in June, 1947, at the Detroit convention.

St. Paul Terminal Warehouse Company


In its balance sheet as of the close of 1947 business, the St. Paul Terminal Warehouse Company shows assets of \$1,251,025, the greater part of this amount being made up of current items such as cash and marketable securities of \$806,148, and other quick assets of \$145,679. Earned surplus for 1947 amounted to \$409,118, with the net profit of the company after taxes coming to \$120,385.

In addition to its terminal operations at St. Paul, the company owns and operates Minneapolis Terminal Warehouse Company in Minneapolis and the Midway Terminal Warehouse Company in the industrial district midway between the downtown centers of the Twin Cities.

In addition to the company's financial responsibility, as reflected in the balance sheet, holders of Warehouse Receipts are insured up to \$2,000,000 against any loss in excess of \$5,000 for which the company or its subsidiary may be legally liable, with a limit of \$500,000 at any one warehouse location, automatically reinstated in case of loss.

Quarter Century

New members of the Bank of America's Quarter Century Club include: Donald MacVicar, vice president and manager, Glendale Main Office; H. Curtis Cassill, assistant manager, Long Beach Main Office; Roger William, El Monte Branch, and Miss Ethel Nordell, escrow officer, American Avenue Branch, Long Beach.



The **BANK** *at the* **YARDS**

Specialized—Yet Personal

Right in the center of the great Sioux City stock yards is the Live Stock National Bank, which serves every branch of the live stock industry. Its service is highly specialized—yet closely personal. As a banker whose customers include many live stock shippers, you will find in Live Stock National Bank service the prompt and dependable service that you need in Sioux City.

The
LIVE STOCK
National Bank

of **SIoux CITY**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

-
- 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
-



South Dakota NEWS

A. E. DAHL
President
Rapid City



CARL E. BAHMEIER, JR.
Secretary
Huron

Remodel Vermillion Bank

The interior of the National Bank of South Dakota at Vermillion has been rearranged for greater convenience and to make more room for the bookkeeping department.

Five cages are now arranged along the west side of the room. The south end of the room is cut off by a long counter, and the space is being used by the bookkeeping department. All of the bank officers will now be located on the east side of the room.

Further plans call for a new system of overhead lighting, and for the installation of a new ceiling which will help reduce the echo.

Moves to Lemmon

Frederick Winter, who has been employed at the Morrystown State Bank at Morrystown, South Dakota, for the past two years, has resigned his position and has moved to Lemmon where he is employed in the Bank of Lemmon.

Clyde C. Harlan

Clyde C. Harlan, who a number of years ago lived in Springfield, South Dakota, when he was cashier of the Springfield State Bank, died at a hospital in Sioux Falls recently. Mr. Harlan is survived by his wife and two daughters, one of whom lives in California and one in New York state.

Re-elect Officers

The First State Bank of Pierpont, South Dakota, held its annual meeting of the stockholders recently, at which time all the present directors and officers were re-elected. The directors are: J. A. Anderson, F. M. Roberts, O. E. Newman, all of Pierpont; J. E. Palmquist of Langford and F. E. Lemmon of Detroit Lakes, Minnesota. The officers are: J. A. Anderson, president; F. M. Roberts, vice president; O. E. Newman, cashier, and E. George Ottum, assistant cashier. The business during the year showed an increase with satisfactory profits.

Federal Tax Average

The Greater South Dakota Association, with headquarters at Huron, has

mailed a number of informational folders and news releases to various businesses showing the amount of federal income taxes contributed by South Dakotans and an outline drawn up by the association covering salient points of the proposed \$30,000,000 bonus bill for World War II veterans.

South Dakotans' collections by the Internal Revenue Department of the Treasury amounted to \$52,000,000, which averages about \$100 per person based on an estimated Dakota population of 580,000 as of 1945.

After giving tax estimates which must be paid in the future, including municipal, state and federal taxes of all kinds, the brochure points out that 32 states have no veterans' bonus programs, 18 of these states having voted down a bonus and no action having been proposed in 14; a total of nine states have adopted a veterans' bonus and seven states will hold referendums on the issue this year. It is interesting to note that six of the seven states are from the north central section of the country—Indiana, Iowa, Minnesota, North Dakota, South Dakota and Wisconsin. The seventh state is Pennsylvania.

It is further pointed out that the per capita bonus cost in South Dakota, should the referendum be in the affirmative, would be \$54 higher than the per capita cost in any other state, due to a smaller spread in population.

Sioux Falls News

NEARLY 100 members of the **South Dakota Bankers Association** assembled at the Carpenter hotel in Sioux Falls to listen to a discussion on anti-inflation credit control. Discussion was led by three officers of the association: **A. E. Dahl**, Rapid City, president; **J. M. Lloyd**, Yankton, vice president, and **Mrs. Lois Halversen**, Huron, assistant secretary. They had attended meetings of the American Bankers Association in Chicago and Kansas City. The local meeting was held to acquaint bankers with a voluntary national association program to resist inflationary tendencies.

W. W. Baker, president of the First

National Bank and Trust Company, was elected vice president of the board of directors of the Queen City Fire Insurance Company.

John McQuillen, vice president and trust officer of the Northwest Security National Bank, is chairman of the Chamber of Commerce territorial acquaintance committee which recently participated in good will trips to Lyons and Rowena.

Tom S. Harkison, president of the National Bank of South Dakota, represented El Riad temple at the annual meeting of the Midwest Shrine association in Minneapolis. He is chief rabban of the local temple.

Robert M. Hahn has been promoted to assistant cashier in the First National Bank and Trust Company. Up to recently he was employed as teller. He joined the bank in 1930 and saw military service during the late war, returning to Sioux Falls in 1946.

Erling Haugo, president of the Sioux Valley Bank, was selected as winner of the fourth session in a series of speaking contests held by SoDak Toastmasters.

The 14th anniversary of the \$46,000 robbery of the Northwest Security National Bank didn't go unnoticed by the employes last month. **Mrs. Leo Olson**, wife of the bank's head teller, baked two schaum tortes in honor of the occasion. At the close of the day's business the employes gathered around and made quick work of Mrs. Olson's gift.—The End.

HOW WE SERVICE INSTALLMENT LOANS

(Continued from page 17)

Coupon Books

In order to give the borrower a simple receipt and a reminder of the maturity of payments, as well as to facilitate the handling of payments by avoiding the making of a memorandum or posting at the time they are made, most institutions give or send the purchaser or borrower a coupon book containing a coupon for each payment with the date and amount due indicated on each coupon. This seems to be the method most acceptable to borrowers and banks. Some departments with lesser volume use a passbook, some pre-posted, and others not. This is generally considered to be a more expensive method even for smaller volume. Coupon books can be used nicely in providing customers the convenience of making

Northwestern Banker, April, 1948

payments by mail, saving the cost and time required in returning a passbook or receipt, as well as the convenience of making payments at any window in the bank. It is necessary for us to continually keep in mind that when we offer a complete Consumer Credit Service, a very high percentage of our customers in most communities are people whose employment makes it difficult for them to get into the bank during regular banking hours, so we must offer them the convenience of longer hours and mail facilities.

It has been found practical to keep chattel mortgages and other similar documents relating to the loan with the note, and thus avoid maintaining a separate collateral register except for

securities of a negotiable nature. Many people are concerned with the method of recording or filing chattel mortgages which must be used in connection with all direct loans unless a bona fide seller can be brought into the transaction so that a good lien may be obtained through the use of a Conditional Sale Contract. Chattel mortgages may either be filed or recorded—either method is acceptable and they are approximately equally costly. The method used seems to be largely a matter of opinion of counsel.

There has been much discussion of the question of rebating interest when the maturity of an installment loan is anticipated. There is just no defense for doing anything other than giving

a fair and equitable rebate upon anticipation of maturity. Our bank, as well as many others, uses the Rebate Schedule provided by the American Bankers Association, Consumer Credit Division. This is based upon generally accepted methods of taking interest into earnings, and rebates are made on that basis. These charts are available at a nominal cost at the office of the American Bankers Association, or any of your friends will be happy to get one or more for you.

I want to say that during the past two years we have been continually revising and refining our records and controls, and expect to continue doing so. The best help that we have been able to get is the experience of friends who operate in the field. They have been very cooperative.—The End.

collection service

... geared to
your need
for speed

Your Bank wants speed when it presents a check or note for collection. The kind of speed that means *prompt presentation and earliest availability of funds.*

At American National we're prepared to provide that kind of action. Our staff is experienced, dependable, skilled at operating the high speed machines that make swift service possible.

We'd like to have you visit us to see this service in action. Meanwhile, we welcome your inquiry with the view to securing you the most advantageous mail and express scheduling — both by rail and air.

AMERICAN NATIONAL BANK

AND TRUST COMPANY OF CHICAGO

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

La Salle at Washington



Third Western Conference

That the third Western Regional Conference of the National Association of Bank Auditors and Comptrollers, to be held May 12th-14th in Los Angeles, will reach a new high in interesting speeches, entertainment and opportunity for bank auditors and comptrollers to meet representatives in similar lines of work from all parts of the United States, is now promised by Los Angeles bankers who are formulating plans for the event.

Practically every large financial institution in Los Angeles is represented on the convention committee, which is making the plans, according to General Chairman Rudolph Ostengaard, assistant cashier of the California Bank.

"Although the weather is always sunny in southern California, May is one of the best months of the year," Mr. Ostengaard said, "and this should be a double incentive for out-of-state auditors and comptrollers to make plans now to attend."

Mr. Ostergaard said the committee expects at least 300 delegates to attend the conference, which will be held in the Biltmore Hotel, right in the heart of the downtown business district.

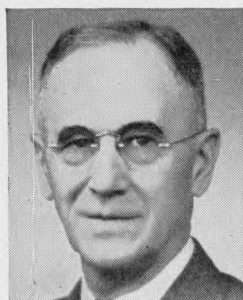
The general topics to be discussed and the program to be presented have already been outlined, he said, and will be announced in detail during the next few weeks.

Too Short

Two sourpuss farmers liked to grumble at each other.

"Never did I see hay grow so short as mine did this summer," sighed one.

"You think yours is short," answered the other. "I had to lather mine to mow it."



North Dakota NEWS

F. A. FOLEY
President
Rolla



C. C. WATTAM
Secretary
Fargo

Open Soil Contest

The North Dakota Soil Conservation achievement program contest was gotten under way last month when 5,000 brochures advertising the contest were distributed by the Greater North Dakota Association. Awards totaling \$1,000 to the ten district winners will be made by the association and the North Dakota Bankers Association, joint sponsors of the contest with G.N.D.A. and several other organizations, will award plaques to each of the 10 winning districts.

The purpose of the statewide contest is for the purpose of arousing public interest, to encourage adoption of soil conservation practices in addition to the present 67 soil conservation districts, and to support programs now under way directed by A. D. McKinnon, state coordinator.

The contest is open to all North Dakota farmers, but entry must be made before July 1st to district soil conservation offices, to the local county agent or by mail to the G.N.D.A. office.

Increase Stock at Rugby

Stockholders of the Citizens State Bank at Rugby, North Dakota, have voted to increase the common stock of the bank from \$25,000 to \$50,000. The change was approved at a recent meeting of the state banking board, according to an announcement from R. S. See, chief deputy examiner.

Elected Director

R. O. Melland was named a director of the James River National Bank, Jamestown, North Dakota, at the annual shareholders' meeting, according to P. J. Schirber, president.

Mr. Melland replaces A. J. Linn, who recently moved to Seattle.

Re-elected as directors were Clifton Johnson, Howard Struble, A. J. Rulon, E. W. Hauser and P. J. Schirber.

At the directors' meeting, which followed the shareholders' meeting, P. J. Schirber was re-elected president. Other officers who will serve again this year are A. J. Rulon, vice president; E. W. Hauser, cashier; and R. B. Haakenson, manager of the installment loan office.

Henry E. Nelson

Henry E. Nelson, 70, pioneer banker and realtor, who became a resident of the Valley City, North Dakota, community in 1879, died last month. He leaves Mrs. Nelson and three sisters.

With Marquette National

Otto H. Preus, cashier of the State Bank of Cokato, Minnesota, has been elected assistant vice president of Marquette National Bank, Minneapolis, President Russell Stotesbery announces.

Mr. Preus will serve in the department of banks and bankers with C. C. Rieger, vice president. He fills the vacancy created when Oscar A. Schultz resigned to buy the Bank of Commerce



OTTO H. PREUS
Assistant Vice President

and Savings, Duluth, which he now heads.

Born in Eau Claire, Mr. Preus was educated in Minneapolis, attended Luther College, Decorah, Iowa, and in 1917 joined the Navy for World War I service.

After discharge in 1919, he became associated with Bankers National Bank, Minneapolis, and later was with Payday National Bank. From 1924 to

1933 he was associated with Minnesota's state banking department.

He then became an officer of First International Bank, Williston, North Dakota. After leaving Williston, he became cashier of the Peoples State Bank, Cambridge, Minnesota. He became cashier of the State Bank at Cokato nine years ago.

Accident Rate

If you were a city dweller of three hundred years ago—say of A. D. 1648 in London—you would be only half as likely to be killed in an accident as you are today, but you would be several times as likely to die from tuberculosis or other diseases with such fearful names as spotted fever, purples, rising of the lights, plague in the guts, tussick, imposthume, etc., says a study of early and present-day mortality by Northwestern National Life Insurance Company.

The king's horsemen were the fastest traffic to contend with in 1648; that greatest of all accidental killers, the automobile, was two and a half centuries in the future. Accidental deaths were only about 36 per year per 100,000 of population in 1648, compared to 71 per 100,000 today; accidents then accounted for only a little over 1 per cent of total mortality, against nearly 7 per cent today.

Total annual death rate, however, in 17th century England was 35 to 40 per 1,000 of population, against only 10 per thousand of population in present-day United States. Infant mortality from disease was terrific, though it was on the way down from the dark medieval years when 50 per cent of the children in many European countries died before reaching their tenth birthday, as compared with only 6 per cent mortality by age 10 in the present-day United States.

Public National's 40th Year

E. Chester Gersten, president of The Public National Bank and Trust Company of New York, is receiving congratulations on the 40th anniversary of the bank's founding.

Established April 14, 1908, The Public National Bank and Trust Company has enjoyed a constant growth, both in volume of banking activity and resources, which now reach \$550,000,000, and capital funds of \$30,000,000.

There are now 26 Public National Bank and Trust Company offices located throughout the Greater New York area, with a staff of more than 1,400. The bank provides complete banking facilities for serving every individual, business, industrial and bank correspondent need, whether local, national, or international in scope.

For 92 Years
SOUND BANKING SERVICE

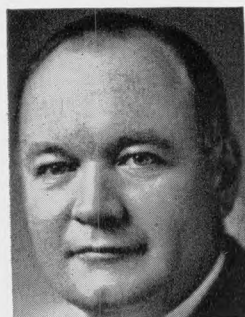


Complete Correspondent Facilities

The
UNITED STATES
National BANK of Omaha

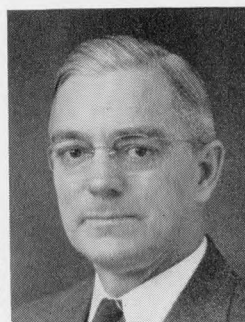
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, April, 1948



J. O. PECK
President
Columbus

Nebraska NEWS



CARL G. SWANSON
Secretary
Omaha

Hold Regional Meetings

The 14 Nebraska Regional Clearing House Associations met in 14 regional meetings last month to discuss the A.B.A. Anti-Inflationary Credit program which was adopted a few weeks ago.

Despite extreme weather at many points throughout the state, total attendance at the 14 meetings was 568 bankers, representing 205 banks. Secretaries of the Regional Clearing House groups reported that bankers attending the meetings were behind the program 100 per cent, a number of bankers having started such a program voluntarily before the meetings were even called.

The meetings were held at Columbus, Beatrice (meeting moved over to Fairbury), Fremont, Gordon, Grand Island, Humboldt, McCook, Minden, North Platte, O'Neill, Ord, Scottsbluff, Wayne and York.

Soil Contest

Jefferson county's annual soil conservation contest, formerly presented under the name of J. E. Conklin, will be sponsored by the First National Bank of Fairbury, Nebraska, this year and will be known as the "First National Soil Conservation Board."

Reinhold Rinne, field service representative for the bank, reports that this year's contest will differ from those in the past in that all previous soil conservation accomplishments will be eligible for the awards.

J. E. Conklin, former state senator from Hubbell and a pioneer advocate of soil conservation measures, was the originator of the contest, the first one being sponsored by him in 1945.

As in previous contests, prizes for first, second and third place will be \$25, \$15 and \$10, respectively.

Bank Honors 4-H Work

Members of six different types of 4-H Club projects were announced last month as receiving twelve all-expense trips to State 4-H Club Week in Lincoln, Nebraska, May 31st to June 4th. The awards were given on the basis of club records submitted by the boys and girls. The awards are provided by the First National Bank of Lincoln to recognize excellence in keeping individual project record books and club record books.

Projects recognized by the awards are crops, dairy, animal husbandry, foods, clothing, and homemaking. Four boys and eight girls were named by L. I. Frisbie, state 4-H Club leader, to receive the awards.

These awards were new for 1947 club activities, having not been given previously. The awards will be repeated for those club members who keep outstanding records of their crop, animal husbandry, dairy, homemaking, cooking and clothing projects during 1948.

In Allen Bank

Tom Rasmussen has been employed by the Security State Bank of Allen, Nebraska, as bookkeeper to fill the

vacancy caused by resignation of Miss Marie Lanser, who was to be married last month.

At the recent meeting of stockholders of the Security State Bank of Allen, the same board and officers were re-elected. The officers are: David Tuning, president; W. T. Connell, vice president; Millard M. Martin, cashier, and Marvin R. Burgess, assistant cashier.

Beatrice C. of C. Director

Harold R. Deitemeyer, cashier of the First National Bank of Beatrice, Nebraska, last month was named one of the five new directors of the Beatrice Chamber of Commerce. The announcement was made at the quarterly meeting of the Chamber of Commerce, which was attended by 600 diners who had gathered to honor the Beatrice Foods Company on the observance of its 50th anniversary.

First Sale on New Plan

Nebraska State Bank of Broken Bow, was reported last month to have become the first private lender in Nebraska to take part in a new government plan for lending money to would-be farmers.

The government, under the plan, insures loans to deserving renters who want to become farm owners but who cannot finance themselves through the regular credit channels.

The first loan in Nebraska under the plan was made to Mr. and Mrs. Glenn R. Barnes. It went for the purchase of a family-type 460 acre farm ten miles southwest of Callaway in Custer county.

Under the plan the government agrees to take over the loan and pay the lender all unpaid principal and

1948 Nebraska Group Meetings

GROUPS	DATES	TOWNS
4	Monday, April 19th.....	Holdrege
6	Tuesday, April 20th.....	Alliance
5	Wednesday, April 21st.....	Ord
2	Thursday, April 22nd.....	Fremont
3	Thursday, April 22nd.....	Norfolk
1	Friday, April 23rd.....	Lincoln

Did you know that this company pioneered in putting Bank Insurance on a scientific basis and forcing rate reductions? Ask us about our counseling service.

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Northwestern Banker, April, 1948

interest and other accrued costs if the borrower defaults for a year. In case of a 30-day default, the government pays the defaulted interest and principal.

The borrower agrees to refinance the loan through regular non-government credit sources at not more than 5 per cent interest as soon as he acquires sufficient equity in the farm to do so.

Passes 89th Birthday

C. M. Brown, president of the First National Bank of Cambridge, Nebraska, observed his 89th birthday a few weeks ago. He was born in Jamestown, Indiana, in 1859 and moved to Cambridge in January, 1887, and established his bank on January 13th of

that year. Despite his advanced years, Mr. Brown still retains a lively interest in his community and is also a director of the First National Bank.

On ABA Executive Council

Glen T. Gibson, president of the Exchange Bank of Gibbon, Nebraska, and president of the Nebraska Bankers Association during 1947, was appointed last month to the executive council of the American Bankers Association by A.B.A. State Vice President Carl D. Ganz, vice president of the National Bank of Commerce in Lincoln. Mr. Gibson will fill the vacancy caused by the recent death of Edgar McBride, who was president of the Commercial Bank of Blue Hill and also a past state association president.

Mr. Gibson also will act as state chairman of the federal legislative council and as a member of the subcommittee on agricultural credit, positions formerly occupied by Mr. McBride.

Heads Unadilla Bank

G. B. White was elected president at the annual stockholders' meeting of the First National Bank of Unadilla, Nebraska. He had been vice president.

Also elected were George Rose, vice president; George Brandt, cashier, and Beulah Brandt, assistant cashier.

Elect New Officers

At the recent meeting of the Southeast Clearinghouse Association, new officers elected for the coming year are: President, J. E. Conklin, president of the Hubbell Bank of Hubbell; vice president, Boyd Rist, vice president and cashier of the Wymore National Bank, and secretary-treasurer, Fay Sandritter, assistant cashier of the First National Bank of Beatrice.

Remodeling Nelson Bank

The Commercial Bank of Nelson, Nebraska, is being remodeled to provide much greater floor space on the main floor. When completed, the remodeled banking department will include all of the building's first floor and will provide additional space in the rear of the building for several of the bank's service departments.

A new 10 by 15 foot vault is being built in one corner for an increased number of safe deposit boxes, with two private rooms added for box renters. A new entrance is being built on one side of the bank and more counter space will be available for customer convenience.

Awards Contest Prizes

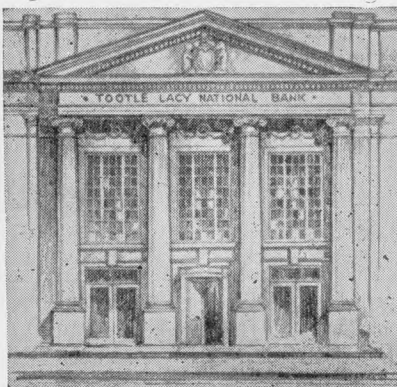
The Cozad State Bank, Cozad, Nebraska, last month awarded small 4-H and American flag sets to each demonstrator in the Dawson county livestock disease prevention demonstrations. The affair was held at the Cozad city hall. The two winning demonstrations on disease prevention were given on the use of DDT. Winners represented Dawson county later in the month at the district contest held in McCook.

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

Nebraska Group Meetings

This is to suggest that each Bank have at least one representative attend their local Group Meetings. Now is the time to get together and discuss banking problems. This bank will be represented at all the meetings. We will be looking forward to seeing you.

NATIONAL BANK of COMMERCE
 LINCOLN, NEBRASKA
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Northwestern Banker, April, 1948

IN ST. JOSEPH
 No Other Bank Gives You
MORE* for YOUR MONEY
 Than the

TOOTLE-LACY

MILTON TOOTLE
 PRESIDENT

FRED T. BURRI
 CASHIER

R. E. WALES
 VICE PRESIDENT



Omaha News

THE recent cut in electric rates by the Omaha Public Power District was hailed by **Clarence Witt**, president of the South Omaha Savings Bank and the South Omaha Merchants' Association as a "fine piece of advertising for Omaha."

Baron Hans de Meiss-Teuffen, Swiss bank clerk, newspaper man, newsreel photographer, copper miner and soldier, visited Omaha recently. He came to lecture on the Palestine situation.

J. O. Peck of Columbus, president of the Nebraska Bankers Association, said recently that Nebraskans were fighting inflation by buying Government bonds. Nebraska, he stated, led the nation in 1947 in per capita purchase of U. S. Savings Bonds. The state's average was \$111.38 per citizen.

A Nebraska delegation, headed by Mr. Peck, went to Washington the middle of March to confer with Treasury Department officials on a program aimed at keeping bond sales high during 1948. Others who made the trip included **J. Rupert Kenner** of Hebron, vice president of the Association; **Robert I. Stout** of Tekamah, savings bond chairman; and **Leland Hall** of Omaha, state bond director for the Treasury Department.

Henry C. Karpf, president of the Live Stock National Bank and Mrs.

Karpf were vacationing in Hot Springs Arkansas, last month.

Herbert B. Waldron, 77, formerly in the banking and investment business in Eastern Nebraska and Western Iowa, died recently at his home in Omaha. He was an executive officer of a bank at Bennington, Nebraska from 1890 to 1900. He helped organize the Citizens' State Bank of Waterloo, Iowa, in 1901 and remained an official of that bank until 1913. He was also president of banks at Washington, Nebraska and Murdock, Nebraska.

J. B. Frazier, Jr., Omaha investment banker, left recently for Miami, Florida, for a stay of several weeks.

Mr. and Mrs. J. T. Stewart III spent a week-end recently at the Antlers, Spirit Lake, Iowa. They went to the lakes to inspect their summer cottage on Lake Okoboji. Mr. Stewart is vice president and cashier of the First National Bank of Omaha.

Not more than a handful of Congressmen could pass an examination on the subject, "What Is Money," according to **J. F. McDermott**, vice president of the First National Bank of Omaha, who addressed members of the Omaha Concord Club recently.

Mr. and Mrs. Dale Clark have a new grandson. He is Edwin Dale Clark, born recently at an Omaha hospital to

Mr. and Mrs. Walter W. Clark. Dale Clark is president of the Omaha National Bank. The child was born on his father's birthday.

The First National Bank of Omaha has opened its new banking floor addition, which provides more tellers' cages for large depositors, payrolls and other departments and will greatly relieve congestion in the main banking room.

The color of the walls, a pastel shade of green, was not chosen at random. Officers of the bank voted on a number of different colors and this was the winning shade. It is easy on the eyes.

Ralph Wilson Douglas, 76, president of the Douglas Candy Company of St. Joseph, Missouri, and Omaha, died recently at St. Joseph. He was the father of **John M. Douglas**, Omaha investment banker, who formerly was associated with his father in the candy concern.

Robert H. Hall, who resigned recently after 20 years in the banking field at Omaha, was showered with flowers and gifts as well as good-natured needling at a testimonial banquet in his honor, sponsored at the Birchwood Club in Omaha by the North Omaha Booster Club and other Omaha business men. Three hundred and fifty attended.

Linn P. Campbell, 58-year-old president of the Byron Reed Company, and a director of the United States National Bank of Omaha, was found dead near his suburban Omaha home recently.

The new president of the Byron Reed Company is **Charles E. Peterson**, 52-year-old World War I Navy ensign and former University of Nebraska student. Mr. Peterson has been vice president and treasurer of the Company. He is only the fourth president to serve the Byron Reed firm since it was formed in 1856. The others were

*MORE personal service — *MORE types of service — *MORE
friendliness — *MORE people who are interested in you.

NATIONAL BANK ST. JOSEPH, MO.

GRAHAM G. LACY
CH. OF THE BOARD

E. H. SCHOPP
ASST. CASHIER

E. L. CRUME
ASST. CASHIER

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Northwestern Banker, April, 1948

Byron Reed, A. L. Reed and Mr. Campbell.

James E. Nickerson was re-elected vice president and secretary and **Richard W. Walker** was re-elected a vice president and given the added duties of treasurer. **R. W. Harbor** was re-elected a vice president. Mr. Walker heads the insurance department of the firm.

Mallory Kountze, son of Mr. and Mrs. **Denman Kountze** of Omaha, has become associated with his father in the Midstate Underwriters, Inc., at 1909 Harney Street. After service in the Navy, the younger Mr. Kountze took courses at Iowa State College. He was married in February to **Miss Elizabeth Maenner**, also of Omaha.

The young man's father is a former Omaha banker.

Fred W. Thomas, president of the First National Bank of Omaha, was in Clarkson Hospital at Omaha recently for a checkup.

Workmen were busy at the South Omaha Savings Bank last month installing an air conditioning system. In addition the interior of the building will be completely redecorated and remodeled, **C. F. Witt**, president, said.

Daniel J. Monen, vice president of the Omaha National Bank, is a member of a new committee of the Omaha Community Chest. The committee was named to aid member agencies with building repair and construction problems. The chairman is **Harold D. LeMar**. Other members include **Edgar M. Morsman III**, attorney; **Roman L. Hruska**, Douglas County Commissioner, and **Sam Beber**, attorney.

The initial gifts team, of which **Dale Clark**, president of the Omaha National Bank, was chairman, came

the closest of the 11 teams in the Omaha YMCA drive for \$598,000 to reach its goal. The team headed by Mr. Clark raised \$464,108 of its \$498,000 quota. A total of \$550,944 was reported pledged, or 92 per cent of the amount sought.

Mr. and Mrs. Charles Saunders returned recently after a trip of two weeks to the west coast. They stopped first at Camelback Inn, Phoenix, Arizona, and then went on to California. They were in Pasadena and San Francisco and returned home by way of Seattle, Washington. Mr. Saunders resigned recently as vice president of the First National Bank of Omaha.

Greenway and Company, Omaha investment banking firm, was successful bidder for \$93,500 of City of Winnebago, Nebraska, 2½ per cent general mortgage auditorium bonds at a public sale recently.

W. B. Millard, Jr., vice president of the Omaha National Bank and chairman of the 1948 Red Cross funds campaign, was speaker recently at a "kickoff" tea at the Fontenelle Hotel in Omaha. He addressed ward chairmen of the campaign.

Milton F. Barlow, former Omaha banker who has been living in Lincoln in recent years, is taking up his residence in Kansas City, Missouri. Mrs. Barlow and their three children were to join Mr. Barlow at their new home last month.

The Live Stock National Bank of Omaha has remodeled the lunch room for employes—installing new equipment throughout—and is serving hot lunches.

Employees of the **Omaha National Bank** recently were reported as 100

per cent contributors to the Red Cross in the annual drive.



Lincoln bankers are looking forward with pleasure to April 23rd. On that date they will be host to the annual meeting of Group 1 of the Nebraska Bankers Association. The committee on arrangements already has met several times preliminary to lining up entertainment and convention programs.

The meeting in the Capital City will be the last of a series of six to be held in as many different cities of the state beginning on April 19th at Holdrege where Group 4 will meet.

Continuing a practice of many years, Lincoln and Omaha bankers will be represented at all of the meetings, making the circuit in Pullman cars chartered for the five days. Leaving Omaha on the morning of the 19th, the Missouri river metropolis party will go first to the Holdrege convention. En route, they will stop at Lincoln to pick up the capital city contingent.

The combined delegations will include 40 or more persons. Heading the itinerant party will be **Carl Swan-**

First National Bank of Omaha

Oldest National Bank From Omaha West

Member Federal Deposit Insurance Corporation

IF IT PERTAINS TO LIVE STOCK
WE CAN SERVE YOU!



STOCK YARDS NATIONAL BANK

Omaha, Nebraska

Member Federal Deposit Insurance Corporation

Northwestern Banker, April, 1948

son of Omaha, state secretary of the Association.

Wedding bells soon will be ringing for two popular employes of the National Bank of Commerce. They are **Miss Elladine Faye Perry**, who is to become the bride of **Herman Brockmeir**, assistant cashier of the Bank of

Commerce. Miss Perry is a teller. Recent announcement of their engagement said the wedding would be an event of early spring.

The second annual clinic of the **Nebraska Bankers Association** has been scheduled for April 8th to 10th, inclusive, at Doane College, in Crete.

according to information received from **Carl Swanson**, state secretary.

The program includes addresses by well known speakers, and panel discussions through which Nebraska bankers will be better able to keep abreast of developing economic conditions, and necessary changes in banking practices.

Secretary Swanson is expecting the attendance to reach 250 or more. About 150 bankers attended the first clinic which was held at Doane College last year.

Mr. and Mrs. Albert Held were sojourning recently under the balmy skies of Key West, Florida. Prior to leaving for the south, Mr. and Mrs. Held made plans to stop at Mt. Sterling, Kentucky, for a visit with their daughter who lives there. Mr. Held is executive vice president of the National Bank of Commerce.

George W. Holmes, president of the First National Bank, observed his birthday anniversary on February 29th. The observance was his sixteenth. There being no Leap Year in 1900, there was a span of eight years during which Mr. Holmes saw the time speed by without his having a birthday. He is 64 years old.

On Saturday prior to his 1948 birth anniversary, Mr. Holmes was called to a "directors' conference" of the First Trust Company. When he arrived he was greeted in the directors' room with a huge birthday cake brilliantly lighted with candles designed as the figures "6 8." Later the cake was cut, and Mr. Holmes received the good wishes of his fellow company officials, and also the employes, as the cake was passed around.

A decline in the clearings for February, compared to those for January, was noted in the month-end report of the **Lincoln Clearing House Association**, covering the three downtown banks. Officials of the banks, however, were not in the least alarmed because of the lower business level indicated by the figures. A falling off in business is not unusual during the first two months following the advent of the New Year, it was emphasized.

February clearings, according to the clearing house report, were \$25,855,943. For January the aggregate was \$31,721,358. Despite the 1948 showing, February this year topped the aggregate for the same period in 1947 by \$1,500,000.—The End.

1898 — 1948

The completion of fifty years of service to the packing and live stock businesses at the St. Joseph market we feel qualifies us to serve you efficiently and quickly in the handling of your customers' proceeds on shipments to this market.

Please contact us if we can be of service to you.

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South St. Joseph, Mo.

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Thos. J. McCullough, Vice President
Louis J. Komer, Assistant Cashier
M. E. Blanchard, Cashier
H. H. Broadhead, Jr., Assistant Cashier

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In Lincoln — The Continental —

Thinking of Lincoln!
use The Continental National
for Service that Satisfies

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**CONTINENTAL NATIONAL
BANK**
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LINCOLN



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OFFICIAL SAFE, VAULT AND
TIMELOCK EXPERTS
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OMAHA**

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*Cockletone
 Bond*

*Created for men who choose their
 business representative with care*



The finest letterhead paper ever produced by Hammermill craftsmen

Many men who are particular about the paper that represents their business turn to the new Hammermill Cockletone Bond today. They find in this handsome paper the quality, "heavier feel" and crackle to add an extra impressiveness to their business messages.

It is the paper that says, wherever it is received, "This is a message of importance." Examine this new accomplishment of modern papermaking...and consider appointing it *your* business representative. (Its moderate cost may surprise you.) Just send for a sample book.

SEND FOR THIS FREE SAMPLE BOOK...



Contains samples of Cockletone Bond in all weights for letterhead use. Also matching envelopes. Please write on your business letterhead.

LOOK FOR THE COCKLETONE WATERMARK



Hammermill Paper Company,
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 Please send me—FREE—a sample book
 showing the new Hammermill Cockletone
 Bond.

Name.....

Position.....

(Please attach to, or write on, your business letterhead) NWB
 AP



• W. Dean Vogel, Vice President of Live Stock National Bank, and Commercial and Consumer Loan Adviser.

A LIVE STOCK NATIONAL SERVICE HELPS BUILD MORE BUSINESS FOR YOU . . .

ARE YOU getting your share of new business through opportunities offered in the increasing credit needs of business and industry in these post-war years? The opportunities are broad and embrace the newer credit fields of accounts receivable financing, warehousing, field warehousing and consumer credit . . . as well as open line and chattel mortgage loans.

Due to increased costs of operation and limited capital resources, many enterprises are employing these newer forms of bank credit more and more. Look around you, and see if you, too, can cash in on similar opportunities. In almost every community there are new industrial, commercial and commodity sales enterprises that are growing by leaps and bounds.

Now's the time to take advantage of Live Stock National's commercial loan service to local banks. Under the direction of W. Dean Vogel, Vice President, the commercial loan department offers you assistance in setting up spread sheets and obtaining other pertinent credit information in making commercial loans. In addition, his counsel is available in consumer credit fields. Where desirable, Live Stock National offers its facilities in participating in commercial loans.

Dean has had years of experience in commercial and consumer credit fields. Take advantage of his experience, which like that of our other officer-specialists, has been organized into a team at Live Stock National, of Omaha, to provide always better, 24-hour transit and correspondent banking service.

LIVE STOCK *National* BANK

OMAHA, NEBRASKA

THE BANK OF FRIENDLY 24-HOUR SERVICE

Member of Federal Reserve and Federal Deposit Insurance Corporation

Iowa NEWS



W. W. BLASIER
President
Jesup



FRANK WARNER
Secretary
Des Moines

Henry County Meeting

New officers were elected last month when the Henry County Bankers Association convened in Mt. Pleasant, Iowa, at the Harlan Hotel. Invited to the meeting also were bankers from Louisa, Des Moines and Lee counties and about 26 bankers attended the dinner the night of the meeting. In charge of the meeting was Retiring President P. A. Blackford, president, Hillsboro Savings Bank, Hillsboro.

The new officers are: President, Glen Arthaud, cashier, Peoples State Bank at Winfield; vice president, C. R. Atwell, executive vice president, Mt. Pleasant Bank and Trust Company, and secretary-treasurer, R. C. Eckey, assistant cashier, Farmers State Bank, New London.

H. L. Young of Des Moines addressed the group on "Farm Ownership Loans."

Retires as Director

Rudolph Leytze, Sr., submitted his resignation last month as director of the Farmers State Savings Bank in Independence, Iowa. Board members announced they would reluctantly accept the resignation and they named his son, Rudy Leytze, Jr., as the director to fill the vacancy.

Mr. Leytze, in tendering his resignation, said he desired to be relieved of some of his responsibilities and duties. He had been a member of the board of directors of the bank since January 12, 1937.

Buys Lenox Bank Stock

M. J. Spicer, a vice president of the Farmers and Merchants State Bank in Neola, Iowa, has purchased controlling interest in the First National Bank of Lenox and had made plans to move there April 1st. Mr. Spicer will be president of the Lenox bank.

He operated a drug store in Neola

from 1938 to 1945, when he joined the Neola bank.

With Glenwood Bank

Francis Wilson is now employed at the Glenwood State Bank, Glenwood, Iowa, having started work last month. He will take the place of Earl Schneckloth, who recently resigned as assistant cashier, and who will be employed by the municipal examining department of the state auditor's office.

New Osage Cashier

W. E. Sheldon, president of the Home Trust & Savings Bank in Osage, Iowa, has announced the appointment of Holland P. Norton as cashier for the institution. Mr. Norton began his duties last month, moving to Osage from Minneapolis.

Mr. Norton has 15 years of banking experience, part of which was in two country banks, part in the National City Bank of New York, and the larger share in the Northwest Bancorporation of Minneapolis, where his work has been with the management of the Bancorporation's country bank and country bank credits.

The new cashier of the Home Trust and Savings Bank served four years in the army during World War II. He enlisted as an infantry private and was discharged as a major. He served in the China-Burma-India Theater for one year.

With Savings Bond Section

Three Iowa bankers last month became associated with the Iowa Savings Bond Division of the United States Treasury Department, one as full-time



J. H. PETERMAN
Joins Savings Bond Division

employee, and the other two as volunteer district supervisors.

J. H. Peterman, who retired in January, 1946, as president of the Page


1948 Iowa Group Meetings

GROUPS	DATES	TOWNS
8	Monday, May 10th.....	Clinton
10	Tuesday, May 11th.....	Oskaloosa
6	Wednesday, May 12th.....	Perry
5	Thursday, May 13th.....	Council Bluffs
2	Tuesday, May 25th.....	Estherville
3	Wednesday, May 26th.....	Charles City
7	Thursday, May 27th.....	Vinton
4	Friday, May 28th.....	Waukon

Did you know that your Banker's Blanket Bond does not protect your Cash Letter while it is in transit by mail or express? Ask about our Cash Letter Policy, which fills the gap.

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Insurance Counselors  to Banks

Northwestern Banker, April, 1948

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

County State Bank at Clarinda and has served as chairman of the board of directors of that bank since that date, was named director of the banking and investment section of the Iowa Savings Bond Division. Mr. Peterman will be a full-time worker in this department, announces Roger Warin, state director.

The two volunteer district supervisors are both well known to Iowa bankers and business men. They are Fritz Fritzon and Frank A. Schuetz. Mr. Fritzon retired recently as vice president and cashier of the First National Bank of Sioux City after 50 years of service with that institution. Mr. Schuetz, who was cashier of the State Savings Bank at Lawler from 1906 to 1931, retired last November as treasurer of the Federal Intermediate Credit Bank at Omaha.

In announcing Mr. Peterman's appointment, Mr. Warin stated that more than 90 per cent of all savings bonds sold in Iowa are handled through banks, and that Mr. Peterman will be responsible for coordinating a special sales program for banks and other financial institutions. In addition, he will work with other phases of the program, such as pay roll savings, farm organizations and schools, in 15 southwest Iowa counties.

Mr. Fritzon and Mr. Schuetz will work with county chairmen and other volunteers in the Savings Bond Division, assisting in the reorganization of county committees. Mr. Warin pointed out that the skeleton staff of Treasury Department employes cannot cover all Iowa counties frequently enough to handle the necessary work,

and that use of volunteers results in more efficient operation of the state organization at a great saving to the government.

New Eagle Grove Bank

Approval of the charter for the Eagle Grove National Bank, Eagle Grove, Iowa, was given by the Comptroller of the Currency last month and the F.D.I.C. also has placed its seal of approval on the new institution.

W. Harold Brenton, prominent Iowa banker, is president of the new bank and Francis Shadle will be executive officer and a director. It was not announced when the bank would definitely open for business, but it is expected that the date probably will not be until July.

This will be the second bank for Eagle Grove, the 49-year-old Security Savings Bank being the other financial institution.

The Thompson Food Store Building has been purchased as the new bank site, renovation is under way and a completely new front will be erected. No details as to capitalization have been announced as yet.

Clinton County Election

The annual Clinton County Bankers Association dinner meeting and election of officers was held at Turner Club in Clinton, Iowa, last month with John Nissen, vice president of the City National of Clinton, and retiring association president, in charge of the meeting.

New officers are: President, L. J. Derflinger, president, Clinton National

Complete Correspondent Banking

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SPECIAL SERVICE BANKING

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Pioneers in Special Service Banking

CENTRAL NATIONAL BANK

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Your Government Bonds



AS an aid in handling portfolios of United States Government securities, we send our correspondent banks a weekly quotation sheet, buy and sell government securities as agent without fee and if requested hold the securities in safe keeping without charge.

This is one of many facilities we have developed from an experience of more than three-quarters of a century as Chicago correspondent for hundreds of Middle West banks. We shall be pleased to explain these facilities in full detail.

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

Member Federal Deposit Insurance Corporation

Northwestern Banker, April, 1948

Bank; vice president, Walter Thiele, cashier, Union Savings Bank, Grand Mound; secretary, Robert Burns, assistant cashier, Clinton National Bank, and treasurer, Emil Johannsen, assistant cashier, City National Bank of Clinton.

Besides the election, routine business was conducted with plans being formulated to entertain Group 8 at the annual group meeting to be held in Clinton on Monday, May 10th.

Advanced to Cashier

Mrs. Thelma Heitsman was advanced to the position of cashier of the Hedrick Savings Bank at Hedrick, Iowa, at a recent meeting of the directors.

The position previously had been held by J. B. Thompson who also is president of the bank. L. B. Miller was elected a vice president, succeeding George F. Schweitzer who resigned recently, and Glen A. Messerschmidt was elected to the board in Mr. Schweitzer's place. Mr. Miller, Mr. Thompson and Mr. Messerschmidt are joined on the board of directors by Frank E. Davis and Leroy Reynolds.

Son Killed in Navy

Lt. (j.g.) C. Richard Gossett, son of Mr. and Mrs. C. R. Gossett of Sioux City, Iowa, was killed in a plane accident in the line of duty with the United States Navy near San Juan,

Puerto Rico, recently. Mr. Gossett is president of the Security National Bank in Sioux City.

Funeral and burial services for Lt. Gossett were held at Arlington National Cemetery, Arlington, Virginia. Lt. Gossett served on the U.S.S. Canberra in the Pacific area during the war. After the war he took pilot training at Pensacola and Banana River, Florida, later being advanced to lieutenant, junior grade. He had previously graduated from the United States Naval Academy.

Miller Christiansen

Miller Christiansen, 64, president of the Security State Bank at Mt. Ayr, Iowa, died at his home last month after he had suffered a heart attack.

He was a veteran of both World Wars and retired from the army with the rank of major.

He was a member of the Methodist Church, Masonic Lodge and American Legion.

Besides his wife Mr. Christiansen is survived by a daughter, Joann, and a son, Curtis.

Moving to Mason City

Gwendolyn Stewart, assistant cashier of the Farmers Bank and Trust Company in Crystal Lake, Iowa, was married last month to James W. Nelson in Crystal Lake. The couple will reside in Mason City where Mr. Nelson is affiliated with the Household Finance Corporation.

Bank Woman Retires

Miss Emma Anderson, assistant cashier at the Fidelity Savings Bank of Ottumwa, Iowa, and one of the long-time bank employes of Ottumwa, retired from that position last month.

In recognition of that long service, all Fidelity Bank employes gathered together for a dinner party at Hotel Ottumwa, given in honor of Miss Anderson, who had been with that bank since 1931.

Miss Anderson has made banking her lifetime work, and began immediately following her graduation from business college, joining the staff of the State Bank of Ottumwa and later that of the Citizens Savings Bank, where she also served as assistant cashier.

Eugene Wulfekuhler, Sr., president of the Fidelity Savings Bank, said, "Miss Anderson has ever been one of our outstanding associates. We all regret her decision to retire and are grateful for her loyal and efficient service."

Redecorate Building

Last month marked the completion of the redecorating of the interior of

You're Always Welcome Here!

Once upon a time, a man decided he wanted to keep people out of his office, so he removed the outside doorknob. Then he found he couldn't get in his own office!

Here at the First National Bank in Sioux City, all our doors have knobs—and they turn easily, too. Come in and see us next time you're here, won't you?

A. G. SAM, President

J. T. Grant, Vice President

H. H. Strifert, Assistant Cashier

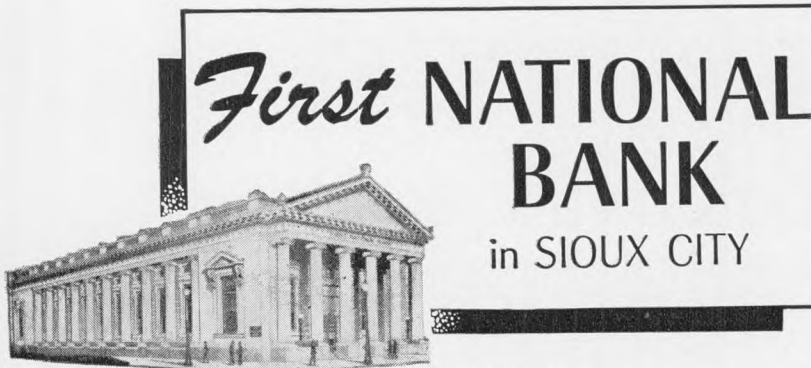
J. R. Graning, Cashier

K. J. Shannon, Assistant Cashier

E. A. Johnson, Assistant Cashier

W. L. Temple, Assistant Cashier

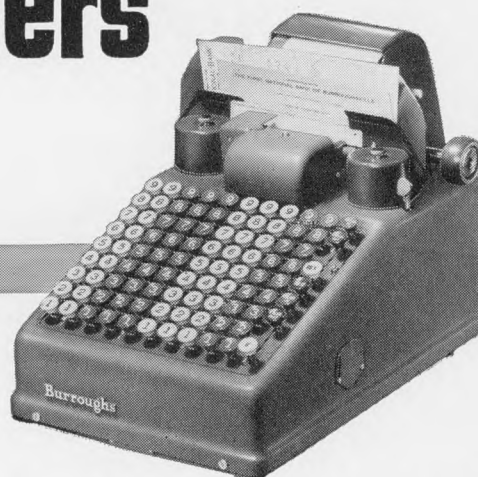
J. Ford Wheeler, Auditor



MEMBER FEDERAL RESERVE SYSTEM
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have purchased
this modern tool
for tellers**



**BURROUGHS
COMMERCIAL TELLER'S
MACHINE**

Like a snowball rolling down hill, the list of banks that are mechanizing their commercial teller operations grows and grows and grows. From coast to coast, large banks and small banks—in many instances, entire cities—are installing Burroughs Commercial Teller's Machines to speed and improve service to customers . . . to provide faster, more efficient internal accounting.

Not since the introduction of the bank posting machine has an idea met with such spontaneous approval and acceptance.

And do customers like it? Ask any bank now using it. Then ask your Burroughs representative to give you the full story on this modern tool for tellers . . . its success in other banks, its boon to customer relations.

WHEREVER THERE'S BUSINESS THERE'S

Burroughs 

Northwestern Banker, April, 1948

the First State Bank at Sioux Rapids, Iowa. It is the first of the new improvements planned by L. F. Pingel, president. In the near future an air conditioning system will be installed and the basement will be reconstructed.

Association Officer

E. E. Manuel, president of the George State Bank at George, Iowa, last month attended a meeting in Washington, D. C., of the Independent Bankers Association, which was held in regard to proposed banking bills. At the association's meeting, Mr. Manuel was elected first vice president.

Heads Greenfield Bank

J. E. Howe, vice president of the Adair County Bank, Greenfield, Iowa, has announced the purchase of the interests of Mrs. L. E. Foster, and has become president of the bank. Mr. Howe has held a substantial financial interest in the bank for a number of years and now has acquired the remaining stock.

He has been associated with the Adair County Bank for 35 years. Starting as an employe of the bank in 1913, he has held all of the offices and now becomes president of the institution which was founded here in 1875. The bank, according to the last

statement, December 31, 1947, shows deposits of \$3,908,131.

T. N. Howe will be associated with his father in the bank as cashier. He was employed in the bank there for eight years and for four years was employed in the Central National Bank of Des Moines.

Mrs. L. E. Foster has been president of the Adair County Bank since the death of her father, E. H. Bickford, in 1924.

The officers of the Adair County Bank, prior to the sale of Mrs. Foster's stock to J. E. Howe, were: Mrs. Foster, president; J. E. Howe, vice president; L. E. Foster, cashier, and Ted N. Howe, assistant cashier.

Moves to Fairfield

Max Whisler, formerly of Emerson, Iowa, has been elected assistant cashier of the First National Bank in Fairfield, Iowa. Mr. Whisler was formerly assistant cashier of the Emerson State Bank.

Mr. Whisler graduated from high school in Emerson and attended Parsons College from 1939 to 1942. He served three and half years in the Navy and following his discharge in January, 1946, made his home in Emerson.

Ellery Kyle, assistant cashier, has been named auditor and head of the bookkeeping department of the Fairfield bank.

Heads Onawa C. of C.

Allen E. Muir, president of the Onawa State Bank, last month was elected president of the Onawa, Iowa, Chamber of Commerce. He succeeds Russell Pearson in that position. Mr. Muir has been a resident of Onawa since 1933 when he first became cashier of the Onawa State Bank.

Coin Display

A collection of dollar-size coins, gathered from all corners of the earth, was on display at the Muscatine Bank and Trust Company, Muscatine, Iowa, recently. The collection consists of 108 coins, struck during the past 420 years.

40th Anniversary

The Security Trust & Savings Bank of Storm Lake, Iowa, observed its 40th anniversary recently with many friends and patrons calling at the bank with congratulations.

The Security Trust & Savings Bank was originally founded in 1908 as a private institution under the name of Security Bank. It was incorporated January 19, 1917.

The late L. E. Ballou, father of the

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IS
INVITED**

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DROVERS
NATIONAL
BANK IS A
LOGICAL CHOICE
OF MANY MID-
WESTERN BANKS
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CORRESPONDENT

**DROVERS NATIONAL BANK
DROVERS TRUST & SAVINGS BANK
UNION STOCK YARDS, CHICAGO**

Members, Federal Deposit Insurance Corporation

present president, and the late W. A. Jones were the original founders of the bank. L. Edgar Ballou, son of the founder, who has been president of the bank for years, was with the bank since its inception.

He became associated with it as a young man, and remained ever since. Mr. Jones sold his interests in March, 1909, or about a year after it was organized.

Among the long associates are George Eginton, cashier, who became affiliated with the Security Trust & Savings Bank in 1916, and C. C. Fritcher, assistant cashier, who joined the personnel in September, 1923.

Leland Ballou, assistant cashier, representing the third generation of the Ballou family with the bank, has been with the institution since leaving school in 1937, with the exception of two and one-half years overseas and domestic service with the Navy during World War II.

Sioux City News

WILLIAM L. TEMPLE has been elected assistant cashier of the First National Bank in Sioux City. He has a wide experience in the banking field, having been with a bank in



WILLIAM L. TEMPLE
Joins First National of Sioux City

South Dakota for a number of years and later with the State Banking Department in South Dakota. More recently he disposed of his interest in an Iowa bank.

YOUR STATE BANKERS ASSOCIATION
OFFICIAL SAFE, VAULT AND
TIMELOCK EXPERTS
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OMAHA

Mr. Temple is married and has two boys and two girls.

St. Patrick's Day did not slip by last month without the auld sod coming in for its share of attention at the **Toy National Bank** in Sioux City. When customers arrived at the tellers' cages for daily transactions on March 17th, they were greeted at window No. 3 with a Kelly green light bulb, shining as brightly as the light in some fair colleen's eyes.

A glance at the name of the teller holding forth at window No. 3 was all that was needed, however, for the name was—**John Horrigan**. The green

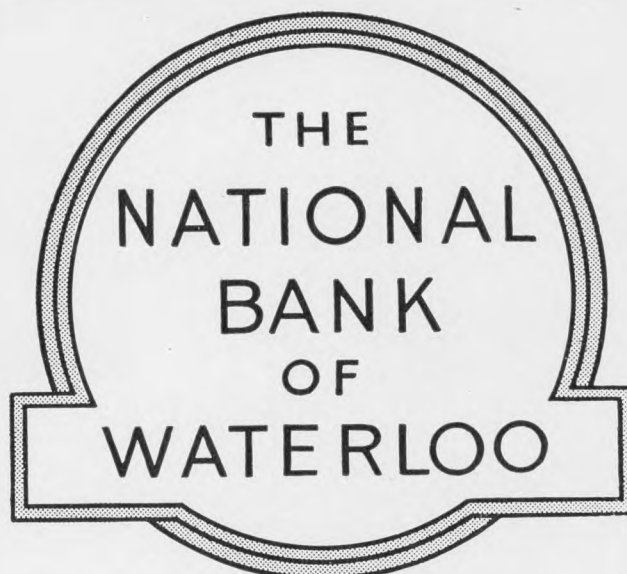
light in front of Mr. Horrigan's window has become a custom now, since the bank engineer, **Knute Anderson**, has been placing it there every year. Normally each teller's window is lighted by regular white lights.

Clever Guy

They were walking arm in arm.

"Darling," she said coyly, "which do you prefer—a homely woman with great intelligence, or a pretty girl without brains?"

Without batting an eyelash, he came up with the right answer. "Honestly," he replied, "I prefer you to either."



HEADQUARTERS

NORTHEASTERN IOWA BANKERS

Prompt, efficient, and complete

banking facilities make this

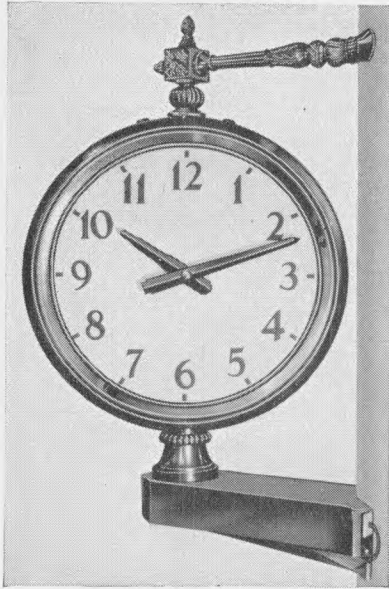
bank your logical choice for

Northeastern Iowa business.

Member . . . Federal Deposit Insurance Corporation
Federal Reserve System

Des Moines News

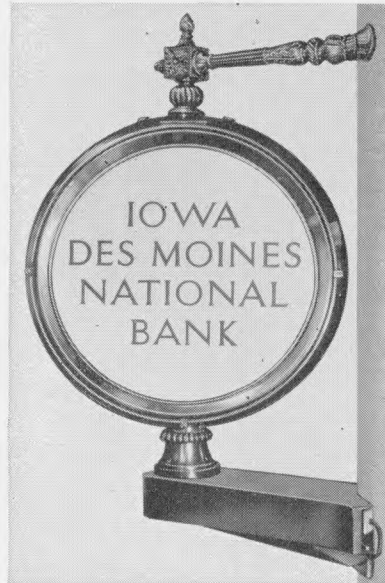
ANOTHER mark of distinction has been added to the Iowa-Des Moines National Bank of Des Moines. One of the most unusual clocks in the world has just been installed—a revolving bracket clock which completes two revolutions a minute in such a way that it can be seen clearly in all directions.



Specially designed by the Self-Winding Clock Company, Inc., of Brooklyn, New York, in collaboration with Brooks-Borg, Inc., Architects-Engineers of Des Moines, it is an accurate outdoor timepiece and it is believed there is only one other clock similar

to it in the world. Synchronized with Naval Observatory time, the clock is controlled by Western Union to assure accuracy.

As the clock weighs approximately 600 pounds, the brackets are anchored to the corner I-beam of the bank building to guarantee strong support, for it is suspended 19 feet above the sidewalk. From the base of the lower bracket to the tip of the acorn on the upper bracket it is approximately



seven feet high, and the clock itself is three feet 10 inches in diameter, and 14 inches thick.

There is a glass dial in front with the figures carved on the inside in such a manner that they appear to

be raised. The glass on the back has the name of the bank carved in the same manner. Both dial and back are edge-illuminated assuring easy readability day and night, and making the bronze hands stand out clearly.

The Des Moines chapter of the American Institute of Banking resumed its annual check adding and money counting contests last month at the Iowa-Des Moines National Bank.

The chapter suspended the contests during the war. This was the first one since 1941.

Honors in the check adding competition went to **Mary Teter**, an employe of the Iowa-Des Moines National Bank, who added 150 checks correctly in two minutes, 11 seconds. She was awarded \$25.

One two-fifths of a second behind Mary was **Jerry Hagman**, Capital City State Bank, who won second prize of \$15. **Mary Pearson** of the same bank took third and \$10, while **Betty Frankel**, Iowa-Des Moines National Bank, won fourth place and \$5.

The check adding contest for employes having two years or less of banking experience was won by **Jerry Hagman**, Capital City State Bank, who won \$5. **Ray Neilson**, Bankers Trust Company, won second and \$3, and **Arleen Johnson**, Iowa-Des Moines National Bank, took third and \$2.

A number of other competitions also were held.

25 Years

R. A. Reid, vice president, California Bank, Los Angeles, recently completed his twenty-fifth year of service with the bank, where he is in charge of the Long Beach Office.

Starting his banking career at the Bank of Montreal, Canada, in 1921, Mr. Reid joined California Bank's staff in 1923 and after a series of promotions was appointed branch manager in 1936, elected assistant vice president in 1943, and last December was elected vice president.

He is a member of the Long Beach Chamber of Commerce industrial committee, the mayor's special committee, board of directors of the Travelers Aid Society, and treasurer and member of the board of directors of the Kiwanis Club. He also holds memberships in the Pacific Coast Club, Propeller Club, Masonic Lodge, Virginia Country Club, and is an honorary member of the Bell-Maywood Rotary Club.

That's All, Brother

Overheard in a parked car: "Hands off, Columbus! You've discovered enough for one night."

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SAFETY for your BANK LOANS;
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Merrill Lynch in Des Moines

THE world's largest brokerage and investment firm, Merrill Lynch, Pierce, Fenner & Beane is opening a Des Moines office which will serve a large part of Iowa and Nebraska. The location will be the Des Moines Club



MICHAEL D. DEARTH
Heads Des Moines Investment Office

Building, 810 Locust Street, and Michael D. Dearth of Des Moines is the new manager.

Assisting Mr. Dearth at the time of the opening of the new office on April 5th will be William J. Molony, A. D. Robson and Norman Blake, all of whom are experienced Merrill Lynch account executives.

Mr. Dearth, the manager of the new office, is well known in Iowa investment circles. He is a graduate of the United States Naval Academy at Annapolis and served in the Navy in both World War I and World War II.

Mr. Dearth entered the investment business first in New York in 1927, later moving to Chicago and then coming to Des Moines in the early 30's.

He was president of the firm of Murdoch, Dearth and White, well-known Des Moines investment firm, which in recent years has been known as McCrary, Dearth and Company. The latter company was dissolved recently when Mr. Dearth announced his new connection, and Robert McCrary, the other firm member, has moved to California. Mr. Dearth has for years been active in the Iowa Investment Bankers Association, serving as president, secretary, and in other executive capacities in that organization.

During World War II, Mr. Dearth was on duty at the Navy Pre-Flight School at the University of Iowa and the Naval War College at Newport,

Rhode Island. From there he went to the South Pacific on the staff of Admiral Halsey and in 1945 he became chief executive officer of one of the largest U. S. hospital ships, the U.S.S. Sanctuary.

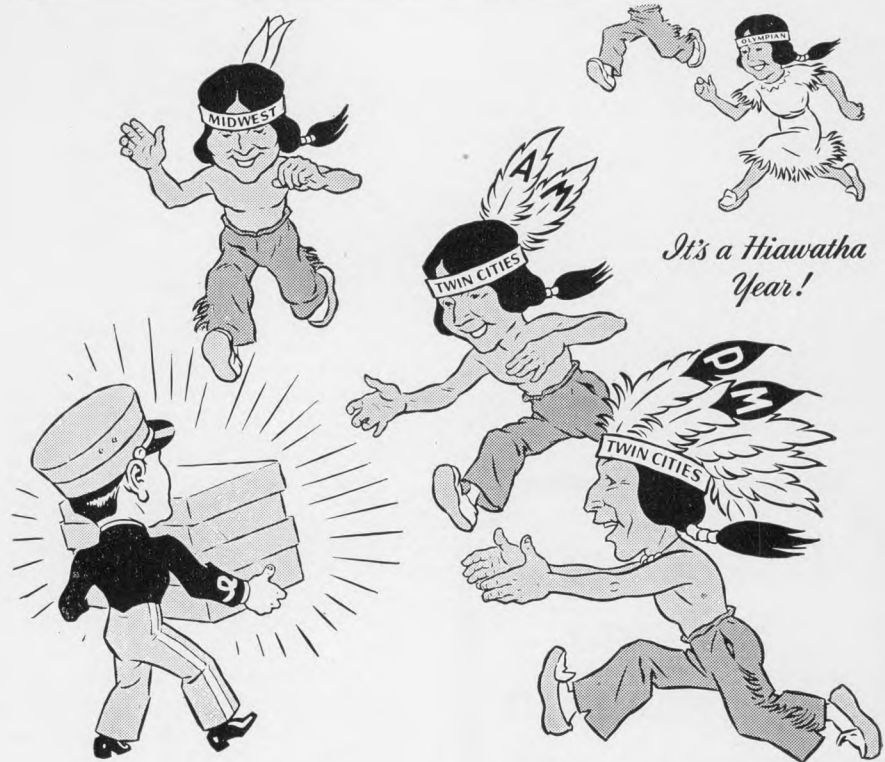
The new office will link Des Moines with 95 other Merrill Lynch, Pierce, Fenner and Beane offices, over 45,000 miles of leased wires. It will provide service in obtaining quotations, executing orders and supplying complete information to Iowa and Nebraska investors on stocks, bonds and commodities traded on the principal exchanges.

Keokuk Bank Sold

B. A. Gronstal, president of the Council Bluffs Savings Bank, announces the sale of his stock in the Security State Bank of Keokuk, Iowa, to a group of local business men. Included with Mr. Gronstal's stock was the stock of A. G. Kistle, also of Council Bluffs, and J. H. Gronstal, cashier of the bank.

The Security State Bank has deposits of approximately \$7,500,000 and a capital structure of \$437,000, including \$100,000 preferred stock, all locally owned.

A total of approximately 90 per cent of the common capital stock of the



New outfits for the Hiawathas

Hiawathas serve
Chicago • Milwaukee
St. Paul • Minneapolis
Butte • Spokane
Seattle • Tacoma
Des Moines • Omaha
Sioux City • Sioux Falls
and 60 other stations



Within a few weeks the AM and PM Twin Cities HIAWATHAS will step out with new equipment. There'll be squeals of delight from the HIAWATHA tepee.

And no wonder! Coming will be brighter, handsomer coaches . . . radio equipped Tip Top Tap cars . . . diagonal-seating dining cars . . . luxurious parlor cars with, for the first time, glass-roofed Skytop Lounges.

During 1948, The Milwaukee Road will enlarge and re-equip its HIAWATHA fleet. More new passenger train cars will be placed in service than on any other western railroad. H. Sengstacken, Passenger Traffic Manager, 808 Union Station, Chicago 6, Illinois.

Chicago, Milwaukee, St. Paul & Pacific Railroad

bank was transferred in this transaction, making it one of the largest Iowa bank sales in recent years. No changes in the operating personnel of the bank are contemplated.

B. A. Gronstal entered the Keokuk banking picture on September 18, 1944, when he and others from Des Moines, Iowa, purchased the Keokuk National Bank. Later Mr. Gronstal purchased the interests of his associates and then acquired the Security State Bank which he merged with the National under the Security State name. Since then he has served as president of the bank, with R. J. McCleary as executive vice president.

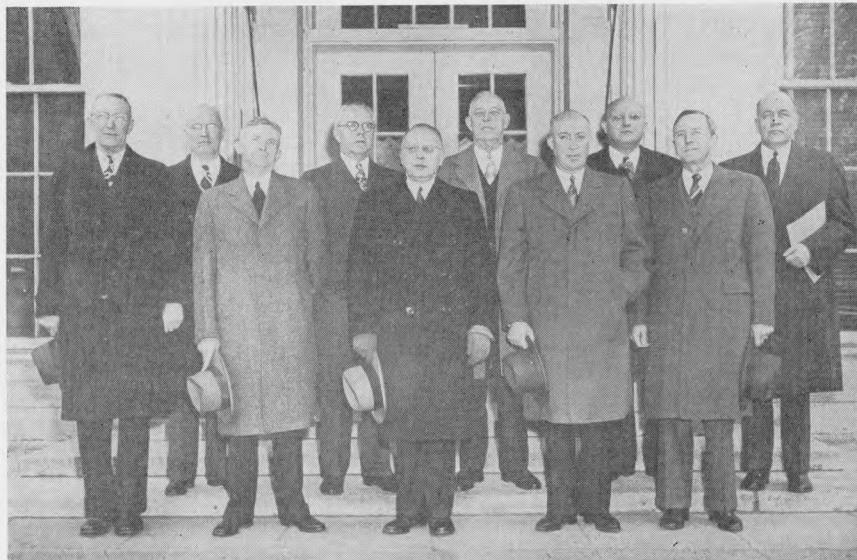
This sale was negotiated by Henry H. Byers, president of the Bankers Service Company of Des Moines.

To Establish School

The board of directors, Financial Public Relations Association, at their mid-winter meeting held last month in Cincinnati, voted to establish a School of Public Relations, to be held at Northwestern University, Chicago, Illinois, August 16th to 28th this year.

Robert Lindquist, vice president, La Salle National Bank, Chicago, and president of F.P.R.A., in making the announcement about the school said, "The need for such a school has long been apparent among member banks. While enrollments will necessarily be

Banking Leaders at White House



PRESIDENTS of state bankers associations attending and speakers at A.B.A. anti-inflation pilot meeting in Washington in front of the White House entrance after calling on President Truman. Pictured left to right are:

Front row: **I. P. McWhite**, president, Palmetto Bank & Trust Co., Lake City, South Carolina, and president, South Carolina Bankers Association; **J. K. Palmer**, vice president and cashier, Greenbrier Valley Bank, Lewisburg, West Virginia, and president, West Virginia Bankers Association; **Joseph M. Dodge**, president, The Detroit Bank, Detroit, Michigan, and president, American Bankers Association; **Lehman Plummer**, vice president, Central National Bank & Trust Co., Des Moines, Iowa, and chairman, A.B.A. Consumer Credit Committee; **Charles T. O'Neill**, vice president, National Bank & Trust Co., Charlottesville, Virginia, and chairman, A.B.A. Agricultural Commission.

Second row: **L. A. Tobie**, president, Meriden Savings Bank, Meriden, Connecticut, and president, A.B.A. Savings Division; **Lester E. Shippee**, executive vice president, Hartford-Connecticut Trust Co., Hartford, Connecticut, and chairman, A.B.A. Credit Policy Commission; **Warren M. Goddard**, vice president, State-Planters Bank & Trust Co., Richmond, Virginia, and president, Virginia Bankers Association; **Richard A. Norris**, executive vice president, Lincoln National Bank, Washington, D. C., and president, District of Columbia Bankers Association; **Walter B. French**, deputy manager, American Bankers Association.

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The guiding policy is one of cooperation in all matters of mutual interest.

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limited at this first school, arrangements may later be made to include representatives from all member banks wishing to take advantage of this three-year course of two weeks' residence annually."

A five-man board of managers to work out details on admissions, faculty, curriculum and all operational matters was elected by the directorate. The members of the board of managers are: Robert W. Sparks, vice president, Bowery Savings Bank, New York, chairman; John L. Chapman, trust officer, City National Bank & Trust Company, Chicago; John R. Christie, junior vice president, Citizens National Trust & Savings Bank, Los Angeles; Swayne P. Goodenough, vice president, Lincoln Rochester Trust Company, Rochester, New York, and Lewis F. Gordon, vice president, Citizens & Southern National Bank, Atlanta.

Two Regional Conferences

Two regional trust conferences for next autumn, one in the middle west

and one in the far west, are announced by R. M. Alton, president of the trust division of the American Bankers Association, who is vice president in charge of the trust department, United States National Bank, Portland, Oregon.

Mr. Alton states that the 22nd annual Western Regional Trust Conference will be held in Portland, Oregon, October 13th to 15th. Hosts for this conference will be the Trust Companies Association of Oregon and the Corporate Trustees' Association of Washington. The states represented will be Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.

The second one will be the 17th annual Mid-Continent Trust Conference, which will be held this year in Chicago, November 4th and 5th. Hosts at this gathering will be the Corporate Fiduciaries Association of Chicago. The Mid-Continent Trust Conference is held for trust institutions of Arkan-

sas, Colorado, Illinois, Indiana, Iowa, Kentucky, Kansas, Louisiana, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas and Wisconsin.

New Vault Service

As part of its regular training program for maintaining the world's largest service organization in the vault and safe field, Diebold, Inc., Canton 2, Ohio, has graduated its first class of service experts in 1948. Courses in servicing burglar resistive vaults and safes have been completed by the following men: G. W. Goll of Stroudsburg, Pennsylvania; T. W. Klepatz of Bedford, Ohio; R. D. Bailey and W. E. Grisso of Cleveland, Ohio, and A. Dohtorchik of Garfield Heights, Ohio. Messrs. Klepatz, Bailey, Grisso and Dohtorchik were selected for the course upon their graduation from the Cleveland School of Watchmaking. Mr. Goll has been employed for many years in allied lines of work.

The men were under the personal tutelage of W. L. Fisher, a former Diebold inspector in the northeast Ohio area. Training included intensified practice in cleaning, repairing and adjusting all timelock movements, delayed timers, and dial locks, until each man demonstrated a high degree of proficiency. Also included in the

course was actual construction work on vault doors in the Diebold plants, under close supervision of skilled employes.

These men are now ready for their first assignments in the nationwide service organization. Following field work with experienced inspectors,



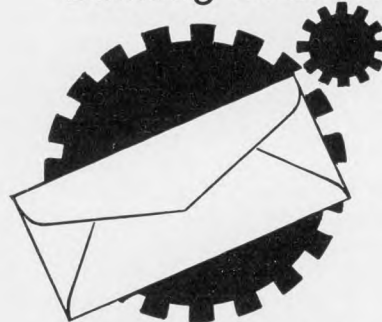
Part of the Recent Class in the Diebold Service School

they will be ready to assume the responsibilities of a service territory of their own.

Director in charge of the Diebold Service School is Frank Jarvis, Diebold service division manager. He is assisted by George Johnston, manager of the Bank Vault and Safe Inspection Department.

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"Mutual Insurance Is American Insurance"

California Bank

J. Floyd Ragan was recently appointed manager of California Bank's Alhambra Office, where he is associated with Assistant Vice President Al Beyer, Jr. Mr. Ragan has been a member of the bank's staff since 1933 and during the war served one year in the Army Field Artillery. On his return to the bank in March, 1946, he was appointed assistant manager and assigned to the Alhambra branch. His public speaking ability has won him three firsts in the annual city-wide speaking contests sponsored by the American Institute of Banking, Los Angeles chapter.

Twenty-five years of service anniversaries with California Bank, Los Angeles, were observed recently by the bank's secretary, Frank Callinan; J. J. Connell, assistant manager of the Whittier & Indiana branch; H. F. Curry, assistant secretary, real estate loan department; Warren Edwards, chief paying teller, and Gustavo O. Ruiz, domestic exchange department.

Michael L. Donnelly, advertising manager, California Bank, Los Angeles, attended a joint meeting of San Francisco and Los Angeles bank advertising managers in San Francisco, recently.

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A progressive company with experienced, conservative management.

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E. H. WARNER
Secretary and Manager

W. W. WARNER
Assistant Secretary



New Orleans Silver Dollar Minted in 1903 Is Rare Coin

Coin collectors would give a lot to know what happened to the 4,450,000 silver dollars that were coined at the New Orleans Mint in 1903. Once in a while one will turn up in badly battered condition but it is a rare

thing for one to be found in the condition collectors want.

Coin dealers catalogue them at \$100 each and the several that have been found in new condition during recent years have brought close to that amount.

There are those who believe that the entire issue was shipped abroad and quickly found its way into the melting pot. Others are of the opinion that our own government melted them along about 1918 when 270 million of our silver dollars were converted into bullion.

Then there is always the chance that a few bags of them are tucked away in the corner of some bank vault and that they may come to light tomorrow and break the market. Such an occurrence would not be unusual for western banks carry a large quantity of silver dollars under the entry of 'cash on hand.' Several times during the last 10 years, silver dollars minted in the 70's and 80's have been found in the vaults of banks. When they were offered in the rare coin market prices dropped sharply and coins that once sold for \$20 or \$30 can now be obtained for less than double face.

The 1903 silver dollar with the small "o" mint mark is one of the few that has not yet been found. It is quite possible that it never will be and its value will keep going up and up.—By Stuart Mosher, editor of *The Numismatist*.

STAMPS — COINS

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Association Meeting

The regular quarterly meeting of the Southwestern Iowa Bankers Association was held as a dinner last month at the country club at Clarinda, with Robert Henstorf, president, presiding. Speakers were James Peterman, commenting on the coming bond drive; Judge Harold Davidson, who spoke on "The American Way;" Mary Adell, explaining National Cash Register posting, and Life Young, farm loan administrator.

Shenandoah will be the meeting place on April 17th for the quarterly meeting of the Iowa Association of Bank Auditors and Comptrollers. Safe deposit boxes will be the subject for panel discussion. Members of the Southwestern Iowa Bankers Association have been invited to attend.

Speaks at School

Ray J. Miller, vice president and personnel director, First National Bank in St. Louis, has accepted an invitation to talk at the School of Banking held at the University of Wisconsin for two weeks each summer. The subject of his lecture, which is scheduled for August 30th, will be "Job Evaluation and Merit Rating."

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Appoints District Manager

George V. La Monte, president, announces the appointment of C. Stewart Richmond as district manager in charge of sales for the Chicago, Cleveland, St. Louis and Atlanta districts.

Mr. Richmond became associated



C. STEWART RICHMOND
Recently Appointed

with George La Monte & Son in 1927, and since 1932 has been in charge of the Chicago district. He will continue to make his headquarters in Chicago.

Dividend

At a recent meeting of the board of directors of The Northern Trust Company, Chicago, the regular quarterly dividend of 4½ per cent (\$4.50) was declared payable April 1, 1948, to stockholders of record at the close of business March 16th.

Elected President

Arthur T. Leonard, senior vice president, City National Bank and Trust Company of Chicago, has been elected president of the Corporate Fiduciary Association of Chicago. He succeeds Charles J. Roubik, vice president, of the Harris Trust and Savings Bank.

William P. Wiseman, vice president of Chicago Title and Trust Company, was elected vice president and Louis W. Fischer, vice president of American National Bank and Trust Company of Chicago, was elected secretary-treasurer.

Trust School

The School for Trust Development Men, conducted for the past two years through the cooperation of Northwestern University, will open its third annual session on September 13th, at Wieboldt Hall, on the Downtown Cam-

pus. The school is sponsored by the trust division of the Illinois Bankers Association.

The course was originally open to junior officers and employes of the Chicago trust institutions. Inquiry from out-of-town trust institutions for this type of training has resulted in broadening the sponsorship of the school.

CONVENTIONS

April 6, Banking Conference, Wisconsin Bankers Association, University of Wisconsin, Madison.

April 19, Nebraska Bankers Association Group Meetings. Schedule in Nebraska News Section.

May 5-8, National Association of Bank Auditors and Comptrollers, Mid-Continent Regional Conference, Dallas, Baker Hotel.

May 10-13, Iowa Group Meetings, Northern Groups.

May 12-13, Indiana Bankers Association, Annual Convention, Indianapolis, Hotel Claypool.

May 25-28, Iowa Group Meetings, Southern Groups.

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 10-11, Nebraska Bankers Association, Annual Convention, Omaha, Hotel Fontenelle.

November 29-December 2, Financial Public Relations Association, Annual Convention, Hollywood, Florida, Hollywood Beach Hotel.

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In the DIRECTOR'S ROOM



Depressing Moments

When Smith walked into his friend's office, he found him sitting at his desk, looking very depressed.

"Hello, old man!" said Smith. "What's up?"

"Oh, just my wife," replied the other sadly. "She's engaged a new secretary for me."

"Well, there's nothing wrong about that. Is she a blonde or a brunette?" "He's bald."

Missing Link

Diner: Why does this chicken have a leg missing?

Waiter: It was in a fight, sir.

Diner: Well, take it back and bring me the winner.

A Mighty Pen

Three small boys were bragging about the prowess of their dads. The first boy said, "My dad writes out a few short lines on a paper, calls it a poem, sends it away and gets ten dollars for it."

"My dad," spoke up the second, "makes some dots on a piece of paper, calls it a song, sends it away and gets twenty-five dollars for it."

"That's nothing," declared the third boy. "My father writes out a sermon on a sheet of paper, gets up in the pulpit and reads it, and it takes four men to bring in the money."

Proof, Positive

Mrs. Fussy: "Are these chickens fresh?"

Butcher: "Fresh? Why, lady, if I had an iron lung I could revive 'em."

Improvement

Little Girl (to 8-year-old boy): "I think you're a lot better looking than your daddy."

Little Boy: "I ought to be. I'm a later model."

Just Looking

"Man is the greatest invention in the world." "Yes, but woman is an improvement." "Yeah, guess that's what keeps men out late . . . looking for improvements."

Lost and Found

Cussing, plain and fancy, came from a parked auto. A policeman hurried up and wanted to know what all the fuss was about.

Man: "Some so-and-so stole my steering gear."

Cop: "Take it easy, just get up here in the front seat where you belong."

And Then What Happened?

The young wife greeted her husband affectionately when he returned from the office. "You poor darling," she said, "you must be tired and hungry. How would you like some nice soup, and pork chops with golden-brown potatoes and green peas, and then mushrooms on toast?"

"No," her husband answered firmly, "let's save the money and eat at home."

Reaching the Limit

I wrote home for another \$1,000, but my folks are getting sore! Look how they signed this letter!

Mommer and Pauper.

Slight Correction

Doctor: I want to make a change in the death certificate of Mr. Whiffle-jigger.

City Clerk: Anything wrong?

Doctor: I signed my name in the space marked "cause of death."



I hope by now you've learned that people don't always cheer wildly when they see you coming.

Also 2 Per Cent Off for Cash

The visitor was shocked to see one of his host's children driving nails into an expensive table, and more surprised to observe that his father did nothing to stop him.

"I say," he finally said, "don't you find it rather expensive to let Johnnie play like that?"

"Not at all," replied the father cheerfully. "I get the nails wholesale."

Very Well Done

Tillie: "This pie is burnt to a cinder. Didn't you cook to instructions?"

Lillie: "No, it's my own cremation."

Rolling Along

Counsel to Police Witness: "But if a man is in the middle of the road on his hands and knees, that does not necessarily prove that he was intoxicated."

Policeman: "No, sir, it does not, but this man was trying to roll up the white stripe."

Anybody You Know?

A young lady stalled her car at a traffic light and couldn't start it. She tried and tried, while behind her an impatient motorist honked his horn steadily. Finally she got out and walked back. "I'm awfully sorry, but I can't start my car," she told the driver of the other car pleasantly. "If you'll go and start it for me, I'll stay here and lean on your horn."

Don't Be Alarmed

Tough Patient (awakening after operation): Why are the blinds down, doc?

Doctor: Well, there's a fire burning across the alley and I didn't want you to think the operation was a failure.

A la Vera Vague

First Actress: I wonder if my public will still appreciate me when I'm old and feeble?

Second Same: Why, of course they do!



When you say to another Iowa banker, "Our Des Moines account is handled by the Bankers Trust," there are sound reasons behind his expression of approval.



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A new landmark for downtown Des Moines . . . a unique outdoor clock . . . has just been installed by this Bank at the corner of Sixth and Walnut.

It is a revolving clock and is believed to be the second of its kind in the world. The clock revolves continuously, making two complete revolutions per minute.

The clock weighs approximately six hundred pounds, is 3 feet 10 inches in diameter and 14 inches thick.

The glass dials are one-quarter inch thick, are edge illuminated and carved on the inside in such a manner that the figures appear to be raised.

Both glass faces were executed by David M. Harriton, an artist of unusual ability, renowned for his work in carved glass.

The Self Winding Clock Company, Inc., of Brooklyn, N. Y., in collaboration with Brooks-Borg, Inc., architects-engineers, of Des Moines, designed the clock.

Founded in 1875, this time-tested Bank is pleased to bring Des Moines this new landmark of time as another helpful service.



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