

NORTHWESTERN *Banker*

NOVEMBER
1948



A PEACEFUL COUNTRY LANE IN AUTUMN TIME

Nebraska
Convention
Section—Page 29

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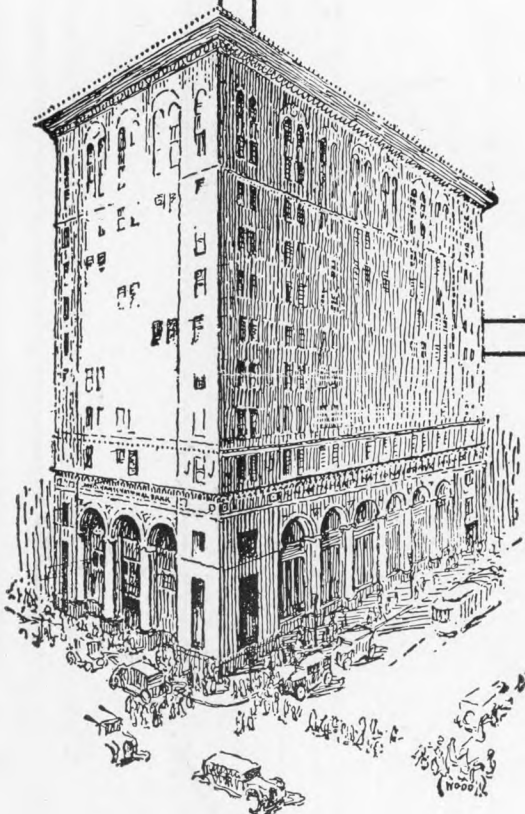
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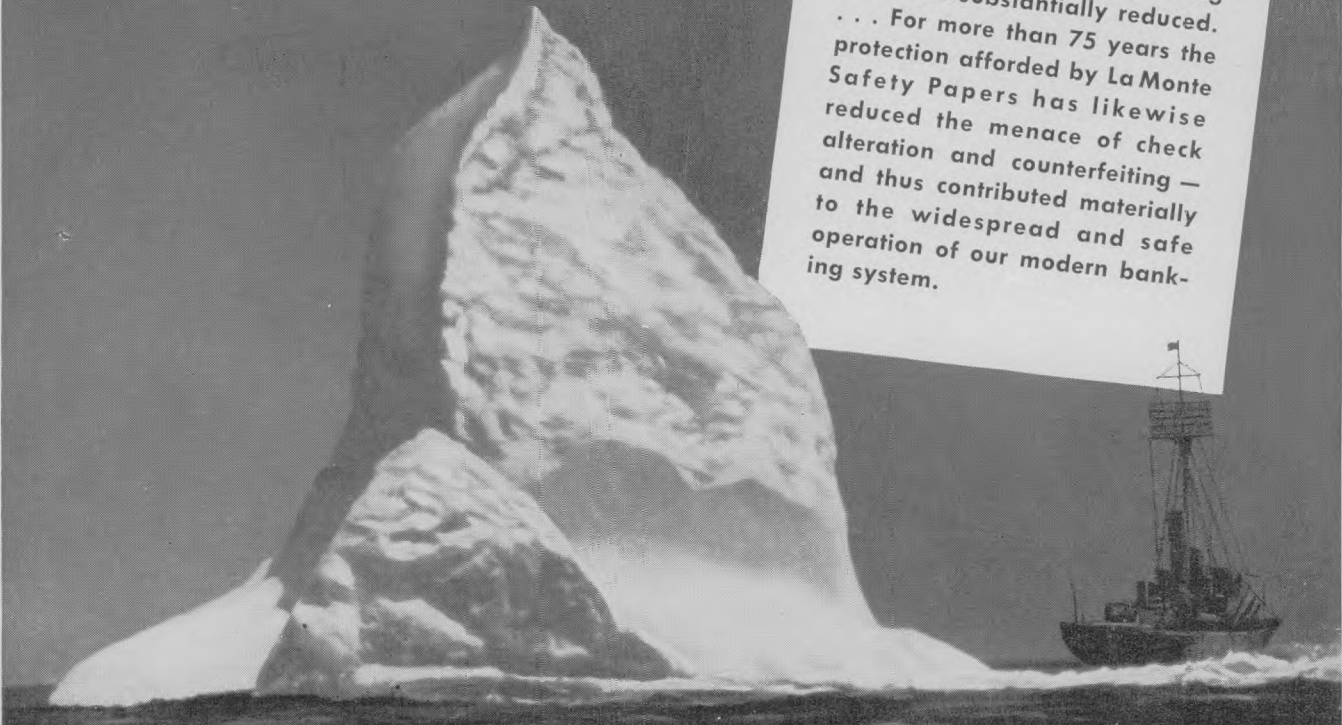
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Northwestern Banker, published monthly by the Northwestern Banker Company, at 527 Seventh Street, Des Moines, Iowa. Subscription, 35c per copy, \$3.00 per year. Entered as Second Class Matter January 1, 1895, at the Post Office at Des Moines, Iowa,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

This advertisement, addressed to Business and Banking America, is appearing in the November issues of Fortune and Business Week.

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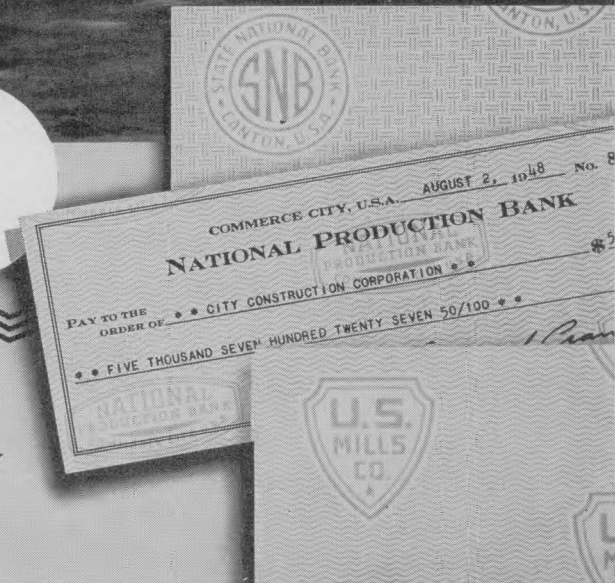
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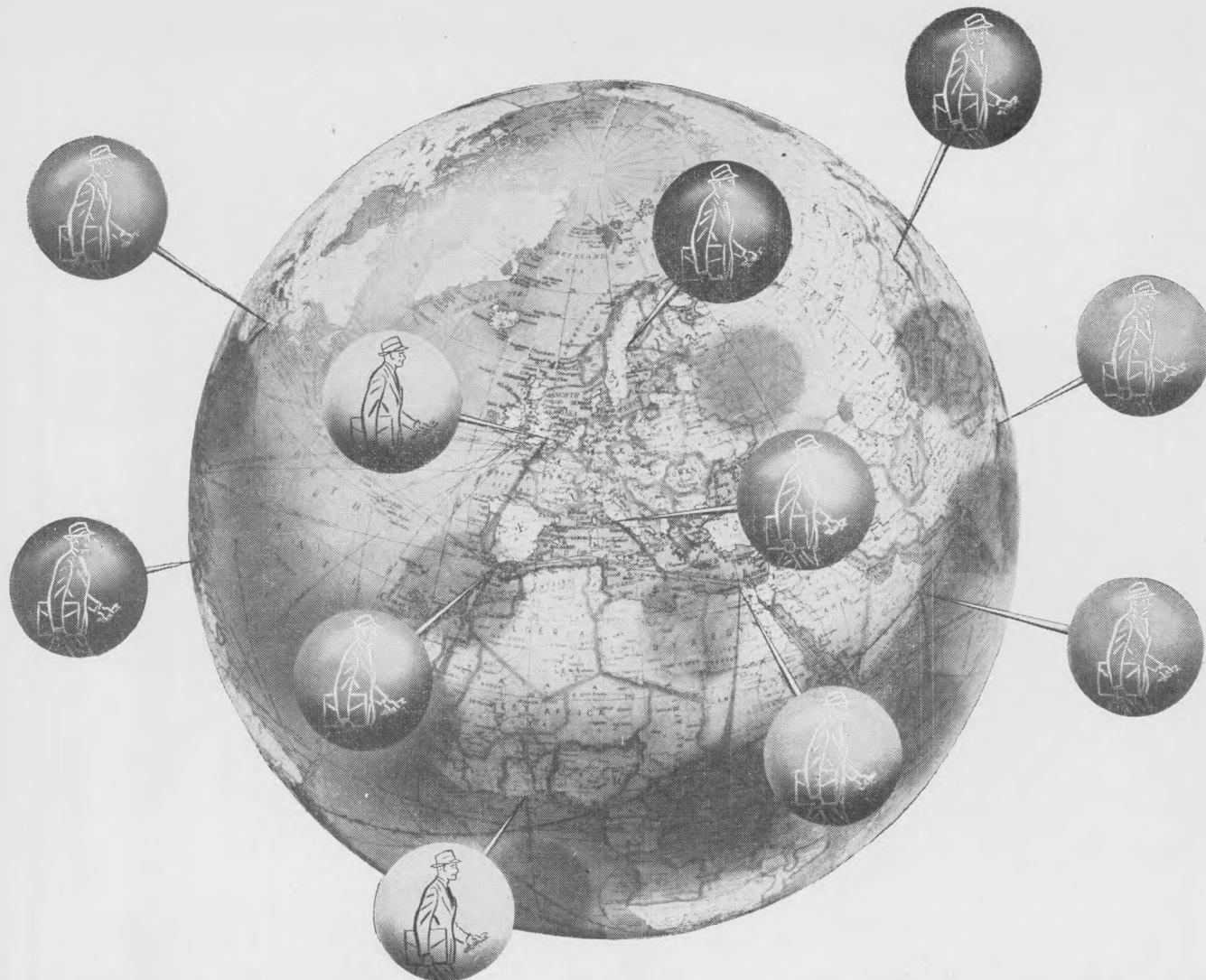


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Northwestern Banker, November, 1948

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Northwestern Banker, November, 1948

56

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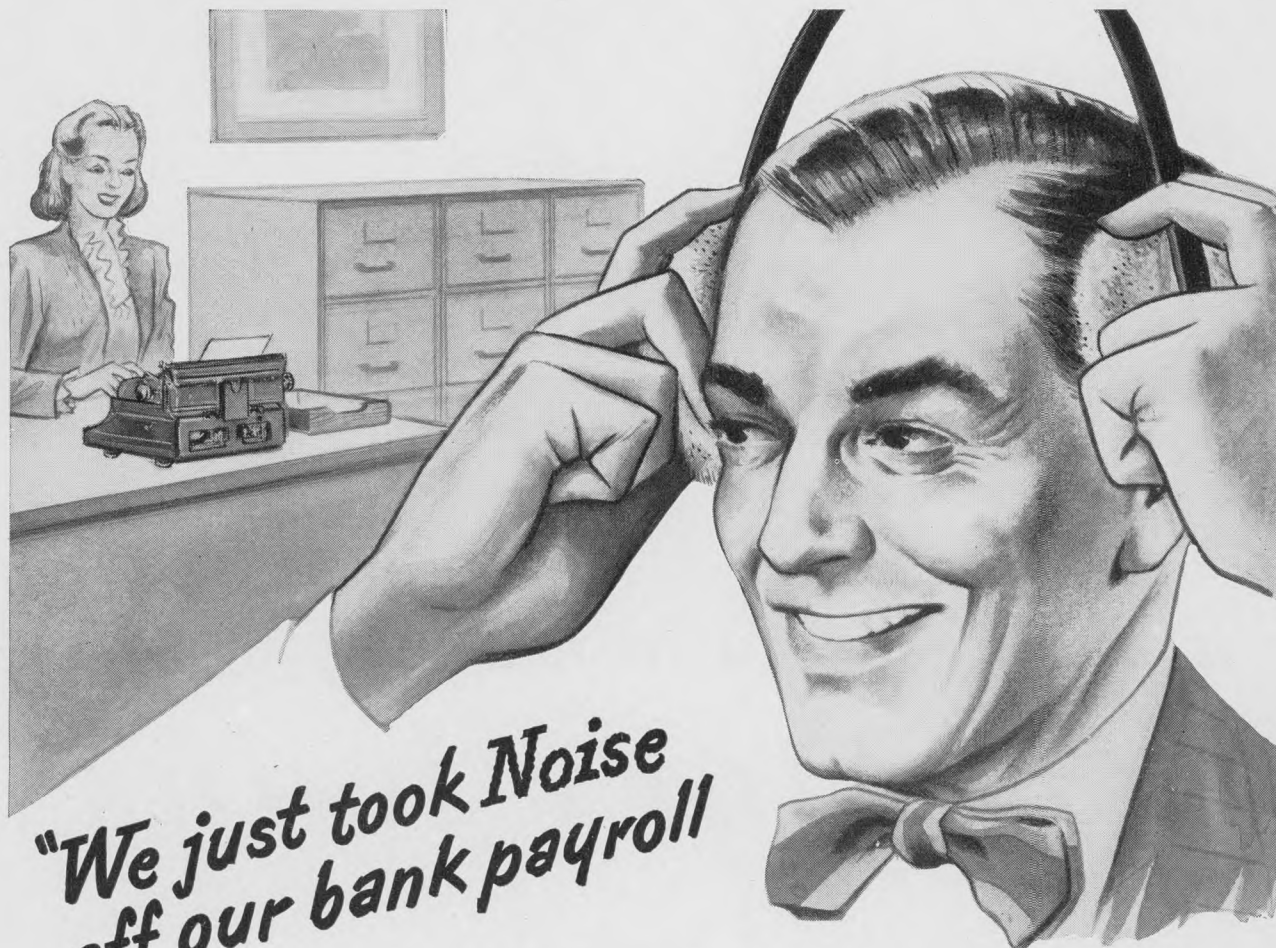
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we'll be seeing you at the convention!

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				Miami

Will Meet in Florida

ALL roads, rails and skyways, late in November, will lead to Hollywood, Florida, scene of the 33rd Annual Convention of the Financial Public Relations Association. For four days, from November 29th to December 2nd, this picturesque little town on Florida's famous east coast (17 miles north of Miami), will become the financial public relations capital of America. The palatial Hollywood Beach Hotel has been entirely taken over by the association for this period.

The convention program, including a School of Human Relations, two general sessions, and various departmentals and clinics, offers the delegates a grand total of 65 hours of instruction, inspiration and information. Of course, no delegate can attend all of the clinics and departmentals, some of which will be held concurrently.

Each morning will start with an hour-long School of Human Relations, conducted by Dr. Preston H. Scott, coordinator of community relations, Wayne University, and consultant to the director of training, Ford Motor Company, Detroit.

The program for the two general sessions of two hours each will be:

"President's Message"—Robert Lindquist, vice president, La Salle National Bank, Chicago.

"Mainspring, the Story of Human Progress and How Not to Prevent It"—Henry G. Weaver, director, Customer Research Staff, General Motors, Detroit.

"Public Relations Responsibility of a Bank as Viewed by Management"—Richard W. Trefz, president, Beatrice State Bank, Beatrice, Nebraska. "K.G.D.S."—Carlyle Emery, vice president, Ruthrauff and Ryan, Inc., Chicago.

The banquet, to be held on the last night of the convention, will feature no formal speeches. It is felt that the delegates, with such a sparkling and complete program, will have heard plenty of speeches by that time.

A final feature will be a post-convention, all-expense trip (\$94), to Havana. Those taking the trip will leave Hollywood at 1 p. m. Friday, December 3rd, by bus for a tour of Miami, Miami Beach, Coral Gables and other interesting sections, embarking there at 6 p. m. on a Peninsular and Occidental steamer for the night voyage to Cuba, returning to Miami at 8 a. m. December 6th. Havana, Pearl of the Antilles, is one of the most fascinating and glamorous cities in the Western Hemisphere. So it is expected that this tour will serve as a very popular and long-remembered culmination of the 33rd Annual Convention.

NORTHWESTERN Banker DES MOINES

Oldest Financial Journal West of the Mississippi • 53rd Year • No. 736

IN THIS NOVEMBER, 1948, ISSUE

EDITORIALS

Across the Desk from the Publisher..... 14

FEATURE ARTICLES

Frontispiece 17
 Inflation . . . Employment and Bank Credit..... *Wm. G. F. Price* 19
 Bankers Battle Economic Events—A.B.A. Story and Pictures..... 20, 21
 News and Views of the Banking World..... *Clifford De Puy* 22
 Does Acceptance of Settlement Bar Further Recovery on Debt?
 Legal 24
 Bankers You Know—Henry C. Karpf..... 26

NEBRASKA CONVENTION SECTION

The Nebraska Bankers Convention Program..... 29
 Nebraska Business Outlook "Excellent"—A NORTHWESTERN
 BANKER Survey 30
 Omaha News 38
 Nebraska News 39

BONDS AND INVESTMENTS

Artificially Low Interest Rates Contribute to Inflation—.....
Raymond Trigger 47

INSURANCE

The Business Farmer Is Your Number One Prospect.....
Dennis C. Smith 51

STATE BANKING NEWS

Minnesota News 55
 Twin City News..... 57
 South Dakota News..... 61
 Sioux Falls News..... 61
 North Dakota News..... 63
 Iowa News 67
 Iowa Bankers Convention Report and Pictures..... 67, 68, 69
 Sioux City News..... 77
 Coin Collectors' Column..... 80
 Conventions 81

IN THE DIRECTORS' ROOM

A Few Short Rib-Ticklers..... 82

NORTHWESTERN BANKER

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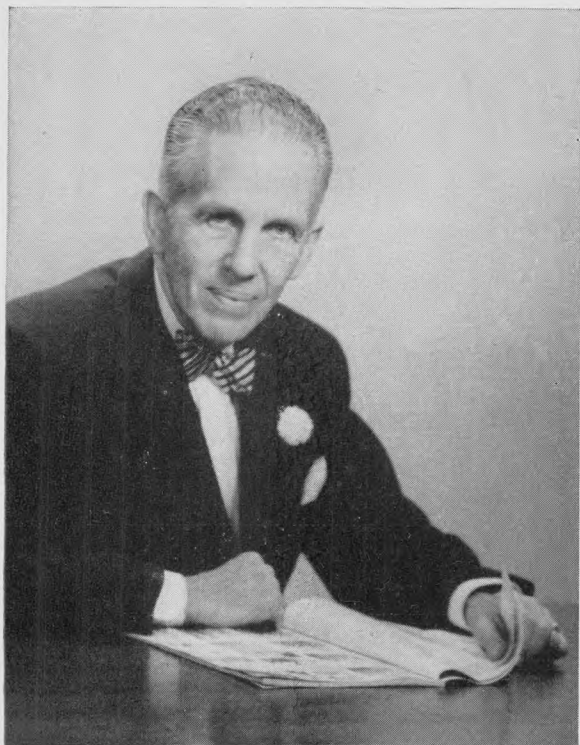
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DE PUY PUBLICATIONS: Northwestern Banker, Underwriters Review, Des Moines Insurance Directory, Iowa-Nebraska Bank Directory.



Across the Desk From the Publisher

Dear Elwood M. Brooks:

President, Central Bank & Trust Co., Denver, Colorado

When you retired last month, Mr. Brooks, as President of the State Bank Division of the American Bankers Association, we were interested in the figures which you gave indicating that there are 9,603 state-chartered banks in the United States with total resources of over \$86 billion dollars or almost one-half of the total banking resources of the entire country, but we were especially interested in what you had to say about running a "friendly bank."

As you so well put it, "A bank can be run on a sound basis and yet not need to have the atmosphere of a cold-storage plant or a morgue. It can and must definitely have the good will of its customers. A friendly smile and a well balanced and planned public relations program go hand in hand with sound and successful banking. Banks can be a friendly place where people really enjoy to come. This fact has been proven in recent years in many banks all over the country.

"A well rounded public relations program includes an interest in the community. The wide-awake banker of today is conscious of his responsibilities for preserving and advancing the benefits of our democratic way of life by serving his community in as many ways as possible. He puts his heart not only in his bank work but in his community work as well. He and his bank are

behind every worthwhile movement. This kind of a banker will enjoy the respect of all in his community and their wholehearted support. There need be no concern about the growth and success of such a bank."

Friendly cooperation with bank customers costs nothing and yet pays such high dividends.

With government agencies encroaching more and more on the banking business, it behooves bankers everywhere to give careful attention to the treatment of their customers and to make them feel "at home" whenever they cross the threshold of what they should feel is their "own bank."

Dear Clifford S. Young:

President, Federal Reserve Bank of Chicago

We have read with interest your analysis of business conditions and the concern which we must all have about inflation.

In your remarks, you said, "The general business outlook appears to be mixed, but on balance may well remain favorable for sometime further. While weaknesses may be expected to spread because of consumer resistance and the saturation of particular markets with excessive quantities of goods, there is no reason for us to relax our concern about the danger of still further price increases in many lines, particularly where domestic, defense and foreign demands overlap.

"Our is a problem of achieving a delicate economic balance between purchasing power and production under conditions of full employment. The penalty for failure can be very severe. We cannot afford to leave our economic fate to chance. We must exercise restraint in credit and spending at the peak of the boom in order to achieve a more stable and enduring level of business activity and employment in the years ahead."

The difficulty, Mr. Young, is to impress upon the public that "restraint in credit" is a desirable procedure in times when they feel we are living in an economy of "easy spending."

In the resolutions on inflation passed at the American Bankers convention in Detroit, they expressed the opinion that the causes of our present inflation were largely beyond the control of banking and are primarily due to huge government spending which in turn is furthered by public policies brought about through the influence of pressure groups both in Congress and in government administration.

The resolutions also pointed out that the association was especially sensitive to the "inflationary threat to our economy carried in the payment by government of subsidies that can only be met through taxation."

As the NORTHWESTERN BANKER sees it, Mr. Young, bankers can help to prevent further infla-

tion by continuing to use care and judgment in making only such loans in their local communities as will be used to increase further production of goods and materials which, in turn, will increase the supply of articles that are in demand and thus, through increased production, bring down the price of the individual units sold.

Dear Fred I. Kent:

Director of the Bankers Trust Co., New York

Your recent defense of the private enterprise system in the United States is very direct and to the point.

Under this system, we have built the greatest country in the world with the highest wages paid workers anywhere, yet, as you point out, taxation takes away funds which could be used for "Venture Capital." Thus there are less funds available to build new factories and new machinery to produce new goods and employ additional people who in turn would receive wages as a result of this original capital investment.

As you put it, "If taxation continues to take away the funds called venture capital that would otherwise be used to further new inventions, better processes in production, and lower costs, we will reach a period of stagnation, which will inevitably be followed by retrogression and a lower and lower standard of living by the people. The private enterprise system that has made it possible for workmen throughout the United States to have automobiles in growing proportion, electric refrigerators, washing machines, electric power and ability to utilize the radio and other electrical devices cannot then continue, as government controls will arise that will smother it.

"Our government will begin to move toward a dictatorship; and instead of our example as a free people and the production of our country, helping the peoples of other nations to go forward, we will become useless to them, which will increase the difficulties of living throughout the world, including, in particular, the United States. Our people, because of our private enterprise system, have gone so far ahead of other nations in their general ability to produce conveniences of living for wide distribution that the effect upon them will be a greater catastrophe than upon those in other countries where they have never known the progress in better living that has been the lot of our people.

"Those with smaller incomes do not seem to realize that their greater interest lies in demanding that the government reduce its expenditures so that it can cut the high taxes of those in the medium and higher brackets and enable a part of their income to be available for increasing pro-

duction and the number of jobs that can carry high wages, all of which is in the interest of all of the people."

Over 47 per cent of the dividends paid by corporations are now paid to individuals with incomes under \$5,000 a year, and this group should be extremely desirous of seeing that no confiscatory taxes are placed upon corporations and individuals which in turn would prevent the increase of funds for investment purposes in new enterprises.

Let's do everything we can, Mr. Kent, to keep alive the private enterprise system which has contributed so much to the welfare of the people of the United States and has also enabled us to use our surplus funds to help those abroad.

Dear Gordon D. Palmer:

President, First National Bank, Tuscaloosa, Alabama

As former President of the National Bank Division of the American Bankers Association, we read with considerable interest your statement before that Division in which you discussed the monetary system under which we have operated since the early days of the now departed New Deal.

"Since March, 1933," you said, "we have been operating under a monetary system which few of our citizens understand. It is difficult to define in simple terms; and it is complicated by the fact that internationally we are on a restricted gold bullion basis, whereas, domestically, we are operating on an inconvertible paper principle with minor exceptions.

"We maintain, by a system of indirect conversion, our domestic inconvertible paper money and silver and minor currency on a parity with gold, although gold cannot be had for domestic use except in the arts. This exceptional situation makes it possible for foreign governments and banks to obtain our gold, but our own American citizens are prohibited from getting it for monetary uses.

Of one thing we can be sure, Mr. Palmer, with the first change in the administration since 1933, we can at least hope that some of the unsound and almost insane monetary ideas of the previous New Deal administrations will be a thing of the past.

We sincerely believe that we can expect a better, clearer and more sound approach to our fiscal and financial problems than we have had for the last 16 years.

Clifford DePuy



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CENTRAL NATIONAL BANK
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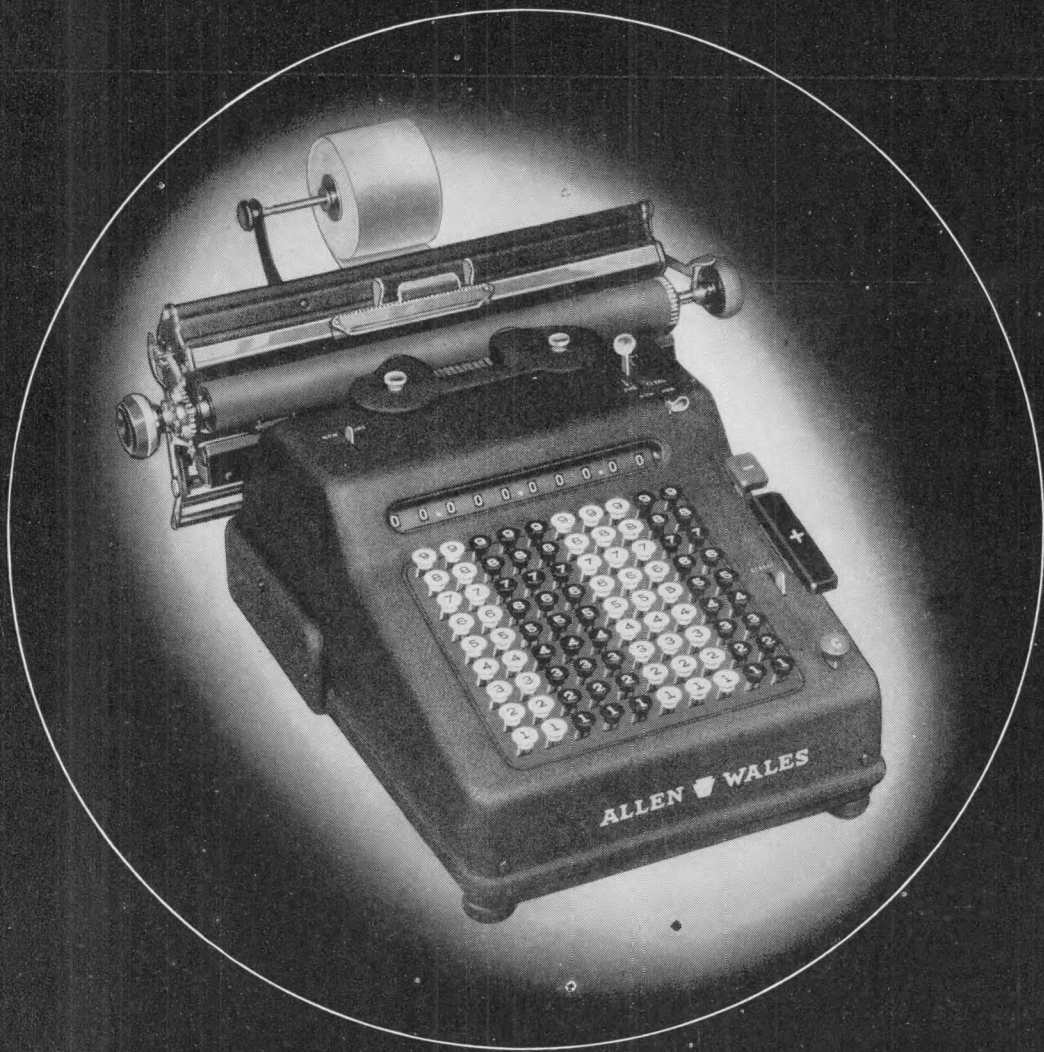
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Northwestern Banker, November, 1948



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Inflation . . . Employment and Bank Credit

By WM. G. F. PRICE
Vice President

American National Bank and Trust Company
Chicago

(Editor's Note: In a recent talk before the National Association of Bank Auditors and Comptrollers, Mr. Price first defined bank credit as "The creation of purchasing power." He then proceeded to point out that there is a distinct relationship between bank credit, inflation and employment. With these facts in mind, he followed up with some pertinent thoughts on these two questions:

1. *If there is such a relationship, what should you and I do about it?*

2. *Why is it important that we do something about it now?*

The article on this page deals with the latter two questions.)

YES, there is a relationship between bank credit—the creation of purchasing power—and inflation in general and employment in particular. The record bears this out. We are not going to concern ourselves here with which comes first—the chicken or the egg.

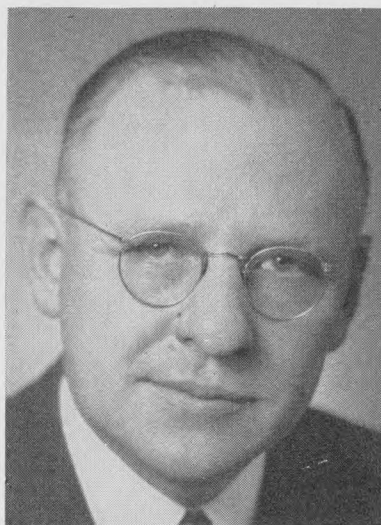
We will merely be content . . . "disturbed" is probably a more appropriate word . . . to say that there is a relationship and then to address ourselves to the third of our four questions: What should you and I be doing about it now?

Well, what should we be doing about it? I have a few suggestions to offer. The first is that you and I as bankers must recognize bank credit for what it really is, namely, the creation of purchasing power. Lest you think that this has been repeated too often, let me say that there seems to be many people who do not agree with this definition. To me it is important that you and I in the banking business accept it.

When we commercial banks make loans or buy bonds, we do not "lend deposits." We create them. The deposits may not stay with the bank which created them, but they do stay within the banking figures until the debt is paid.

My second suggestion is that you and I recognize when we make loans that there are two basic questions on which we must satisfy ourselves. The first, obviously, is: Is the loan safe? Will we get our money back and at

approximately the time agreed upon? This has to do with the safety of the bank's assets and with its liquidity. If both safety and liquidity are not assured, then, sooner or later, there is no bank, so there is nothing to



WM. G. F. PRICE
"Bank credit is creation of purchasing power"

talk about. The second basic question on which we must satisfy ourselves is: What will be the over-all impact of the purchasing power which we are creating?

Useful Loans

If it serves to increase or maintain production, or to increase or maintain employment, I think we may reasonably say that the loan is a useful one. If the loan results merely in an increase in prices, without benefiting physical production or employment, the real value of the loan is at least open to question.

I am fully cognizant of the fact that competition in the banking business is keen and that perfection is not possible of attainment. But what I do feel is that when we make loans which are inflationary—that is, which are apt to increase prices but not apt to increase or maintain production or employment—then we should be very conscious of what we are doing.

No doctor worthy of the name will recommend an operation solely because he can make a fee of \$1,000.

No banker should make a loan, especially today, solely because it is safe and profitable.

The next suggestion comes in natural sequence. You and I must have the courage to decline loans which, in our best judgment, will not benefit the applicant or which will accentuate trends we believe undesirable. We as bankers sincerely believe that inflation is bad for us and for almost everyone else. It gets us no nearer to a solution of this problem to point the finger at government for "extravagance" or at labor for "high wages" or at business for "big profits," and then to look out the window when others say to us, "What about the high and rising level of bank loans?" Banks do not create inflation. But we are one of the forces involved. We must accept that responsibility and act accordingly. This involves an acute awareness on our part of what is happening, an ability on our part to view the banking system as a whole, and the courage to tell our customers the plain truth as we see it when we decline a loan.

Need Courage, Ability

The fourth suggestion is that we have both the courage and the ability to make loans—safe ones—when the instruments on the economic panel board indicate the machine is starting to slow down to a dangerous crawl. Realistically, we do not have too much to do with the total of our bond account. The central banking and fiscal authorities have fairly extensive powers which exercise great influence on the level of the bond account. I do not say this resentfully, for I happen to feel that they should have considerable authority in this regard.

On the other hand, we have much more to say in determining the level of our loan account. If we bankers are to make our contribution to ameliorating the excesses of both inflation and deflation, we must have the courage to put the brakes on the loan account on the up side. The tough one is to have enough courage to step on the gas on the down side. To

(Turn to page 63, please)

Bankers Battle Economic Events

Excerpts from Speeches Made at the Detroit American Bankers Convention

GWILYM A. PRICE, President
Westinghouse Electric Corporation
Pittsburgh, Pennsylvania

"There has been too much misrepresentation and exaggeration of the wages paid to capital. It is indeed a distinguishing and indispensable feature of our economy; but its volume in relation to that economy is as the volume of the lubricant to the machine which it enables to run. In proportion, there was less of that lubricant in 1947 than in 1929; even less—and this seems incredible—than in 1932. Dividends built this marvelous mechanism we call the United States, and dividends keep it going. But the price which the American people paid for that mighty element in 1947 was only 90 cents per week per capita. Those were the actual cash wages of venture capital in a year in which the wages of labor were at a then all-time high."

L. A. TOBIE, President
Meriden Savings Bank
Meriden, Connecticut

"We savings and mortgage men have an opportunity to exercise restraint on the inflationary aspects of the housing business. If we adequately promote savings and thrift, our influence on inflation will be most effective.

"In order to attract savings, some savings banks have increased their interest rate from 1½ per cent to 2 per cent, and some of the commercial banks have increased the amount on which they will pay their maximum interest rate.

"Our recent survey reveals that an additional sixty banks have either resumed their activity in school savings or entered the field. School savings banks are now operating in over 4,000 schools with over 1,800,000 children participating. During the last school year, these children deposited \$15,000,000, and they now have in their bankbooks over \$45,000,000."

JOHN L. McCAFFREY, President
International Harvester Company
Chicago, Illinois

"From an economic standpoint, our country is organized on the basis of free, individual enterprise. Our philosophy has been and still is that in most cases the way to get a job done well is to leave it up to private initiative, rewarding good performance with a reasonable profit.

"That theory has worked, up to now. There are people who do not believe in it, but they have failed to suggest anything else which will work anywhere near as well. But the future success of our economic system will depend entirely on the quality of the individual businessmen who are making the decisions which, every day, determine our economic course.

"That is equally true of our statesmen, our writers, our clergymen, and all the others who contribute goods, services, or ideas to American life."

JOHN W. REMINGTON, Vice President
Lincoln-Rochester Trust Company
Rochester, New York

"Many people today are puzzled about the term, 'marital deduction,' and until the Treasury Department issues its regulations construing the amendments of the Federal Estate Tax Laws enacted April 2, 1948, there necessarily will be doubts.

"The new law permits husbands and wives to bring about favorable tax results through their own planning and actions, of course aided by attorneys and trustmen. Fortunately, these results are accomplished in a way that does not seek to change the property rights of married people.

"Division of property need not be made to produce the desired estate tax savings. The rules apply whether the persons planning their estates are members of community property or common-law states."

Bankers at Detroit A. B. A. Convention →

BANKERS and their wives were kept tremendously busy at the American Bankers Association annual convention in Detroit recently and the pictures on the opposite page were taken at that time. Reading from left to right they are:

1. **Charles B. Weaver**, vice president, and **N. Hall Layman**, assistant cashier, both of the Northern Trust Company, Chicago.

2. **Donald L. MacGregor**, assistant vice president, **N. P. Delander**, vice president, and **W. L. Boss**, vice president, all of the First National Bank of St. Paul.

3. **H. C. Matzke**, president, the City National Bank of Duluth, and **Nic. A. Welle**, vice president, First National Bank, Bemidji, Minnesota.

4. **Herbert H. Echtermeyer**, vice president, Live Stock National Bank of Omaha, and **Mrs. Echtermeyer**.

5. **Mrs. H. D. Bateman**, wife of the president of the Branch Bank and Trust Company, Wilson, North Carolina, and **Mrs. Alden S. Bagnell**, wife of the vice president of the Live Stock National Bank of Chicago.

6. **Mrs. Frederick M. Morrison** and **Mr. Morrison**, president, Valley Bank and Trust Company, Des Moines.

7. **Rufus Crosby Kemper**, president, and **Kearney Wornall**, vice president, both of the City National Bank & Trust Company, Kansas City, Missouri.

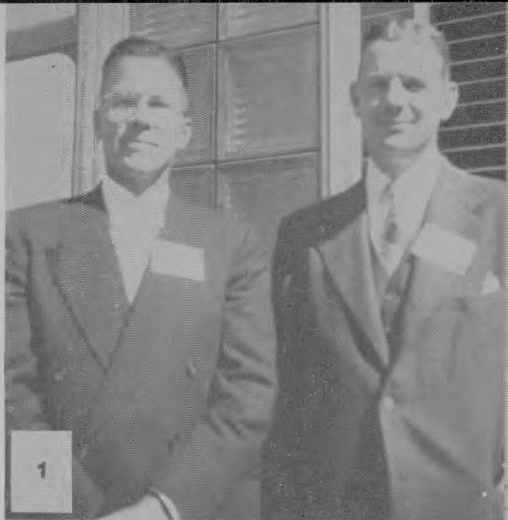
8. **Ellsworth Moser**, executive vice president, the United States National Bank of Omaha; **William C. Bowman**, president, First National Bank, Montgomery, Alabama, and **Clarence E. Hill**, chairman of the board, Northwestern National Bank of Minneapolis.

9. **W. J. Hein**, vice president, Mississippi Valley Trust Company, St. Louis, and **Fred M. Naber**, vice president, Continental Illinois National Bank and Trust Company, Chicago.

10. **J. Lowell Lafferty**, vice president, Republic National Bank of Dallas; **D. James Pritchard**, vice president, Society for Savings, Cleveland; **Merrill Anderson**, president, the Merrill Anderson Company, Inc., New York, and **Robert Lindquist**, vice president, La Salle National Bank, Chicago.

11. **G. T. Somero**, president, First National Bank, Ely, Minnesota, and **Kenneth T. Martin**, assistant vice president, First National Bank of Minneapolis.

Northwestern Banker, November, 1948



News and Views

OF THE BANKING WORLD

By CLIFFORD DE PUY, Publisher

WHEN we were in Detroit for the American Bankers Convention, we had the pleasure of meeting **Henry Ford II**, and found him a very pleasant and genial young man who is about 6 feet tall and looks like a Harvard fullback.

The Ford Company now employs 135,000 people throughout the United States and has 17 assembly plants. The daily payroll is \$1,000,000 and it cost them \$90,000,000 to change over to their new models for the Ford, Lincoln and Mercury.

George Way Williams, vice president of the Detroit Trust Company, invited us to have lunch with him at the Rotary Club meeting at the Statler where an eastern investment banker told us "what would happen tomorrow." We hope he is right because his views were optimistic.

J. M. Hutchinson, executive vice president of the Davenport Bank and Trust Company, Davenport, Iowa, represented his very fine institution at Detroit while his brother-in-law, **V. O. Figge**, president of the bank, was on a hunting trip in east Africa.

Successful to a marked degree, the expedition netted more than 50 specimens of the sort of game that one sees only in circuses or big city zoos, and 40 individual species, the latter feat establishing an African hunt record.

Trophies obtained, and which will be mounted once they arrive in this country, include the "big five," consisting of elephant, rhinoceros, lion, buffalo and leopard.

Many of them are in the record class, including the rare hunter's antelope, this specimen being the second largest on record; the third largest wildebeest ever shot; an impalla, whose horns were one-half inch off the standing record; a fine Kudu, and a sable antelope, roan antelope, cheetahs, bush buck and numerous others.

Mr. Figge left Davenport July 4th and flew to Paris, from there to Cairo, and thence to Addis Ababa and on to his headquarters in Nairobi, Kenya Colony, British East Africa. In all he flew 20,000 miles and traveled 6,000 miles in Africa in hunt cars that covered territory in Tanganyika and Kenya.

Austin L. Vickery, assistant vice president of the United States Na-

tional Bank of Omaha, had his fine-looking 6-foot son with him at the A.B.A. Convention. His son is **Dr. Austin Vickery** of Cleveland, Ohio.

Frank L. King, who was elected president of the State Bank Division of the American Bankers Association in Detroit, is president of the California Bank in Los Angeles. Mr. King was advanced from the post of vice



The retiring president of the American Bankers Association's State Bank Division, **Elwood M. Brooks** (left), president of the Central Bank and Trust Company, Denver, Colorado, turns over the gavel to the new president, **Frank L. King** (right), president of the California Bank, Los Angeles, California.

president, which he occupied during the preceding year.

Mr. King is a native of Sparta, Illinois. He began his banking career in 1916 as assistant cashier of the First National Bank in that city. Two years later, he was appointed a national bank examiner, in which capacity he served until 1925 when he became assistant cashier of the Mutual National Bank of Chicago. In 1928, he transferred to the Continental National Bank and Trust Company of Chicago as assistant comptroller. He remained with the bank through its consolidation with the Illinois Merchants Trust Company, later becoming comptroller of the new institution, the Continental Illinois National Bank and Trust Company.

In 1943, Mr. King became executive vice president and director of California Bank, in Los Angeles, and in 1945 was elected president of that institution.

Col. William G. Edens, vice president of the Chicago National Bank, attended his 41st National bankers convention at Detroit. The Colonel is now 86 years "young" and is still going strong.

L. T. Morris, chairman of the board, and **C. H. Lockhart**, president of the First Citizens National Bank of Watertown, South Dakota, represented their institution at the A.B.A. convention and reported that their state has the best small grain and corn crop in its history.

They are also looking forward to an influx of hunters as the season does not close until November 22nd.

Charles M. Nelson, vice president of the Northern Trust Company of Chicago, and his distinguished associates entertained their friends during the American Bankers Convention at the Detroit Club each morning, where they were served a delicious breakfast. This has become an annual occasion which has proven a very delightful affair.

W. E. Brockman, vice president of the Midland National Bank in Minneapolis, has a very charming 15-year-old daughter, **Sue**, who is a very fine horsewoman and has taken many prizes at various horse shows with her horsemanship.

Julius K. Waibel, advertising manager of the Continental Illinois National Bank and Trust Company of Chicago, gave us a private showing of their new film, "**Back of Every Promise**," which is a story of the service their bank renders in all of its various departments, and especially its correspondent division.

The clever thing about the film is that most of the talking and explaining about the bank service comes from the president of a country bank rather than from an officer of the Continental.

The film was very well done and most interesting to see.

Arthur J. Morris, founder of the Morris Plan Bank, and chairman of the Industrial Bank of Commerce in

(Turn to page 80, please)

We Offer
**TO OUR CORRESPONDENTS,
 "RECORDAK" PROTECTION
 AGAINST**

LOSS IN THE MAILS:

We now Recordak all items drawn on points outside of Omaha.



THE WHIMS OF DEPOSITORS:

Often times a depositor wants a description of a particular item after it has been deposited. Recordak supplies this information without delay.

THE HAZARDS OF FIRE:

In case of loss of an item which has been Recordak-ed, we can supply a photostatic copy immediately. Usually we can collect on this photostat without the necessity of securing a duplicate check.



DISHONESTY AND FRAUD:

Recordak offers immediate proof in case of a forgery when the item has been paid and destroyed.



**The Omaha
 National Bank**

Member Federal Deposit Insurance Corporation

FARNAM AT SEVENTEENTH

LEGAL

Does Acceptance of Settlement Bar Further Recovery on Debt?

Q. Houghton held a \$10,000 mortgage on a Nebraska farm owned by Carson. Carson defaulted and, in 1934, arranged with the Federal Land Bank for a \$5,000 loan on the land. Houghton agreed to accept the \$5,000 in complete satisfaction of his mortgage. Despite this agreement, he later prevailed on Carson to execute in his favor a \$5,000 second mortgage for the difference. That mortgage was not paid and Houghton sued. Should he prevail on it against Carson?

No. A payment or other performance by a third person, accepted by a creditor as full or partial satisfaction of his claim, discharges the debtor's duty in accordance with the terms on which the third person offered it. This is the general rule on these matters and is controlling here. It bars Houghton's right to recover on the second mortgage because he accepted the \$5,000 obtained from the Federal Land Bank in complete satisfaction of his claim on the first mortgage. The Nebraska Supreme Court has so held in a recent decision involving analogous facts.

Q. By statute, in Iowa a person who finds lost "goods, money, bank notes, and other things" is entitled to a 10 per cent reward from the owner on turning them over to him. Certain non-negotiable U. S. Government savings bonds and corporate stock certificates were stolen from the safe of the person owning them. Immediately after the robbery the Government and the corporations involved were notified of the theft. Nothing could be realized on the securities without the owner's signature. They were found later and returned to him. The finder sought to recover the statutory reward. Could he do so?

No. In a recent decision involving analogous facts the Iowa Supreme Court denied recovery of reward money to the finder, saying that the statute applies only to things that are lost and that, since the bond obligations and corporate shares had not

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

been lost, the finder was not entitled to the reward claimed. In support of its position that the articles stolen were not lost the Court pointed out they could not be negotiated without the owner's signature and that substitute bonds and certificates were obtainable by meeting certain requirements of those issuing them. Because of these features it was felt that, if anything could be considered lost, it was simply the papers, which were of no particular use without the owner's signature, and not the real value which they represented.

Q. Bradley, a Minnesota resident, executed in favor of Schommer, a South Dakota resident, a promissory note. The instrument was not paid when it became due. Schommer sued Bradley on the note in South Dakota some time later, jurisdiction being obtained by garnishment and the service of process on the defendant in Minnesota. The period prescribed by the Minnesota statute of limitations by that time had run so that the action, if filed there, would have been barred. The South Dakota laws prescribed a longer period, however, and the action was not barred under those laws. Could Schommer recover?

Yes. In an analogous situation the South Dakota Supreme Court recently held that the Minnesota statute of limitations could have no extra-territorial effect in South Dakota and that the action on the note in the South Dakota court was not affected by the fact that the action was barred by the Minnesota statute of limitations.

Q. Clagborn was treasurer of a concern, the affairs of which were under investigation by a federal grand jury. He was served personally with a sub-

poena duces tecum to appear before it three days later and bring with him certain books and papers. Witness fees were tendered. His lawyer told him how important it was to comply with the subpoena. Despite this, he had the lawyer appear the morning for which he was called and tell the U. S. attorney he could not be present because of a business engagement but that he was willing to appear at a later date. The subpoena was the fourth that had been issued to him and he had not been cooperative. He was convicted of contempt of court and sentenced to thirty days imprisonment. Was such in order?

Yes. In these matters punishment for contempt of court is to be meted out if a person's failure to respond to the subpoena is willful and contumacious. Conduct similar to that outlined in the question has been held to meet this test and to support such a sentence. Even if Clagborn's lawyer had advised him that he need not appear because of the business engagement, which was not the case, he would not have been able to avoid conviction, as advice of counsel is not a defense to an act of contempt, although it may be considered in mitigation of punishment.

Q. Certain municipal real estate held by a trust company for an estate was zoned for residential purposes only. A proposition was presented to it whereby an enhanced income could be obtained therefrom if a business was operated thereon. The trustee sued to have the zoning ordinance restriction declared void as an unconstitutional exercise by the municipality of its police power. The city attorney, in the court proceedings, entered into a written stipulation that this was not the case. Was such a stipulation, under the general rule, binding on the city?

No. It is generally held that parties may not stipulate the invalidity of statutes or ordinances and that the courts are required to disregard such
(Turn to page 65, please)

80 Years of *Specialized Experience*



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

The

LIVE STOCK

National **BANK** *of Chicago*

ESTABLISHED 1868

Member Federal Deposit Insurance Corporation

UNION STOCK YARDS



"One of the outstanding live stock bankers in the country"

Bankers You Know

Henry C. Karpf

President, The Live Stock National Bank of Omaha

IF THE term "dual-purpose" could be applied to a banker, then that title rightfully should belong to Henry C. Karpf, president of the Live Stock National Bank of Omaha. This country has some very fine bankers and also some excellent live stock men, but rarely can there be found a combination of the two as reflected in the character and personality of Mr. Karpf. His 41 years of work in Nebraska banks have given him the knowledge and experience required of a chief executive who must supervise properly the operations of a bank with over \$60,000,000 in assets. At the same time, his first-hand knowledge as a producer and feeder of live stock has led contemporaries to rate him as one of the outstanding live stock bankers in the middle west, many of them extending this tribute to include the entire country.

Mr. Karpf's love of the soil is a basic quality in his character. Frequent visitors to his office know that if they can't find him in the bank they can undoubtedly find him leaning over a feed lot fence, discussing operations with a feed lot customer. His practical experience and knowledge of live stock and farming are excep-

tionally valuable in operating a bank which specializes in live stock loans.

Henry Karpf's reputation as a hard worker is well earned. Born July 22, 1892, in Conneaut, Ohio, his formal education ended at the eighth grade. At the age of nine years he began working in a slaughterhouse, his interest in this business coming from his father, who was in the wholesale and retail meat business. Here he gained his first knowledge and liking for live stock. The family moved to Mitchell, Nebraska, and in 1907, at the age of 15, Henry Karpf started his first bank job with the First National Bank in that western Nebraska town. While maintaining his keen interest in live stock, he gave full attention to his work. The result was that the bank officers recognized his capabilities and gave him added responsibilities. Before joining the Live Stock National Bank of Omaha as executive vice president in 1937, he was jointly cashier of the First National Bank in Mitchell and the First National Bank in Morrill.

In January, 1947, Mr. Karpf was elected president of the Live Stock National Bank following the death of Alvin E. Johnson. Mr. Karpf also is

president of the First National Bank in Morrill. He still owns 760 acres of irrigated land in four farms near Morrill, has a 2,600 acre ranch in that area and is a partner in a 500 acre irrigated farm near Torrington, Wyoming. Throughout the Scottsbluff Valley he is held in the highest regard by his customers with whom he dealt and lived for many years.

The everyday problems of banking do not escape the attention of Mr. Karpf. He believes that "capital expenditures, credit expansion and the relationship between banking and the federal government" pose the greatest problems for bankers today and with the same tenacity of purpose that he has always displayed, he firmly believes these problems can be settled. Within his own bank he is very popular with his employes who appreciate his constant efforts in attempting to maintain a reasonable standard of living for them.

Mr. Karpf was married to Lodicea Babcock on August 21, 1916. They have one son, Charles, 27 years of age. Mr. Karpf is a member of the Presbyterian Church, is a Mason and (Turn to page 42, please)

Northwestern Banker, November, 1948

4 Banks Sold in October!

With Only One Exception, Each Sale Was Made to First Purchaser Introduced

Bank	Capital Structure	Deposits
1. First National Bank..... Lacon, Illinois	\$ 235,000	\$2,896,000
2. Montgomery County National Bank.. Red Oak, Iowa	200,000	4,295,000
3. First National Bank..... Glidden, Iowa	105,000	2,425,000
4. Bank of Odessa..... Odessa, Missouri	172,500	2,800,000

In Each Instance Controlling Stock Was Sold.

These Sales Represent a Total Investment of \$346,470.

Further information regarding these transactions will be found in the news sections of this publication. We are proud to have had the honor of serving the owners and the purchasers of these fine banks. If you are thinking of selling or desire to buy, we can be of service to you. Confidential correspondence solicited from those desiring to buy or sell.

THIS COMPANY WILL BE REPRESENTED AT THE
NEBRASKA BANKERS CONVENTION
OMAHA, NEBRASKA, NOVEMBER 10 AND 11



H. H. Byers

By
Henry H. Byers, President
and
Harry B. Gipson, Vice President

Hotel Headquarters
Hotel Fontenelle, Omaha, Nebraska

BANKERS SERVICE COMPANY

1108 Register & Tribune Bldg.

P. O. Box 1435

Des Moines, Iowa

Tel. 2-7800

HARRY B. GIPSON JOINS BANKERS SERVICE COMPANY AS VICE PRESIDENT

Harry B. Gipson, who has had many years of experience in negotiating the sale of banks, has joined the Bankers Service Company, of Des Moines, as Vice President.

Mr. Gipson is an experienced country banker. For many years he was the managing executive of banks at Odell and Rising City, Nebraska, after which he served as a State Bank Examiner. For nine years (1918-1927) he was identified in an executive capacity with The Charles E. Walters Company of Omaha.

In 1928 Mr. Gipson again became identified with the State Department of Banking in Nebraska and for nine years (1928-1937) was associated with the Receivership Division in the liquidation of state banks. In January, 1938, he became Executive Vice President of the Coleridge National Bank of Coleridge, Nebraska.



Harry B. Gipson

Since June, 1941, Mr. Gipson has been employed as a Government Auditor, including five years as Auditor of Fiscal Accounts for the U. S. War Department, Seventh Service Command at Omaha, in preparation for which work, he completed a special course in Property Accounting and Auditing at the Army Finance School in Baltimore, Maryland.

Mr. Gipson brings to the Bankers Service Company a rich experience in bank management, auditing, sales and supervision.



FOR 92 YEARS
SOUND BANKING SERVICE



Complete Correspondent Facilities

The
UNITED STATES
National BANK of Omaha

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

The Nebraska Bankers Convention Program

**Four Nationally Known Speakers Will Address the
Fifty-first Annual Convention at the Fontenelle
Hotel in Omaha, November 10th and 11th**

NEBRASKA bankers going to Omaha for the annual convention of the Nebraska Bankers Association will find another well-planned meeting when the 51st annual convention gets under way November 10th at the Hotel Fontenelle. The convention will last two days, Wednesday and Thursday, November 10th and 11th.

Convention committees, consisting mainly of Omaha bankers, were busy late last month making final preparations for the program. The members of the general committee on arrangements are:

General Chairman, Henry C. Karpf, president of the Live Stock National Bank.

Arthur L. Coad, president of the Packers National Bank.

W. Dale Clark, president of the Omaha National Bank.

W. A. Sawtell, president of the Stock Yards National Bank.

Herbert M. Bushnell, president of the United States National Bank.

Fred W. Thomas, president of the First National Bank.

J. O. Peck, president of the Central National Bank at Columbus, Nebraska, will preside over opening sessions of the convention in his capacity as president of the Nebraska Bankers Association. J. R. Kenner, president of the Thayer County Bank at Hebron, is vice president, and Austin L. Vickery, assistant vice president of the United States National Bank of Omaha, is treasurer.

Carl D. Ganz, vice president and trust officer of the National Bank of Commerce in Lincoln, and state vice president for Nebraska of the American Bankers Association, will preside over the portion of the meeting devoted to the election of new A.B.A. officers for the state.

Four nationally prominent speakers have accepted speaking assignments. They include Evans Woollen, Jr., chairman of the board of the Fletcher

Trust Company, Indianapolis, and recently elected president of the American Bankers Association; Major General Lewis A. Pick, division engineer of the Missouri River Division for the Army Corps of Engineers; former Nebraska Governor Dwight Griswold, and D. J. Needham, Washington, D. C., general counsel of the American Bankers Association.

National Figures

Midwesterners are familiar with General Pick, since he is one of the authors of the Pick-Sloan plan for development of the Missouri River territory, the project being designed to produce greater economic activity in the upper basin.

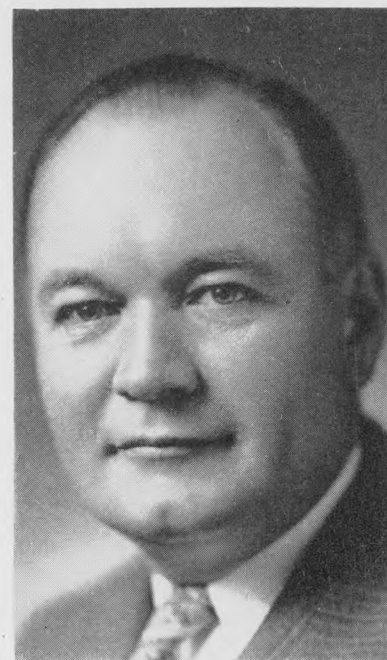
Former Governor Griswold has been in the national limelight during recent months in his capacity as chief of the American Mission to Greece. Governor Griswold and his party returned to the United States recently after completing their assigned mission.

Mr. Needham is familiar to most bankers as the author of many bulletins and reviews from his office in Washington where he keeps in constant contact with the changing legislative scene as it affects the nation's finance and banking system.

An innovation in this year's program will be a breakfast at 7:30 a. m., Thursday, November 11th, at the Fontenelle Hotel. The speaker at this breakfast "tax session" will be Laurens Williams, a partner in the law firm of Young and Williams in Omaha. Mr. Williams is a graduate of the law school of the University of Cornell and began his practice in Omaha in 1931. He is chairman of the committee on Revenue Law of the Nebraska Bar Association and is also a member of the lecture panel of the American Law Institute.

Annual Banquet

One of the highlights of the convention will be the annual banquet



J. O. PECK
President, Nebraska Bankers Association

in the grand ballroom at the Fontenelle Hotel on Wednesday evening, November 10th. A social hour will begin at 5:00, followed by dinner in the ballroom at 6:15. Entertainment and dancing will follow.

Entertainment for the ladies also has been planned. Mrs. John R. Lauritzen, chairman of the hostess committee, announces that a ladies' luncheon and style show will be held Wednesday, November 10th, at the Blackstone Hotel.

Carl G. Swanson, secretary of the Nebraska Bankers Association, has announced that the Fontenelle, which is headquarters hotel, is unable to accommodate any more guests for the convention, but rooms are available at a number of other Omaha hotels.

Following the usual custom, the executive committee will meet the day preceding the opening day of the convention. Following this meeting, the annual Past Presidents' Dinner will be held at the Fontenelle, Tuesday evening, November 9th.

The resolutions committee also will meet prior to the convention, with shorter meetings being held at intervals during convention time. John D. Stocker, president of the Otoe County National Bank at Nebraska City, is chairman of the committee. Resolutions may be sent to Mr. Stocker at Nebraska City, or presented to him or committee members during the convention for consideration.

All general sessions of the 51st annual convention will be in the grand ballroom of the headquarters hotel.—
The End.

Northwestern Banker, November, 1948

Nebraska Business Outlook

"Excellent"!

Record Crops and Good Prices Spell Prosperity For Farmers and Merchants in Cornhusker State

"A RECORD YEAR"

By **IVAN C. RILEY**
President, First National Bank
Fairbury

"It would be my opinion that the retail business in this city has been rather slow for the past short while, although holding approximately even with last year. Some cold weather or moisture, which we need badly, will bring a definite increase in retail trade. I would estimate that the fall and winter business here may exceed last year, since we had a good wheat crop in this territory and we have a better than average corn crop now being harvested. It is reported that a very large per cent of the wheat in this territory still remains in the hands of the farmers, either on the farm or stored in terminal elevators. A large per cent has not been turned into cash. With this reserve, and the corn crop coming on, together with the livestock which will be marketed during the winter, it seems only logical that we should experience some favorable business in this territory, unless, of course, the price structure on these agricultural commodities should drop materially.

"The fall wheat crop looks good, although it needs moisture. It has a much better start than the wheat did last year, although, of course, this does not insure a crop next summer.

"It would be my opinion that in general our farmers are in the best financial condition they have enjoyed

for many years and, of course, this situation will be reflected in the local retail business as, if, and when they can find merchandise which they need and want to buy. I believe most of the retailers are able to obtain a sufficient amount of goods to hold up their volume of business."

"WONDERFUL CROPS"

By **OTTO KOTOUC, SR.**
President, Home State Bank, Humboldt

"Richardson county and surrounding territory raised the largest corn crop in its history. A large small grain and seed crop was also harvested. There is an abundance of hay and roughage. While the hog crop is below average, cattle on feed will be above normal. Farm income prospects are bright for the coming six months. Merchants in the territory report business better than it was a year ago and are optimistic for the first half of 1949."

"FUTURE LOOKS GOOD"

By **H. L. BURDICK**
Cashier, Central National Bank
Columbus

"Retail sales in the Columbus area are running about 20 per cent higher than a year ago in dollar volume, and the indices show that, even when measured in terms of physical volume, business is 5 per cent ahead of the previous year. High activity in the construction industry continues with full employment of the laboring

A NORTHWESTERN BANKER Survey

population. In fact, there is a shortage of labor in this area. The demand for housing does not seem anywhere near satisfied yet, so the outlook is for continued high activity in this important branch of business.

"Out in the country the farmers are harvesting a huge corn crop, one of the best on record. Although the prices of grains are below a year ago, the large yield will compensate for this and the farmer's income will remain very high. Their cash income will be high during the next six months, with many farmers taking the government loan on corn. This, together with the high employment in the towns, indicates that business will continue very active during the next six months, with little possibility of any decline.

"We all know that the cost of the articles the farmer purchases has risen during the last year, whereas the prices of the articles he sells have declined. The farmer's margin of profit is narrowing. The wage earners in the towns are having difficulty coping with the high cost of living, and their savings are on the decline. Many of these people have had to borrow from installment loan lenders, or have dipped into their savings accounts and savings bonds. Very few savings bonds are sold today in the smaller denominations to wage earners. These factors have made business men cautious in their outlook toward the future, and justifiably so. What will happen after the next six months period rolls by is certainly a question mark, but, in my opinion, the next six months will show continued high activity and good business, for the reasons outlined above."

"A BRIGHT OUTLOOK"

By **L. W. ROSS**
Vice President, The National Bank of
Norfolk

"To begin with, we have, according to the best of my information, the largest corn crop ever grown in this territory. The hog population is normal in number and quite a few cattle are being placed on feed. Consequently, unless there is considerable depre-



BUMPER CROP—Reports from all bankers in the corn-growing areas indicate that 1948 is showing a record yield.

Northwestern Banker, November, 1948

ciation in the value of livestock and other farm products, we can look forward to a period of good business in the next six months.

"Inasmuch as this territory is entirely agricultural, the above about states the case."

"CONDITIONS EXCELLENT"

By E. W. ROSSITER

President, Bank of Hartington

"Cedar county (and entire northeast Nebraska) will gather what is probably the largest corn crop ever produced. Our spring pig crop was large and the fall crop was about normal. Since Cedar county is frequently the largest hog raising county in Nebraska, this means a lot of hogs will go to market from this area during the 1948-49 packing season.

"Our cattle population has remained about the same but there will be less cattle shipped in for feeding than in prior years. To date, it is 50 per cent less and what additional cattle come in will depend on the drop in feeder prices.

"Milk cow numbers have materially increased. More than 2,500 dairy heifers were brought into Cedar county between 1942 and the end of 1947. (Note: This is the result of a special program by the Bank of Hartington.)

"Agricultural and business conditions in this area are excellent. The marketing of hogs and cattle and the sealing of corn on the farm will increase the farmers' income and bank deposits considerably around or shortly after January 1st. Cedar county bank deposits were among the high 25 counties in the state outside of Lincoln (Lancaster) and Omaha (Douglas) counties. The backlog of bonds held by residents in this area is very substantial.

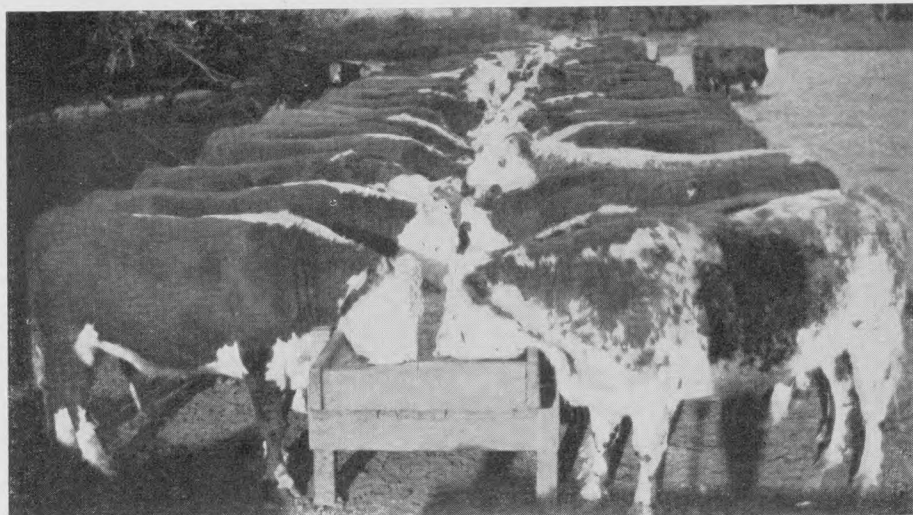
"However, it appears that 'spending' is slowing down. There is less reckless buying. Walking up and down the main business district on a Saturday, it would appear that about four out of five cars are 1948's or 1949's. There has been some building in our business district and residence district, but the high cost experienced by those who ventured to build is discouraging others who would like to do so."

"EXCELLENT CROPS AND GOOD EMPLOYMENT"

By A. J. JORGENSON

President, American National Bank of Sidney

"I am glad to say that general conditions are exceptionally good from the standpoint of good crops and employment. This county produced more than five million bushels of wheat in the year 1948, and other crops such as feed grains and forage, as well as



FEEDER CATTLE—While the outlook is for less feeding of cattle for market, indications are that prices will remain good for some time.

beets, potatoes, and beans, all of which have been harvested and are presently being marketed at very good prices.

"Business in Sidney and other towns in our county is fully as good as in 1947 and prior years. In the rural sections of our county and adjoining counties we note a tendency towards conservatism, and a feeling on the part of most farmers and stockmen that prices generally have reached a maximum and that a gradual lowering of market values is due. They are generally planning their operations with that thought in mind. We hear no criticisms of the prospect of lower prices for farm products, but on the contrary most farmers and stockmen will welcome gradually lowering agriculture prices henceforth."

"FUTURE LOOKS BRIGHT"

By M. D. KELLER

President, The First National Bank Ogallala

"Business is very good here, crops have been good, both wheat and corn are well above average yields, fall seeding of wheat is completed and wheat is coming nicely on summer tilled lands. A little dry for continual crop lands. Beet harvest is coming nicely, but acreage less than last year.

"Cattle and hog prices have dropped some recently, but prices are still good. A good part of the cattle has gone to market. Outlook for prices seems to be good for some time to come on livestock, while feed crops are tending to a lower level.

"Business houses are enjoying a good trade. However, inventories are becoming larger and supplies more plentiful.

"Labor is all very well employed and there seems to be a shortage in this field, and wages are generally well paid.

"We have a large demand for

money, interest rates are getting a little better and people having money to lend are getting a little better security.

"We would say the outlook for business for the next six months is very good."

"OVER-ALL PICTURE IS GOOD"

By WILEY GREEN

Cashier, Wauneta Falls Bank, Wauneta

"Several things should be noted. It has been very dry here this fall and the sod wheat is not coming up too good. The summer fallow wheat is coming up good in spite of the dry weather. Our corn crop outlook is fair to good. We had excellent prospects for more corn until we ran into the period of dry weather which, of course, will cut the production. Business will continue to be good but those of a marginal nature will decline. Purchases of government bonds have remained fairly steady with very few being cashed. In short, we can stand one or two bad years and after that it would be anybody's guess."

"WE ARE VERY OPTIMISTIC"

By MARK FULLRIEDE

Cashier, The Farmers Bank, Nebraska City

"Otoe county has been favored with one of the best general crop years it has ever had. After a very poor, slow start last fall, the wheat took hold and made far better than an average crop. Much of it went better than thirty bushels to the acre and the quality was all very good. Oats in our county is only a feed crop and, like the wheat, the early prospects were poor. However, it proved to be a good average crop, giving the farmers more feed than they will need. Clover and alfalfa for both hay and seed did very well this year. There are no large acreages in our county but practically

all our farmers keep a fair amount seeded down all the time. Corn is our main money crop. We had a very dry June, which we always like to see, as it makes a much better root system. There was plenty of moisture in July and the first part of August. The last part of August and the first week of September were again very dry but due to the almost 100 per cent use of hybrids and the splendid start, the corn came through in fine shape. It has matured with no danger from frost and most of it that is on good ground will go from 60 to 75 bushels to the acre.

"Since we are entirely a farming

community, all of this means that our merchants are very optimistic about business during the next six months. We have always found out that when our farmers have money, the city folks get their share."

"FULL EMPLOYMENT AND BUMPER CROPS"

By **EDWARD HUWALDT**
Executive Vice President, The Commercial National Bank, Grand Island

"The reports we are getting on the new corn crop are even better than we expected. This applies to dry land fields as well as irrigated corn. The recent break in cattle prices has stimu-

lated the flow of feeders to the feed lots. Rain is badly needed, especially for wheat. Some fields have not been planted because it is too dry to put in the crop. Retail business is on a somewhat lower level than it was last spring, but is running ahead of the same time last year. Employment is very high in this community, and it's almost impossible to get competent, experienced help. A feeling of caution and conservatism is noticeable in nearly all circles. Due to full employment and bumper crops, we anticipate no sharp slump in the next six months."

"OUTLOOK FAIR TO GOOD"

By **ROBERT T. CATTLE**
President, The Cattle National Bank Seward

"Business in retail trade is fair. Sales have fallen off since August. Deposits in banks steady, above normal. Farmers in good financial condition. Loans have increased some, but below normal for this time of the year. Very few cattle on feed as yet, on account of high price feeders and falling price in fat cattle.

"Outlook for business for the next six months is fair to good. It could be very good if world affairs were settled."

"PROSPECTS ARE GOOD"

By **O. A. RILEY**
President, The Hastings National Bank Hastings

"Business conditions are good in this community and we expect them to remain good for months to come. This opinion is based, of course, on the theory that no catastrophe befalls the nation. Crops are good and farmers are in excellent financial position. They are not happy over falling prices of farm produce, but are accepting it as a natural tendency and proceeding with their production and purchases in a normal way.

"Business in the city is remaining at levels equal or in excess of last year in dollar volume with substantial inventories. It seems that for the next six months we can expect as good business as last year."

"BUSINESS STILL VERY GOOD"

By **L. J. TITUS**
President, The First National Bank Holdrege

"Business, on the average, is about as high as a year ago although there are signs of leveling off in both real estate and boom conditions. With a better-than-average corn crop business should be good for the next six months. We anticipate that all of the corn will go under seal to Commodity Credit just as the wheat did this summer. With the corn loan price less



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than the farmers received for their corn a year ago, it could be that we will have a slight recession in business in this locality in the next six months; however, business is still very good and we see no reason to be pessimistic in the near future."

"CONDITIONS MOST FAVORABLE"

By **RICHARD W. TREFZ**
President, The Beatrice State Bank
Beatrice

"Business conditions around Beatrice continue most favorably. We had the rare combination of excellent wheat, small grain and hay crops, and

now the corn crop, all in one growing season. This lends a very substantial impetus to our business life. There is less large scale cattle feeding and more barnyard activity than in years. Dairy cattle have decreased since mechanized operations for the time being appear more profitable and less confining.

"The rank and file of our farmers are getting out of debt and staying out. There is no trace of land speculation. Whatever land has changed at what appears inflationary prices was bought on a cash basis to round out existing holdings. We are beginning to notice the first signs of re-

luctance to pay exorbitant prices for second hand machinery.

"The new wheat is greening up nicely and looks most promising."

"BEST IN MANY YEARS"

By **J. G. BREWSTER**
Cashier, The Tri-County Bank, Stuart

"From the standpoint of production, this year has been the best in many. We produce mostly cattle and hay, with some farming (mostly for feed). Our hay crop was probably not quite average, due to early dry weather, but small grain went fairly well. Corn is very good for this section and our grass for pasture the best in years. As a consequence our feeder cattle are weighing more than usual and are selling at a good price.

"There is a feeling that the farmers and ranchers face markets that will be gradually lower as a consequence of the large crop of both small grain and corn, but their indebtedness is not large and there is a very good reserve of feed, both hay and grain. Prospects for the next six months seem good.

"Our volume of retail business is off a little in some lines but is still generally satisfactory. There seems to be some uncertainty as to coming conditions which has deterred buying and this uncertainty may be dispelled by the election."

"BEST CROPS IN HISTORY"

By **GEORGE T. HEDELUND**
Vice President, Washington County Bank
Blair

"The agricultural picture is very good. All in all, we have raised the best crops, both small grain and corn, in the history of this territory. Oats turned out to be a very good crop, yields of hay have been extra heavy, wheat was somewhat spotted and there was a considerable amount of winter killing, but still it was an average crop of wheat. Corn is by far the best crop we have ever raised here. Yields up to 120 bushels per acre have been reported and 80 to 90 bushel yields are quite common.

"With prices good and a loan price on corn of \$1.37 per bushel, our farmers are in the best condition they have ever been. Naturally, since the towns are almost entirely dependent on the agricultural trade, business in general has been very good. Volume of trade is high in our area, probably higher than last year.

"In spite of an abundance of all kinds of feed, I would estimate that there is 10 per cent less cattle gone out for feeding than a year ago. The number of hogs to come to market is somewhat larger than a year ago, but still way below the usual number

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Northwestern Banker, November, 1948

of hogs raised in this territory. We look for the amount of corn placed under loan to be the largest since 1941, as all indications are that the cash price will be below the loan price.

"In Blair the housing situation is still tight, in spite of the fact that over 50 new houses have been built in the last year. Business construction has been average. There have been several new business buildings

in the past year and several remodeled. "In general, conditions in this territory are good.

"Looking ahead six months, it would seem that there is nothing serious in sight to upset conditions too much. While it is likely that farm prices will see some recession, it doesn't seem likely that the decline will be too drastic. Undoubtedly, somewhere in the future prices are due for a

considerable downward adjustment, but it doesn't seem to me that it is apt to come in the next few months."

"WHEAT PRICE UP"

By **J. I. CHRISTIANSEN**
President, **The American National Bank**
Kimball

"Business is tapering off just a little in this section. Perhaps it is more of a cautious move on everyone's part. I believe business will move along as usual over the next six months. Wheat price is the barometer here and it's some over the support price. That is what they expect for this crop and as wheat moves along those price lines it will continue to move to market.

"It is rather dry in this section for this time of year, but fall wheat is looking very good. The ground will be amply covered."

"CONTINUING GOOD BUSINESS"

By **G. H. LARKIN**
Vice President, **McDonald State Bank**
North Platte

"We have had a better than normal small grain crop. We are going to have the largest corn crop ever harvested.

"The alfalfa used for alfalfa dehydrated meal was about an average crop, but the price is low this year.

"We have more cattle than average years and some recent activity in feeding. The early pasture was poor but the late pasture was very good. The hay crop is about average and farmers and ranchers have plenty of feed.

"The building is about average, with materials scarce and of very poor quality. Good skilled labor is hard to obtain.

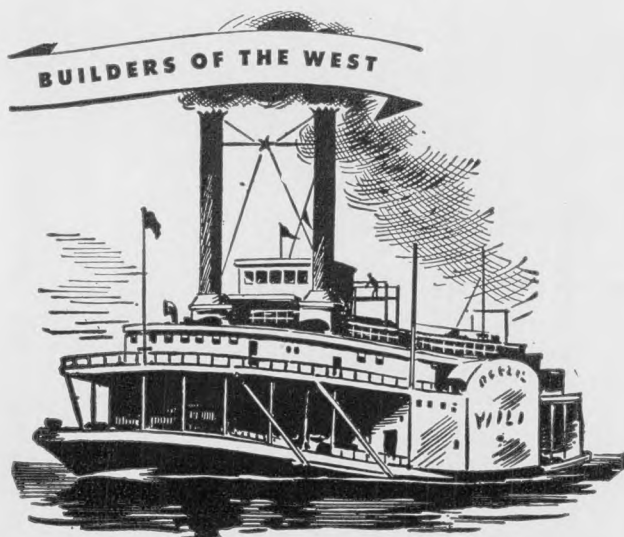
"Merchants' inventories are nearly up to normal with some articles becoming sticky.

"Bank deposits and loans are the highest in history. Surplus money and spending for luxury is down. I would say that business conditions in general are good and look reasonably good for the next six months."

—The End.

With Brainard Bank

Eugene L. Coufal has been employed by the Bank of Brainard, Nebraska, according to an announcement last month from President Charles Novak. Mr. Coufal has recently completed advanced business training at an Omaha business college and is a 1947 graduate of Brainard high school.



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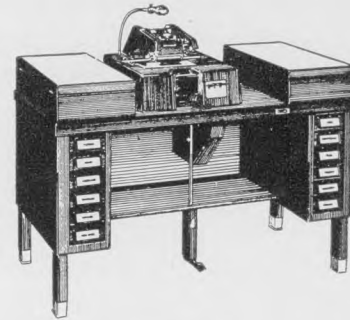
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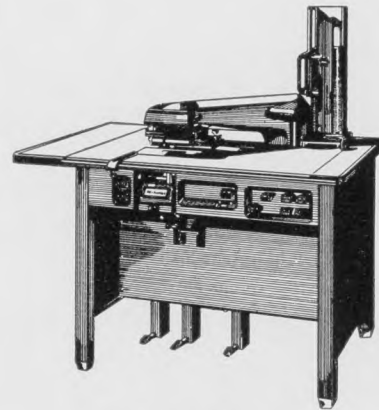
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NEBRASKA'S biggest debenture issue is to be put up for sale November 16th.

The Northwestern Bell Telephone Company on that date is to sell the debentures to retire, in part, indebtedness resulting from additions to its five-state system, it was announced at the Omaha headquarters by **Russell J. Hopley**, president of the Company.

From January 1, 1946, through last August, the Company's outlay for construction was \$90,000,000.

Sale of the debentures is Northwestern Bell's second long-term issue in its history.

In the first six months this year, the Company's construction expenditure of \$27,992,000 was greater than the total for any entire previous year except 1947.

Plant investment now is \$289,000,000 and there is \$125,000,000 in capital stock. The number of phones in use has grown to 1,376,228.

The debentures are to be sold on bids taken in New York.

Mr. and Mrs. Dale Clark's son-in-law and daughter, **Mr. and Mrs. John Schirding**, of Petersburg, Illinois, sailed recently from New York on the *Brittanica* for a six weeks' trip to Scotland and Denmark. **Mr. Clark** is president of the Omaha National Bank.

American Institute of Banking classes started in Omaha recently at the Boyles Business College. The weekly sessions in five courses are open to all Omaha bank employees. They extend through next May.

Instructors are **William A. Sawtell, Jr.**, son of the president of the Stock Yards National Bank of Omaha; **Dr. John P. Begley** of Creighton University; **George E. Winslade**, banker, and **James D. Tyson** and **Alvin H. Goeser**, both of the University of Omaha.

Omaha city officials got a kind word recently from the Omaha National Bank. In a letter to the City Council, **President Dale Clark** expressed appreciation for cooperation during the remodeling of the bank building at Seventeenth and Farnam Streets.

Lester E. Souba, assistant auditor of the Live Stock National Bank of Omaha, attended the two weeks School of Banking at the University of Wisconsin. He is president of the Omaha Chapter, American Institute of Banking.

Nebraskans on the faculty of the school included **Sumner Slater**, assistant trust officer of the Omaha National Bank, and **Richard Trefz**, president of the Beatrice State Bank.

Omaha scene: The business man spending his vacation at home had

to go to the bank. Stares and suppressed smiles marked his entrance. He made a quick inventory. Everything seemed in order.

The teller fixed his glance at the business man's collar level. "Nice effect," he murmured.

The business man clutched at his collar. He had forgotten to remove the lei of petunias, asters and cosmos pinned there by his two small daughters.

Los Angeles has contributed to the Omaha Community Chest campaign. **Chairman E. N. Van Horne** (president of the Federal Land Bank of Omaha) buttonholed an insurance salesman from California while he was visiting the home office in Omaha.

Five minutes later **Mr. Van Horne** had a check for \$100.

The claim of two brothers to about 8 per cent of the stock of **J. L. Brandeis & Sons**, Omaha department store, was confirmed recently by the Nebraska Supreme Court.

The court upheld an Omaha District Court decision that **Walter Brandeis** and **Loyal B. Cohn** are entitled to one-sixth shares of a block of stock left by **H. Hugo Brandeis** when he died in 1912. The remainder of the stock goes to **E. John Brandeis**, president of the store since the death of **George Brandeis**.

Jim Stewart, son of **Mr. and Mrs. J. T. Stewart, III**, has joined the Navy and is at San Diego, California, for training. His father is vice president and cashier of the First National Bank of Omaha.

Nelson Delavan, 62, retired Farm Credit Administration executive at Omaha and former banker at Mapleton, Iowa, died recently in Sioux City,

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Iowa. He joined the Federal Land Bank of Omaha in the early 30's. His wife, Maude Smith Delavan, is author of "The Rummelhearts of Rampler Avenue" and other fiction. A daughter also survives.

Mr. and Mrs. T. L. Davis have returned home from Lake Milona, near Alexandria, Minnesota, where they spent the summer at their cottage at the Minnesota Angling Club. Mr. Davis is chairman of the board of the First National Bank of Omaha.

Mr. and Mrs. John M. Douglas and their children, John, Jr., George and Rachel, returned recently from a vacation at Three Lakes, Wisconsin, where they stayed at the Rod and Gun Club at the cottage of Mrs. George Sumner, mother of Mrs. Douglas. Mr. Douglas heads the Omaha investment banking concern bearing his name.

Mr. and Mrs. Lawrence Brinker are back home after six weeks at their cottage on Lake Milona, Alexandria, Minnesota. Mr. Brinker is an Omaha investment broker.

Elect Vice President

A special meeting of stockholders of the Bartlett State Bank, Bartlett, Nebraska, was called by President C. L. Bishop last month for the purpose of electing a board of directors for the remainder of this year and electing a vice president to replace Hubert

A. Bishop who resigned recently after 22 years of service.

The following stockholders were elected directors: C. L. Bishop, Harold Olson, Henry Sturek, A. O. Auserod, Robert Martin, Walter Plugge and A. W. Hoefener.

Afterwards, the board of directors held their meeting and A. W. Hoefener was elected vice president for the balance of the year. No change was made in the office of the president and cashier. A. O. Auserod was retained as legal counsel for the bank.

The board of directors viewed the amount of surplus cash on hand and authorized purchase of another \$100,-

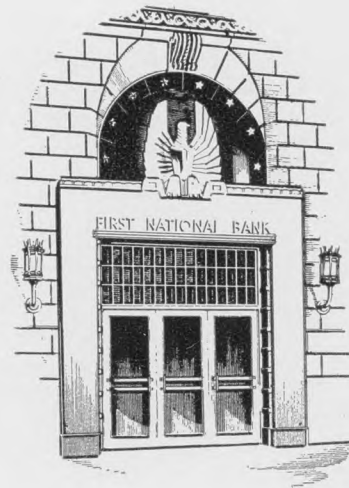
000 of government bonds, making a total of \$200,000 at this time in governments.

It was also decided at this meeting to make application for membership to the Federal Deposit Insurance Corporation.

Beatrice Promotion

L. E. Crittenden has been elected president of the State Savings and Loan Association of Beatrice, Nebraska. The board of directors unanimously chose him to succeed the late E. L. Havelone.

Mr. Crittenden has been secretary of the association since 1936. He



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joined the company in 1914 as a book-keeper. He is a past president of the Nebraska League of Savings and Loan Associations and active in Beatrice civic affairs.

Elwood L. Purdy of Wymore was named secretary and E. C. Hancock treasurer at a later meeting of the association's directors.

Mr. Purdy has sold his real estate and insurance business in Wymore to Jesse Benson, formerly of Aurora, who recently has been traveling for Aetna Insurance Group with headquarters in Omaha.

Mr. Hancock has been serving as assistant secretary of the association.

He will continue in that position as well as being treasurer. From 1940 to 1947, with the exception of two and one-half years in the army, he was with the state banking department, serving as an examiner of building and loan institutions. Since April of last year he has been with the Beatrice institution.

J. C. Price

J. C. Price, 63, manager of the real estate departments of the Lincoln and Fremont Joint Stock and Land Banks for 18 years, died unexpectedly at his farm home in Unionville, Iowa, last month.

Mr. Price died shortly after returning to his home from Lincoln where he had visited his daughter, Mrs. M. R. Reller.

He and Mrs. Price moved to Iowa last spring. Mr. Price served both Nebraska banks from 1930 to last January 1st.

Familiarly known as Colonel Price, a title gained through many years' experience as an auctioneer of pure-bred stock and real estate, Mr. Price served as bank auctioneer of real estate while in Lincoln. Mr. Price was founder of the Farmers' Club and attended the First Church of Christ Scientist. Before moving to Lincoln he served as manager of mortgage loans and superintendent of farms for a St. Louis, Missouri, life insurance company. Earlier he managed numerous stock ranges in Iowa.

Surviving are his wife, Mrs. Elizabeth Price, Unionville; three daughters and two sons.

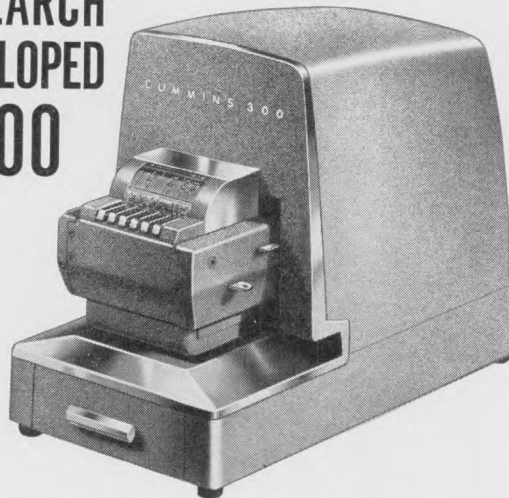
Begin Remodeling

Remodeling of the Chambers State Bank at Chambers, Nebraska, was begun last month. An additional room is being built on the north end of the building and a new vault also is being installed.

The remodeled building is planned as a memorial to the late Edward Adams, who founded the bank in 1901. His eldest son, Leo T. Adams, is president of the bank; his widow, Mrs. Sarah Adams, is vice president; another son, Glen H. Adams, is cashier, and Mrs. Faye Dierking is assistant cashier.

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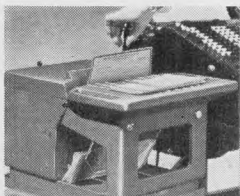


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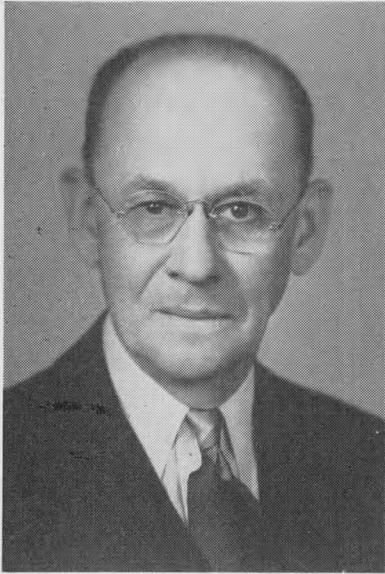
Harry F. Smith, President
Harold O. Polian, Vice Pres.-Treas.
F. Arthur Flodeen, Statistician
J. M. Kadlecck, Sales Manager

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Joins Bankers Service Company

Harry B. Gipson, who has had many years of experience in negotiating the sale of banks, has joined the Bankers Service Company of Des Moines as vice president.

Mr. Gipson is an experienced country banker. For many years he was



HARRY B. GIPSON
With Bankers Service Company

the managing executive of banks at Odell and Rising City, Nebraska, after which he served as a state bank examiner. For nine years, 1918-1927, he was identified in an executive capacity with The Charles E. Walters Company of Omaha.

In 1928 Mr. Gipson again became identified with the State Department of Banking in Nebraska and for nine years, 1928-1937, was associated with the receivership division in the liquidation of state banks. In January, 1938, he became executive vice president of the Coleridge National Bank of Coleridge, Nebraska.

Since June, 1941, Mr. Gipson has been employed as a government auditor, including five years as auditor of fiscal accounts for the U. S. War Department, Seventh Service Command at Omaha, in preparation for which work he completed a special course in property accounting and auditing at the Army Finance School in Baltimore, Maryland.

Mr. Gipson brings to the Bankers Service Company a rich experience in bank management, auditing, sales and supervision. Both Vice President Gipson and President Henry H. Byers will attend the Nebraska Bankers Convention in Omaha on November 10th and 11th and are looking forward to meeting a lot of old friends.

George A. Gray

George A. Gray, 79, president of the Coleridge National Bank at Coleridge, Nebraska, for 46 years, died at his home.

Mr. Gray was born December 9, 1868, at Ardee, County Louth, Ireland. He came to the United States and to

Coleridge in 1899 and had resided there since. He founded the Coleridge National Bank in 1902 and had been its president since that time.

Promoted at Holdrege

Two World War II veterans have received promotions to the officer staff

Welcome

To all Bankers at the Omaha Convention of the Nebraska Bankers Association. We, of the Commerce, will be pleased to meet you at the convention.

NATIONAL BANK of COMMERCE

LINCOLN, NEBRASKA

46 years at 13th and O Streets

Member Federal Deposit Insurance Corporation

*Our Correspondence Service Is Based
on a Long and Thorough
Knowledge of this
Trade Territory.*

First National Bank
St. Joseph, Missouri

Member Federal Deposit Insurance Corporation

by the First National Bank of Holdrege, Nebraska. Russell L. Harris has been named assistant vice president and Glen J. Anderson has been named assistant cashier.

Coops Meet in Lincoln

More than 150 representatives of 75 cooperative credit associations in Nebraska were in Lincoln last month for the tenth annual convention of the Nebraska Association of Co-operative Credit Associations held at the Cornhusker Hotel.

MODERN FIXTURE CO.

"Since 1908"

BANK FIXTURES

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Tax Exempt Income Is Desirable

We Sell Tax Exempt Municipal Bonds

ROBERT E. SCHWESER Co.

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Bankers and Their Ladies

are cordially invited to The Model Rooms and Furnished Houses at

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Omaha, Nebraska

530 Insurance Building

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The delegates were welcomed by Byron Dunn, president of the National Bank of Commerce, Lincoln, who emphasized the need for coordination of effort between the various associations in the state. J. C. Wisda, Lincoln, president of the state organization, responded to the welcome and presided at the convention meeting.

During the afternoon the delegates attending the convention heard three addresses on phases of credit and banking, followed by a discussion period.

The speakers during the afternoon session were Albert R. Stelling, assistant cashier of the Live Stock National Bank in Omaha; Wally Keenan, president of Van Sant School of Business, Omaha, and Carl Ganz, vice president of the National Bank of Commerce in Lincoln.

Bank Women Elect

The Association of Bank Women, the only national organization of executive bank women in the country, ended its 26th national convention in Detroit with installation of new officers and presentation of the Jean Arnot Reid Award.



MARION E. MATTSON
Vice President

Mrs. Bernice D. Parks, assistant treasurer and member of the corporation, the Provident Institution for Savings, Boston, was elected president. Miss Marion E. Mattson, assistant cashier of the Northwestern National Bank of Minneapolis, was elected vice president.

Miss Mattson began her banking career in 1922 as a stenographer in the Northwestern National Bank and was secretary to the senior vice president for four years. After working eight years in the women's department she became manager of the central stenographic division, which position she held for eleven years. She was elected assistant cashier in 1947.

Eight regional vice presidents were chosen. Representing the Mid-West Division is Mrs. Esta Conn, assistant cashier, Security Savings Bank, Marshalltown, Iowa, who was re-elected.

BANKERS YOU KNOW

(Continued from page 26)

a Shriner. He is a registered Republican.

Visitors to Mr. Karpf's home do not find it difficult to discover his hobby. In the rear of the Karpf home he maintains a garden throughout the summer and taking care of it and the beautiful lawn surrounding the home provides him with relaxation.



Nebraska

"Roll of Honor" Banks



It is an honor to be listed among the HONOR ROLL BANKS. It indicates that the bank has SURPLUS and UNDIVIDED PROFITS equal to or greater than its capital

The banks listed on this page are some of the outstanding "Honor Roll" Banks in Nebraska. By careful management and sound banking they have achieved this enviable position. These banks will be especially glad to handle any collections, special credit reports or other business in their communities which you may entrust to them. Correspondence is invited.

TOWN	BANK	OFFICER	CAPITAL	SURPLUS PROFITS
Ainsworth	Commercial National Bank	H. G. Thorley	\$ 50,000	\$ 65,093
Arapahoe	Citizens State Bank	R. F. Emett	25,000	44,000
Arlington	Arlington State Bank	Harry Heiliger	30,000	40,000
Aurora	First National Bank	Frank M. Farr	50,000	69,000
Beemer	First National Bank	E. H. Sutherland	25,000	52,000
Broken Bow	Nebraska State Bank	C. H. Rowan	50,000	90,000
Clatonia	Farmers Bank	E. J. Chittenden	20,000	25,000
Crete	City National Bank	B. F. Aron	50,000	56,000
Crete	Crete State Bank	Thomas J. Aron	50,000	74,000
Dalton	State Bank of Elk Creek	R. F. Buchanan	25,000	40,000
Edgar	Security State Bank	E. E. Hedgcock	25,000	32,000
Elgin	Bank of Elgin	Geo. A. Wright	25,000	43,699
Elk Creek	State Bank of Elk Creek	R. A. Kovanda	15,000	29,000
Emerson	First National Bank	F. A. Mieras	30,000	64,000
Ewing	Farmers State Bank	S. W. Brion	25,000	35,000
Fairbury	The Fairbury State Bank	Irl Else	50,000	116,705
Fairbury	First National Bank	Ivan C. Riley	150,000	283,295
Fairmont	Farmers State Bank	C. F. Tous	25,000	25,000
Falls City	First National Bank	Geo. R. Froehlich	100,000	160,000
Franklin	Franklin State Bank	P. L. Slocum	50,000	81,000
Fremont	Stephens National Bank	J. Guy Edloff	125,000	230,000
Fullerton	First National Bank	E. M. Black	50,000	90,000
Gibbon	Exchange Bank	Glen T. Gibson	30,000	38,345
Grand Island	First National Bank	I. R. Alter	300,000	850,000
Hastings	The Hastings National Bank	Charles E. Deets	200,000	335,000
Hayes Center	First National Bank	H. M. Counce	25,000	43,000
Hay Springs	Northwestern State Bank	R. Gustafson	50,000	67,000
Hebron	Thayer County Bank	J. R. Kenner	40,000	71,000
Hemingford	Bank of Hemingford	Y. H. Seaton	25,000	47,000
Hickman	First State Bank	W. R. Judah	30,000	46,000
Hooper	First National Bank	G. H. Looschen	50,000	132,000
Humboldt	Home State Bank	Glenn D. Jenkins	50,000	61,000
Kenesaw	Adams County Bank	S. H. Itzen	25,000	36,990
Keystone	Bank of Keystone	D. O. Cole	25,000	32,000
Kilgore	Farmers State Bank	H. L. Campbell	15,000	20,000
Laurel	Security National Bank	C. W. Fahnestock	50,000	91,000
Leigh	Bank of Leigh	George C. Kumpf	25,000	38,000
Lincoln	The First Trust Co. of Lincoln, Nebr.	S. C. Waugh	400,000	448,000
Lincoln	National Bank of Commerce	Albert A. Held	600,000	1,350,000
Lodgepole	First State Bank	A. C. Peterson	25,000	43,500
Madrid	Security State Bank	W. W. Allen	25,000	36,000
McCook	First National Bank	Roland Larmon	100,000	323,000
Millard	Farmers State Bank	G. E. Nelson	37,500	40,000
Morrill	First National Bank	R. T. Covington	25,000	93,000
Oakland	Farmers and Merchants National Bank	C. C. Neumann	60,000	156,000
Omaha	First National Bank of Omaha	J. T. Stewart III	2,000,000	2,000,000
Omaha	Live Stock National Bank	H. C. Karpf	500,000	2,280,000
Omaha	The Omaha National Bank	W. D. Clark	2,500,000	5,642,000
Omaha	United States National Bank	A. L. Vickery	1,500,000	2,672,702
Paxton	Bank of Paxton	Peter Eginton III	25,000	38,642
Plattsmouth	Plattsmouth State Bank	C. J. Schneider	50,000	250,000
Ponca	Bank of Dixon County	F. R. Kingsbury	35,000	51,000
Purdum	Purdum State Bank	J. F. Moody	20,000	43,000
Rising City	Farmers State Bank	H. F. Garhan	30,000	46,000
Schuyler	The Schuyler State Bank	Joseph M. Rogers	70,000	105,000
Scotia	State Bank of Scotia	Clarence Sixel	25,000	28,000
Scribner	Farmers State Bank	Arthur H. Shultz	40,000	64,000
Seward	Cattle National Bank	Robert T. Castle	50,000	61,000
Seward	Jones National Bank	Velma M. Madison	100,000	116,000
Sidney	American National Bank	A. J. Jorgenson	130,000	144,000
Spencer	Spencer State Bank	Gus Bentz	25,000	48,000
Springview	First National Bank	E. C. Logan	25,000	25,000
Stanton	First National Bank	Leo Nixon	50,000	270,000
Stanton	Stanton National Bank	James Zoubek	50,000	110,000
Stromsburg	Stromsburg Bank	E. C. Nordlund	30,000	68,000
Tilden	Tilden Bank	J. J. Ryan	25,000	78,700
Valley	Bank of Valley	T. F. Green	25,000	34,000
Wood River	Bank of Wood River	E. C. Huxtable	10,000	37,000
Yutan	Bank of Yutan	H. H. Peters	25,000	35,000

Thumbprint Endorsement Plan

IF YOU walk into the offices of the Protected Check Corporation of America, 11 South La Salle Street, Chicago, you will hear the story and be given a personal demonstration of the use of the "Invisible Thumbprint Endorsement Plan" which is being used by banks and mercantile organizations throughout the United States.

Elwood M. Brooks, president of the Central Bank and Trust Company of Denver, developed the idea after extensive research.

The plan is the answer to the problem of forgeries, individuals with "no

accounts" and checks issued where there are not sufficient funds. Recognizing that millions of dollars were being lost by business men and bankers honoring these checks, Mr. Brooks utilized the knowledge of his many years in the banking business, the aid of law-enforcement agencies and the experiences of his commercial depositors.

Armed with the information that there are 109 million sets of fingerprints on record with the F.B.I., Mr. Brooks reasoned that since the American people are conditioned to finger-

printing, the "Know Your Endorser" practice of bankers could be modified for use by business men in their every-day transactions. He substituted a simple physical description of the endorser and an invisible thumbprint to be placed on the reverse side of any bank check. This plan made



Miss Helen Murray and William J. Cannon, Jr., advertising and publicity director of the Protected Check Corporation of America, demonstrating the use of the "Invisible Thumbprint Plan" adopted by many banks and business institutions.

any person desiring to cash a check as well known as an old friend.

Shown in the picture accompanying this article is Miss Helen Murray placing her thumb on a check while

St. Joseph's Oldest Bank



**You can always count on us
to do everything we can
to cooperate with our
banker friends**

The Friendly
**AMERICAN NATIONAL
BANK**

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to

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ASSOCIATION**

As you meet in Omaha,
November 10-11 for your
Annual Convention

**Monroe Calculating
Machine Company, Inc.**

423 So. 15th Street
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1342 P Street
LINCOLN, NEBRASKA



**MONROE ACCOUNTING
MACHINES FOR
BANKS**

William J. Cannon, Jr., advertising and publicity director of the Protected Check Corporation of America, holds the pad which contains invisible ink.

In order to present a complete service for use at all points where checks or money is handled, the plan operates as follows:

1. A very attractive decal, about six inches in diameter, is displayed on the entrance of the place of business of the subscriber. This symbol of protection serves as a warning to "crooks" that fingerprints will be required for the cashing of checks, acting to deter their efforts.

2. Complete supplies required for operating the plan are provided, including a plaque for interior display to repeat the warning to dishonest persons.

3. When a stranger presents a check for payment or cashing, simple details of his or her physical description are entered in spaces provided by the endorsement stamp.

Also, an invisible thumbprint, name and address are entered. No dishonest person attempting to cash a check will submit to this part of the plan, since it is well recognized that a thumbprint is positive identification.

4. The subscriber then deposits the check in the bank in the regular manner.

5. Should the check be returned for any reason then, at the option of the subscriber, it may be sent to the Protected Check Corporation Investigation Division for collection. If this action is taken within 48 hours after its return from the bank, and it has been properly processed in accordance with the plan as prescribed, the corporation then prosecutes its collection at no cost to the subscriber.

Will Consider Stock Increase

The directors of The First National Bank of Chicago, at a meeting last month, called a special meeting of the stockholders of the bank for Tuesday, December 21, 1948, to vote on the question of increasing the capital stock of the bank from \$60,000,000 to \$75,000,000 by the declaration of a stock dividend of \$15,000,000, to be taken from the bank's present surplus. The additional stock, if voted, will be distributed soon after the meeting on December 21st to stockholders of record at the close of business December 15, 1948.

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

New Officers

Guaranty Trust Company of New York announces the appointment of Alexander N. Gentes as a vice president and of John R. Doty as an assistant secretary, both in the foreign department of the company's main office.

Sound-slide Film

A 30-minute sound-slide film, picturing the Westinghouse Equity Plan of financing of radios and appliances by local banks has been prepared by the Retail Finance Division of the Westinghouse Electric Corporation, Pittsburgh, Pennsylvania.

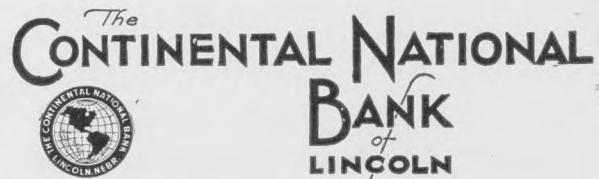
The film describes in detail how a bank can receive protection through the plan's wholesale repurchase agreement and profits through its suggested retail financing arrangement, as well as the benefits of its new low cost insurance features. It will be made available to banks without charge by mid-November.

Designed to show banks how to put the plan to work, the film depicts a typical boardroom meeting in which a Westinghouse representative discusses every aspect of the program with three of the bank's officers. Point by point the entire plan is clearly and succinctly reviewed by the representa-



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Financial stability, sound business management, and the service it renders have brought the Woodmen of the World 58 years of constant growth in membership and financial strength.

Its assets, less than \$6,000 in 1890, now exceed \$164,000,000. It has \$345 in assets for each \$1,000 of insurance protection in force.

More than 415,000 members are protected by nearly \$475,000,000 of Woodmen life insurance. They also benefit from Woodcraft's fraternal, social and civic activities. Its 9,000 local camps contribute much to community welfare.

WOODMEN OF THE WORLD

LIFE INSURANCE SOCIETY

OMAHA, NEBRASKA

Farrar Newberry, President

W. C. Braden, Secretary

tive who gives specific examples of typical transactions. Additional clarity is achieved through the use of illustrative charts, graphs and cartoons.

Reservation dates for a copy of the film, with a suggested alternate date if possible, may be made with the Retail Finance Division, Westinghouse Electric Corporation, 306 Fourth Avenue, Pittsburgh 30, Pennsylvania.

Announces Officers

Officers of The National Association of Bank Auditors and Comptrollers

for the year 1948-49, elected at the association's twenty-fourth annual convention last month, are:

President, Paul D. Williams, vice president and comptroller, Corn Exchange National Bank and Trust Company, Philadelphia, Pennsylvania.

First vice president, Edward F. Lyle, comptroller, City National Bank and Trust Company, Kansas City, Missouri.

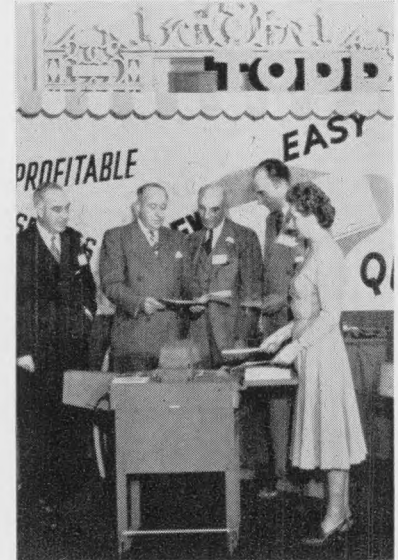
Second vice president, Burton P. Allen, executive vice president, Capital National Bank of Sacramento, California.

Secretary, Raymond C. Deering, comptroller, Manufacturers Trust Company, New York City.

Treasurer, Clarence H. Lichtfeldt, comptroller, First Wisconsin National Bank, Milwaukee, Wisconsin.

New Imprinter

A new machine for on-the-spot imprinting of personalized checks, the Imprinter, was announced for the first time by the Todd Company at the



The New Check Imprinter Recently Announced by The Todd Company

74th annual convention of the American Bankers Association in Detroit. Studying the checks which were imprinted and bound into a checkbook in less than three minutes is Daniel H. Cooney, executive vice president of the Kenosha National Bank, Kenosha, Wisconsin, third from the left. Also present are, left to right, Gilbert J. Owen, general sales manager of Todd; L. T. Thomasma and Irving L. Greene, assistant general sales managers, and Miss Helen Boreisis, operating the Imprinter.

Heads Safe Deposit Group

At the annual convention of the American Safe Deposit Association, held in Boston last month, the following association officers were elected:

Paul M. Becker, manager of the Safe Deposit Division of the First Wisconsin National Bank of Milwaukee, was elected president. He succeeds Harold F. Corey, First National Bank of Boston, who was elected to a three-year term as a member of the association's executive committee.

A. L. Wissman, safe deposit manager of the First National Bank of Philadelphia, was named vice president and Hubbard S. Lafoon, assistant vice president of the State-Planters Bank and Trust Company, Richmond, was elected secretary-treasurer.

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to Serve You Better

No wonder our light bill is big—when all those lights in our Transit Department are on 'til wee morning hours! But we think you'll agree that it's worth a large light bill to give you night-time service . . . to speed transactions for you day or night.

Make City National *your* correspondent, and start enjoying our "years ahead" facilities.

CITY NATIONAL

ESTABLISHED 1913

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Bank & Trust Company

10TH AND GRAND • KANSAS CITY 10, MO.

IN KANSAS CITY IT'S CITY NATIONAL • IN KANSAS CITY IT'S CITY NATIONAL

Artificially Low Interest Rates Contribute to Inflation

Country's Economists Call for "Stiff Dose of Sound American Common Sense" for Successful Debt Management

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

CENTRAL banks and treasuries cannot exercise controls over excessive credit expansion and at the same time keep money excessively cheap for government borrowing. When a Federal Reserve Bank buys government bonds to peg the price, Federal Reserve money flows out and increases the money supply. This is wholly inconsistent with the effort to fight inflation by reducing the money supply in other ways."

The foregoing quotation is from the seventh and concluding number of the series published by the committee on public debt policy under a grant from the Falk Foundation. This final chapter is, in effect, a summarization of the entire study and presents the committee's conclusions. It was written by W. Randolph Burgess (chairman of the executive committee of the National City Bank of New York), and George B. Roberts, also of the National City Bank, but the full committee takes responsibility for the findings set out. The full committee is an imposing list of some of the country's most realistically minded working economists. Its conclusions cannot be brushed aside as the murmurings of crackpots. A major one can be paraphrased in this form: Artificially low interest rates contribute powerfully to inflation.

Everyone is opposed to inflation, especially in an election year. It is clear that one of the strongest weapons with which to combat inflation is higher interest rates. They are well on the way in all sectors except government bonds. In that field, the Federal Reserve is doggedly fighting on. In the course of the last year, the Reserve Banks have bought more than 23 billions of government securities. Worse, the pace of purchases is rapidly accelerating. The two major sellers have been commercial banks and insurance companies. There is nothing in sight to check the volume of such sales to the Reserve.

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.

Likely enough, the tempo will be stepped up. The holdings of governments by commercial banks, though, are so large that the Reserve can hardly go on buying at unrealistically high prices indefinitely.

Banks More Vulnerable

There are still voices raised in defense of the pegs. Mostly they seem to think that the banks would be damaged if the market for governments were allowed to seek its natural level. This is not necessarily true, but it can be admitted that commercial banks are more vulnerable than the life insurance companies. Still, the banks do not have to sell governments to raise money to lend to their customers, or to satisfy demands by depositors. In the first case, the banks can stop lending; in the second case, the banks can borrow from the Federal Reserve on the security of government bonds.

The insurance companies, it is argued, have no concern with market prices, but are interested only in getting the interest regularly and the principal at maturity. This view may be a little naive in that it is unlikely that the insurance companies are wholly unconcerned with market prices, but there is no doubt that, speaking generally, their obligations are of the long-term variety and they can support a claim to being bonafide long-term investors and, conse-

quently, interested only in the ultimate fate of their investments.

If that be allowed, the campaign waged for lower interest rates so vociferously by certain leaders of the insurance field can be attacked on the ground that the insurance companies are risking little (or, at any rate, a great deal less than commercial banks) in asking for higher interest rates and, consequently, lower medium and long-term bond prices, whereas those supporting pegs have a great deal at stake in the matter of bond prices.

Pegs Will Go

The question of self-interest, though, is rather beside the point. Clearly, both those for and those against pegs should take the broad view and concentrate on what is best for the country as a whole. Whether or not they will is also rather beside the point, since the pegs will go in any case in due time. There are three important considerations in this connection. In the first place, no one is likely to be badly hurt. After World War I, Liberty Loan 4½s sold down into the low 80s and the general economy proceeded to boom right along for almost a decade.

Then there is the fact that not even the Treasury and the Reserve are likely to go on monetizing the debt to the possible ultimate limit. In Washington the word is that the line will be held for "the foreseeable future." The qualification is far from reassuring when it is remembered that the line yielded abruptly less than a year ago when new, lower pegs were announced.

The other important consideration is merely that of technique. Should the pegs be grudgingly lowered a little at a time, or abruptly withdrawn completely? Something can be said for an "orderly" retreat, but better arguments can be made for a complete withdrawal.

As the situation stands, short rates

are moving higher and, consequently, short obligations are gaining in appeal. There is, then, an immediate and discernible reward for selling medium and long governments to the Reserve. If the pegs are to be lowered gradually, the rewards will

shrink, but won't disappear. Sellers will remind themselves that they have no reason to hope for higher prices and that "half a loaf is better than none."

On the other hand, if the pegs are abruptly withdrawn and the market

left to seek its natural level, there would doubtless be a brief period of great uncertainty whilst the market staggered about and recovered its equilibrium. If, as may be presumed, the "natural level" is definitely under par, there will be no reward, no incentive to sell. Rather sales of the world's best credits at less than par will involve most distasteful and unwelcome penalties. Presumably, the selling will dry up and slowly but surely institutional and private investors will take up the slack.

Inflation Hurts

Market levels of government bonds and whether the going rate for a particular credit of a particular term be 2½, 3½ or 4½ per cent means relatively little to the great bulk of the workers and consumers in this country. What does hurt is inflation. Not only while prices are rising, but during the extremely painful aftermath. It is hard to put across the idea that cheap money causes inflation, that dearer money will check and that much dearer money may even reverse inflation. A fine effort to explain the mechanics has been made recently by Henry Hazlitt. In his words:

"Artificially low interest rates increase the demand for bank loans; increased bank loans mean increased bank deposits; increased deposits mean an increased volume of money; an increased volume of money means an increased monetary purchasing power pushing up the prices of goods. Cheap money means inflation."

A public sufficiently aroused will end the vicious spiral of inflation. By implication, the era of cheap money will be one of the victims. Happily the general state of the nation's economic health is excellent. If there is to be a period of adjustment in the money market, one could hardly ask for a more propitious moment.

Those who manage the investment portfolios of the country's commercial banks have no insoluble problems. They've already made major preparations for lower prices for medium and long-term governments. Holdings of short-terms will not, of course, recede a great deal in the nature of things. As they run off, too, they will be replaceable with somewhat better yielding Treasury obligations.

Not only have the managers of investment portfolios of banks made ready; the free markets in securities have likewise responded to the signs of the times. Incidentally, of course, the truly attractive yields available in other than government securities are just another reason to shift from artificially supported into free market investments.

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FOND DU LAC, WIS. • MINNEAPOLIS, MINN. • WAUSAU, WIS.

Municipal Market

The municipal market is a case in point. Yields on average, representative 20-year municipals have risen from 1.37 to 2.44 per cent. These are the exempt returns from municipal bonds supported by the full faith and credit and taxing power of the issuing communities. Commercial banks, most of which pay 38 per cent income tax, can usually improve their earnings notably by moving from taxable governments into exempt municipals.

In a related field, that of municipally sponsored revenue projects financed by tax exempt bonds which, however, do not have the "full faith and credit" support of the municipality, yields are considerably better. Tax exempt revenues, of course, are usually more difficult to appraise than straight municipal bonds, but the extra study and work is frequently well worth while.

Another type of investment that is ordinarily considered tailor-made for commercial banks is equipment trust certificates issued by railroads. These are a type of investment too little known and appreciated by many commercial bankers. Speaking generally, the quality is excellent. In the past, there have often been periods in which the supply of these obligations has been inadequate and discussion of their merits, consequently, has been largely academic. At the moment, though, there are reasonably good supplies in the market and in sight.

As one prominent investment security house sees it, the total emission of rail equipment issues this year will certainly set a new record, "and the only question is, what will the final figure be? The huge demand for rolling stock built up during the war and the present improved position of equipment manufacturers from the standpoint of making deliveries are responsible for bringing about the current record-breaking volume of equipment trust issues."

Summary

To summarize the situation at this point: Time is running against the money managers and those who advocate regulations and artificial controls. Six months hence there may even be new men at the head of the country's fiscal affairs, thus neatly by-passing the face-solving problem.

Most banks are prepared for the inevitable. Markets in high-grade securities, other than governments, have likewise anticipated probable future developments. In certain sectors there appear to be ample supplies, on hand or in sight, of investment securities suitable to bank portfolios and priced

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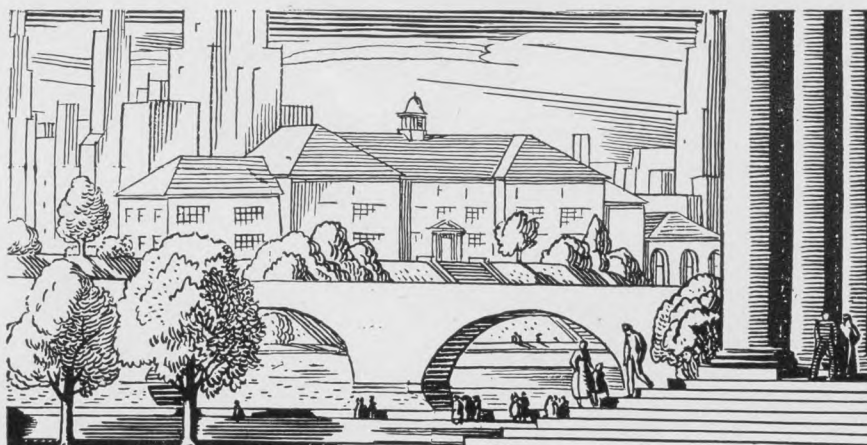
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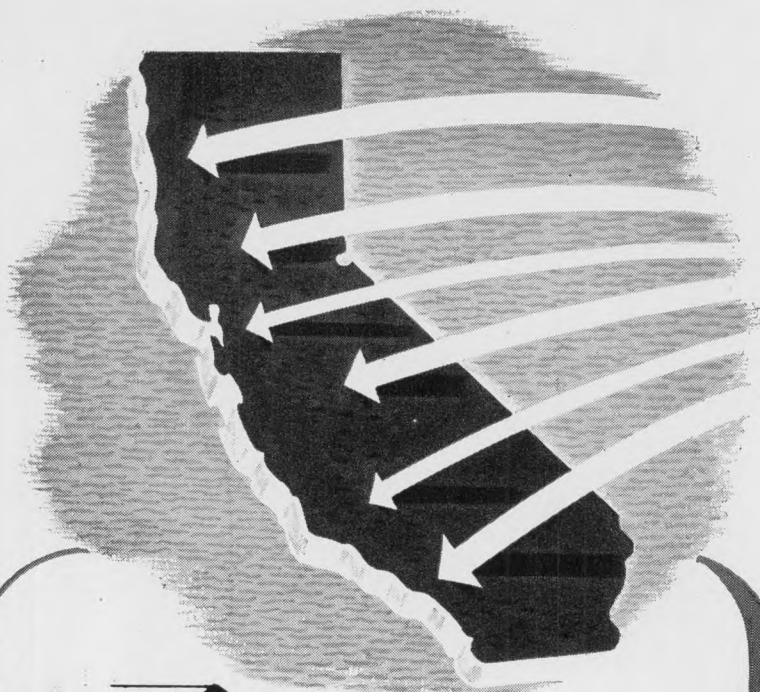
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at inviting yields. At some future date, investment managers of commercial bank portfolios will resume their traditional occupation of participating in, and striving to profit from, a free market in governments.

Meantime, this column of comment can do no better than to conclude with another quotation from the National Debt Series. It is:

"In this final report the committee sets forth five basic steps which in its opinion are essential to successful management of the debt. The five-point program for action is as follows:

- "1. Control the budget.
- "2. Reduce the debt.
- "3. Distribute the debt more widely.
- "4. Restore flexible interest rates.
- "5. Nourish a dynamic economy.

"There is nothing novel in this program, nor anything easy and popular. There is no secret formula. The need is for nothing more or less than a stiff dose of sound American common sense."—The End.

Publishes News Commentary

Holley, Dayton and Gernon, Chicago investment firm located at 105 South La Salle Street, is publishing an investment letter under the title, "Fortnightly News Commentary."

Edited by Ward W. Dayton, manag-



WARD W. DAYTON
"Stock Market Least Inflated"

ing partner of the Chicago office, a recent issue of the "Fortnightly News Commentary," stated: "With ownership in the best and largest companies in America selling lower in relation to earnings than at any time in history and with the Federal Reserve Board of the opinion that the stock market is the least inflated of all sections of economy, it seems apparent that unusual investment and profit-making opportunities are available."

INSURANCE

The Business Farmer Is Your Number One Prospect

**You Can Best Assist Him By Personal Contact
And By Organizing Rural Fire Prevention Services**

**By DENNIS C. SMITH
Chairman, Agricultural Committee
The National Fire Waste Council, Chicago**

THE national farm cash income last year was over 30 billion dollars to which may be added another eight billion dollars for non-cash income such as farm home land, vegetables and other things produced and used on the farm. No other group in America enjoyed an income of over 38 billion dollars in 1947. Farm savings reached an all-time high of 22 billion dollars and, at the same time, farm mortgage indebtedness was only five billion dollars—here again, if history repeats itself, no other group in America has so sizable a backlog of savings and unmortgaged investment to tide them over less prosperous times.

The modern business farmer is a prospect for almost every line of insurance you sell, including property insurance on buildings and farm personal, automobile and truck insurance, owner's and tenant's liability, compensation, life, personal property floater and livestock mortality. He especially needs the intelligent service that you can supply with an on the premises survey of his insurance needs and the safe, sound and dependable protection that you provide. The insurance agents of your state would not be writing insurance today on factories, mercantile establishments and numerous lines in your cities and large towns if it were not for the contributions of agriculture to industry. Take the time to properly protect the farmers in your state by giving them the right kind of insurance protection in order to safeguard the operations of the many industries in your cities and towns, as well as preserve the wealth of these United States.

No other group in America now has

the purchasing power of the American farmer. I have a chart in my office indicating the 1947 purchasing power as compared to prewar purchasing power of the principal groups and it shows that the farmer occupies the top position. Only one group in the nine depicted approaches by one-half the purchasing power of the American farmer. Agriculture is basic, it is the source of all income. The industry

of farm insurance is vital to the big business of agriculture and vice versa, and for that reason no insurance agency located in a town of 25,000 population or less can be built upon a sound foundation that does not have on its books a substantial volume of the insurance of the business farmers in the farm community that surrounds that town or city.

You will note I referred to the



FRUSTRATION takes a stranglehold on the emotions of thousands of rural and farm families each year as they are forced to watch their homes, their personal possessions and valuable equipment engulfed by fire that can't be combatted because of inadequate or a complete lack of fire protection facilities. Helping to alleviate this situation with intelligent leadership can open a big field of business for local agents.

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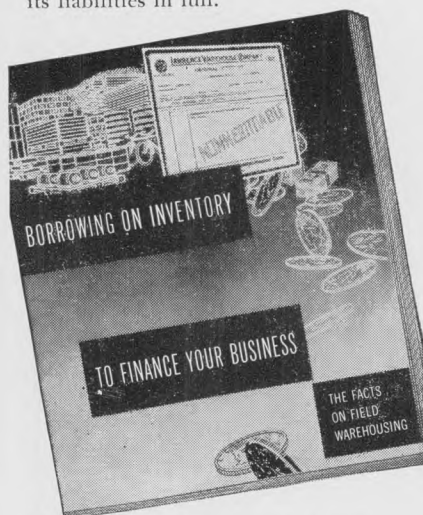


Northwestern Banker, November, 1948

Strengthen Your Doubtful Risks With Lawrence Receipts

Judged by its prevailing risk criterion, a bank's portfolio contains many loans on open account which may well be placed on a secured basis. Lawrence warehouse receipts issued on the borrower's inventory in such cases protect * the lender with collateral which is fundamentally sound.

*Lawrence receipt holders are protected by the strongest and broadest fidelity bond and legal liability insurance in the field warehouse industry. Thus Lawrence can always discharge its liabilities in full.



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farm insurance of the "business farmers" in your community as a sound foundation for your agency. That risk "which is good for the company is also good for the local agent" is an old and trite saying, but it bears repeating and it is definitely applicable to the farm insurance business. The farm business has not, and never will, permit of undue liberality. It is a class which both local agents and companies must supervise carefully and handle with understanding. It is utterly folly to write what appears to be desirable insurance in a manner that violates the fundamentals of good underwriting and it is out of the question to accept every risk. The lack of discretion and good judgment in the selection of farm owner clients has, in a great degree, been responsible for the dissatisfaction that many local agents have encountered in their initial efforts to add business of this class to their agency volume.

Careful selectivity of farm owners is paramount in building a farm premium income if an agent desires to avoid the headaches and dissatisfaction that frequently comes to those who have not previously sought this desirable class and who fail to familiarize themselves with its problems and the technique of good farm underwriting and protection.

Business Farms

The biggest mistake anyone can make in analyzing the farm section of the national or state market is to talk of things in terms and averages. According to the census, we have 6,000,000 so-called farms. That is wrong. We are interested in farms which produce income and those which enable the operators to buy in substantial quantities the better things, including sound insurance. One of the smartest men I know is an executive with a large farm equipment company in Chicago. He says we do not have 6,000,000 farms, but that we do have 3,500,000 "business farms" which are worthy of the name. These farms make money, buy manufactured goods, need sound property insurance and can pay for it. The other farms run all the way from subsistence share crop operations up to farms which just enable the operators to make a fair living. Those farmers in the top half income group receive 82 per cent of net farm income and account for as much as 91 per cent of farm expenditures.

A friend of mine in the agricultural publishing business has frequently compared farmers to insurance agents. The top half in either group are progressive—they handle a lot of money.

IN TEN SHORT YEARS

Alarming changes in our national price structure have taken place during the past ten years. When viewed month by month these changes were not too disturbing, but when we block out all intervening schedules and compare only those of 1938 with those of today, we are shocked.

Take check books, for example. Considering the increased number of accounts, the higher activity and the advances in price, it is conceivable that a bank's net outlay for checks, pass-books and covers might be 200% more this year than in 1938. And yet, a bank that has been actively engaged in a program of selling imprinted checks to its customers throughout this period would probably find its net expense lower because of the cost recovery.

Strangely enough, the checks a bank buys and gives away have advanced in price far more, percentage-wise, than have imprinted checks. Personalized Pocket Checks, for example, are 40% below what they were in 1938, so the customers who pay for their checks are getting a real bargain and, on every order sold, the bank can recover its full cost. When we add to this the acknowledged customer satisfaction, plus the time saved in sorting and filing, we understand why so many banks are pushing imprinted checks.

How about your bank? Are your check costs up as compared to 1938? Or have they shrunk? This is the time to examine the question and see just what has happened during these ten short years. There still is time to cut your costs. May we help you do it?



Manufacturing Plants at:

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they are prosperous and they are good buyers of better things. Make up a list of the top income farmers in your community and go out after their business by offering them an on-the-premises survey of their insurance needs.

You cannot know what goes on on the farm nor what is needed in the way of insurance protection unless you personally inspect the premises. It will do you good to get in closer touch with the farmers and the soil. You cannot write the insurance with any degree of safety to the company you represent or fairness to the farmer without knowing what there is to be written unless you see it for yourself.

Leadership

Through splendid leadership state insurance associations have discouraged those agents who seek carriers for their farm business that do not consistently adhere to generally recognized good underwriting practice and who are not concerned with the general welfare of the farm business. The good times enjoyed by agriculture in the past few years was naturally conducive to the development of a spirit of optimism, and companies that previously shunned the farm business were again induced by their fieldmen to seek the class. A highly

competitive situation is developed and adherence to good principles and practice is relaxed.

These companies apparently know little about the farm business and care less, yet their lax attitude and the willingness on the part of a few farm agents to follow the lines of least resistance has in the past, and always will, do violence to the record of the farm business. It seems to me most unfortunate and unrighteous that agents and companies to whom the farm business is an important source of income should have to suffer from the misdeeds of these companies who retired in confusion when the going

got tough and who are once again pulling in their horns and in many places are asking to be relieved of their farm liability.

Fire Prevention

There is another subject that is close to my heart and that is rural fire prevention and protection. As chairman of the agricultural committee of the National Fire Waste Council, my attention has been directed to some movements of national scope that I think you should know about and will wish to participate in. While it is true that agriculture and rural sections have not suffered in the ap-

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

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palling increase of fire waste to the extent that has been experienced in the urban centers, nevertheless, there are a number of important factors which clearly point the way to the necessity for increased activity and practical results by all of those who are interested or engaged in farm fire prevention and protection. The tremendous increase in the use of machinery on the farm has contributed a great deal to the unparalleled production records of the American farmer in the past few years and at the same time it has increased the hazards from fire with which he must cope.

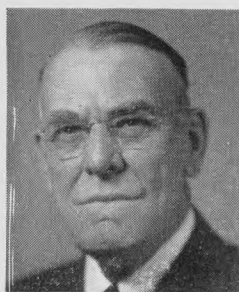
Farm fire and injury hazards in the old horse-drawn plow and cultivator days have increased until now they embrace the widest category of industrial transportation and commercial exposures. For example: we now have blacksmith and machine shop hazards; transportation—trucks, tractors and even airplanes; the use of toxic and poisonous compounds and inflammable liquids; electric power plants and equipment, power saws, wood working machinery and crop drying equipment. These hazards call for a more scientific application of fire prevention technique and again emphasize the fact that fire prevention alone is not enough—the big business of agriculture must be provided with fire protection.

The agricultural committee is now sponsoring a nation-wide campaign of rural fire prevention and protection through Chambers of Commerce. By the end of this year it is estimated that over 500 meetings of local Chambers of Commerce will be held with local farmers to set up a program that will provide their respective communities with rural fire protection.

Aiding Youth Groups

I also wish to direct your attention to another activity in the farm fire prevention field which embraces 15 mid-western states and of which insurance agents generally have not taken full advantage. It is the Rural Youth Scholarship Plan, sponsored by the Farm Underwriters Association of Chicago, and is available to the membership of 4-H Clubs and Future Farmers of America. Here indeed is an opportunity for insurance agents to definitely associate themselves and their business with young farm people in local clubs of these leading national farm youth organizations.

If you will interest yourself in your local 4-H Clubs and Future Farmers of America, you will have an opportunity to instill into these youngsters fire prevention ideas which will produce in years to come the key to the reduction of farm fires.—The End.



M. O. GRANGAARD
President
Minneapolis

Minnesota NEWS



ROBERT E. PYE
Secretary
Minneapolis

Finish Remodeling

An extensive remodeling and modernizing program is now completed at the First National Bank in Stillwater, Minnesota. A new safety deposit box section, complete with a new vault, has been added with formerly unused basement floor space providing the space.

The new, modern vault, which was installed by Diebold, Incorporated, increases the number of boxes from about 600 to over 800 and still leaves room for future additions. Ease of access for the patrons is a feature, plus individual nooks for convenience, as well as a larger consultation room.

Liquidating Fulda Bank

Legal proceedings for liquidation of the Citizens State Bank of Fulda, Minnesota, were begun, under which assets will be sold to a new organization which will take over the deposits of the present bank as soon as authorized by the State Banking Department and Federal Deposit Insurance Corporation to start business.

Stock originally owned by Fulda business men and farmers has now passed into the hands of non-residents or is involved in estates of the original stockholders.

The new bank will give merchants and farmers now active in the community an opportunity to take over control through stock purchases.

Resigns at Waverly

Peter C. Abler, who has been cashier at the Citizens State Bank of Waverly, Minnesota, has resigned to accept a position with the Exchange State Bank of Glendive, Montana.

Added to Directorate

Roy K. Rietz, Slayton attorney and second district American Legion commander, was named a director of the Murray County State Bank at Slayton, Minnesota. President C. B. Newman announced recently. Mr. Rietz replaces no one on the board of directors, but is made an additional member.

A 1938 graduate of the University of South Dakota law school, Mr. Rietz started his practice at Mitchell, South

Dakota, in August of that year. He entered the U. S. Army in July, 1942, and served as an officer in six major campaigns in Africa, Sicily and Europe. Upon discharge from the army he moved to Slayton in April, 1946, and started his law practice.

Other members of the present board of directors are: C. B. Newman, president; A. H. Engebretson, and Dr. H. C. Doms, chairman of the board and vice president; Pete Kenefick and C. J. Lieser, vice president and cashier.

Beginning 60th Year

The Adrian State Bank, Adrian, Minnesota, completed its 59th year of continuous operation October 23rd and is now heading toward its 60th anniversary date. The bank has operated under the same name and in the same location all those 59 years, and since

1906 has had only one president, Edwin Brickson.

The only other officer in the bank at the present time with Mr. Erickson is H. G. Knips, vice president and cashier.

The most recent statement of the Adrian State Bank shows total assets of nearly \$2,000,000, with deposits totaling \$1,800,640.

Start A.I.B. Classes

Another course in banking under the sponsorship of the American Institute of Banking was begun last month at the Worthington, Minnesota, junior college building and will continue for 14 weeks, according to Vernon L. Kirk, chairman of the study committee and assistant cashier at the State Bank of Worthington.

A similar course was conducted there a year ago, with conspicuous success, and enrolled students from the surrounding six-county area. Fifty-five persons are enrolled for the course this winter, Mr. Kirk said.

Apply for Charter

Business men of Badger, Minnesota, have received approval of an application to the Minnesota Commerce Commission for a charter to open the Badger State Bank. After two hear-

Bank Displays Historical Homes



HOMES OF HISTORICAL INTEREST to Minnesotans were reproduced in watercolor paintings by **Josephine Lutz Rollins**, prominent Minnesota artist, and placed on display by the **First National Bank of St. Paul** (above), at the annual Home Show in the capital city. Several of the homes are located in the Twin Cities area—St. Paul, Minneapolis, Mendota and Stillwater. The oldest home in the collection dates back to 1835, the Sibley House at Mendota.

Rather than promote home and home improvement loans through the bank display, officers of the First National Bank felt that this array of paintings would attract wide interest and, because of its historical nature, would enable the bank to dwell on the 95 years of service it has given to the St. Paul area. A brochure outlining important details of each of the 16 old structures was given to every visitor at the booth shown in the above photograph.

ings before the Commission, at which there was no opposition expressed, the application was approved, listing capi-

tal as \$25,000 and surplus at \$5,000. The only step to be completed late last month was approval of member-

ship in the Federal Deposit Insurance Corporation.

At an election of stockholders, the following officers were selected: N. O. Folland, president, and I. S. Folland, vice president. Other stockholders include B. J. Borgen, Roy Larson, John Sjoberg, Jacob Trangsrud and I. B. Setran, all Badger business men.

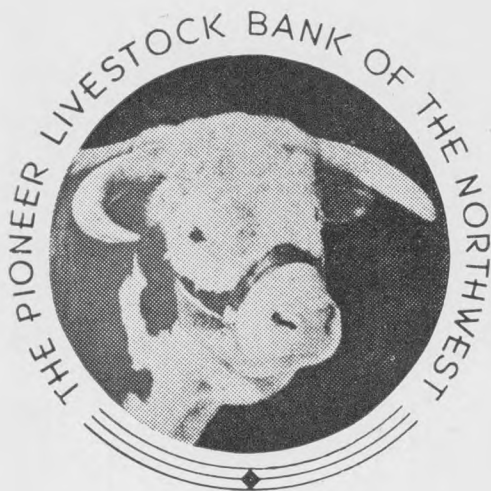
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Accident Insurance, \$5000 Principal Sum for only \$2.00 Paid Up in Full to the Middle of next March.

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The bank that understands your livestock problems and is anxious to help you with them.

Participation in overlines, the earliest possible presentation of collection items, and a close follow-up on all large livestock items, are but a few of the advantages an account with us affords.

The Stock Yards National Bank

South Saint Paul, Minn.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northome Banker Ill

E. O. Lukkasson, cashier of the First State Bank at Northome, Minnesota, was recovering last month following a stroke suffered earlier in the month. Oliver Latterell, vice president in the bank and vice president and cashier of the Citizens State Bank of Kelliher, has assumed active management of the Northome Bank until Mr. Lukkasson's complete recovery.

Add Farm Service

A new department called the agricultural service department has been added by the Welcome State Bank at Welcome, Minnesota. In charge will be Jay Schuler, prominent livestock dealer and farm operator in that territory.

Mr. Schuler had a number of years banking experience prior to his present livestock feeding and farming activities. In 1944 he was elected a director of the Welcome State Bank and is well known by most of the people in the Welcome community.

Officers of the bank also have announced that the Doane Agricultural Service's monthly "Reports on Farming for Profit" is being sent to all farm customers of the bank.

Seek Bank Charter

A committee of Mantorville, Minnesota, business men were busy last month contacting residents of that town in connection with the possibility of opening a bank there. C. L. Menne, Ronald McKean, Erling Leth, Fred Baslington and Vernon Klaus were members of the committee who were attempting to get other business men to subscribe a set goal in order that application for a charter could be made to the state banking commissioner.

Deerwood Banker Married

Miss Marie Peterson and Fred W. Schwanke, president of the First National Bank of Deerwood, Minnesota, were married last month in the Salem Lutheran Church in Deerwood.

After a reception, attended by 200 guests, the newly married couple left for a trip to the west coast, and will return to Deerwood. Mr. Schwanke also is a state representative in the Minnesota legislature.



Twin City News

FOR the tenth consecutive year, services of Minnesota banks to agriculture of the state have been recognized as outstanding by the American Bankers Association.

At the 74th annual ABA convention in Detroit, the **Minnesota Bankers Association** was presented with a 1,000-point rating award by the national association's agricultural commission.

The award was presented in recognition of the high quality of regular bank services provided farmers, as well as for special activities conducted by the association's member banks in the agricultural field during the past year.

In addition to the regular award, the MBA received a 10-year honor certificate. Especially cited were the association's activities in cooperation with 4-H Clubs and other farm and youth organizations.

Other activities include promotion of soil conservation, cooperative work with the University of Minnesota and sponsoring of farmer-banker discussion meetings.

Malcolm B. McDonald, vice president of the First National Bank of Minneapolis, recently was named state chairman of the Minnesota USO campaign committee.

John de Laittre, vice president of the Farmers & Mechanics Savings Bank of Minneapolis, is treasurer of the committee. **J. Cameron Thomson**, president of the Northwest Bancorporation, is a member of the executive committee.

The **First National Bank** of Minneapolis recently inaugurated its new half-hour radio dramatic program series, "Favorite Story." **Ronald Colman**, noted actor, is host and narrator for the program.

Goodrich Lowry of the Northwestern National Bank of Minneapolis has been named to the budget and finance committee of the Hennepin county

(Minneapolis) Red Cross chapter. Mr. Lowry is treasurer of the chapter.

Kenneth Merrill, manager of the foreign department of the First National Bank of St. Paul, has been named chairman of the newly organized International Trade Association of St. Paul. Representing more than 100 firms dealing in or manufacturing products adapted to foreign export, the new group promotes more international trade for St. Paul concerns.

The **Minnesota Bankers Association**, in conjunction with the University of Minnesota, recently sponsored

its sixth annual farm income tax short course in St. Paul. The three-day course was attended by some 400 bankers, insurance agents, tax consultants and accountants. Farmers' problems arising from changes in 1948 income taxes were discussed.

Lyman E. Wakefield, Jr., of the First National Bank of Minneapolis, has been named vice chairman of the state traffic committee of the Minneapolis Chamber of Commerce.

Oliver S. Aas of the First National Bank of Minneapolis has been reappointed chairman of the American

IN CUBA—IT'S

The Royal Bank of Canada

The Royal Bank has six branches in Havana, eleven others throughout the Island. Established in Cuba since 1899, it provides practical help to banks and firms doing business in this area. Enquiries invited.

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Over 700 branches in Canada, the West Indies, Central and South America; New York, London and Paris. Correspondents the world over.

HEAD OFFICE

MONTREAL

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Legion memorial heart research professorship.

Mr. Aas also has been elected to the board of directors of the American Heart Association's Minnesota affiliate, and appointed to the national assembly of the American Heart Association.

Four hundred midwest bankers attended a two-day Federal Reserve Forum sponsored recently in Minneapolis by the Minneapolis Federal Reserve Bank.

One of the speakers of the forum, third annual of its kind, was Ernest L. Pearce, president of the Union National Bank of Marquette, Michigan. Mr. Pearce warned the bankers

they must be alert to meet changing conditions for two reasons:

First, he said, there is nothing more urgently needed than a sound thrift program for every family and the nation. Second, the individual bank, if it is to maintain and improve its earnings and competitive position, must be alert to new trends in individual, institutional and governmental conceptions of saving and financing.

John N. Peyton, president of the Minneapolis Federal Reserve Bank, told the bankers that his institution would like to see the public have as reasonably accurate an understanding of banking as it has of baseball or football.

The public is completely ignorant

of the real meaning of terms used in monetary parlance, Mr. Peyton said.

Among other speakers at the forum were M. S. Szymczak, member of the board of governors of the federal reserve system; James C. Downs, Jr., president of the Real Estate Research Corporation, Chicago; James H. Clarke, vice president of the American National Bank & Trust Company, Chicago; Representative Walter H. Judd (R., Minn.), and Kenneth McFarland, superintendent of schools at Topeka, Kansas.

Nine employees of the First National Bank of Minneapolis recently completed 26 years of service with the bank. They are Philip C. Carlson, Margaret E. Burt, Herbert E. Hamren, Alfred Hulten, Mildred V. Olson, Harvey E. Peterson, Lydia Hoffmeister, Elmer W. Sjolander and Helen V. Roden.

Plans for remodeling First Edina State Bank, an affiliate of the First National Bank of Minneapolis, have been announced by Malcolm B. McDonald, president of the Edina bank. Another 1,000 square feet of floor space will be provided, an additional 800 safe deposit boxes will be installed and the entire building will be air conditioned.

Some 35 directors of 70 banks affiliated with the Northwest Bancorporation in a seven-state midwest area gathered in Minneapolis recently for the first of a series of conferences.

Purpose of the conferences, according to J. Cameron Thomson, president of the corporation, is to promote a better understanding of mutual problems of the corporation and its affiliates.

Included in the group were Stephen P. Duffy, a director of Northwestern National Bank of Minneapolis; G. L. Heegaard, a director of Midland National Bank of Minneapolis, and Edward Nelson, a director of Fourth Northwestern National Bank of Minneapolis.

From St. Paul were D. L. Grannis, a director of Stock Yards National Bank of South St. Paul, and Wilfrid E. Rumble, a director of Empire National Bank & Trust Co.

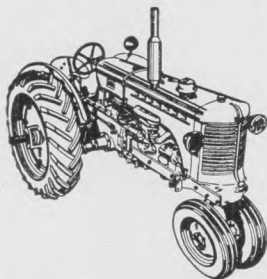
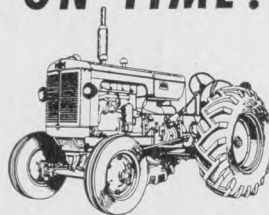
Also in attendance were Charles A. Lemon and A. R. Tuchsherer, directors of the Daly Bank & Trust Co., Anaconda, Montana; Guy N. Bjorge, a director of the First National Bank of the Black Hills, Rapid City, South Dakota; William R. Johnson, a director of the Stock Yards National

MM VISIONLINED TRACTORS



GET THE JOB DONE ON TIME!

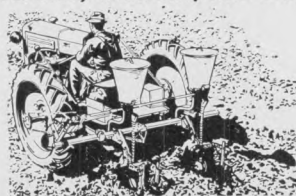
Ruggedness and all-round "go" are coupled with fuel economies in MM Visionlined Tractors to assure reserve power and outstanding performance under all field and weather conditions. From the famed MM Visionlined "foursome"—the models R, U, Z and GTB—choose the power-packed tractor engineered for your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



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

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

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



MINNEAPOLIS-MOLINE POWER IMPLEMENT COMPANY
MINNEAPOLIS 1, MINNESOTA

DIRECTORS

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EDGAR S. BLOOM
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ALVIN G. BRUSH
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President, George A. Fuller Company

CHARLES A. DANA
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Vice-Chairman of the Board

JOHN M. FRANKLIN
President, United States Lines Company

PAOLINO GERLI
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HARVEY D. GIBSON
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President, Lincoln Savings Bank

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President, Lambert Company

OSWALD L. JOHNSTON
Simpson Thacher & Bartlett

KENNETH F. MacLELLAN
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HAROLD V. SMITH
President, Home Insurance Co.

ERNEST STAUFFEN
Chairman, Trust Committee

L. A. VAN BOMEL
President, National Dairy Products Corporation

GUY W. VAUGHAN
President, Curtiss-Wright Corporation

HENRY C. VON ELM
Chairman of the Board

ALBERT N. WILLIAMS
President, Westinghouse Air Brake Company

MANUFACTURERS TRUST COMPANY

*Condensed Statement of Condition as at close of business
September 30, 1948*

RESOURCES

Cash and Due from Banks	\$ 622,104,418.52
U. S. Government Securities	996,786,737.78
U. S. Government Insured F. H. A. Mortgages	4,422,093.42
State and Municipal Bonds	31,323,457.28
Stock of Federal Reserve Bank	3,037,500.00
Other Securities	18,913,902.47
Loans, Bills Purchased and Bankers' Acceptances	581,511,933.74
Mortgages	15,480,122.56
Banking Houses	10,213,466.50
Other Real Estate Equities	497,695.40
Customers' Liability for Acceptances	5,639,964.61
Accrued Interest and Other Resources	6,161,205.92
	<u>\$2,296,092,498.20</u>

LIABILITIES

Capital	\$41,250,000.00
Surplus	60,000,000.00
Undivided Profits	26,633,877.46
Reserve for Contingencies	127,833,877.46
Reserves for Taxes, Unearned Discount, Interest, etc.	6,863,379.12
Dividend Payable October 1, 1948	7,184,244.30
Outstanding Acceptances	1,237,500.00
Liability as Endorser on Acceptances and Foreign Bills	6,065,921.63
Other Liabilities	1,967,058.68
Deposits	18,992,126.21
	2,125,898,390.80
	<u>\$2,296,092,498.20</u>

United States Government and other securities carried at \$81,485,342.41 are pledged to secure public funds and trust deposits and for other purposes as required or permitted by law.

Head Office: 55 Broad Street, New York City

MORE THAN 75 OFFICES IN GREATER NEW YORK

European Representative Office: 1, Cornhill, London, E. C. 3

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

Bank & Trust Co., Omaha; **Reuben Kaplan**, a director of the Security Bank & Trust Co., Owatonna, Minnesota; **Charles F. Liscomb**, a director of the First & American National Bank of Duluth; **George C. Koss**, a director of the Iowa-Des Moines National Bank; **H. E. Simmons**, a director of the First National Bank & Trust Co., Fargo; **P. W. Blank**, a director of the First National Bank of Mandan, North Dakota, and **Theodore Johansen**, a director of the Union National Bank of Rochester.

Arthur C. Buffington of the First National Bank of Minneapolis has

been appointed head of the ROTC subcommittee of the military affairs committee of the Minneapolis Chamber of Commerce.

Bank debits for 133 cities in the Ninth Federal Reserve district in September totaled \$3,273,065,000 compared with \$3,070,894,000 for the same month last year, a gain of 7 per cent.

Minnesota debits increased from \$2,281,786,000 in September, 1947, to \$2,396,761,000 in September, 1948, a gain of 5 per cent.

Cecil A. Burnham of the First National Bank of Minneapolis has been

named chairman of the 1949 Hennepin county Red Cross drive.

Rollin G. Andrews of J. M. Dain & Co., Minneapolis, recently was elected chairman of the Minnesota group. Investment Bankers Association of America, at the organization's annual meeting at the Minikahda club in Minneapolis.

Bernard B. Knopp of the First National Bank of St. Paul was named vice chairman and **Walter G. Space** of Woodward-Elwood & Company, Minneapolis, secretary-treasurer.

Elected to the executive committee for two-year terms were **John H. Middlemist** of the Northwestern National Bank of Minneapolis; **James S. Graham**, Allison-Williams Co., St. Paul, and **Douglass M. Warner** of Paine, Webber, Jackson & Curtis, Minneapolis. **G. James Caldwell** of Caldwell Phillips Co., St. Paul, was named national governor for a three-year term at a previous meeting of the executive committee.

The First National Bank of Minneapolis placed first in a membership campaign conducted by the Minneapolis chapter, American Institute of Banking. **Harvey Peterson** was chairman of the bank's membership and enrollment committee.

The Minneapolis Federal Reserve Bank placed second. Marquette National Bank of Minneapolis and the Fifth Northwestern National Bank tied for third. Northwestern National Bank was fifth.

Park Rapids Promotions

Vincent R. Smythe has been elected vice president and cashier of the State Bank at Park Rapids, Minnesota, by directors of that institution. He had formerly been cashier and now will occupy the positions held by his father, R. W. Smyth, before his recent sudden death.

Mr. Smythe has been connected with the State Bank for several years, going there from Luverne. He also had banking experience in Park River, North Dakota.

At the same time the directors named Edward Flynn assistant cashier of the bank, a post that had been vacant for some time. Mr. Flynn is the son of John E. Flynn, long-time president of the bank. He obtained his first banking experience at Park Rapids following graduation from high school. Later he spent a year in San Diego, California, in a branch of the Bank of America, leaving there to enter the Navy soon after war was declared. He served four years, emerging with the rank of lieutenant.

The BANK



at the YARDS

CARL L. FREDRICKSEN
President

MARK A. WILSON
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

"People Are MOST Important"

In this bank, the most important thing is "people." Surely, we have all the mechanical things, the "gadgets" that mean prompt and accurate correspondent service—but above all, our customers are "people." They want and get friendly, personal service and that's just what we offer you here in Sioux City, at the "only bank in the Yards."

Let us serve you in handling your items, including your live stock, hay and grain collections, in particular.

The
LIVE STOCK
National Bank

of SIOUX CITY

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



South Dakota NEWS

J. M. LLOYD
President
Yankton

CARL E. BAHMEIER, JR.
Secretary
Huron



Hold Annual Group Meetings

THE South Dakota Bankers Association has just completed one of its finest series of group meetings ever conducted among the five state groups. An instant hit with audiences at each of the gatherings was the dinner speaker, the Honorable Josh Lee, member of the Civil Aeronautics Board in Washington, D. C., and former United States Senator from Oklahoma. His wealth of information on public affairs and his ready wit were enjoyed by all who turned out at the annual group meetings.

Starting November 1st at Belle Fourche and continuing through November 6th, with an open date on November 3rd, the meetings generally followed the same pattern. A business meeting was conducted at 4:30 p. m., during which the group retirement plan, only recently adopted by the association, was explained by Robert Callaghan and John P. Lynch of the John Hancock Mutual Life Insurance Company. Following this, a short address on implications of Regulation W was given by a representative of the Federal Reserve Bank of Minneapolis.

J. M. Lloyd, president of the South Dakota Bankers Association, also related briefly the achievements and work of the association during the past year.

A social hour was held just before dinner, Mr. Lee's address being the only formal part of the banquet program.

In addition to the opening meeting of Group 5 at Belle Fourche, other meetings were held November 2nd, Group 4, at Moberidge; November 4th, Group 2, at Aberdeen; November 5th, Group 3, at Mitchell, and November 6th, Group 1, at Madison.

70th Anniversary

The Deadwood office of the First National Bank of the Black Hills was 70 years old last month. Originally receiving its charter in July 1878, the First National Bank was opened in October of that year at the corner of Lee and Main Streets, the same

location of the bank today. The bank later became a part of the First National Bank of the Black Hills system of banks, with headquarters bank located at Rapid City. All of these banks are affiliated with the Northwest Bancorporation.

Raymond A. Goodwin

Raymond A. Goodwin, 59, former Wakonda, South Dakota, banker, died at his home in Mankato, Minnesota, recently. Mr. Goodwin first became associated with the banking business in Wakonda in 1916 when he was executive vice president of the Wakonda State Bank. In 1924 he moved to Sioux Falls where he entered another bank, leaving this position later on to enter the implement business in Mankato.

Elect Officers

At the recent district meeting of bankers in McPherson, Edmunds, Potter, Faulk and Campbell counties held in Roscoe, South Dakota, recently, Clarence Knudson, cashier of the Leola State Bank at Leola, was elected president. F. G. Grosz, vice president and cashier of the Bowdle State Bank at Bowdle, was named vice president, and A. J. Haerter, cashier of the Farmers State Bank at Hosmer, was elected secretary-treasurer.

Married at Sisseton

Miss Bonnie Kouba and Kenneth M. Erdahl were married at Sisseton, South Dakota, recently. Mrs. Erdahl is the daughter of F. H. Kouba, assistant cashier of the Robert County National Bank in Sisseton, and Mr. Erdahl is a member of the staff at the State Bank of Alcester.

Sell Bank Building

The building housing the Volin, South Dakota, branch of the Security State Bank of Wakonda was ordered sold recently by the town's board of trustees, the property's appraisal value being set at \$5,000. The building formerly was owned by the Volin

State Bank but was acquired by the town when the bank was liquidated. About a year ago the Volin branch of the Wakonda bank was opened for business.

Sponsors Corn Contest

Farmers of Lake county, South Dakota, were invited to enter their five best ears of corn in the first annual producers' corn contest, sponsored by the Security Bank and Trust Company of Madison last month, which is particularly interested in farm development in the territory. The corn was judged by Milford Sagness, county agent, and H. W. Gadda and R. H. Gardner, vocational agriculture instructors. Prizes were awarded.

Sioux Falls News

PHIL RENSVOLD, JR., Madison, resigned as an assistant attorney general at Pierre to become trust officer of the First National Bank & Trust Co. His resignation was announced to become effective December 1st. Mr. Rensvold also has served as state chairman of the Young Republican League.

J. S. Hinman, assistant cashier of the Northwest Security National Bank, is state vice president for the National Association of Bank Auditors and Comptrollers which held its 24th annual convention in Atlanta, Georgia, this fall.

Tom S. Harkison, president of the National Bank of South Dakota, was toastmaster at the annual dinner meeting of the Sioux Falls Safety Council.

C. A. Christopherson, chairman of the board of the Union Savings Bank, spoke on "Education for a Peaceful Society" at a public hearing at the Y.M.C.A., sponsored by the local Baha'i assembly.

W. E. Perrenoud, cashier of the First National Bank & Trust Co., has been elected to the Chamber of Commerce board of directors.

Sioux Falls bank clearings increased from \$22,439,870 in September, 1947, to \$23,132,032 in September, 1948. A comparison of bank debits here showed a total of \$63,636 in September, 1947, and \$74,107 in September, 1948.

Several Sioux Falls bankers attended the third annual Federal Reserve forum in Minneapolis last month.

New Perforator Duties

"Perforations in wholly new applications are aiding management amazingly in making routines fast and accurate. From fraud prevention to elimination of loss of time, money and material through error or negligence, new applications of perforations are spreading through business of all types across the nation," says Paul Jones, president, Cummins Business Machines Corporation, makers of Cummins perforators, check signers, endorsers and other mechanized business equipment.

Mr. Jones points out that there is finality about a perforation. It is one mark that cannot be altered. And

with a new process by which the individual perforation is outlined in dry ink, a "printed hole" of even greater visibility is achieved by the Cummins kind of perforation.

Cornerstone Laying

Three remaining survivors of the Chicago fire, their nieces and granddaughters and a group of leading Chicagoans last month witnessed the laying of the cornerstone of Central National Bank's new \$1,000,000 bank building on the site reputed to be the origin of the great Chicago fire.

Among the distinguished group was John Drury, famous Chicago biographer, newspaper man and author,

who placed the original manuscript of his new book, "Crossroads of a Metropolis," to be published by the Central National Bank as a public service, relating the history of Chicago's great west side.

Central National Bank, originally occupying a remodeled bank building at 728 W. Roosevelt Road, burned to the ground March 31, 1947. Since that time the bank has been operating from temporary quarters just a block west while directing the rebuilding of a huge twin building structure occupying a full block.

New Booklet

"Check Indorsements" is a new title in the series of management-idea books published by the Hammermill Paper Company. John Y. Beaty, editor of *Banker's Monthly* and an authority on checks and check handling, wrote the book for Hammermill.

Thorough information on indorser responsibility under the negotiable instruments act is contained in the 24 readable pages of "Check Indorsements." The little book also treats of the various kinds of indorsements and the correct and safe way to make them.

"Check Indorsements" makes a fine companion book for "Business Checks—Their Proper Planning and Design," an earlier Management-Idea Book which Mr. Beaty wrote for Hammermill.

Microfilmer



New Recordak Duo Microfilmer photographs documents along both sides of 16mm. film, adopting the principle used in 8mm. amateur movie-cameras. Using a reduction of 35 times, the machine triples the "storage" capacity of 16mm. film. A 50-foot roll of film will contain 10,000 bank checks. Machine will accept documents up to 9½ inches wide.

STATEMENT OF CONDITION

NORTHWEST SECURITY NATIONAL BANK

of Sioux Falls, South Dakota

South Dakota's Leading Bank

June 30, 1948

RESOURCES

Cash on Hand, in Federal Reserve Bank, and	
Due from Banks and Bankers.....	\$10,960,915.77
U. S. Government Obligations.....	20,608,645.95
State and Municipal Bonds.....	939,040.82
Other Bonds and Securities.....	1,446,437.52
	\$33,955,040.06
Stock in Federal Reserve Bank in Minneapolis.....	45,000.00
Overdrafts.....	3,933.12
Loans and Discounts.....	11,041,442.96
Banking Houses.....	240,000.00
Includes Banking Houses at Sioux Falls, Brookings, Chamberlain, Dell Rapids, Gregory, Huron and Madison, all clear of encumbrance.	
Interest Earned but Not Collected.....	164,129.20
TOTAL.....	\$45,449,545.34

LIABILITIES

Capital Stock—Common.....	\$ 500,000.00
Surplus.....	1,000,000.00
Undivided Profits and General Reserves.....	593,608.66
	\$ 2,093,608.66
Reserve for Interest, Taxes, and Other Expenses.....	242,433.95
Interest Collected but Not Earned.....	56,428.09
Deposits:	
Time.....	\$ 7,187,212.85
Demand.....	35,062,581.16
U. S. War Loan.....	807,230.63
	43,057,024.64
Other Liabilities.....	50.00
TOTAL.....	\$45,449,545.34

BRANCHES AT

BROOKINGS, CHAMBERLAIN, DELL RAPIDS,
GREGORY, HURON, MADISON

Affiliated with Northwest Bancorporation
Member Federal Deposit Insurance Corporation



ARNE A. GREGOR
President
Leeds

North Dakota NEWS



C. C. WATTAM
Secretary
Fargo

Increase Capital Stock

Declaration of a \$25,000 stock dividend by directors of the Dakota National Bank of Fargo, North Dakota, has increased the common capital stock total for the bank from \$175,000 to \$200,000. Surplus of the bank is listed at \$200,000 and undivided profits at \$104,000, with deposits nearly \$12,000,000.

Hold Group Meetings

The four North Dakota group meetings went off as scheduled last month with good attendance at all four meetings. The meetings were held at Valley City, Devils Lake, Minot and Mandan, with State Association President Arne A. Gregor, president of the Farmers State Bank at Leeds, appearing on all four programs.

Plan Expansion Program

A modernization and expansion program in the Union National Bank in Minot, North Dakota, to be undertaken about the first of the year, was announced last month by Harry M. Grant, president.

Quarters of the Union Insurance Agency, which now are on the main floor of the bank, will be moved to the downstairs and utilize a portion of the space now being used by the Gross Printing Company and Minot Radio Service, which will move before the work begins.

Tellers' cages in the bank will be expanded, and in addition to the space now being utilized for such purposes, will include the quarters on the south side of the bank lobby being used by officers.

Officers' desks and quarters will be moved to the north side of the lobby, to space now occupied by Union Insurance Agency.

A portion of the downstairs, in addition to that used by the insurance firm, will be utilized for expansion of banking services. Windows in the downstairs will be sealed and an air conditioning unit installed. The bank's main entrance will remain as it is, and there will be access to the downstairs from the front of the bank, as well as the south side. No major changes are contemplated in the pres-

ent arrangement of the downstairs safe deposit department, except that some additional space will be available.

The insurance agency, which operates as a separate institution from the bank, will have approximately 50 per cent more floor space than it now has.

W. D. Johnson, vice president of the bank, pointed out that the raised floor of the bank makes it possible to adapt the downstairs very well to the purpose for which it will be used.

INFLATION...EMPLOYMENT AND BANK CREDIT

(Continued from page 19)

be able to do this and still maintain sound banks, we must keep our eyes on two important aspects of practical bank management. Let's avoid acquiring a too large volume of loans, at the present level of economic activity, which may prove to be difficult or impossible to collect if the business curve should start to turn downward in a significant way. Also, let's keep our capital-to-risk assets ratio at a

sufficiently safe level so that we can take a few losses in our stride, if we have to take them. Otherwise, we might not be able to do our share to increase bank credit should production or employment show real declines.

Most people are interested in eating regularly. That means they are interested in jobs—employment—the opportunity to work. Bank credit and employment go together.

Can we get that idea over through day-by-day decisions, by across-the-desk discussions, by talking to labor groups, by advertising? Are we ready to do it? Can we claim the share of the credit that I believe is due us for maximum employment, unless we are ready, able, and willing to fulfill our part of the responsibility when, as, and if the employment figures fall? These, to me, are important questions to raise.

The Future

Fortunately for all of us, I am not in the business of predicting the future. Therefore, I am not attempting to imply that another 1929 to 1933, or something like it, is, or is not, in the offing. I will stick my neck out to the extent of saying that if another situation occurs in which production and employment drop sharply and if the condition gives evidence of lasting any considerable period of time, then I believe once again the banking system will be called to the bar. If for no other reason than that many of us are both inept and impotent politically, my guess would be that we would be found guilty

Our banking friends...

will find this institution especially well equipped to handle their Chicago accounts promptly and efficiently. Our complete facilities are at your disposal.

CITY NATIONAL BANK
AND TRUST COMPANY of Chicago
208 SOUTH LA SALLE STREET

(MEMBER FEDERAL DEPOSIT INSURANCE CORP.)



This Famous Resort Gives You

SUNNY DAYS

HAPPY HOURS



★

AIR CONDITIONED

FOR HEALTH

AND

COMFORT

★

Rooms from \$3.

★

BAKER HOTEL

The ultimate in facilities for recreation and rejuvenation. Other outstanding features include the finest in therapeutic baths with complete massage. Luxurious accommodations. Beautiful grounds with an eighth-mile sun veranda. Outdoor activities at their best.

Listed by committee on American Health Resorts
of the American Medical Association

MINERAL WELLS, Texas

under such circumstances and that the banking structure would again be overhauled.

I happen to like the framework within which the banking system now operates. Private ownership, subject to some reasonable degree of regulation, and subject, of course, to thorough examination by the supervisory authorities, is a good setup, if properly managed by all concerned. I would like to see it remain substantially the way it is.

I imagine you would, too.

To keep it that way, you and I, in our own self-interest, must understand how the machinery works, and we must make our decisions accordingly. We must explain the situation to business folks, to labor, and to the other people outside of the banking profession so that they, too, will understand why we do what we do.

In our discussion we have broken the subject down under four headings.

What is bank credit? It is the creation of purchasing power.

Is there a relationship between bank credit and inflation in general and between bank credit and employment in particular? A priori reasoning indicates that there is. An examination of the record confirms this hypothesis.

The Westinghouse Equity Plan Comes to Life on Film

The Westinghouse Equity Plan has aroused widespread interest among thousands of bankers. This plan is a Wholesale and Retail financing program using the full advantages of *local financing by local banks*.

To meet the many requests for additional information, we have prepared a 30-minute sound slide film, especially for banks, picturing this program which covers the financing of electric appliances and radios.

This film, describing the plan in detail and showing banks how to put it to work, will be ready by mid-November. The film will be loaned without charge to banks for showing to their organizations, or for use at regional or state meetings.

Reservation dates for a copy of the sound slide film, with an alternate date, if possible, may be made with:



The Retail Finance Division
Westinghouse Electric Corporation

PITTSBURGH 30, PENNSYLVANIA

Five Suggestions

Since such a relationship exists, what should you and I be doing about it now? Five suggestions have been offered. First, we should recognize bank credit for what it is. Secondly, we should ask two fundamental questions about every loan that we make: Is it safe? and then, where will the impact be felt—on prices, on production, or on employment? If the impact is primarily on prices, the constructive quality of the loan is open to question. With substantially maximum employment and production, the conditions which exist today, where is the impact of increased credit most likely to be felt? The next suggestion was that we have the courage to decline non-constructive loans, even though safe, and the courage to explain our reasons to the would be borrower. The fourth suggestion was that we so run our banks now that we will be able and willing to make good loans freely should the forces of deflation seriously threaten at some future time. Lastly, the idea was advanced that an important part of our public relations program should center on getting the idea across to those outside of our profession, particularly to labor, that banks play their part in bringing about a condition of maximum employment. Can we do that unless we are prepared to shoulder our responsibilities should conditions go in the other direction?

The last of our four general questions was: Why is it important to us that we do something about all of this right now? The answer to that one is that under conditions of adverse employment and production, a real threat of nationalization exists.

We like our banking system the way it is. We want to keep it that way. Therefore, public relations in all of its aspects is vital. No phase is more important today than that which relates to the bank's credit activities. We must be conscious of this in our day-by-day actions, in our conversations, in our advertising, and in our public contacts with various organizations. In the proper handling of this matter lies the future course of our profession.—The End.

LEGAL QUESTIONS

(Continued from page 24)

stipulations since matters of public interest transcending the rights of litigants are involved. Nebraska, Iowa, Michigan, Illinois, Alabama, and the federal courts are among those that have so held. Because of this, a decree based upon the stipulation would not be binding on the city and could be vacated or set aside.

Guaranty Trust Company of New York

140 Broadway

Fifth Ave. at 44th St. Madison Ave. at 60th St. Rockefeller Plaza at 50th St.

LONDON • PARIS • BRUSSELS

Condensed Statement of Condition, September 30, 1948

RESOURCES

Cash on Hand, in Federal Reserve Bank, and	
Due from Banks and Bankers	\$ 698,319,091.48
U. S. Government Obligations	1,026,486,872.28
Loans and Bills Purchased	927,435,810.67
Public Securities	\$ 96,572,647.92
Stock of Federal Reserve Bank	9,000,000.00
Other Securities and Obligations	10,294,085.30
Credits Granted on Acceptances	15,466,830.63
Accrued Interest and Accounts	
Receivable	8,115,144.00
Real Estate Bonds and Mortgages	1,312,309.50
	<u>140,761,017.35</u>
Bank Premises	4,763,395.78
Other Real Estate	16,729.41
Total Resources	\$2,797,782,916.97

LIABILITIES

Capital	\$ 100,000,000.00
Surplus Fund	200,000,000.00
Undivided Profits	65,330,450.68
Total Capital Funds	\$ 365,330,450.68
Deposits	\$2,319,634,017.17
Treasurer's Checks Outstanding	24,473,478.61
Total Deposits	2,344,107,495.78
Acceptances	\$ 20,563,342.13
Less: Own Acceptances Held	
for Investment	5,011,453.88
	<u>\$ 15,551,888.25</u>
Dividend Payable October 1, 1948	3,000,000.00
Items in Transit with Foreign	
Branches	653,963.15
Accounts Payable, Reserve for	
Expenses, Taxes, etc.	69,139,119.11
	<u>88,344,970.51</u>
Total Liabilities	\$2,797,782,916.97

Securities carried at \$155,074,188.66 in the above Statement are pledged to qualify for fiduciary powers, to secure public moneys as required by law, and for other purposes.

J. LUTHER CLEVELAND
Chairman of the Board

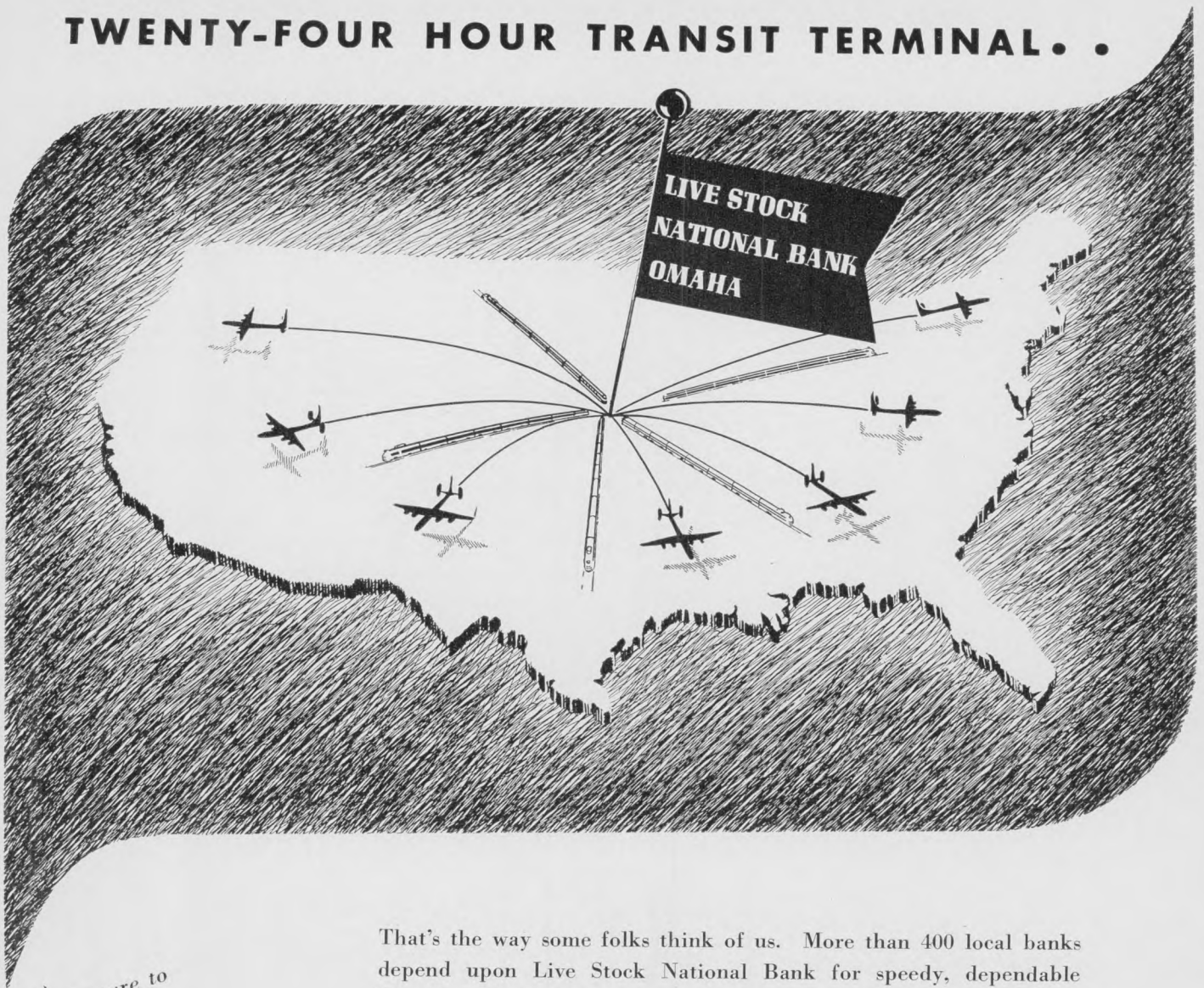
WILLIAM L. KLEITZ
President

DIRECTORS

GEORGE G. ALLEN	Director, British-American Tobacco Company, Limited, and President, Duke Power Company	LEWIS GAWTRY	
WILLIAM B. BELL	President, American Cyanamid Company	JOHN A. HARTFORD	President, The Great Atlantic & Pacific Tea Company
F. W. CHARSKÉ	Chairman, Executive Committee, Union Pacific Railroad Company	CORNELIUS F. KELLEY	Chairman of the Board, Anaconda Copper Mining Company
J. LUTHER CLEVELAND	Chairman of the Board	MORRIS W. KELLOGG	Chairman of the Board, The M. W. Kellogg Company
W. PALEN CONWAY		WILLIAM L. KLEITZ	President
CHARLES P. COOPER	President, The Presbyterian Hospital in the City of New York	CHARLES S. MUNSON	Chairman, Executive Committee, Air Reduction Company, Inc.
WINTHROP M. CRANE, Jr.	President, Crane & Co., Inc., Dalton, Mass.	WILLIAM C. POTTER	Retired
STUART M. CROCKER	President, The Columbia Gas System, Inc.	GEORGE E. ROOSEVELT	of Roosevelt & Son
JOHN W. DAVIS	of Davis Polk Wardwell Sunderland & Kiendl	EUGENE W. STETSON	Chairman, Executive Committee, Illinois Central Railroad Company
CHARLES E. DUNLAP	President, Berwind-White Coal Mining Company	THOMAS J. WATSON	President, International Business Machines Corporation
GANO DUNN	President, The J. G. White Engineering Corporation	CHARLES E. WILSON	President, General Electric Company
WALTER S. FRANKLIN	Executive Vice-President, The Pennsylvania Railroad Company	ROBERT W. WOODRUFF	Chairman, Executive Committee, The Coca-Cola Company

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Convention
November 10
and 11, Omaha.
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That's the way some folks think of us. More than 400 local banks depend upon Live Stock National Bank for speedy, dependable Transit Service. You might compare us to a railroad or air terminal . . . with transits and clearance on collection items passing through our hands every hour, 24 hours a day, on their way again by plane or train. Items received at night, leave that same night. We have only one schedule . . . the fastest possible within the limits of accuracy.

Give us a try, next time you need extra-fast action on your transit items . . . you'll find we can save as much as a day's time on transactions . . . build more profits and better customer relations for you.

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OMAHA, NEBRASKA

THE BANK OF FRIENDLY 24-HOUR SERVICE

Member of Federal Reserve and Federal Deposit Insurance Corporation

Northwestern Banker, November, 1948

Iowa Bankers Hold 62nd Annual Session in Des Moines

Harry W. Schaller, of Storm Lake, Elected President



HARRY W. SCHALLER
Heads Iowa Bankers Association

HARRY W. SCHALLER, president of the Citizens First National Bank, Storm Lake, was elected president of the Iowa Bankers Association at the concluding session of the 62nd annual convention held last month in Des Moines. Serving with Mr. Schaller as vice president and treasurer is J. V. Keppler, cashier of the First National Bank of Dubuque.

Registration was around 1,600, certainly a good attendance, and one which taxed the facilities of the Hotel Fort Des Moines. Many persons who would have liked to attend the annual banquet could not be accommodated.

Commenting on the many activities of the Iowa Bankers Association, and on the important part agriculture plays with relation to Iowa banks, President W. W. Blasier, in his message to the membership, said:

"The situation regarding agriculture in Iowa is one of optimism. With a bounteous crop of corn and other grains, and with the large number of hogs and cattle now under feed, it is clear that the Iowa farmer will be in an enviable position, insofar as his income is concerned. It is to be hoped that the price levels, based on the cost of goods which the farmer must buy, will be maintained even though we have a change of administration at the coming election. A recent survey of the farm mortgage debt of the nation indicates that Iowa has the largest mortgage on its land of any state in the union, as of January 1, 1948. This debt amounted to \$381 million plus. The next lowest was California with \$368 million plus, and the next lowest was Texas with \$334 million. However, commercial banks in Iowa and Texas were among the lowest in the percentage of these mort-

gages held by them—10 per cent and less. The total farm mortgage debt in the nation amounts to \$4.6 billion, and the large amount of debt in Iowa only proves that we have the most valuable crop producing area in the world, and the money lenders definitely accept that fact. Real estate values have gradually increased, but with less momentum than city real estate or town dwellings. After World War I, land values increased to a 213 average, whereas, today they have reached a 152 average over the 1910-1914 levels. More than one-half of all farms bought during the past year were paid for with cash. Applications for bank mortgage loans are decreasing, according to the majority reports received from country bankers. The improved crop outlook in Europe, together with the bumper crops here at home, would seem to warrant the assumption that a lower level in farm prices will be forthcoming during the next few months.

"The farmers are in an enviable position to withstand any moderate drop in the price level because of their moderate debt position, and the fact that a great many have government bonds bought during the stress of war which they now can fall back upon in case same are needed. The over-mortgaged position of farms, which was so common after World War I and during the 1933 depression, does not exist today and, as we have heard so often and we still believe it: 'A prosperous agriculture means a prosperous nation.' In no other line of endeavor does nature add her increase in such a lavish fashion as she does in agriculture. If we wish to continue to do our part in curbing the inflationary trend, bankers should apply, among other basic tests, a de-

termination as to whether or not loans are for productive purposes, and the ability to repay the loans from normal farm income."

In his discussion of some legal and practical aspects of everyday banking problems, C. Edward Dahlin, a member of the law department of the First National Bank of Chicago, gave an outline of 32 "Don'ts" relating to safe deposit operations. Here are the safeguards Mr. Dahlin suggested:

1. Don't sell a safe deposit box to a new customer without offering to explain the procedure, rule and type of protection and service rendered by the company to the customer.
2. Don't oversell the responsibility of the company to the customer, being sure to explain to the customer that while every protection within the limits of good procedure and practice is offered, the company is not to be considered as an insurer or guarantor of the contents of the safe deposit box.
3. Don't call the key used by an attendant a "master key" or "the company's key." The proper term is "guard key."
4. Don't rent a box under an alias.
5. Don't allow an employe or vault attendant to take and retain possession of a customer's key.
6. Don't allow customer to leave key in safe lock.
7. Don't fail to keep keys under joint control once they are numbered and set up for rental.
8. Don't fail to require attendants to examine customers' keys before inserting them in the lock and do not use keys made other than through the regular source of such keys.

9. Don't carry customers' boxes for them unless in their full view.

10. Don't ordinarily allow examination of box in vault. Require customer to use coupon booth.

11. Don't permit ingress and egress to the vault proper by customers carrying large valise, packages, etc., without first getting explanation and noting the unusual character of the visit in your records.

12. Don't allow boxes to be taken from the premises.

13. Don't allow access (which includes deputy) on notice of death, mental incompetency or bankruptcy of a renter or one of several joint renters until legal requirements are properly fulfilled.

14. Don't allow access to safe deposit box if company is served with garnishment writ, injunction writ or similar court order unless instructed otherwise by your attorney.

15. Don't allow illegal access in matters of emergency without instructions from your attorney.

16. Don't permit fiduciaries to appoint deputies unless the law or documents under which they are acting clearly authorize same.

17. Don't allow blind customer to take others with him in the vault with his box without identification of the party in his company and also requiring signature and identification on access slip.

18. Don't allow access to joint control boxes unless both required par-

ties are present, even though signature requirements have been met.

19. Don't accept access ticket if considerable time has elapsed between the request for access and the time stamped on the ticket.

20. Don't accept orders for access from a renter known to be hospitalized without requiring a doctor's certificate as to competency or having the order signed before a trusted employe of the vault.

21. Don't depart from established procedures of identification.

22. Don't rent a safe deposit box to a minor as a practical objection and if for business policy reason you do, be sure and note the records that no deputy can be appointed.

23. Don't rent a safe deposit box to a corporation without proper resolutions.

24. Don't take possession of contents of safe deposit box for non-payment of rent until reasonable efforts have been made to collect amount due and never until proper notice of contemplated action has been sent to customer according to the specific provisions of your contract or by-laws.

25. Don't drill a lock for a deputy unless the contract specifically provides for it.

26. Don't fail to keep permanent and accurate record of lost and found property.

27. Don't allow anyone but proper official to return lost and found articles to customers.

28. Don't drill delinquent boxes except in the presence of at least one official or employe.

29. Don't disregard a notice of cancellation of deputy authorizations when received by telephone or telegram but require immediate written confirmation.

30. Don't cancel unexpired rental contract by instructions from a deputy or co-renter, unless the written agreement clearly permits same.

31. Don't keep vaults open in periods outside of regular business hours.

32. Don't give out unauthorized information regarding boxes.

Concluding his address on the subject of public relations, Robert Lindquist, vice president of the La Salle National Bank, Chicago, and president of the Financial Public Relations Association, said:

"Time does not permit talking about advertising, publicity and specific phases of business promotion and community development. The important thing to remember is that these are not public relations in themselves—but rather are tools to be used in a basic public relations policy on the part of management. So I have tried only to give you an understanding of what public relations really is and its importance to your bank. If you have this understanding, and if you imbue your entire organization—directors, officers, employes—with it, then you will know what to do. And the important part of public relations is not so much what is done, but the spirit in which it is done, of seeing beyond the dollar sign and thinking of our job as one of serving and pleasing people."—The End.

At the Iowa Bankers Convention →

On the opposite page, reading from left to right, are pictures of some of those attending the Iowa Bankers Convention in Des Moines. In the pictures are—

1—**Al Junge**, assistant cashier Northwestern National Bank, Minneapolis; **Frank Welch**, president Peoples Bank & Trust Company, Cedar Rapids; **H. L. Ollenburg**, president Hancock County National Bank, Garner; and **Fred Conrad**, vice president Northwestern National Bank, Minneapolis.

2—**Dale H. Smith**, executive vice president Tipton State Bank, Tipton, Iowa; **W. W. Summerwill**, vice president Iowa State Bank & Trust Co., Iowa City; and **Dale C. Smith**, assistant cashier Central National Bank, Des Moines.

3—**Charles A. Carey**, vice president Harris Trust & Savings Bank, Chicago; **V. O. Figge**, president Davenport Bank & Trust Company; and **John T. Hamilton II**, president Merchants National Bank, Cedar Rapids.

4—**Arthur J. Frey**, second vice president Continental Illinois National, Chicago; **W. H. Miller**, vice president City National Bank, Chicago; **George A. Malcolm**, president Drovers National Bank, Chicago; and **Ernest Hultgren**, First National Bank, Chicago.

5—**Everett M. Griffith**, vice president Iowa-Des Moines National Bank, Des Moines; **J. J. Miller**, vice president and cashier Waterloo Savings Bank; **V. W. Johnson**, president First National Bank, Cedar Falls; **W. A. Loosbrock**, executive vice president Citizens National Bank, Charles City; and **Carl M. Hook**, assistant vice president Mississippi Valley Trust Co., St. Louis.

6—**J. P. Krogh**, Stock Yards National Bank, Omaha; **John McCumber**, vice president Stock Yards National, Omaha; and **T. J. McCullough**, vice president First St. Joseph Stock Yards Bank, St. Joseph, Missouri.

7—**Robert W. Priborsky**, Omaha National Bank; **John A. Changstrom**, vice president Omaha National; and **Ira W. Kinsey**, vice president Security First National Bank, Los Angeles.

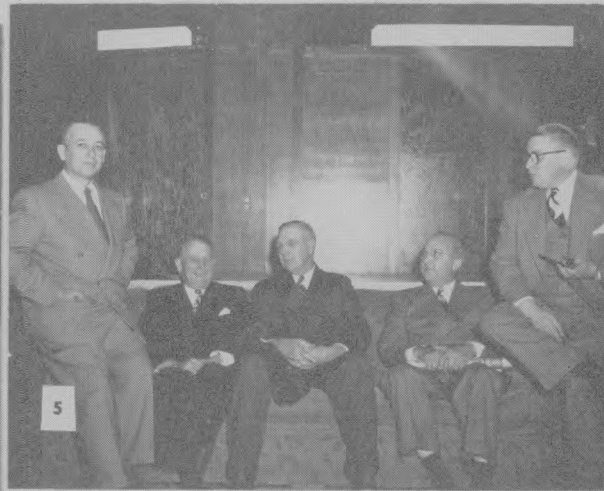
8—**Robert W. Turner**, president City National Bank, Council Bluffs; **Austin L. Vickery**, assistant vice president United States National Bank, Omaha; **Ralph Brubacher**, president Toy National Bank, Sioux City; **Lloyd Wiseman**, assistant cashier Crocker First National Bank, San Francisco; and **Frank Fuchs**, vice president First National Bank, St. Louis.

9—A busy moment at the convention registration desk.

10—**Hugh R. Kirkpatrick**, Chase National Bank, New York; **Robert E. Hunt**, second vice president Northern Trust Company, Chicago; **Jack Rigler**, Northern Trust Company, Chicago.

11—**Ben Summerwill**, president Iowa State Bank & Trust Company, Iowa City; **Frank Covert**, assistant vice president Drovers National Bank, Chicago; **Tom C. Cannon**, St. Paul Terminal Warehouse Company, Des Moines; **Mark Wilson**, vice president Live Stock National Bank, Sioux City; and **Stanley Evans**, assistant cashier Live Stock National, Sioux City.

12—**Charles H. Griesa**, vice president Inter-State National Bank, Kansas City; **James W. Hubbell**, president Bankers Trust Company, Des Moines; **Scott Pidgeon**, executive vice president Bankers Trust Company; and **R. K. McGee**, executive vice president Clark County State Bank, Oseola, Iowa.



Moves to Allison Bank

Bernard Spengler has accepted the position of assistant cashier at the State Bank of Allison, Iowa, and began work there last month. He assumed the duties formerly held by Wilford Nelson.

Before moving to Allison, Mr. Spengler was assistant cashier in the Ocheyedon Savings Bank at Ocheye-

dan, and he has had many years of banking experience.

Charles Spengler, who has been connected with the state banking department for several years as assistant examiner, has resigned his position and has entered the employ of the Ocheyedon Savings Bank.

Novotny, Philip Sevcik, assistant cashier, and Don Loepp.

Another office is being built at the left side of the entrance in space formerly used for seating area for convenience of patrons. The new private office is to be used by the loan department, according to President J. H. Neil.

Remodeling Tama Bank

Interior of the Tama State Bank of Tama, Iowa, was being remodeled last month to accommodate increased business. Another teller window was built, making a total of four. Hubert Kubicek, cashier, or Ray Adair, vice president, will assist at the new window. Other tellers are Genevieve

Install Recordak

The First State Bank of What Cheer, Iowa, has installed a new Recordak, a machine to facilitate the services of the bank in keeping permanent records.

The First Trust and Union Savings Bank of Sigourney also installed a new Recordak machine recently.

Court Ruling Announced

After a court hearing of interest to a number of banks in Iowa and other states, the Farmers National Bank of Webster City, Iowa, has agreed to a four-point declaratory decree which will prevent it from helping its customers in drawing up wills or other legal documents.

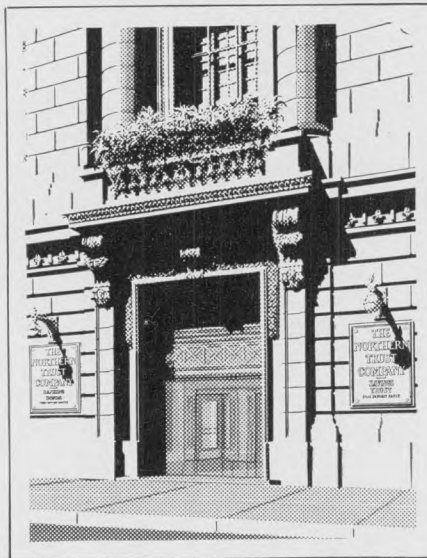
The bank and a group of attorneys which had charged the bank with the unauthorized practice of law agreed to the decree signed by Judge B. F. Thomas of Traer.

The decree brought an end to the five-day old trial and disposed of the case in which the state bar association had become an intervenor.

The decree states that:

TALLMAN SHOP
BANKING FIXTURES
 and
STORE FIXTURES
 PHONE 24 CLARION, IOWA

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 Doorway
 to
 Friendly
 Service**



● This bank is an ideal Chicago connection for those who desire a highly personalized correspondent service. Our banker customers establish close friendly relationships not only in our banking department but also in the bond, trust and other departments. Let us tell you how your bank can benefit from a connection here.

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 TRUST COMPANY**

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 cannot stand
 analysis on
 the basis of
 Quality, cannot
 stand analysis
 on the basis
 of Economy.**

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 For 87 Years*

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BEYOND THE CONFINES
OF REGULAR BUSINESS

VALLEY BANK AND TRUST COMPANY
DES MOINES

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

75th
ANNIVERSARY
YEAR

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Farm Work Sheets—New, complete guides for the farmer in assembling his income tax figures. Two sides—not the usual one page skeleton work sheet. Samples on request.

also other

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(Time-saver forms for offices preparing tax returns)

- | | |
|-------------------------------|--|
| No. 1 Farm Schedules. | No. 6 Deductions (Donations, Taxes, Medical, etc.) |
| No. 2 Farm Accrual Schedules. | No. 7 Capital Gains and Losses. |
| No. 4 Rent Schedules. | No. 8 Depreciation Schedules. |
| No. 5 Business Schedules. | |

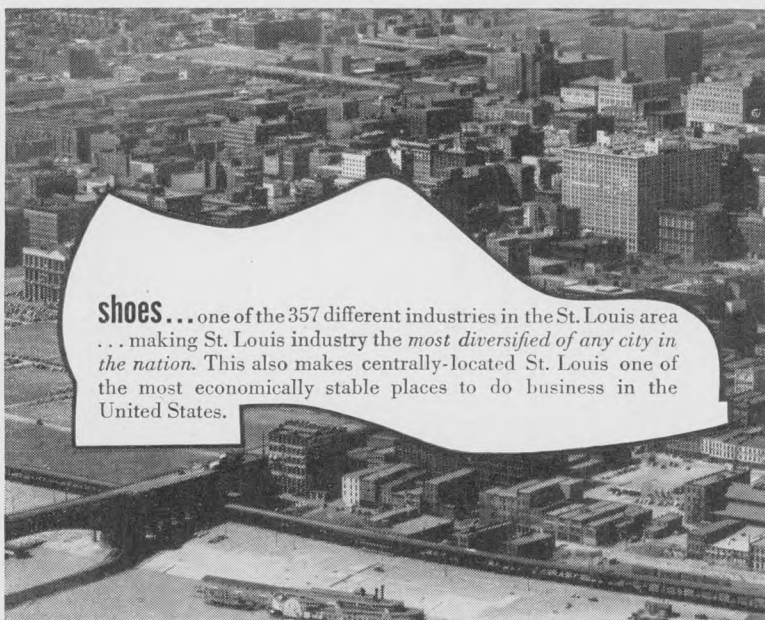
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Our experience in serving so many different kinds of industry over a period of 90 years proves especially valuable to our correspondents.

Whatever your problems, you'll find our complete correspondent service of real value.

We invite you to join our many correspondents who find their association with "The First in St. Louis" (the largest bank in the area) both pleasant and profitable.

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1. The practice of law is exclusively vested in lawyers.
2. A trust institution shall not employ a lawyer for the purpose of furnishing legal services to others.
3. A bank or trust organization cannot practice law, nor draw wills or other legal documents or perform services in the administration of estates and trusts where such "acts by law are considered the practice of law."

4. A trust institution in its advertising, directly or indirectly, cannot offer legal advice.

The suit contended that the Webster City bank solicited legal business, particularly concerning estates and wills.

The group of eight lawyers started the action last December and at that time District Judge G. R. Hill issued a temporary injunction directing bank President George Alexander and George Aden, cashier and an attorney, to refrain from further advertising or solicitation of legal business.

The temporary injunction was dissolved and the court costs were taxed to the defendant by the agreement.

To Hold Tax School

The fourth annual federal income tax school for northwest Iowa will be held at the Martin Hotel in Sioux City Friday, November 12th.

These schools are offered as a public service in the interest of and for the assistance of federal income tax payers. The schools will present an opportunity to discuss the fundamentals of the federal tax under present revenue laws relating primarily to individuals, partnerships and estates.

The school has been made possible by the Sioux City banks and by the Iowa Bankers Association as a public service to federal income tax payers. E. H. Birmingham, Collector of Internal Revenue for the District of Iowa, has cooperated by making a speaker available.

The schools are open to all farmers, bankers, business men, lawyers, CPAs, real estate and insurance men and any other taxpayers desiring to attend. There is no charge.

Registration is scheduled for 8:30 a. m., with the morning session starting at 9:00 a. m. The afternoon session will run from 1:30 to 4:30 p. m.

Buy Majority Stock

The majority of stock in the First National Bank of Missouri Valley, Iowa, has been purchased by a group of local business men and farmers from George A. Kellogg, president, and others.

Mr. Kellogg, who has been president of the bank for 40 years, will continue

THE NATIONAL CITY BANK OF NEW YORK

Head Office • 55 WALL STREET • New York



Condensed Statement of Condition as of September 30, 1948

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

(In Dollars Only—Cents Omitted)

ASSETS

Cash, Gold and Due from Banks	\$1,547,041,050
United States Government Obligations (Direct or Fully Guaranteed)	1,584,583,351
Obligations of Other Federal Agencies	20,569,603
State and Municipal Securities	263,166,196
Other Securities	78,822,061
Loans and Discounts	1,349,605,149
Real Estate Loans and Securities	2,731,430
Customers' Liability for Acceptances	21,217,081
Stock in Federal Reserve Bank	7,200,000
Ownership of International Banking Corporation	7,000,000
Bank Premises	27,843,118
Other Assets	2,661,774
Total	\$4,912,440,813

LIABILITIES

Deposits	\$4,567,484,131
(Includes U.S. War Loan Deposit \$45,046,431)	
Liability on Acceptances and Bills. . . \$35,172,348	
Less: Own Acceptances in Portfolio	10,739,479
Items in Transit with Branches	6,864,553
Reserves for:	
Unearned Discount and Other Unearned Income	5,757,388
Interest, Taxes, Other Accrued Expenses, etc.	29,247,090
Dividend	2,325,000
Capital \$ 77,500,000	
Surplus 162,500,000	
Undivided Profits 36,329,782	276,329,782
Total	\$4,912,440,813

Figures of Foreign Branches are as of September 25, 1948.

\$320,142,528 of United States Government Obligations and \$737,230 of other assets are deposited to secure \$216,951,291 of Public and Trust Deposits and for other purposes required or permitted by law.

(Member Federal Deposit Insurance Corporation)

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W. RANDOLPH BURGESS Chairman of the Executive Committee
HOWARD C. SHEPERD President
SOSTHENES BEHN Chairman, International Telephone and Telegraph Corporation
CURTIS E. CALDER Chairman of the Board, Electric Bond and Share Company
GUY CARV Shearman & Sterling & Wright
EDWARD A. DEEDS Chairman of the Board, The National Cash Register Company
CLEVELAND E. DODGE Vice-President, Phelps Dodge Corporation
A. P. GIANNINI Founder-Chairman, Bank of America National Trust and Savings Association
JOSEPH P. GRACE, JR. President, W. R. Grace & Co.
JAMES R. HOBBS President, Anaconda Copper Mining Company
AMORY HOUGHTON Chairman of the Board, Corning Glass Works
ROGER MILLIKEN President, Deering, Milliken & Co. Incorporated
FREDERICK B. RENTSCHLER Chairman, United Aircraft Corporation
GERARD SWOPE Honorary President, General Electric Company
REGINALD B. TAYLOR Williamsville, New York
ROBERT WINTHROP Robert Winthrop & Co.

as a director and will retain 10 per cent of the stock. The bank was established in 1884 and has nearly three million dollars in deposits.

The purchasers acquired 449 shares at \$350 a share. The bank is capitalized at \$50,000 and has been paying dividends at the rate of 20 to 30 per cent for several years.

Buys Illinois Bank

Wilford A. Nelson of Allison, Iowa, and Gerry D. Scott, Sr., of Wyoming, Illinois, have purchased 51 per cent of the stock in the First National Bank of Lacon, Illinois, and took over the management of that institution November 1st, with Mr. Scott as presi-

dent and Mr. Nelson as executive vice president. Tracy M. Hancock, who has been cashier and active manager of the bank for many years, will continue as cashier for the present.

The First National Bank of Lacon has \$50,000 capital, \$125,000 surplus, \$60,000 of undivided profits, and \$3,000,000 in deposits. It is one of the oldest national banks in Illinois, holding national charter number 347, issued in 1864. It is the only bank in Lacon, the county seat of Marshall county.

Mr. Nelson recently sold his stock in the State Bank of Allison, Iowa, and resigned his position there as vice president, a position he had held for a number of years.

This sale was negotiated by Bankers Service Company of Des Moines, Iowa.

Carroll County Meeting

Robert M. Moehn, vice president of the Commercial Savings Bank at Carroll, Iowa, was elected president of the Carroll County Bankers Association at their annual meeting last month at the Carroll Country Club. J. P. Meinhardt, cashier of the Carroll County State Bank at Carroll, was named vice president and Louis Schreck, cashier of the Templeton Savings Bank in Templeton, was elected secretary-treasurer.

The county association voted unanimously as being in favor of the recent newly adopted program by the Iowa Bankers Association and the American Bankers Association for new, streamlined purchasing arrangements under the Commodity Credit Corporation.

Representatives from all nine banks in the county were present for the meeting.

Four County Meeting

Approximately 100 members attended the quarterly meeting of the Southwest Iowa Bankers Association, held at the American Legion Country Club at Villisca.

Speaker of the evening was Theodore A. Spaustat of the Live Stock National Bank of Omaha, Nebraska, associate council of the American Institute of Banking. His topic was "Employee and Bank Benefits derived from membership and activity in the American Institute of Banking."

He was accompanied by Villisca by Lester Souba, president of the Omaha chapter of the AIB, and Carl Swanson, secretary of the Nebraska Bankers Association.

L. H. Busselle

L. H. Busselle, 83, president of the National Bank and Trust Company of Chariton, Iowa, died last month.



It Must Be Friendly!

Making and holding friends is the cardinal rule of service at the First National Bank in Sioux City. In every business transaction we strive for a close and cordial relationship with our customer. Country bankers who use our correspondent bank service here say that is the friendly atmosphere that they like and always receive at the First National Bank in Sioux City.

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	



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in SIOUX CITY

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QUALITY · EXPERIENCE · SERVICE

He had been a resident of Chariton for nearly 60 years and had been in banking there a number of years.

When the Lucas County National Bank was organized he was made cashier, a position he held until the bank was consolidated with the Chariton Lucas County National Bank. He became president of the National Bank and Trust Company in April, 1930, at the time of its organization, but had been inactive in bank affairs recently.

Ames Bank Party

Clay Stafford, president of the Ames Trust and Savings Bank at Ames, Iowa, was host at the Stafford home to 41 guests last month, including staff members, their husbands and wives.

Among the honor guests were Mr. and Mrs. Carl Gengenbach, who moved recently from Oslo, Norway, to Ames. Mr. Gengenbach is a teller in the bank.

Resigns at Rippey

Clyde Smith, assistant cashier of the First National Bank at Rippey, Iowa, the past two years, has resigned to accept a position in a Montana bank. His place has been filled by John Gartsee.

Mr. Gartsee has been operating a farm near Rippey, operating farm sales and assisting with income tax work at the Rippey bank the past three years.

Married in Des Moines

William Groote, vice president of the Grundy National Bank, Grundy Center, Iowa, was married in Des Moines last month to Esther Pederson of Des Moines.

Following the ceremony there was a nuptial breakfast at the Savery Hotel. Present at the breakfast were a number of friends of the bride and groom.

The bride has been associated with the Massachusetts Mutual Life Insurance Company for twenty years at their Des Moines office. She will retain her position there until the first of the year, after which Mr. and Mrs. Groote will establish their home in Grundy Center.

Elect Kimballton Officers

Alfred Nissen has been elected president of Landmands National Bank at

Kimballton, Iowa, succeeding the late Dr. Peder Soe.

Other board members are Dewey Kuiken, vice president; Victor Truken, cashier; Hans P. Hansen, Anker Hald, Chris Hansen and Morten Nelson.

Nelson Delavan

Nelson Delavan, 62, former Iowa

and Nebraska banker, who had lived in Sioux City the last two years, died in a hospital there last month.

Mr. Delavan was associated with the banking business in Tabor, Iowa, and in Omaha and Lincoln, Nebraska.

Will Transfer Bank

Opening of the Union Trust & Savings Bank in Fort Dodge, Iowa, on or



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FOREIGN REMITTANCES

THIS year, as in the years past, generous Americans will send millions of dollars abroad at Christmas time to needy relatives and friends.

During the coming months your bank will probably want to publicize its foreign remittance facilities. To help, we have designed several inexpensive direct and indirect advertising campaigns for banks with either limited or extensive remittance volume.

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We will be happy to provide you with details without obligation.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION


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Northwestern Banker, November, 1948

SPECIALIZED SERVICE TO MIDWEST BANKS

Rubber Stamps

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DES MOINES

about February 1, 1949, was announced last month.

The new bank will occupy quarters at Central Avenue and Eleventh Street, the former location of the Security Trust & Savings Bank.

Capital structure of the Union Trust & Savings Bank will be \$250,000, including \$150,000 in paid up capital, \$50,000 surplus and \$50,000 undivided profits.

Establishment of the new bank is being effected by an amendment to the articles of incorporation and charter of the Burnside Savings Bank, removal of this bank's principal place

of business to Fort Dodge and the name change.

Along with these changes the capital stock of the Burnside Bank is being increased and the number of directors is set at seven instead of five.

The present banking quarters at Burnside will be retained as a branch of the Union Trust & Savings Bank and the branch at Lehigh will also continue to operate as in the past.

The building at Central Avenue and Eleventh Street which will house the new bank is to be completely remodeled into modern and up-to-date banking quarters, it was announced, with the Bank Building and Equipment Company of St. Louis having the contract for this work.

Officers of the new bank will be Dr. E. F. Beeh of Fort Dodge, president; A. H. Johnson of Fort Dodge, vice president, and Oscar B. Lundgren of Burnside, vice president and cashier. Mr. Johnson is now president of the Burnside Savings Bank and Mr. Lundgren is its cashier. An assistant cashier is to be named in the near future.

Directors will include the officers, plus the following: W. F. Adams, farmer living near Fort Dodge; R. E. Kautzky, one of the owners of Kautzky's Sporting Goods Store, and Herbert J. Horn, president of the Horn Manufacturing company. A seventh director will be selected from the present membership of the Burnside bank board to replace the late Grant Spangler, a director for many years and president of the bank at the time of his death early this year.

Redman Buys at Glidden

Just as we were preparing to go to press, J. H. (Jim) Redman announces that he has purchased 54 per cent of the capital stock of the First National

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DES MOINES

Bank in Glidden, Iowa, and will become cashier and a director there on January 3, 1949, succeeding Merle M. Moore, who resigned some time ago and will leave the bank January 1 to look after his farming interests.

Mr. Redman has a wide acquaintance among Iowa bankers, having been identified with the State Banking Department for over five years, first as assistant state bank examiner, then as examiner, and for the past two years as assistant to N. P. Black, State Superintendent of Banking. Before he came to the banking department, he was employed for seven years in the Corn Belt State Bank of Correctionville, Iowa, where he served as assistant cashier. His father, A. G. Redman, a director in the Sac City State Bank of Sac City, Iowa, was recently appointed a member of the Iowa State Board of Control by Governor Blue.

The bank has \$50,000 capital; \$55,000 surplus and profits; and deposits of over \$2,400,000. H. W. Porter who has been actively identified with the bank for 47 years will continue as president for the present. All other active employes except Mr. Moore will be retained. This sale was negotiated by the Bankers Service Company, Des Moines, Iowa.

Merchants National Director

W. E. Durin has been added to the board of directors of the Merchants National Bank of Cedar Rapids, Iowa.

Mr. Durin is sales manager of The Terry-Durin Company of Cedar Rapids.

Increase Capital

The Iowa State Bank of Des Moines increased its capital last month from \$100,000 to \$200,000.

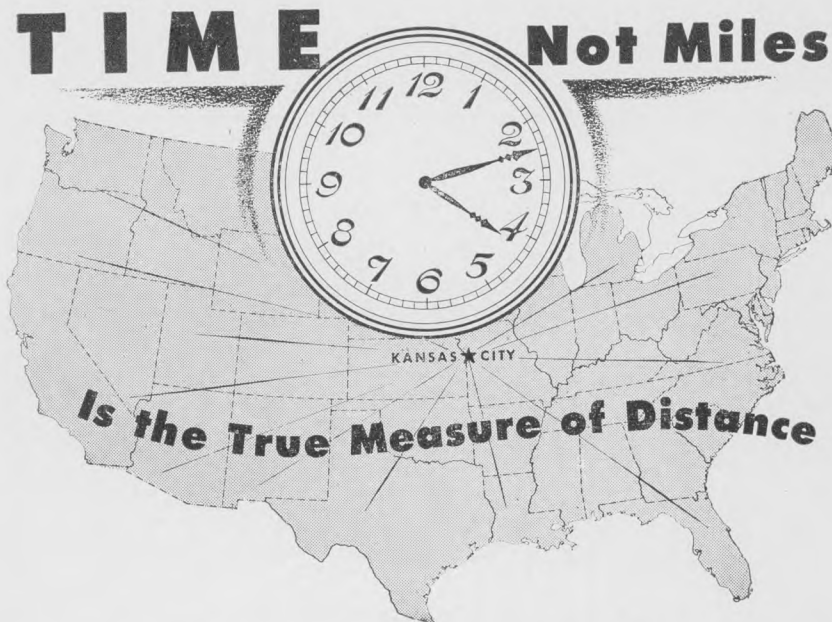
Central A.I.B. Classes

A class of eighteen central Iowa bank employes began a fourteen-week course in money and banking in Marshalltown, Iowa, last month, under the tutelage of Will Lane, Sr., president of the Security Savings Bank, Marshalltown, and M. C. Berkley, a director of the Fidelity Savings Bank.

L. G. Hix, cashier of the Commercial State Bank, is chairman of the study group.

The class meets weekly in classrooms of the Central Iowa Business College.

Held under the sponsorship of the American Institute of Banking, in each three-hour class session students will be taught the history of money and banking, bank credits and other related subjects.



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Sioux City News

LAST month employees of the Security National Bank of Sioux City held their semi-annual picnic at the shelter house in Stone Park. **Vern Jensen** was chairman of the committee. Approximately 55 persons attended. There was a very nice fried chicken dinner followed by a very short program. After the program there was a dance. The picnic broke

up about 10 o'clock in the evening.

Ralph Brubacher, president of the Toy National Bank, was recently appointed the state chairman of the American Bankers Association's Treasury Savings Bonds committee by the newly elected President, **Evans Woollen, Jr.**

Members of the Sioux City Mortgage Bankers Association heard a report by **M. C. Eidsmoe**, newly elected president, on the National Mort-

gage Bankers Association convention held in New York City. Mr. Eidsmoe is president of the Woodbury County Savings Bank.

The other new officers are **Laurie Sloan**, vice president, and **Dan Severson**, secretary-treasurer.

John Haver, assistant cashier of the Live Stock National Bank and president of the Sioux City Chapter AIB, reports a membership of 110 for the 1948-49 term. Two classes are in progress, one on Negotiable Instruments, and the second a speech course entitled "Effective Speaking." Six forum dinners are planned, each including a speaker and social hour. Future forum dinners will be held December 6th, February 7th, March 7th and April 4th. Visiting bankers are cordially invited.

Bill Schenk, assistant vice president and cashier of the Live Stock National, visited the bank recently after a four months illness. He expects to be back at his desk about the first of the year.

Red Oak Bank Sold

An important increase in the officer staff of the Montgomery County National Bank of Red Oak has been announced by President George W. Artherholt.

Winfield S. Mayne, Sioux City, has been appointed executive vice president and a member of the bank's board of directors.

President Artherholt also announces that he has sold a majority stock interest to Mr. Mayne, who has already taken over his new duties.

Mr. Artherholt will remain as president for the present, but expects to restrict his activities because of ill health. It was announced that all bank officers and employees would remain the same, except that Charles A. Reese retires from the board of directors, with Mr. Mayne taking his place. Wendell E. Strom continues as cashier.

The staff increase is brought about

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through increased business activities, reports President Artherholt. During the 10-year interval since 1938, when Mr. Artherholt became president of the Montgomery County National Bank of Red Oak, the bank's deposits have increased from \$800,000 to over

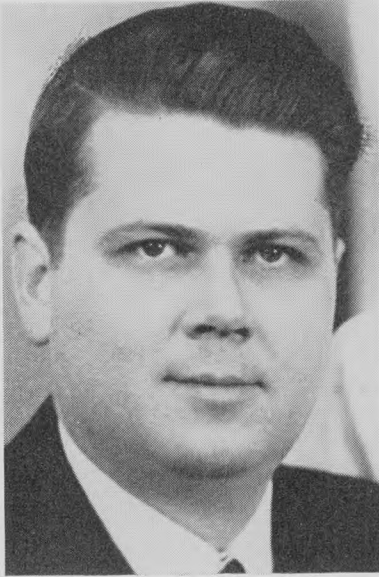
Mayne, who was actively engaged in the practice of law during the 1870's.

For the past four years Mr. Mayne has resided in Racine, Wisconsin, where he was active as president of the Harvey Manufacturing Company, Inc., nationally known manufacturer of farm machinery and drop forgings. Prior to that he was engaged in the wholesale and retail lumber business as vice president and manager of the E. S. Gaynor Lumber Company in Sioux City; vice president of the Farmers Lumber and Supply Company,

Sioux City; and co-owner of the Smithland Lumber Company, Smithland, Iowa.

Mr. Mayne was born in Council Bluffs and attended the public schools there. He later attended the State University of Iowa. He is a 32nd degree Mason and Shriner and while in Racine was a member of the Rotary Club there.

Both parties in the sale of the bank stock were represented by the Bankers Service Company, Des Moines, Iowa.



WINFIELD S. MAYNE
Buys Red Oak Bank

\$4,000,000, without benefit of consolidation, mergers or branches of any kind.

The new bank officer and part owner, Mr. Mayne, is a descendant of an early day Red Oak family. He is a great-grandson of Winfield Scott

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Blacksmith Once Made Copper Coins of His Own

**Higley's Handiwork Was Crude,
But Pieces Are Valued by Collectors**

TWO hundred years ago a blacksmith living near the copper mines of Granby, Connecticut, undertook to mint his own copper coins. His intentions were commendable for in those days we had no national mint and copper coins were none too plentiful. John Higley's boldness in strik-

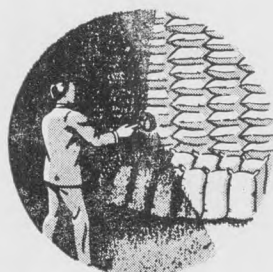
ing these coins under British colonial government was magnified by the fact that our early colonists were not even permitted to smelt copper. It has been said that Higley spent most of the pieces he made at a near-by saloon.

The coins he designed and struck were of quaint design. On one side

was the chief design, a deer with the inscription, "The value of three pence." On the reverse side was the date, 1737, and either a broadaxe or three crowned hammers, with the legend, "I am good copper," or "I cut may way through." The meaning of the latter legend is obscure.

Some years ago another rare variety was discovered by a New York collector while he was looking through a supposedly worthless lot of old copper coins. Instead of the deer on the obverse, the piece shows a wheel with the inscription, "The Wheel Goes Round."

This piece is the rarest of the Higley coppers, although all of them are rare and usually bring up to several hundred dollars each when offered at auctions.—By Stuart Mother, editor of *The Numismatist*.



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GRAND RAPIDS, MICH.

NEWS AND VIEWS

(Continued from page 22)

New York, was entertained at a dinner party in Des Moines recently by **George Olmsted**, chairman of the Hawkeye Casualty Company and president of the Security Fire Insurance Companies.

Mr. Morris believes that the National Used Car Dealers of America "have the greatest opportunity in the

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world to sell more cars at fair prices to more people than the manufacturers themselves can sell after 1949 at the present prices for new cars."

Dr. Marcus Nadler, economist, told the American Bankers Convention that he believes we will have a continuation of business activity, full employment, a large national income and

an increase in the volume of loans accompanied by a moderate firming in the money rates.

One banker interviewed by one of the local newspapers during the Detroit Convention, said, "In our home towns we live in fish bowls. We've got to live conservatively or else business reputations would suffer.

"How would you feel if you saw the president of the bank that has your money spending his afternoons at the race track? Or if you saw him every day in a bar—you'd worry about your money, wouldn't you?"

CONVENTIONS

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.

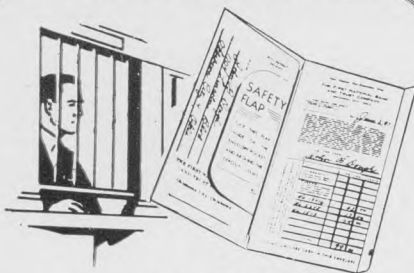
December 6-10, Annual Meeting, Investment Bankers Association of America, Hollywood, Florida, Hollywood Beach Hotel.



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PUBLISHER'S STATEMENT

Statement of the Ownership, Management, Circulation, etc., required by the Act of Congress of March 3, 1933, of the NORTHWESTERN BANKER, published monthly at Des Moines, Iowa, for October, 1948.

1. Name of Publisher: Clifford De Puy, Des Moines, Iowa. Associate Publisher, Ralph W. Moorhead, Des Moines, Iowa. Editor, Henry H. Haynes, Des Moines, Iowa. Associate Editors, Ben Haller, Jr., Des Moines, Iowa, and Malcolm K. Freeland, Des Moines, Iowa.

2. Owner: NORTHWESTERN BANKER COMPANY. Stockholders Clifford De Puy and Frances Prouty De Puy, Des Moines, Iowa.

3. That the known bondholders, mortgages and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages or other securities are: None.

RALPH W. MOORHEAD,
Associate Publisher.

Sworn to and subscribed before me this 7th day of October, 1948.

HENRY H. HAYNES,
Notary Public.

(My commission expires July 4, 1951)

May we quote that, Mr. Author?

...thank you!



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In the DIRECTOR'S ROOM



Wrong View

"I feel sure, my poor man," said the sympathetic old lady, visiting a state prison, "it was poverty that brought you to this."

"No, ma'am, quite the contrary," replied the prisoner. "I happened to be coining money."

More Important

"Your fiance is a charming man. He has a certain something."

"Yes, but I would rather he had something certain."

Long Trip

Slow Waiter: This coffee is imported from Brazil.

Tired Customer: Well, whatta yuh know? It's still warm.

Table Manners

Mother: Stop reaching across the table, Junior. Don't you have a tongue?

Junior: Yes, but my arm's longer.

Expectant

He: Now that it's dark in here, I want to ask you something.

She: Go ahead.

He: How do you like my bow tie that glows in the dark?

Embarrassing Moment

"What's Sally so mad about?"

"She stepped on one of those scales with a loud speaker attachment and the thing called out: 'One at a time, please!'"

A Natural

Jackson and his wife were doing a little fly hunting about the house.

"How many have you caught?" she asked after a while.

"Six," replied her husband, "three males and three females."

"How absurd!" his wife sniffed. "How could you tell if they were males or females?"

"Easy, my dear," he retorted. "Three were on the sugar and three were on the mirror."

That'll Teach 'im!

Judge: Hank, I have known you for many years. I am sorry that my first duty is to try you for being intoxicated. What was your reason, if any, for getting drunk?

Offender: To celebrate your election, your honor.

New Look

May: Isn't your husband wearing a new suit?

Fay: No.

May: He looks different.

Fay: He's a new husband.

Whatsa Hurry?

Husband: Are you ready yet?

Wife: Stop nagging me! I told you an hour ago I would be ready in a few minutes.

Ever Happen to You?

Of all the surprises, there's nothing to compare

With treading in the darkness on a step that isn't there.

INDEX OF ADVERTISERS

NOVEMBER, 1948

A	
Addressograph Sales Agency.....	37
Allen Wales Adding Machine Corp.....	18
Allied Mutual Casualty Company.....	53
Allyn, A. C. and Company.....	48
American Express Company.....	81
American National Bank of St. Joseph..	44
American National Bank and Trust Company—Chicago.....	75
B	
Baker Hotel.....	64
Bank of America.....	50
Banks, William H., Warehouses, Inc....	80
Bankers Rubber Stamp.....	76
Bankers Service Company, Inc.....	27
Bankers Trust Company—Des Moines..	83
C	
Central Hanover Bank and Trust Co....	8
Central National Bank in Chicago.....	80
Central National Bank and Trust Co....	16
Central National Insurance Company..	34
Central States Mutual Insurance Assoc- iation.....	79
Chase National Bank.....	4
City National Bank and Trust Com- pany—Chicago.....	63
City National Bank and Trust Com- pany—Kansas City.....	46
Commerce Trust Company.....	77
Continental Illinois National Bank and Trust Company.....	9
Continental National Bank—Lincoln..	45
Cummins Business Machines Corp.....	40
D	
Davenport, F. E. and Company.....	34
De Luxe Check Printers, Inc.....	52
Des Moines Building, Loan and Savings Association.....	78
Douglas, John and Company, Inc.....	42
Drovers National Bank.....	76
F	
First National Bank—Chicago.....	10
First National Bank—Lincoln.....	39
First National Bank—Omaha.....	36
First National Bank—St. Joseph.....	41
First National Bank—St. Louis.....	72
First National Bank—Sioux City.....	74
First Wisconsin National Bank.....	54
Frankel Clothing Company.....	70
G	
Guaranty Trust Company.....	65
H	
Halsey, Stuart and Company, Inc.....	49
Harris Trust and Savings Bank.....	78
Holley, Dayton and Gernon.....	48
Hollinbeck Stamp and Coin Company..	81
Home Insurance Company.....	5
Honor Roll Banks of Nebraska.....	43
I	
Inter-State National Bank.....	38
Iowa—Des Moines National Bank.....	84
Iowa Lithographing Company.....	74
K	
Koch Brothers.....	76
L	
LaMonte, George and Son.....	3
Lawrence Warehouse Company.....	52
Live Stock National Bank—Chicago... 25	
Live Stock National Bank—Omaha... 66	
Live Stock National Bank—Sioux City.. 60	
M	
Manufacturers Trust Company.....	59
Marquette National Bank.....	78
Merchants Mutual Bonding Company..	80
Merchants National Bank.....	2
Minnesota Commercial Men's Associ- ation.....	56
Minneapolis-Moline Power Implement Company.....	58
N	
Mississippi Valley Trust Company.....	79
Modern Fixture Company.....	42
Monroe Calculating Machine Corp.....	44
O	
Omaha National Bank.....	23
Orchard and Wilhelm.....	42
R	
Remington Rand, Inc.....	11
Royal Bank of Canada.....	57
S	
St. Paul Terminal Warehouse Company..	12
Scarborough and Company.....	38-51-75
Schweser, Robert E., Company.....	42
Smith, Polian and Company.....	40
State Automobile Insurance Association	53
Stock Yards National Bank—Omaha... 33	
Stock Yards National Bank—South St. Paul.....	56
T	
Tallman Wood and Electric Shop.....	70
Tax Supplies Company.....	72
Tension Envelope Corporation.....	81
Toy National Bank.....	77
U	
United States National Bank—Omaha..	28
Union Stock Yards Company—Omaha..	35
V	
Valley Bank and Trust Company.....	71
W	
Walters, Charles E., Company.....	45
Western Mutual Fire Insurance Com- pany.....	53
Westinghouse Electric Corporation... 64	
Wheelock and Cummins.....	49
Woodmen of the World Life Insurance Society.....	45

Northwestern Banker, November, 1948



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