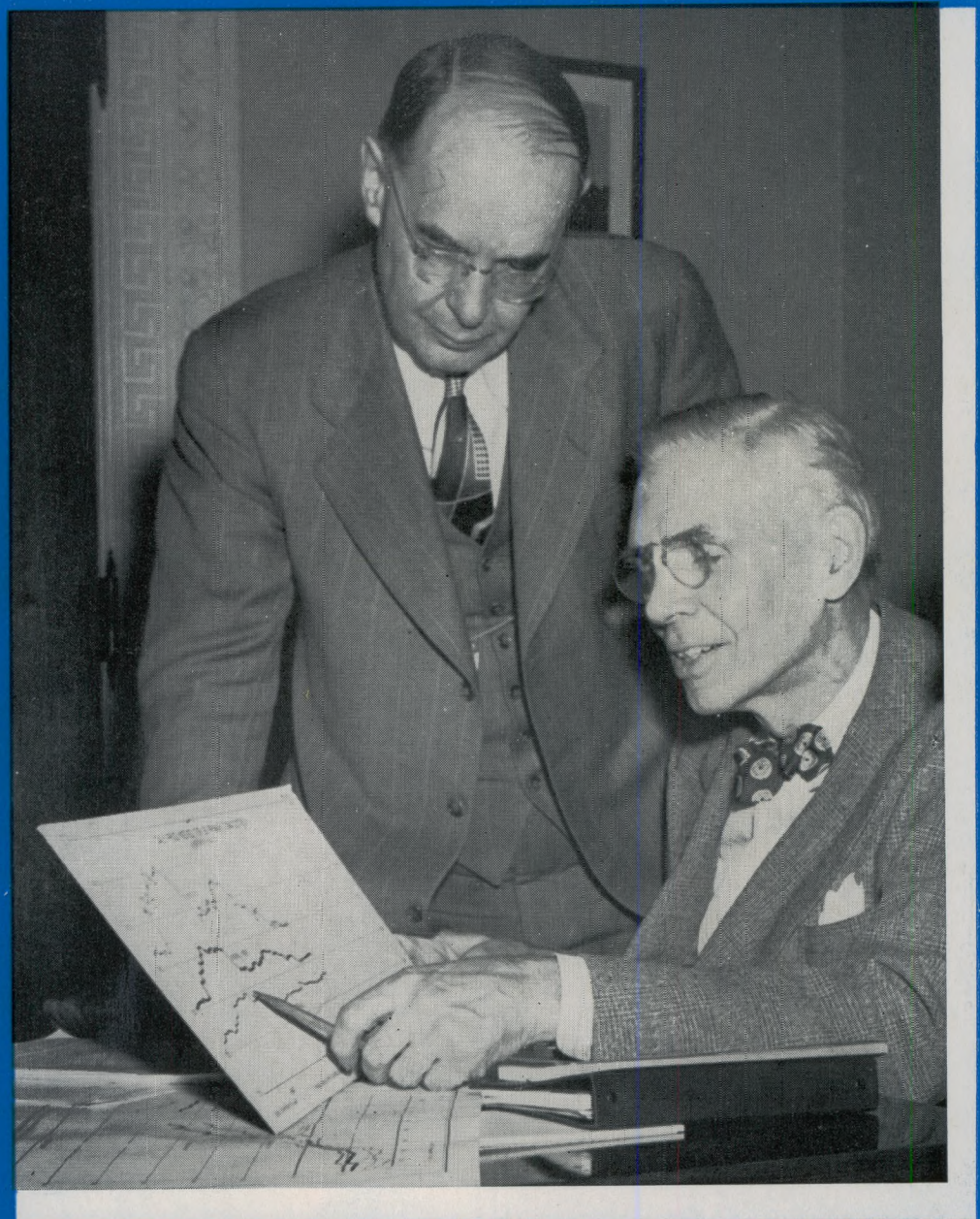


NORTHWESTERN *Banker*

JANUARY
1949



**How to Increase
Earnings in 1949**

Survey—Pages 20, 21

**DR. EDWIN G. NOURSE (seated) DISCUSSES INFLATION WITH
JOHN D. CLARK—See Page 13**

Statement of Condition, December 31, 1948

UNITED STATES DEPOSITARY

RESOURCES

Loans and Discounts.....	\$12,460,310.34
United States Government Securities.....	24,101,000.00
State, County, and Municipal Bonds.....	20,347,194.37
Other Bonds	834,240.09
Overdrafts	10.11
Bank Premises	837,578.77
Cash on Hand, Due from Banks and U. S. Treasurer....	23,786,355.98
	<hr/>
	\$82,366,689.66

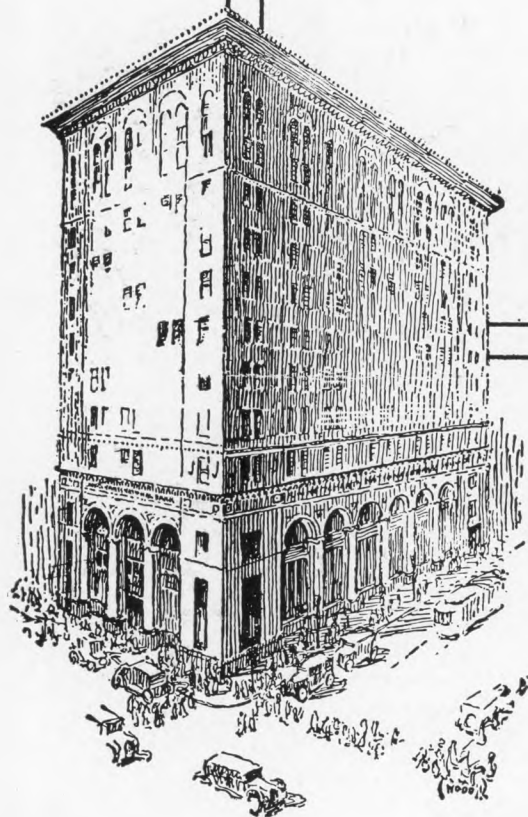
LIABILITIES

Capital Stock	\$ 500,000.00
Surplus	3,800,000.00
Undivided Profits	526,080.78
Deposits	77,540,608.88
	<hr/>
	\$82,366,689.66

*A Cedar Rapids Bank
Servicing The Midwest*



**THE
MERCHANTS NATIONAL
BANK**



OFFICERS

- | | |
|--|--|
| JAMES E. HAMILTON, Chairman Executive Committee | R. W. MANATT, Vice President |
| S. E. COUILLETTE, Chairman of the Board | L. W. BROULIK, Vice President |
| JOHN T. HAMILTON II, President | PETER BAILEY, Cashier |
| MARK J. MYERS, Vice President | R. D. BROWN, Assistant Cashier |
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Cedar Rapids Iowa

Member Federal Deposit Insurance Corporation

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

hewing to the line...

Steadfastness of purpose
is inherent in the pio-
neering spirit that has
made America great.

In 1871, George LaMonte
gave this country a safe
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A Check Paper All Your Own

Thousands of banks and many of the larger corporations
use LaMonte Safety Papers with their own trade-mark or
design made in the paper itself. Such INDIVIDUALIZED check
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tion and counterfeiting—makes identification positive.





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NEW YORK

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HENRY P. TURNBULL
Montclair, New Jersey

WILLIAM WOODWARD
New York, N. Y.

Statement of Condition, December 31, 1948

ASSETS

Cash and Due from Banks	\$ 448,562,353.31
U. S. Government Securities	590,524,777.14
State and Municipal Securities	39,798,840.46
Other Securities	12,821,612.69
Loans and Bills Purchased.	425,538,437.08
Real Estate Mortgages	6,913,018.85
Banking Houses	11,550,008.00
Interest Accrued	2,838,009.52
Customers' Liability on Acceptances Outstanding	5,401,465.14
Total	\$1,543,948,522.19

LIABILITIES

Capital	\$21,000,000.00
Surplus	80,000,000.00
Undivided Profits.	29,550,435.12
Reserves:	\$ 130,550,435.12
Taxes, Interest, etc.	5,992,593.30
Dividend:	
Payable January 3, 1949	1,050,000.00
Acceptances	\$7,640,900.56
In Portfolio	2,070,499.48
5,570,401.08	
Deposits	1,400,785,092.69
Total	\$1,543,948,522.19

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

U. S. Government Securities \$49,243,250.95

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Famous American Homes



John Quincy Adams' birthplace
Built in 1716



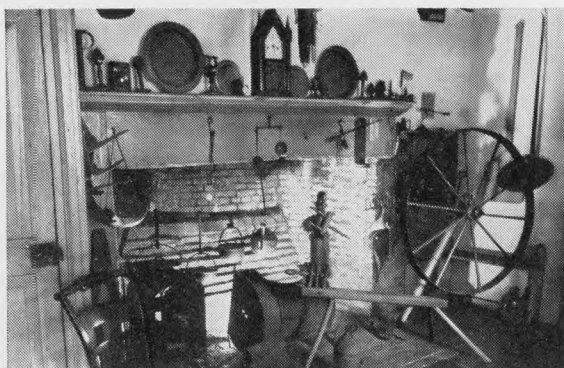
John Adams' birthplace
Built about 1681

The Penn's Hill Cottages

WHEN John Adams was courting Abigail Smith, the young lady's father at first did not look with favor on the match and preached a sermon from the text, "Mary hath chosen the better part," in reference to his other daughter's sounder prospects. Nevertheless, Abigail's husband became a distinguished statesman and our second President, while Mary's acquired only reflected fame.

John Adams was born in the family cottage at the foot of Penn's Hill in what was then Braintree, Massachusetts. After his marriage in 1764 he moved into the neighboring house which he had inherited from his father and opened his law office in the old kitchen. In this cottage his son, John Quincy, was born.

Though for a time the Adams family lived



Fireplace with oven in kitchen of John's and Abigail's cottage

in Boston, the disturbances prior to the Revolution compelled them to return to their Braintree home. Here too, though official duties kept the elder John away from home,

Where Two Presidents Were Born

Abigail and John Quincy were subjected to the confusion and terror of wartime. Militia men and refugees were often quartered in or near the two cottages, wounds were washed and dressed and the family's pewter spoons were cast into bullets.

From a rock on Penn's Hill little John Quincy and his mother watched the smoke of burning Charlestown and listened to the distant cannon during the battle of Bunker Hill. So

vivid was his memory of that occasion that on its eleventh anniversary he could not take part in a celebration, remarking "... the ground which had been the scene of such an awful Day should not be made a scene of Revels and Feasting."

When John Adams went to France to represent the Continental Congress in 1778, he took John Quincy with him. Abigail could not bear to watch them sail, but her husband wrote that "Johnny behaved like a man." A year and a half later the boy once more accompanied his father to Europe and after peace

was declared Abigail joined them. She and her husband never again lived in their Braintree home though John Quincy spent two summers there after his marriage. Like his father, he devoted himself to the service of his country and was finally rewarded with the Presidency.

It was from the Penn's Hill cottage that Abigail Adams wrote her famous letters and

in one of these there is evidence that in spite of his enforced absence, her husband held his home dear, for she said, "This little cottage has more heartfelt satisfaction for you than the most brilliant court can afford."

The birthplaces of John Adams and his son are now owned by members of the Adams family and are used as the headquar-

ters, respectively, of the Quincy Chapter of the Daughters of the Revolution and the Quincy Historical Society.

* * *

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Chairman of the Board

ALBERT N. WILLIAMS
President, Westinghouse Air Brake Company

MANUFACTURERS TRUST COMPANY

*Condensed Statement of Condition as at close of business
December 31, 1948*

RESOURCES

Cash and Due from Banks	\$ 722,470,034.85
U. S. Government Securities	970,586,260.96
U. S. Government Insured F. H. A. Mortgages	4,247,932.98
State and Municipal Bonds	24,675,711.28
Stock of Federal Reserve Bank	3,037,500.00
Other Securities	17,660,937.62
Loans, Bills Purchased and Bankers' Acceptances	605,911,890.75
Mortgages	17,989,747.36
Banking Houses	10,185,396.83
Other Real Estate Equities	377,695.40
Customers' Liability for Acceptances	5,764,166.59
Accrued Interest and Other Resources	6,869,345.71
	<u>\$2,389,776,620.33</u>

LIABILITIES

Capital	\$41,250,000.00
Surplus	60,000,000.00
Undivided Profits	<u>28,316,108.90</u>
Reserve for Contingencies	\$ 129,566,108.90
Reserves for Taxes, Unearned Discount, Interest, etc.	8,538,607.44
Dividend Payable January 3, 1949	4,269,196.87
Outstanding Acceptances	1,237,500.00
Liability as Endorser on Acceptances and Foreign Bills	6,274,061.43
Cash held as Collateral or in Escrow	2,722,584.87
Deposits	13,785,683.10
	<u>2,223,382,872.72</u>
	<u>\$2,389,776,620.33</u>

United States Government and other securities carried at \$70,103,806.82 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

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

Consider the danger of a daylight fire



Imagine a flash fire in *your* bank during banking hours. Your ledgers open . . . checks exposed . . . all your records out of the vault! Can you conscientiously expect your employees to rush them to safety?

That's why so many banks have installed Mosler Bookkeeping Safes. Not only are they more convenient *to use*, but they protect your irreplaceable records right on the spot.

Mosler's ledger card and check file for 24-hour fire protection

These twin bookkeeping safes were specially designed by Mosler for Machine-posted bank records. The left-hand receding-door safe houses two trays—one for ledger sheets, one for statements. A utility drawer beneath holds signature cards or other records. The right-hand safe has four drawers, each housing three removable trays for cancelled checks after posting. The operator never has to leave her machine!

Most important of all, it takes only seconds to close the doors when fire strikes . . . completely protecting the contents. For your bank's protection—and for greater operating efficiency—write or phone your nearest Mosler office today for our special booklet on Bookkeeping Safes. There's no obligation, of course.



Tested and certified by the independent Underwriters' Laboratories, Inc., these safes are awarded their "B" label for two hour fire resistance including 30-foot drop or impact test.

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Main office: 320 Fifth Avenue, New York 1, N. Y.

Factories: Hamilton, O.
Largest Builders of Safes and Vaults in the World



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Head Office, Montreal

SYDNEY G. DOBSON
President

JAMES MUIR
Vice-President and General Manager

BURNHAM L. MITCHELL
Vice-President, Toronto

Condensed Annual Statement

as on 30th November, 1948

ASSETS

Cash, cheques and balances with other banks.....	\$ 425,204,065.67
Government and other public securities.....	918,420,522.36
Other securities.....	136,626,725.57
Call loans.....	56,534,207.84
Other loans and discounts.....	600,923,527.65
Liabilities of customers under letters of credit.....	65,104,477.12
Other assets.....	19,674,260.30
	<u>\$2,222,487,786.51</u>

LIABILITIES

Capital, reserve and undivided profits.....	\$ 81,485,447.43
Notes in circulation.....	4,320,934.27
Deposits.....	2,067,488,996.81
Letters of credit outstanding.....	65,104,477.12
Other liabilities.....	4,087,930.88
	<u>\$2,222,487,786.51</u>

Over 640 Branches in Canada and Newfoundland—62 Branches Abroad, including:

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

Auxiliary in France

THE ROYAL BANK OF CANADA (FRANCE)

Paris

NEW YORK AGENCY
68 William Street

NORMAN G. HART
EDWARD C. HOLAHAN
Agents



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Burlington & Quincy R. R. Co.
- Augustus A. Carpenter
Director, Hills-McCanna
Company
- J. D. Farrington
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Railroad Company
- James B. Forgan
Vice-Chairman of the Board
- Walter M. Heymann
Vice-President
- Henry P. Isham
President, Clearing Industrial
District, Inc.
- James S. Knowlson
Chairman of the Board
and President,
Stewart-Warner Corp.
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Vice-President
- Hughston M. McBain
President,
Marshall Field & Company
- Bentley G. McCloud
President
- James Norris
President, Norris Grain Co.
- John P. Oleson
Banker
- Irvin L. Porter
Vice-President
- Edward G. Seubert
Chicago, Ill.

Statement of Condition December 31, 1948

ASSETS	
Cash and Due from Banks	\$ 614,921,553.67
United States Obligations—Direct and fully Guaranteed	
Unpledged	\$ 513,441,705.65
Pledged—To Secure Public Deposits and Deposits Subject to Federal Court Order	88,438,500.00
To Secure Trust Deposits	76,605,266.70
Under Trust Act of Illinois	<u>521,360.00</u>
Other Bonds and Securities	91,472,928.52
Loans and Discounts	844,048,751.42
Real Estate (Bank Building)	2,816,524.06
Federal Reserve Bank Stock	4,200,000.00
Customers' Liability Account of Acceptances	3,733,689.91
Interest Earned, not Collected	4,922,641.00
Other Assets	<u>256,706.99</u>
	\$2,245,379,627.92
LIABILITIES	
Capital Stock	\$ 75,000,000.00
Surplus	65,000,000.00
Other Undivided Profits	3,934,180.00
Discount Collected, but not Earned	1,306,463.31
Dividends Declared, but Unpaid	1,200,000.00
Reserve for Taxes, etc.	16,331,593.40
Liability Account of Acceptances	4,080,881.70
Time Deposits	\$ 427,765,063.37
Demand Deposits	1,511,574,949.92
Deposits of Public Funds	<u>139,185,555.54</u>
Liabilities other than those above stated	940.68
	\$2,245,379,627.92

- | | | |
|---|---|---|
| R. Douglas Stuart
Vice-Chairman,
Quaker Oats Company | Albert H. Wetten
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Wilson & McIlvaine |
| George G. Thorp
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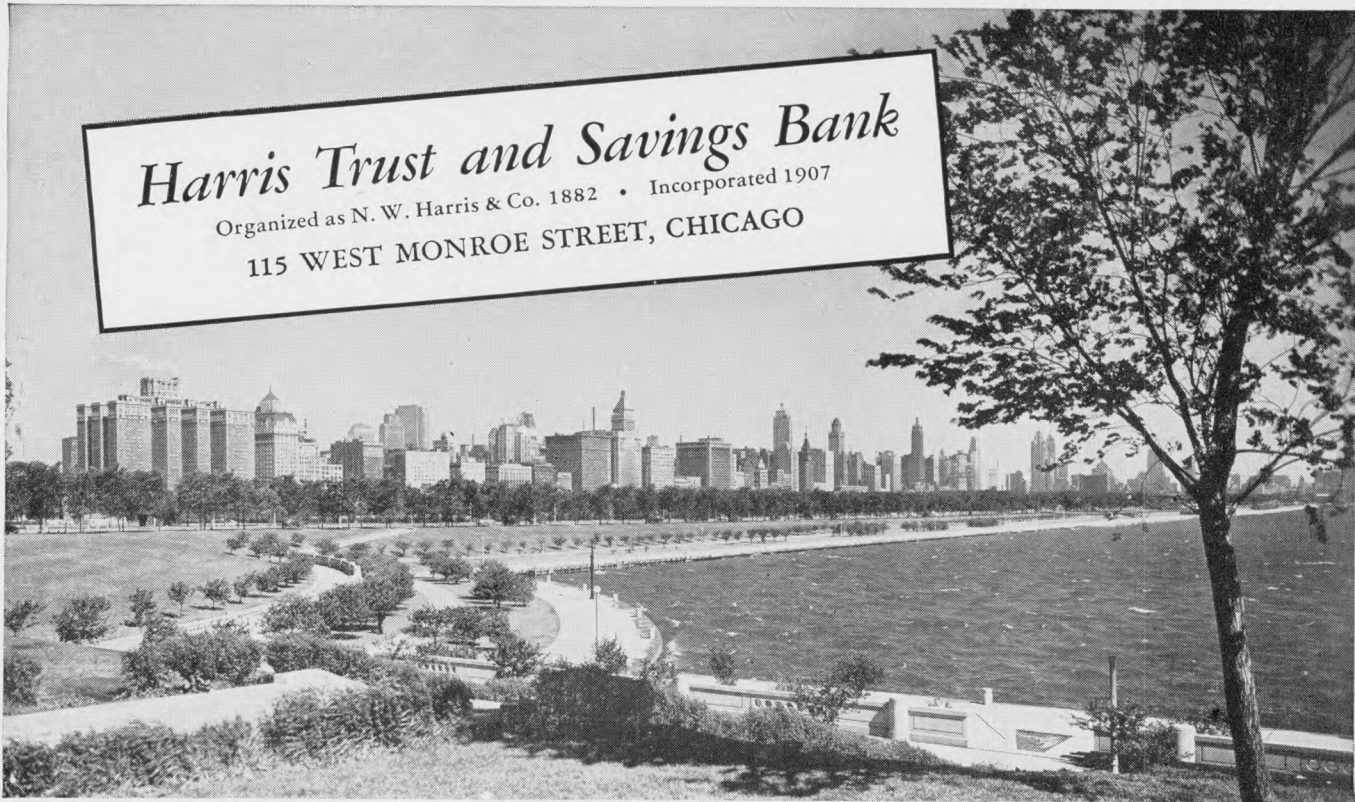
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

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Federal Reserve Bank of St. Louis

Harris Trust and Savings Bank

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

115 WEST MONROE STREET, CHICAGO



Statement of Condition

December 31, 1948

Resources

Cash on Hand and Due from Banks		\$160,450,079.58
U. S. Government Securities		161,672,258.05
State and Municipal Securities		38,462,412.04
Other Bonds and Securities		11,212,870.01
Loans and Discounts		169,572,127.23
Federal Reserve Bank Stock		600,000.00
Customers' Liability on Acceptances and Letters of Credit		726,156.30
Accrued Interest and Other Resources		1,957,993.32
Bank Premises		1,700,000.00
	Total	<u>\$546,353,896.53</u>

Liabilities

Capital	\$ 8,000,000.00	
Surplus	12,000,000.00	
Undivided Profits	<u>7,042,267.07</u>	\$ 27,042,267.07
General Contingency Reserve		6,754,598.95
Reserves for Taxes, Interest, Etc.		3,014,000.85
Dividend Payable January 3, 1949		240,000.00
Acceptances and Letters of Credit		726,156.30
Demand Deposits	\$458,446,446.45	
Time Deposits	<u>50,130,426.91</u>	<u>508,576,873.36</u>
	Total	<u>\$546,353,896.53</u>

United States Government Obligations and Other Securities carried at \$48,924,701 are pledged to secure Public and Trust Deposits and for other purposes as required or permitted by law.

Member of Federal Deposit Insurance Corporation

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Executive Vice-President

THOMAS DREVER
President, American Steel Foundries

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President, Atchison, Topeka &
Santa Fe Railway Company

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Chairman, Executive Committee

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Number two of a series

BANK-MONEY

*helps to fill
your tank!*



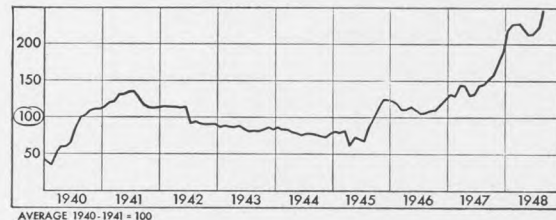
THE petroleum industry finds bank loans well suited to its requirements. Bank credit is flexible, available when needed, and can be paid off when not needed.

For these reasons, many oil companies have relied upon banks for one-third or more of the money which they borrow from all sources.

Chase National Bank, with a separate department dealing exclusively with

the petroleum industry, is a leader in making loans to the oil companies. No matter where you live, Chase credit helps to keep your car rolling.

CHASE OIL LOAN INDEX



*Banks can broaden
their service to customers
by using Chase facilities*

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

Member Federal Deposit Insurance Corporation

Northwestern Banker, January, 1949

IRVING TRUST

Company

NEW YORK



Condensed Statement of Condition as of December 31, 1948

ASSETS

Cash and Due from Banks	\$ 385,031,243
U. S. Government Securities	395,088,401
Other Securities	8,176,462
Stock in Federal Reserve Bank	3,150,000
Loans and Discounts	429,048,514
First Mortgages on Real Estate	2,733,075
Headquarters Building	14,528,000
Customers' Liability for Acceptances Outstanding	2,759,010
Other Assets	3,313,926
	\$1,243,828,631

LIABILITIES

Capital Stock	\$ 50,000,000
Surplus	55,000,000
Undivided Profits	11,433,647
Total Capital Accounts	\$ 116,433,647
Deposits	\$1,113,181,691
Reserve for Taxes and Other Expenses	2,048,091
Dividend Payable	1,000,000
Acceptances: Less Amount in Portfolio	3,371,325
Other Liabilities	7,793,877
	\$1,243,828,631

United States Government Securities are stated at amortized cost. Of these, \$25,460,908 are pledged to secure deposits of public monies and for other purposes required by law.

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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Dear Editor



The following letters are from Northwestern Banker readers. Your views and opinions on any subject are welcome in this column.

"Surprise and Delight"

"Imagine my surprise and delight when I was presented the handsome brief case which the NORTHWESTERN BANKER so thoughtfully offered as one of the prizes at the Financial Public Relations Association Convention held at Hollywood Beach, in Florida.

"I deeply regret that you were not present in order that I might express to you my appreciation in person, but perhaps in the not too distant future, the NORTHWESTERN BANKER might come to the Southeast, and if so, I hope you can stop by to say 'hello'."

James G. Richardson, Asst. Vice Pres., The Commercial Bank and Trust Co., Ocala, Florida

"Popular Pictures"

"We have just received another issue of the NORTHWESTERN BANKER, which we greatly appreciate, and have removed therefrom the very beautiful picture in colors which it contains.

"We have been saving these pictures for
(Turn to page 59, please)

ON THE COVER

Dr. Edwin G. Nourse, chairman of the Council of Economic Advisers, has told President Truman that the price situation is "improving," but he warns that increased military foreign aid spending will tip the economic scale back toward inflation. Looking over the chart with Mr. Nourse, in the picture on the cover, is John D. Clark, a member of the Council.

Chairman Nourse fears that a sizable increase beyond 15 billions in military spending would unleash "new forces of inflation." He said the services had wanted around 23 billions, but he cut them back to \$14,400,000,000. The Council of Economic Advisers will submit a new anti-inflation program to the 81st Congress, and Mr. Nourse will consult with cabinet members.

NORTHWESTERN Banker

DES MOINES

Oldest Financial Journal West of the Mississippi • 54th Year • No. 738

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NORTHWESTERN BANKER

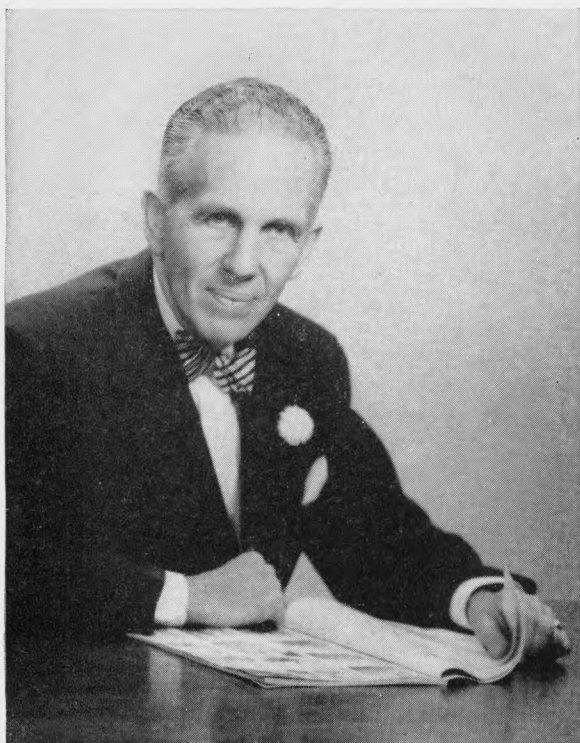
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Across the Desk From the Publisher

Dear Randolph Burgess:

Chairman Executive Committee, National City Bank of New York

In your recent very fine address on "Banking Statesmanship Today," you pointed out three main battle fronts on which we are now fighting:

1. On the foreign front we are fighting Communism in a "cold war."
2. In the United States we are battling against inflation.
3. Both here and throughout the world social changes are "pushing back the democratic way of life" and these changes must be resisted.

The bankers of America are vitally interested in all three of these "battles," because at the base of each one of them is the economic problem of how we can continue our own economy and at the same time fight back the forces which would destroy our democratic way of life and with that our own financial stability.

In summarizing your conclusions, Mr. Burgess, you said, "Taking a broad look at the three threats to our American civilization, the banker may have an influence on where this country moves. **Three things we may do:** (1) **Understand the issues and take a critical look at day-to-day policies in the light of the longer term trends.** (2) **In our own business exercise restraint in action which may be inflationary, restraint in**

any action which may draw government more largely into interference with individual freedom. (3) **Work together on our public problems. What bankers do through their organized efforts may be more important in the next few years in the well-being of each one of us than what we do individually.**"

There never was a time in the history of American banking when political statesmanship as well as economic statesmanship was so vitally needed as now.

Our trend for 15 years has been to let Washington solve our problems for us. The public has been taught and educated that anything which may go wrong with our economy can be solved on Capitol Hill.

Bankers must take the lead in bringing us back to help solve our individual problems in our individual communities, and thus the sum total of those decisions will be a better economy at home and eventually let's hope a better economy and better statesmanship abroad.

The time is now.

Dear Harry S. Truman:

Our greatest spending President

According to your recent message to Congress, you will be the greatest "spending President" in history, even exceeding your late lamented associate, Franklin Deficit Roosevelt.

According to your program, you are asking for a budget of approximately 44 billion dollars and for another 4 billion dollars in taxes.

We listened to your message very carefully, Mr. President, and **did not hear one word mentioned about reducing government expenses.**

As you may remember, you appointed ex-president Herbert Hoover to examine the over-all picture of government operations and with his committee to make recommendations which would reduce government expenses.

That commission has worked for 14 months and made suggestions which would save much more than the 4 billion dollars in extra taxes which you are suggesting.

There is one item in the Hoover report which shows that 3 billion dollars could be saved by re-grouping 60 government agencies into 15, but there was no mention made of it in your speech to Congress.

The Hoover report also indicated that it now costs \$11.40 to process a government order for a \$10 purchase.

Such inefficiency would not be permitted for a minute in any business large or small outside of the government.

Also, if taxes are increased, Mr. President, they

should not be on the small group of individuals who pay 38 per cent of the total income taxes.

The U. S. Treasury's latest report shows that:

1. 49,965,474 individuals filed returns.
2. Of this number 889,712 with net incomes of \$10,000 or more paid \$6,567,000,000 or 38 per cent of the total individual tax collected.
3. The total individual tax collected was 17 billion dollars.

When 38 per cent of the total income taxes are paid by only 889,000 of the population, we suggest, Mr. Truman, that you do not add more taxes on to this group—or on any other group—but **start reducing government expenses.**

Why not follow the suggestions and program outlined by your own Hoover committee and put the government on a basis of **saving money and reducing taxes?**

Or do you want to continue to **outspend** all your predecessors?

So far you are headed in that direction.

Dear Charles F. Brannan:

Secretary of Agriculture

Since our national prosperity depends to a large measure on the income of our farmers, we have been in a very advantageous position during the last 10 years as the farmer's income is 300 per cent higher than it was in pre-war days.

The figures have been compiled by the United States Chamber of Commerce, and present these very interesting comparisons:

Farm Income
1939—\$ 8.7 Billions
1948— 28.7 Billions

Also, all our other statistics for the nation have increased as follows according to this same report:

National Income
1939—\$ 72.5 Billions
1948— 221.2 Billions

Wages and Salaries
1939—\$ 45.7 Billions
1948— 131.2 Billions

Net Profits Corporations
1939—\$ 5 Billions
1948— 20.3 Billions

All of these comparisons show a large percentage increase during the last 10 years, which simply proves the point that our national income rises and falls as our farm income goes up or down.

And there were some farmers who thought President Truman caused all this prosperity. But did he?

Dear Harold Stonier:

Executive Manager, A.B.A.

We have read with a great deal of interest "Present Day Banking 1948 and 1949" which has just been published by the American Bankers Association, and we feel this is a real contribution to banking practice and helpful information about financial institutions of the United States.

Since the "Operating Earnings of State Commercial Banks" are not available for 1948, we were impressed again with the figures for 1947 and noticed especially under "Sources of Operating Earnings" that service charges amounted to \$121,880,000 which is indeed a most sizable sum.

Dividends paid by all state commercial banks for 1947 amounted to \$137,411,000. Thus service charges for that year came within \$15,531,000 of paying all the dividends which were paid out in that same period.

The point to remember is that service charges should be just, they should be fair, and they should be nearly as uniform in any given area as it is possible to have them.

Customers of banks are being educated to the fact that service charges if they are fair are a legitimate and a proper charge to be made by the banks for the service which the banks render.

Dear Kalidasa:

The Shakespeare of India

As we enter the New Year of 1949, the NORTHWESTERN BANKER believes that your famous "Salutation to the Dawn" expresses a philosophy which can inspire us all to do our very best each day, because today and today only is the one point of time which for the moment we can really count as our own.

SALUTATION TO THE DAWN

Look to this day!
For it is life, the very life of life.
In its brief course
Lie all the verities and realities of your existence;
The bliss of growth
The glory of action
The splendor of beauty
For yesterday is but a dream
And tomorrow is only a vision,
But today well lived makes every yesterday a
dream of happiness
And every tomorrow a vision of hope.
Look well, therefore, to this day!
Such is the salutation to the dawn.

Clifford DePuy

Northwestern Banker, January, 1949

Central

National Bank and Trust Company

Fifth and Locust Street—Des Moines

STATEMENT OF CONDITION AT CLOSE OF BUSINESS DECEMBER 31, 1948

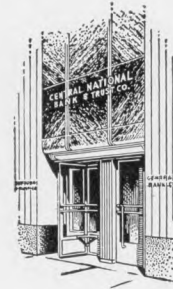
ASSETS

Cash and due from Federal Reserve and other banks.....	\$29,781,935.49	
United States Govern- mental Securities.....	22,349,507.61	
Obligations of United States Governmental Agencies	2,223,846.83	\$54,355,289.93
Municipal Securities.....	7,026,254.50	
Market Bonds.....	921,632.46	
Other Investments.....	260,001.00	
Loans and Discounts.....	24,302,219.62	
Overdrafts	1,641.06	
Stock Federal Reserve Bank.....	75,000.00	
Accrued Interest Receivable.....	244,438.96	
Bank Premises and Equipment.....	590,142.79	
TOTAL	\$87,776,620.32	

LIABILITIES

Common Stock.....	\$ 1,250,000.00	
Surplus	1,250,000.00	
Undivided Profits.....	1,107,128.29	
Other Reserves.....	866,908.74	\$ 4,474,037.03
Reserves for Taxes, Interest and Other Expense.....	90,578.32	
Discount Collected.....	180,698.47	
Deposits	83,031,306.50	
TOTAL	\$87,776,620.32	

U. S. Government securities carried at
\$5,471,103.03 are pledged to secure
U. S. War Loan Deposit Account, Public
Funds, and Trust Department Funds.



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★

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

Northwestern Banker, January, 1949



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What Leading Bankers Say About Credit Policies for 1949

Excerpts from A.B.A.'s Recent National Credit Conference
To Organize Bank Credit Stimulating Production, Opposing Inflation

"Credit Policy for 1949"

By HENRY E. ATWOOD
President, The First National Bank, Minneapolis



HENRY E. ATWOOD
"Bank's and borrower's interests mutual"

WHAT policy should we pursue which is sound for the bank and sound for the borrower? Our interests are mutual. What considerations should be kept before us to control our loan position effectively?

"1. We intend to continue to give careful thought to loan requests to determine whether such loans stimulate production and distribution.

"2. We believe that the volume of loans made and carried should be related to capital, surplus, undivided profits, and reserves.

"3. We plan to keep our directors intimately informed as to the details of loans being made.

"4. We make frequent analyses of the amounts of money being used by the various classifications of industry so that we will know how our money is employed and the trend from one period to another.

"5. We maintain a check on all our commitments and lines of credit, together with the amounts being used. We want to know the amount for which our customers may call on us and be prepared to take care of them.

"6. We regard as very valuable a periodic survey of every loan we carry, grading it as to quality.

"7. We are not seeking term loans which add to the competition for men and materials when costs are at a peak.

"8. The ball has been taken away from us on consumer credit, but Regulation W has created very little change in our terms for installment credit."

"What Should We Do Today?"

By WILLIAM A. MARCUS
Senior Vice President, American Trust Co., San Francisco
President, Savings and Mortgage Division of A.B.A.

WHAT should we do today? We should analyze our mortgage portfolios seeking the answers to these questions: Are the loans safe? Are they diversified? Are they written on a proper installment basis? Have they been made against conservative appraisals? Do they produce a revenue sufficient to meet our growing cost of doing business? Are all payments current? Are a large portion

of loans marketable? If we find negative answers to any of these questions, we should immediately set out to strengthen our lending and servicing procedures.

"Our housing and mortgage problems can be solved by cooperation between government and business, by a pooling of energies bent toward supplying the country's needs through work and production, by encouraging individual initiative, and by rewarding thrift. Our housing and mortgage problems can be solved by adopting measures that will promote the confidence of builders, lenders, investors, and the general public without undermining the stability of the nation."

"Prosperity Through Moderation"

By JOHN W. SNYDER
Secretary of the Treasury, Washington, D. C.

AN EXTENDED prosperity can only be achieved by a policy of moderation—by encouraging a healthy business development while restraining the excesses of over-buying, over-borrowing, and over-expansion which inevitably would bring on a business depression. This policy of moderation has been and will continue to be the Administration's program."

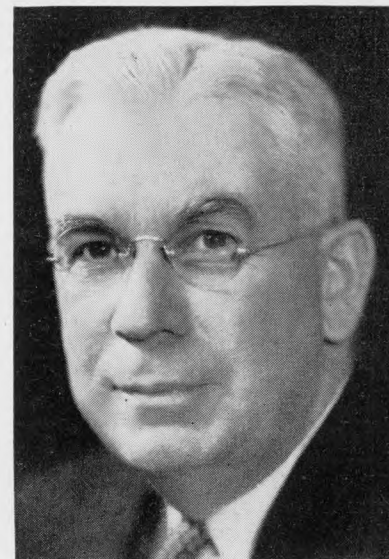
"Farms Vital to Nation"

By C. W. BAILEY
President, First National Bank of Clarksville, Tennessee

WHAT are the future agricultural price prospects? How can long term loans be handled? On what basis should loans be made?

"1. In 1949, some lowering of prices of farm products may occur; but the income of the farmer should still be very good. While the prices of land are reported as being the highest in history — slightly above 1920 — the amount of farm mortgage debt is under \$5-billion; and that is less than half of what it was in 1920. Referring to non-real estate debt, which might be

classified as borrowing for production purposes, the total was \$1,600,000,000 on January 1, 1948, and that was less (Turn to page 46, please)



C. W. BAILEY
"1949 income of farmer will be good"

"How We Plan to Increase Our Bank Earnings in 1949"

Northwestern Banker Readers Give Their Ideas on Promotional Projects for the Coming Year

IN A SURVEY conducted last month by the NORTHWESTERN BANKER among all banks in its territory, many bankers have given their ideas on the survey question, "How We Plan to Increase Our Bank Earnings in 1949." The methods and ideas explained in the accompanying replies are varied, but throughout all of them runs a note of caution so as to maintain the sound position in which banking now finds itself. Again, the oft-repeated word "service" is suggested as the best means of retaining business and gaining new friends.

Here are the replies received:

"1949 OUTLOOK BETTER"

By G. E. HEYMAN
Cashier, First National Bank
Dunnell, Minnesota

"I believe our plans should be on 'How We Plan on Increasing our Service to the Community' and would be more appropriate as we find that 1948 earnings were very satisfactory with the outlook for 1949 even better and without too much effort on our part, other than doing our best to serve our customers individually as each need comes to our attention.

"This is a national bank in a small community of about 250 population, and although we have totals of near a million dollars, we do not have too large a territory so we must depend upon our personal services to each and every person with whom we come in contact. It seems that if we serve our borrowers, depositors and other customers properly, we not only satisfy them but we show a nice profit along with it. We do not charge exchange like most of the surrounding banks, but do obtain a fair amount of insurance business to offset a part of what could be received from exchange if we were a state bank.

"Our efforts will be to hold down loans by discouraging borrowing only for needed constructive purposes. That is a service we owe to our borrowers and will make for a better community."

Northwestern Banker, January, 1949

EIGHT PLANS TO INCREASE EARNINGS

1. Substantial reduction in expenses.
2. Establish a bank insurance department.
3. A loan policy that will avoid losses.
4. Increase rates on loans.
5. Give more and better service.
6. Get paid more for services given.
7. Extra service fee for mortgage inspections.
8. Greater use of bank facilities by community.

"TIME TO BE CAUTIOUS"

By L. L. ARENDT
Cashier, Gibson Savings Bank
Gibson, Iowa

"Frankly, it is not my intention to concentrate too much on increasing our earnings for 1949. We have always had ample demands for loans to provide sufficient earnings but we feel that now is the time to be very cautious and now is the time to prevent future losses.

"So now we are concentrating on the soundness of each loan and are making no plans for expanding our loan business but merely plan to take care of the sound credit needs of our community."

"PROMOTING SERVICES"

By H. W. DAVID
Cashier, First National Bank
New Hampton, Iowa

"We have no specific plans for increasing earnings in 1949. Our loans are definitely on the upswing and, further, we are stiffening interest charged for the first time in a number of years. We think it unwise to make a radical change in rates charged, as we feel this might make for hard feelings and a little more 'anti-bank' sentiment. Rather, we are merely stiffening up a bit on rates on all types of loans.

"It is our aim in 1949, rather than make an all-out drive for increased earnings, to make a drive for more general use of our facilities by the community. We feel that earnings will benefit as a result."

A NORTHWESTERN BANKER Survey

"INSURANCE OFFICE INCREASES EARNINGS"

By A. W. POWELL
Cashier, The Roberts County National Bank, Sisseton, South Dakota

"We have increased our earnings substantially by organizing an insurance department under a G. I. He gives full time to new business, particularly to farm liability and life insurance.

"Using a cost of replacement chart on almost any insured building, a substantial increase can be obtained.

"We will continue the same substantial charge that we have had for four years, and in line with all other banks, have a substantial increase in loans."

"SERVICE IS ANSWER"

By H. H. PETERS
President, Bank of Yutan
Yutan, Nebraska

"While more bank income is always desirable, the past few years have been generally profitable and satisfactory to most banks. Loans at this time are high and adequate service charges are usually maintained.

"Prompt and efficient service, together with helpful suggestions in solving your customers' problems, can never be overdone and it is my thought that the bank that makes this its creed, and in addition operates a sound and progressive institution, will continue to increase the number of its accounts and consequently increase its earnings."

"CONSTRUCTIVE AND CONSISTENT SERVICE"

By LOUIS SCHRECK
Cashier, Templeton Savings Bank
Templeton, Iowa

"We have no particular program in mind directed towards increasing our profits. We will continue our policy of meeting all applications for sound loans and giving the community a constructive banking service for a fair price. That, we believe, will insure the highest average profit over a period of years."

"EARNINGS GOING DOWN"

By **WILEY GREEN**
Cashier, Wauneta Falls Bank
Wauneta, Nebraska

"In our opinion net earnings of country banks will probably shrink during the year 1949 over the figures for 1948.

"Expenses are increasing on account of larger salaries, more costly supplies, heavier local taxes.

"There may be an increase in local loans but I rather doubt that, as livestock and farm products will be cheaper.

"Deposits will probably work a little lower as our deposits are really numbers of cattle, hogs, bushels of corn and wheat.

"Our present outlook for crop is satisfactory. Farm expenses are higher and income tax paid this year by farmers will be less than a year ago."

"HAVE TO SELL PUBLIC"

By **EBER V. FLINT**
Cashier, Andrew Savings Bank
Andrew, Iowa

"I believe we have perhaps had the cream the past two years and that we will really have to sell the public for any additional business we get in the future.

"We have, however, opened an office in the town of Lamotte, which should bring us some additional business, both in deposits and loans. We have solicited farm loans in the community for the past few years and expect to continue. We would rather have our money in good old Iowa soil than anywhere else. We expect to hire some additional help to look after the business we now have and see that we don't miss some of the corners we have in the past."

"REDUCING EXPENSES"

By **E. A. SCHELL**
Cashier, State Bank of Portsmouth
Portsmouth, Iowa

"We fail to see where we could increase our interest rate or our service charges, and we have also reduced our interest rate on time certificates and savings accounts to 1 per cent per calendar quarters.

"We are planning, however, to reduce our expense account, and to try and eliminate as much as possible any expense which we can cut out but, of course, salaries cannot be reduced under present circumstances. We believe that buying in larger quantities will be the means of reducing the operating cost. We are also refusing to accept from non-customers deposits which they wish to place on time or savings accounts, and during the year 1949 no such deposits will be accepted."



REDUCE EXPENSES—During 1949 it appears that many bankers are going to apply that old maxim, "A Penny Saved Is a Penny Earned," to their bank operations. Some of those commenting said officers were really going to scrutinize expenses this year, so that the savings could be applied to bank earnings.

"EXPENSE SAVING"

By **WARREN GARST**
Cashier, Home State Bank
Jefferson, Iowa

"We have been studying details on our bank operations and think that we have made savings in time that will permit us to get along without replacing a girl who is to be married the first part of the year. To do this, we visited a number of other bankers, got a good many ideas, talked them all over with our associates in bank operation and applied or modified them to fit our work here. Expense saving seems to be one way a bank can increase its net without credit risks."

"KEEP EARNINGS LEVEL BY AVOIDING LOSSES"

By **B. B. WATSON**
Cashier, The First National Bank of
Humboldt, Iowa

"Our efforts in 1949 will not be so much toward increasing our earnings but to hold them where they are by not having any losses. We think that is the important thing to stress in the current year, for most banks.

"As of today our customers are in the best financial position they have ever been. Many are borrowing for proper purposes, but their borrowing is under control, both from their angle and ours. We think borrowing for production, within reasonable limits, or for distribution, is proper but when it comes to borrowing for investments at high prices we draw the line closely. We think our volume of loans will have a tendency to increase so that gives us an opportunity to screen them carefully. We do not plan any increase in interest rates.

"The recent credit congress in Chi-

cago, under the sponsorship of the American Bankers Association, was helpful in pointing the way to a courageous but careful and flexible loaning policy for the individual bank. Let's keep our banks in a liquid condition so we can loan to the good borrower in the tough years ahead."

"INCREASE LOAN RATES"

By **R. A. SWEET**
Vice President and Cashier, Story County
State Bank, Story City, Iowa

"At the close of 1948, I think most banks will find themselves fully loaned so far as good banking practices permit; therefore, in order to increase earnings for 1949, it would seem advisable and good policy to increase loan rates. Then, too, as the net will be the important thing at the close of the year, I believe that a closer screening of present loans and loans we will make in 1949 is very essential.

"It would appear that most banks will experience some further decline in deposits during the coming year which will reduce our volume and have a direct bearing on earnings. In order to counteract this, it would seem necessary to step up our public relations program. This, of course, can be done in various ways, but probably the most effective is by giving more and better service and incidentally getting better paid for this better service. I believe that most of our banks can re-examine their service charge schedule with the idea of making increases in some instances. Most of our schedules are based pretty much on the pre-war dollar.

"From all indications, 1949 will be a precarious year in business and
(Turn to page 44, please)

What Financial Advertisers Are Thinking About

Highlights from Some of the Discussions at the Annual Convention of the Financial Public Relations Association

"COOPERATION IN COMMUNITY AFFAIRS"

By **CHARLES J. MILLER**
Executive Vice President
First National Bank
Meadville, Pennsylvania

"Local community building is probably the best level that exists on which business and labor can meet and really understand and work with each other.

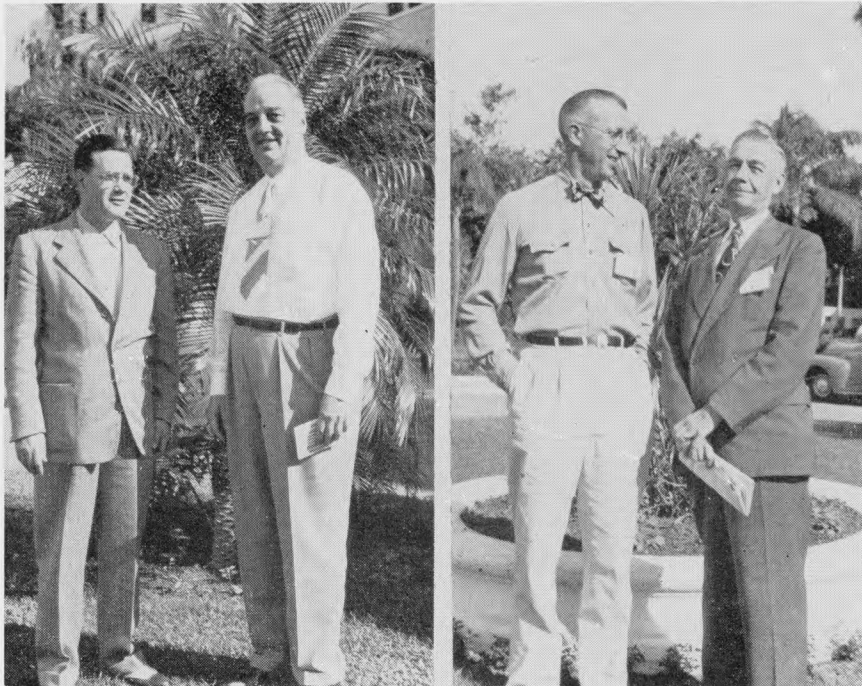
"Perhaps we should stop and ask ourselves a question. Are we satisfied with the leadership in our communities? Does that leadership reflect to our credit as long range serious thinking bankers and business men? If the answer is in the affirmative, I would say that free enterprise has been at work. If the answer is negative or doubtful I would suspect that your town has a group of business men who have turned their govern-

ment over to the professional politician. It certainly is a truism that if you are not sold on your community and have no interest in it, you had better move, because as bankers our business will expand only as our community's industries and business expand, because we are entirely dependent upon pay rolls for the inventory of our business. Too many of us take the attitude of 'let George do it.' How many of us take committee chairmanships, become president of this and that, and then do nothing more than clip the newspapers to add to our scrapbooks? For goodness sake if you accept the job—do a job! When you advertise your business, advertise your community. Tell your local citizens how fortunate they are to be a part of the community. Above everything, be a good neighbor and I mean this in the neighborhood and business

sense, as well as in the broader sense. When you start something, finish it. Communities become apathetic if nothing happens; therefore, it is up to us to help in our community to plan for objectives that can be reached. Remember this, our hospitals, water works, garbage collection, street maintenance, city management, zoning, parking, flood control, housing, and many other civic things are all our problems. Good town facilities mean good living conditions. Good living conditions mean satisfied people, better labor conditions, and general community welfare.

"There is no group of men more capable of helping their communities than bankers. There is no place where business men can meet and be better understood by people than at the community level."

With the F.P.R.A. in Hollywood



IN THE SUNSHINE—At the left, on the left, **Robert Lindquist**, vice president LaSalle National Bank, Chicago, and immediate past president of FPRA; and **Allen Crawford**, vice president Bankers-Equitable Trust Company, Detroit, new president of the Association.

At the right, **Harold P. Klein**, vice president Iowa-Des Moines National Bank, Des Moines, and **Frank R. Warden**, vice president Central National Bank & Trust Company, Des Moines, and an Association director.

"NEW BUSINESS DEVELOPMENT"

By **W. H. BISCHOFF**
Assistant Vice President
Old National Bank, Evansville, Indiana

"During the short discussion period which followed the presentation of this subject, the following ideas were developed:

"1. Where time and manpower are limited, it is better to cultivate present customers than to venture far afield in trying to secure new and strange business.

"2. Not everyone is sales-minded. It is important for the business development officer to discover which officers and directors possess the required qualities to make calls on prospects and invite new business.

"3. Some officers and directors are valuable to a bank in a capacity other than business development. Analyze personalities and utilize abilities where they function best.

"4. The real test of the business development officer is his ability to sell his own business development ideas to the officers and directors of his bank, and to inspire them to break away from their desks to make calls on prospects.

"5. Officer and director cooperation in developing new business is often more difficult than organizing em-



These Were in Hollywood, Florida, Too

1—Left to right, standing—**Louis H. Northrop**, assistant vice president, and **Harry G. Duntemann**, assistant cashier, both of the First National Bank, Chicago; seated—**Mrs. Northrop**; **Miss Anna T. Olson**, assistant cashier Live Stock National Bank, Omaha; **Miss Ruth H. Gates**, State Bank & Trust Company, Evanston, Illinois, and **Mrs. Duntemann**.

2—**Glenn Yaussi**, vice president National Bank of Commerce, Lincoln, Nebraska, and **Mrs. Yaussi**.

3—**Mr. and Mrs. William E. Sherrill**. Mr. Sherrill is advertising manager of the First National Bank in St. Louis.

4—**Ade C. Boysen**, and **Frank H. Delaney**, vice president—both of the First National Bank, St. Paul, Minnesota.

5—A part of the group attending the clinic on **Banking Quarters**, at the recent Financial Public Relations Association convention.

6—**N. E. Pearson**, assistant vice president La Salle National Bank, Chicago; **Mrs. Arthur E. Dahl**; **Arthur E. Dahl**, president Rapid City National Bank, Rapid City, South Dakota.

ployes for new business campaigns. Query: Could it be that incentive prizes often are denied to officers?"

"CONTESTS TO OBTAIN NEW BUSINESS"

By **REX V. LENTZ**
Director, Special Services Department
Mercantile National Bank, Dallas, Texas

"Our goal in a recent contest was 4,764 new accounts and 10 million in new deposits. We finished with 6,375 new accounts and \$14,329,397.88 in new deposits. It was a successful contest, and here's the recipe: Three parts employe cooperation, one part organization, and a large tablespoonful of interesting prizes.

"From our experience we feel that employe cooperation is absolutely essential for the success of any new business campaign. And it can't be just 'lip service' cooperation, either. We went all out for giving the employes the top spots in our contest. They

helped conceive the program. They elected their own captains and other leaders, and they managed the campaign. None of the officers or directors were eligible, but all of the officers and directors, without exception, cooperated wholeheartedly with the teams of which they were members and with individual employes. In the words of R. L. Thornton, chairman of the board, "This contest is the finest thing that has ever happened in our bank. It gave the bank an opportunity to get better acquainted with thousands of newcomers to Dallas, and to show them that we are vitally interested in them and their business problems.

"It gave our employes, officers and directors a chance to work together as a big, fine-spirited family, and it gave us an opportunity to develop new business and increase our value as an institution in the life of the community."

"EMPLOYE OPINION SURVEYS"

By **S. H. CHELSTED**
Vice President, Peoples First National Bank
Pittsburgh, Pennsylvania

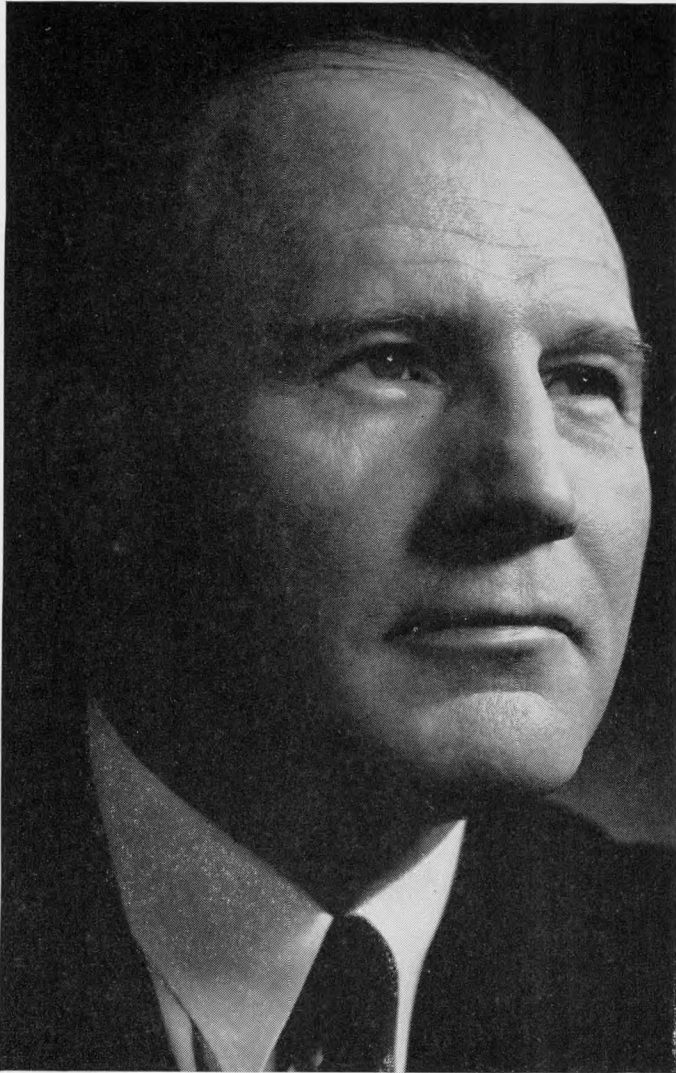
Banks were urged by Mr. Chelsted to "follow the example of some of the world's largest industries in the use of confidential employe questionnaires to determine employe opinions of bank management and working conditions."

He pointed out that "In this highly competitive labor market with its many influencing forces, the employer should take steps to determine how the employe feels about his job.

"Employes have shown themselves to be receptive to management surveys when properly approached. When they realize that the surveys represent an honest determination to understand their problems and a willingness to take the necessary action to alle-

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Northwestern Banker, January, 1949



Bankers You Know

James Muir

Vice President and General Manager
Royal Bank of Canada
Montreal

"Results are not obtained by spasmodic attempts,
but only by sustained effort"

JAMES MUIR, vice president and general manager of The Royal Bank of Canada, with which he has been associated for 37 years, is a unique person: unique in that he is normal in so many ways.

Surrounded in his spacious office by self-chosen paintings depicting Canada from coast to coast, he gives the impression of a man with long arms and far-seeing eyes, who, while keeping his fingers on the pulse of economics in Halifax and Victoria and Cuba and Buenos Aires, still attends meticulously to the business in his immediate neighborhood. Indeed, he is the kind of man who can take time off to chat effervescently with a caller, yet no one ever sees his desk laden with papers.

When James Muir moved to Montreal from Scotland 37 years ago he had neither influential friends nor business "pull." He was a banker in Scotland and England, but his broadest experience has been with the Royal Bank. Besides his many ap-

pointments in scattered districts in the Dominion, he has devoted some years to the operations of his bank in Latin America.

James Muir was born in Peebles, residence of the ancient kings of Scotland.

From his first ledger entry in the Moose Jaw Branch of the Royal Bank, he travelled through several western branches and the inspector's department at Winnipeg before seeing service at the head office in 1917 and returning as inspector to the supervisor's department in Winnipeg. First record of his work attracting the attention of senior executives was between 1920 and 1923, when Mr. Muir was assistant to the Quebec supervisor: from that point on, promotion was rapid toward the post he now holds.

In 1925 he went to New York, where for three years he served as assistant supervisor of the bank's business in Central and South America. His duties in this post took him

on visits to branches in Cuba, Brazil, Uruguay, Argentina, Peru and to other South American countries where there were not, at that time, branches of the Royal Bank.

Back in Canada, he served for three years as manager of the Winnipeg Branch before being transferred to the head office in 1932. He was appointed assistant general manager in 1935, general manager in 1945, and vice president in October 1948.

In spite of his great strides in this most conservative of businesses, Mr. Muir has retained his keen sense of humor, and a quick smile that starts at his eyes and often bursts forth in sincere and uninhibited laughter. He is a friendly man, really likes people, and is the soul of courtesy. Above all, he is an understanding man.

There's no postponement in Mr. Muir's office day. In his boyhood, he participated actively in sports, such as soccer, rugby, and amateur

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News and Views

OF THE BANKING WORLD

By CLIFFORD DE PUY, Publisher

THIS is to express a sincere "thank you" to our many friends from coast to coast who sent us Christmas and New Years cards, engraved folders, calendars and personal letters, and to tell them all that their personal friendship and thoughtfulness of us is sincerely appreciated.

After all, what fun would there be in life if we didn't have friends and continue to merit their goodwill and friendship throughout the years.

So thanks again to all of you for thinking of us.

Last October the Commerce Trust Company of Kansas City started a ten weeks' drive for new accounts, with prizes for those employees bringing in



Mr. Williams and Miss Eubanks

the greatest number. When the contest closed last month, there was every reason for celebration by the officers and bank staff.

Shooting at a goal of 5,000 new accounts, 5,226 were put on the books, with a total increase in deposits of \$11,302,500.

Of the 750 employees entered in the competition, Miss Ola Eubanks, receptionist and assistant to executives, was the winner of the grand prize. Miss Eubanks brought 135 new accounts into the bank.

In the picture above, Joseph C. Williams, president of Commerce Trust, congratulates Miss Eubanks on her energy and good fortune.

Craig R. Smith, assistant vice president of the Central Hanover Bank and Trust Company of New York sent out a very unique Christmas card showing the "Original home of the Hanover Bank, constructed in 1837 and standing to this day as India House in Hanover Square, New York."

John W. Snyder, secretary of the treasury believes that no recession is in sight and that "We undoubtedly have the essential foundation for an incomparable era of national prosperity in the years ahead. I see no evidence of the unbalanced conditions which, in the past, have typically preceded a recession."

J. Stewart Baker, chairman of the board of directors of the Bank of the Manhattan Company, New York, told the 150th annual meeting of their stockholders recently, that the "Gross operating earnings for 1948 are estimated at \$22,800,000 which compares with \$20,275,000 for 1947. Interest on loans estimated at \$11,750,000 will show an increase of about \$1,900,000 as a result of a larger volume and somewhat higher rates. Interest and dividends on securities will approximate \$6,900,000, about the same as 1947.

"Net operating earnings are estimated at \$5,300,000 for 1948, compared with \$4,118,000 in 1947, equal to \$2.65 per share against \$2.05 in 1947."

Delmont K. Pfeffer, vice president of the National City Bank of New York, gives his opinion about the pegging of Government bonds and puts his remarks this way, "We have lost our unanimity in favor of pegging. A minority of us now believe that the pegging has been too stubborn, that there was a time while the pressure was off the pegs, when it would have been a good thing to back away a little to lower support prices in order to penalize the second wave of switching out of long Governments into other investments."

Ward W. Dayton, managing partner of Holley, Dayton & Gernon of Chicago, is also editor of their "Fortnightly News Commentary" which is a very fine digest of current investment news.

In a recent bulletin, Mr. Dayton pointed out that, "Indications are that the downward trend of Retail Food

Prices will continue. The Agriculture Department reports a sharp increase in cattle feeding, an indication of more plentiful supplies of beef this year. And bearing out the contention of many industry officials, General Foods' board chairman Frances recently predicted that food costs will be lower in 1949."

25 Years of Service



James W. Hubbell, newly-elected board chairman of the Bankers Trust Company, Des Moines, is shown above (center), presenting William Ellison, vice president, with a gold watch in recognition of having completed 25 years of service with the bank. Waiting at left to offer congratulations is Scott C. Pidgeon, newly-elected president of Bankers Trust Company.

J. C. Thomson, president of Northwest Bancorporation of Minneapolis in a recent letter to the NORTHWESTERN BANKER said, "Each year following the December meeting, the Directors and officers of Northwest Bancorporation sit down together in celebration of the Christmas season. It is always an occasion of good fellowship and appreciation of the splendid participation in our affairs by the members of our board of directors. The enclosed second issue of the Banco Times was released at this luncheon, and I thought you would enjoy seeing it."

The Banco Times which is produced on the same "make-up style" as Time magazine is a very interesting and cleverly edited publication, which pictures news items and other points of interest concerning officials of the

(Turn to page 33, please)

Northwestern Banker, January, 1949

My Six Rules For Investing Bank Funds

And Some Suggestions on Investments Specifically Related to Current Conditions

By **R. C. EFFINGER**
Vice President
Irving Trust Company
New York City

FOR a commercial bank, a sound investment policy involves, in my opinion, largely adhering to the following six rules:

1. **Hold sufficient high-grade, readily marketable, short-term securities to provide funds needed from investments to meet possible declines in deposits and increases in loans and legal reserves.**
2. **Hold no securities maturing in more than five years that are not of good quality and that the bank does not believe it can hold to maturity, and desires to hold to maturity for the purpose of stabilizing income; i.e., to serve as a hedge against lower interest rates.**
3. **Do not compromise quality in search of income.**
4. **When the outlook is for rising interest rates, be slow to extend maturities beyond what is required to produce needed income.**
5. **When the outlook is for declining interest rates, act promptly to extend maturities, within the pattern that fits the needs of the bank and the desires of its management.**
6. **At all times be in such a position as not to be disturbed by subsequent price movements, either up or down.**

The alpha and omega, the beginning and the end, of all rules for soundly investing the funds of a commercial bank are, in my opinion, the first and sixth rules given. I would like to discuss each of them briefly.

First Rule

The first rule requires periodic estimates of funds that may be needed for these purposes.

Making these estimates is time-consuming because it should be done frequently and many things have to be considered. Pertinent factors include: the estimated flow of customers' balances and the estimated needs of customers for loans; the movement of deposits and loans of all banks, and banks in the same district as a group; gold and currency movements; Federal

Reserve and Treasury policies; and the outlook for business for the country as a whole, and the area concerned in particular.



R. C. EFFINGER
"Adopt An Investment Policy"

Taking as many of these factors into consideration as time, facilities, and experience make practical, estimates should be made at least each quarter of the minimum of deposits and the maximum of loans likely to be witnessed over the next two years on the assumption that the bank will be subject to a decline in its deposits and a rise in its loans. Allowance should be made for wide margins of error since it is always possible that loans may rise and deposits may decline more than anticipated.

The next step is to add the difference between the current amount of deposits and the "deposit minimum," the difference between the current amount of loans and the "loan maximum," and the amount by which it is thought legal reserves may be increased. The total represents the estimated amount of funds that may be needed to meet declines in deposits

and increases in loans and legal reserves.

To determine how much may be needed from investments for these purposes, there should then be deducted free cash balances with banks, legal reserves that would be released if deposits declined to the estimated "deposit minimum" and such liquid assets as prime commercial paper, bankers acceptances and brokers call loans, if any. The remainder will equal the amount of investments in high-grade, readily marketable, short-term securities that the bank should hold.

While short-term securities may be defined as those having a maturity date within five years, in my opinion only those maturing within two years are suitable for employing funds that may be needed to meet declines in deposits and increases in loans and legal reserves. Issues maturing in more than two and less than five years should, in the main, be of the character that permits ready convertibility into shorter term issues, in case holdings of such obligations should prove inadequate for liquidity needs.

The Sixth Rule

The sixth rule, which calls for being in such a position at all times as not to be disturbed by subsequent price movements, either up or down, is a catchall rule and a check.

In furtherance of this rule is the suggestion that, if it has not already done so, management reach the unqualified decision to carry United States Government securities at amortized cost.

First, the practice is approved by banking authorities. Second, it deceives no one and fairly represents the dollars that will be received upon the liquidation of these assets if held to maturity. Finally, the income from such securities is reported to stockholders exactly as it is reported to the tax authorities.

This seems to me to indicate clearly the propriety and desirability of carrying—
(Turn to page 55, please)

Statement of Condition

December 31, 1948

RESOURCES

Loans and Discounts.....	\$ 29,620,078.20	
Overdrafts	729.44	
State and Municipal Bonds.....	9,275,339.15	
Corporation Bonds	1,393,509.55	
Stock in Federal Reserve Bank.....	150,000.00	
Bank Office Building.....	599,000.00	
Furniture and Fixtures.....	1.00	
Income Earned But Not Collected.....	345,389.44	
Bonds of United States and Government Agencies	\$59,864,012.73	
Due from Federal Reserve Bank	24,591,928.21	
Cash and Sight Exchange	27,561,398.24	112,017,339.18
		<u>\$153,401,385.96</u>

LIABILITIES

Capital Stock.....	\$ 2,500,000.00	
Surplus	2,500,000.00	
Undivided Profits	2,404,778.02	
Reserve for Contingencies.....	965,366.32	
Accrued Taxes, Interest and Other Expenses	168,682.31	
Dividends Declared and Unpaid.....	50,000.00	
U. S. Government Deposits	\$ 3,803,750.95	
Deposits	141,008,808.36	144,812,559.31
		<u>\$153,401,385.96</u>

United States Government and other securities carried at \$15,289,409.31 are pledged to secure public and trust deposits and for other purposes required by law.



The Omaha National Bank

FARNAM AT SEVENTEENTH

Member Federal Deposit Insurance Corporation

What Their Statements Show

From Statements Received as This Issue of
the **NORTHWESTERN BANKER** Goes to Press

(Last three figures omitted)

		December 31, 1948		December 31, 1947				December 31, 1948		December 31, 1947		
ILLINOIS—Chicago		Deposits	Loans	Deposits	Loans	St. Joseph		Deposits	Loans	Deposits	Loans	
Am. Nat. B & T Co.	\$ 220,237	\$ 65,622	\$ 227,789	\$ 61,241	American Nat'l	23,267	5,824	25,373	4,820			
Central National	61,532	17,157	63,482	17,990	First Nat'l	30,463	4,282	32,361	4,319			
City Nat. B & T Co.	321,945	71,350	332,345	83,844	First St. Joseph							
Cont. Illinois B & T	2,159,927	458,735	2,229,664	490,000	Stock Yards	10,171	1,589	13,095	1,477			
Drovers Nat'l Bk.	80,573	9,310	79,583	12,127	Tootle-Lacy Nat'l	18,114	3,290	19,103	2,221			
Drovers Tr. & Sav.	30,528	5,217	30,165	4,625	St. Louis							
First National	2,078,525	844,049	2,153,197	797,885	First Nat'l	442,114	178,559	454,151	179,552			
Harris Tr. & Sav.	508,577	169,572	508,356	167,471	Mercantile Comm.							
LaSalle National	71,786	15,505	61,866	12,150	B & T Co.	342,493	121,659	337,097	116,062			
Live Stock Nat'l	54,692	11,555	61,413	11,537	Mississippi Valley							
Northern Trust Co.	656,262	91,571	622,270	104,376	Trust Co.	213,402	86,447	211,111	91,334			
IOWA—Des Moines						NEBRASKA—Lincoln						
Bankers Trust Co.	57,986	15,655	55,638	14,394	Continental Nat'l.	29,330	5,984	29,663	5,444			
Capital City St. Bk.	8,000	2,786	8,672	2,360	First Nat'l	47,246	7,603	48,635	5,952			
Cent. Nat. B & T Co.	83,031	24,302	77,596	28,826	Nat'l Bk. of Com.	33,567	12,722	38,969	8,129			
D. M. B & T Co.	7,764	2,343	7,910	2,114	Omaha							
First Federal St.	3,151	401	3,300	375	Douglas County Bk.	8,740	1,752	8,064	1,546			
Ia.-Des M. Nat'l.	108,862	24,786	103,317	22,688	First Nat'l	83,958	19,580	87,442	19,711			
Iowa State	6,635	3,667	6,236	4,007	Live Stock Nat'l.	61,499	20,862	69,524	20,647			
Valley B & T Co.	17,147	8,458	17,239	9,436	Omaha Nat'l	144,812	29,620	142,340	29,144			
Sioux City						Packers Nat'l	10,031	1,927	9,909	1,686		
First National	18,861	5,857	20,096	5,932	South Omaha Sav.	2,170	1,706	2,174	1,545			
Live Stock Nat'l.	26,443	4,271	30,432	3,882	Stock Yds. Nat'l.	24,422	4,855	26,861	4,326			
Security Nat'l	26,112	7,558	26,955	5,922	United States Nat'l	71,448	16,305	69,275	13,698			
Toy National	23,486	5,573	26,455	3,685	NEW YORK CITY							
Other Iowa Banks						Bankers Tr. Co.	1,325,472	571,153	1,483,951	623,056		
National Bank of					Bank of the							
Burlington	10,360	3,160	10,347	2,706	Manhattan Co.	1,127,930	455,974	1,140,003	432,610			
Cedar Rapids—					Central Hanover							
Merchants Nat'l.	77,541	12,460	88,092	11,965	B & T Co.	1,400,785	432,451	1,492,340	416,356			
Clinton—City Nat'l	14,188	3,108	14,710	3,195	Chase Nat'l	4,237,000	1,482,834	4,477,562	1,324,264			
Davenp't B & T Co.	73,929	22,189	74,734	18,509	Chemical B & T Co.	1,435,190	560,799	1,284,087	449,401			
Ottumwa—					Guaranty Tr. Co.	2,330,237	1,034,441	2,451,659	851,405			
Union B & T Co.	14,311	4,834	14,439	4,359	Irving Tr. Co.	1,113,182	429,048	1,072,860	377,810			
Dubuque—					Manufac'rs Tr. Co.	2,223,383	623,902	2,320,057	498,100			
Amer. Tr. & Sav.	19,420	4,292	18,587	3,465	Nat'l City Bank	4,643,000	1,422,000	4,874,418	1,215,660			
National Bank of					New York Tr. Co.	642,398	256,426	729,182	241,716			
Waterloo	23,941	6,632	25,095	6,559	Public Nat'l	15,990	140,307	544,925	124,181			
Waterloo Sav. Bk.	17,629	4,795	19,363	4,348	SOUTH DAKOTA—Sioux Falls							
MINNESOTA—Duluth						First Nat'l	23,318	6,313	22,000	5,506		
First and Am. Nat'l	71,332	17,090	68,591	15,645	Nat'l Bk. of S. D.	18,056	5,263	18,792	3,421			
Northern Minn. Nat	45,639	10,284	40,831	9,386	Northwest Sec. Nat.	43,643	11,009	47,087	9,165			
Minneapolis						OTHER BANKS						
Farm. & Mech. Sav.	150,772	55,100	148,957	48,405	Bank of Montreal,							
First Nat'l	341,122	108,382	372,735	95,281	Canada	1,650,000		1,783,442	458,511			
Marquette Nat'l	32,655	8,861	31,706	7,656	Royal Bk. of Canada,							
Midland Nat'l	57,300	18,700	60,361	18,350	Montreal	2,067,489	657,458	1,934,186	567,038			
Northwestern Nat'l	347,625	110,236	362,260	108,180	First Wisc. Nat'l							
St. Paul						Milwaukee	520,790	97,646	522,356	91,666		
American Nat'l	76,295	9,155	87,623	9,412	Bank of America,							
Empire National	26,964	7,918	27,929	7,604	San Francisco	5,639,523	2,807,070	5,467,199	2,492,980			
First Nat'l	304,244	90,598	303,206	102,537	California Bank,							
Stock Yards Nat'l.	17,551	3,634	19,939	3,341	Los Angeles	431,000	107,770	452,165	97,240			
MISSOURI—Kansas City						Crocker First Nat'l,						
City Nat'l B & T Co.	137,498	52,091	148,353	52,274	San Francisco	320,275	84,158	326,551	79,347			
Commerce Tr. Co.	386,584	110,934	415,900	117,451	Security-First Nat'l							
Inter-State Nat'l	64,760	28,089	69,189	18,250	of Los Angeles	1,619,817	418,458	1,650,555	377,167			

Northwestern Banker, January, 1949



The
LIVE STOCK
National BANK of Chicago

UNION STOCK YARDS • TELEPHONE YARds 7-1220

Statement of Condition

Close of Business—**December 31, 1948**

RESOURCES

Cash and due from banks.....	\$17,973,957.36
U. S. Treasury securities	
(Average maturity less than 18 months).....	25,757,702.80
State and municipal securities	
(Average maturity less than 2 years)	1,427,058.33
Other marketable bonds.....	318,804.73
Loans and discounts.....	11,554,956.42
Federal Reserve Bank stock.....	75,000.00
Bank building.....	275,000.00
Interest earned, not collected.....	125,584.18
Current receivables and other assets.....	88,675.77
Total.....	<u>\$57,596,739.59</u>

LIABILITIES

Capital.....	\$ 1,000,000.00
Surplus.....	1,500,000.00
Undivided profits and reserves.....	350,215.79
Unearned discount.....	54,347.87
Deposits.....	54,692,175.93
Total.....	<u>\$57,596,739.59</u>

Board of Directors

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*Treasurer, Union Stock Yard
& Transit Co.*

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

IVAN E. BENNETT
Vice-President

WILLIAM WOOD PRINCE
*Trustee, Central Manufacturing
District*

RICHARD HACKETT
*General Manager, Central
Manufacturing District*

RALPH M. SHAW
Winston, Strawn, Shaw & Black

ORVIS T. HENKLE
Industrialist

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

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President

SERVING AGRICULTURE AND INDUSTRY

Since 1868

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, January, 1949

LEGAL

Can Title to Land Be Claimed Merely Through Possession?

Q. Peterson, a Minnesota banker, owned a farm in that state which had been his family homestead for a long period of time. It was some 100 miles from where he resided and a neighbor had been permitted to raise crops on a certain part of the land for a number of years, such number exceeding the period required by statute to establish title by adverse possession. Did the neighbor acquire title to the tract farmed by him through adverse possession as a result of his activities thereon?

No. Mere possession is not enough to establish title to land by adverse possession. Where an original entry and subsequent occupancy is permissive, as was the case here, the statute does not begin to run against the legal owner until an adverse holding is declared and notice is brought to the knowledge of the owner. The assertion of adverse title need not be always expressly or affirmatively declared, but may be shown by circumstances. It must, however, be clear and unequivocal and nothing of that sort was involved in this instance.

Q. Brown, a Nebraska banker, and his wife jointly owned their city home in that state. The municipal authorities sought to make certain street improvements in front of it. Brown and some of the other abutting property owners filed objections thereto. Objections by half or more of such owners within a certain time would stop the project. In determining whether a majority objected should Brown's wife, who did nothing regarding the matter, be counted as joining with him in his objections?

Yes, according to a recent Nebraska Supreme Court decision. In so holding the Court pointed out that there is a conflict of authority throughout the country on the problem, but that the result obtained by holding as it did appeared to be the proper one. The ruling incidentally, may be summarized by saying that, where only one of two resident joint tenants of land files objections to the creation of

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

a street improvement district by a city, the tenant objecting is presumed to have done so as a representative of the joint tenancy unless something to the contrary appears.

Q. Morton and Green, a banker, became involved in a controversy over who was entitled to the proceeds of an insurance policy on the life of McCormick, who had died. The insurance company recognized the validity of the policy and paid the proceeds into court so that it could be determined who, of the two, should receive them. Morton sought to contend in the proceedings that Green was not entitled to recover because he had no insurable interest in McCormick's life. Was Morton entitled legally to raise such a contention under the general rule applicable in such situations?

No. The general rule on these matters is that, after an insurance company has recognized the validity of a life insurance policy by paying the amount thereof into court, adverse claimants to the funds may not raise the objection of insurable interest. Lack of insurable interest may be raised only by the insurer. Illinois, Indiana, Kansas, Louisiana, Michigan, Mississippi, Missouri, Ohio, Wisconsin and the federal courts have so held.

Q. Egan, a banker, owned a South Dakota ranch. The board of equalization of the county in which it was located made certain determinations of value for tax assessment purposes of some of the land. Egan contended that the value should be the same as the going rates at which the county was selling land that it had taken in because of delinquent taxes. Should he be sustained in such contention?

No. The South Dakota Supreme

Court recently made the specific point that the determination of the value of land for tax purposes by the application of a standard of value closely adjusted to fit prices at which the county has sold similar lands acquired by tax deed is improper. Such sales are affected by elements which do not enter into similar transactions made in the ordinary course of business.

Q. It is not uncommon in real estate transactions for a grantor to sign and acknowledge a deed in which the name of the grantee is left blank. Where this occurs and the grantee's name is subsequently inserted without the grantor authorizing such action in writing is the conveyance invalid in some states?

Yes. Where a deed is executed in blank as to the grantee's name and the name of the grantee is subsequently fitted in without the written authority of the grantor, the deed is invalid in some states. Arkansas and South Dakota are among the jurisdictions in which it has been held that written authority to fill in the blank is necessary. In others, Minnesota and Missouri being among them, verbal authority is held to be sufficient to authorize the insertion.

Q. A trust officer of an Iowa bank was settling the estate of a deceased former depositor who had named the bank executor under his will. For a period of time prior to his death the decedent had a young fellow, not a member of his family, work for him. The arrangement was a rather loose one under which no money had passed and the young fellow filed a claim for the reasonable value of such services against the estate. Would an obligation to pay be implied?

Yes. In a recent decision involving analogous facts the Iowa Supreme Court reiterated that it is well settled law in that state that, where one renders valuable services to another who accepts the same, and who is not a member of the same family, an implied

(Turn to page 32, please)

NATIONAL MECHANIZED ACCOUNTING

gives definite proof and control
on all incoming items!



For every bank, large or small, the National Central Control and Proof Machine is the answer to two basic problems: (1.) the proving of all incoming items; (2.) the maintenance of an even flow of work to all departments throughout the day.

Many small banks, some handling even as few as 1,000 items a day, find their National Central Control and Proof Machine indispensable. One large bank uses 69 of these machines!

In addition to the National Proof Machine, National offers an efficient, *mechanized* answer to *every* bank accounting problem. Of the 100 largest banks in the United States, 94 use Nationals! Thousands of smaller ones use them, too. Does your bank?

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ACCOUNTING MACHINES
CASH REGISTERS • ADDING MACHINES

THE NATIONAL CASH REGISTER COMPANY, DAYTON 9, OHIO

National provides a complete line of accounting machines to meet the needs of every department of every bank, large or small. They're all described in an illustrated 64-page booklet, which your local National representative will be happy to give you.

Northwestern Banker, January, 1949

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, December 31, 1948

<u>RESOURCES</u>	
Cash on Hand, in Federal Reserve Bank, and	
Due from Banks and Bankers	\$ 662,439,640.64
U. S. Government Obligations	959,610,637.89
Loans and Bills Purchased	1,034,440,980.54
Public Securities	\$ 81,990,678.68
Stock of Federal Reserve Bank	9,000,000.00
Other Securities and Obligations	10,546,096.20
Credits Granted on Acceptances	11,490,995.89
Accrued Interest and Accounts	
Receivable	8,607,897.67
Real Estate Bonds and Mortgages	1,776,646.38
	123,412,314.82
Bank Premises	4,756,591.78
Other Real Estate	16,929.41
Total Resources	\$2,784,677,095.08
<u>LIABILITIES</u>	
Capital	\$ 100,000,000.00
Surplus Fund	200,000,000.00
Undivided Profits	66,890,333.26
Total Capital Funds	\$ 366,890,333.26
Deposits	\$2,311,138,375.36
Treasurer's Checks Outstanding	19,098,373.37
Total Deposits	2,330,236,748.73
Acceptances	\$ 19,885,110.86
Less: Own Acceptances Held for Investment	7,967,044.21
	\$ 11,918,066.65
Dividend Payable January 3, 1949	3,000,000.00
Items in Transit with Foreign	
Branches	120,297.76
Accounts Payable, Reserve for Expenses, Taxes, etc.	72,511,648.68
	87,550,013.09
Total Liabilities	\$2,784,677,095.08

Securities carried at \$102,231,549.56 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

Member Federal Deposit Insurance Corporation

obligation to pay therefore will be implied.

Q. Leeds, a banker, owned and operated a farm. He secured from the Federal Crop Insurance Corporation insurance on his wheat crop. The application and other papers did not mention that part of it was reseeded on winter wheat acreage. Leeds told the committee acting for the Corporation that it was and they told him it was insurable. Actually it was not, and there was a regulation of the Corporation distinctly providing that such crops were not insurable. Neither Leeds nor the committee knew this. A loss occurred due to drought. The Corporation discovered the situation relative to the reseeded and refused to pay as to the part of Leeds' claim which was so involved. Should it be sustained in that position?

Yes. The Federal Crop Insurance Corporation is not bound by the assurance given to a farmer by its local agents that his crop was insurable where a valid regulation precluded coverage. The rules of law whereby private insurance companies are rendered liable for the acts of their agents are not applicable to the Federal Crop Insurance Corporation. The United States Supreme Court, four justices dissenting, has so held in a recent decision.

Q. The daughter of a North Dakota banker entered into a contract with a school district in that state to teach for a year. By statute and under the contract the school could be discontinued if the average attendance became less than six pupils for ten days. There were only the children of two families in attendance. Difficulties developed between the teacher and the president of the board of education who headed one of the families. He felt that she should be discharged for incompetency, withdrew his children from the school, and prevailed on the other family to temporarily suspend the attendance of their children throughout a ten day period. Thereafter the children of the non-feuding family return to the school, no alternative schooling having been provided, and the teacher taught them. Was she entitled to collect her salary under the contract?

Yes. What was attempted was to discharge the teacher for cause by moving to close the school. Such was ineffective because it was not the right method. North Dakota laws, as do the laws of most states, provide regular methods for the removal of a teacher for cause. Since those laws

were not followed the teacher quite properly treated with the school as not having been discontinued and going back and teaching there. For such activities she was entitled to be paid.

Q. It is not uncommon for real estate located in municipalities to be restricted by deed covenant to use for residential purposes only. Where such restrictions do not go further, as would be the case if only one family residences were specified, can apartment houses, which are used exclusively for residential purposes, be erected on the real estate as a general rule?

Yes. The erection of an apartment house to be used exclusively for residences is generally considered not prohibited by a restriction of property to residential purposes. Alabama, Georgia, Illinois, Kentucky, Michigan and Ohio are among the states in which this general rule has been recognized. In applying it, the courts point out that such covenants are not to be enforced beyond the fair and natural meaning of the words used, read in the light of the circumstances under which they were employed.

NEWS AND VIEWS

(Continued from page 25)

various banks which make up the Northwest Bancorporation.

In a recent article in the *Washington Post* which is reproduced in "Banco Times," it had this to say about Mr. Thomson, "He's been president of the bank holding company for the past 15 years. No ivory-tower banking executive, Thomson hops around his banks to see what's going on and to keep in touch with the grass roots. He's covered hundreds of thousands of miles by air. Besides running the banking chain and participating in the research and planning activities of the CED, the busy banker and father of two, finds time to participate in local public affairs. He's headed a number of fund-raising committees, war bond drives, and has been a trustee of Westminster Presbyterian Church of Minneapolis for some 25 years. Cameron Thomson is never too busy to take on another job. He thrives on hard work."

Dividend

The board of directors of the City National Bank and Trust Company of Chicago has declared a regular quarterly dividend of \$1.50 per share of stock, payable February 1, 1949, to shareholders of record on January 20, 1949.

California Bank *Los Angeles*

WE INVITE ACCOUNTS FROM BANKS, CORPORATIONS, AND INDIVIDUALS • SEND US YOUR PACIFIC COAST BUSINESS

Statement of Condition as of Dec. 31, 1948

RESOURCES

Cash and Due from Banks	\$105,655,768.02
United States Government Securities	213,297,152.73
Obligations of Other Federal Agencies	\$ 4,197,330.92
State, County and Municipal Bonds	15,679,705.66
Other Bonds and Securities	434,010.19
Federal Reserve Bank Stock	390,000.00
Ownership of California Trust Company	1,475,324.66†
Loans and Discounts	107,769,992.62
Bank Premises, Furniture and Fixtures	1,396,319.32
Earned Interest Receivable	1,812,292.89
Customers' Liability under Letters of Credit and Acceptances	3,308,992.85
Other Resources	254,883.20
TOTAL	\$455,671,773.06

LIABILITIES

Deposits: Demand	\$268,372,083.94
Time	150,315,009.84
United States War Loan Deposit	4,291,419.50
Other Public Funds	8,258,939.83
Reserve for Interest, Taxes and Expenses	1,837,370.57
Unearned Interest Collected	1,158,396.07
Letters of Credit and Acceptances	3,336,813.93
Capital Stock	6,500,000.00
Surplus	6,500,000.00
Undivided Profits	5,101,739.38
TOTAL	\$455,671,773.06

*\$19,846,491.74 pledged, according to law, to secure Public Funds and Trust Deposits.

†California Trust Company—owned by California Bank and devoted exclusively to trust service—has Capital of \$1,000,000.00, Surplus of \$507,000.00 and Undivided Profits of \$260,037.82.

OFFICERS

FRANK L. KING, *President*

Senior Vice President

ALLAN HANCOCK

Vice President and Counsel

CHAS. E. DONNELLY

Vice Presidents

W. F. BRANDT	ARTHUR T. BRETT	G. M. CHELEW	C. C. DE PLEDGE
W. WAYNE GLOVER	F. S. HANSON	WM. HEUER, JR.	H. E. HUDSON
T. E. IVEY, JR.	F. M. MAGEE	JOSEPH MAGOFFIN	J. G. MAULHARDT
H. J. MENDON	B. B. ODELL	C. C. PEARSON	R. A. REID
F. HOWARD RUSS, JR.	J. A. SHINE	A. H. SMITH	J. H. STEENSEN
	CLIFFORD TWETER	O. S. AULTMAN, <i>Cashier</i>	

MEMBER FEDERAL RESERVE SYSTEM & FEDERAL DEPOSIT INSURANCE CORPORATION

1948

STATEMENT OF CONDITION

at close of business DECEMBER 31, 1948

RESOURCES	
Loans and Discounts.....	\$20,861,988.21
C.C.C. Loans	2,566,438.89
Municipals and Other Market- able Securities	2,168,646.61
Stock in Federal Reserve Bank.....	60,000.00
Banking House and Fixtures.....	1.00
Other Real Estate.....	NONE
Interest Accrued on Govern- ment Securities, etc.	221,859.69
U. S. Government Securities	\$ 14,663,625.02
Cash and Sight Exchange	24,144,021.62
	<u>38,807,646.64</u>
Total.....	\$64,686,581.04

LIABILITIES	
Capital Stock (Common).....	\$ 1,000,000.00
Surplus (Earned)	1,000,000.00
Undivided Profits	763,422.15
Reserve for Taxes, Interest, etc. . .	315,879.54
Unearned Discount	98,152.27
Deposits	61,499,127.08
Dividends Payable December 31, 1948.....	10,000.00
Total.....	<u>\$64,686,581.04</u>

OFFICERS and DIRECTORS

- | | | | | |
|--|--|--|---|---|
| WADE R. MARTIN
Vice President | R. H. KROEGER
Vice President | HENRY C. KARP
President | W. DEAN VOGEL
Vice President | H. H. ECHTERMAYER
Vice President |
| L. V. PULLIAM
Asst. Cashier | C. G. PEARSON
Cashier | PAUL HANSEN
Vice President | ARMAND S. CHAVES
Comptroller | MARVIN R. WERVE
Asst. Cashier |
| H. B. BERGQUIST
Coal and Grain | ALBERT R. STELLING
Asst. Cashier
and Trust Officer | ELMER C. OLSON
Asst. Cashier | LOUIS BARTA
Asst. Cashier
and Asst.
Trust Officer | LESTER E. SOUBA
Auditor |
| JAMES L. PAXTON, JR.
President, Paxton-
Mitchell Co. | VICTOR NIELSEN
Asst. Cashier | MARSHALL C. DILLON
Asst. Cashier | JAS. J. FITZGERALD
Pres. Commercial Sav.
& Loan Ass'n | JOHN R. JIRDON
Livestock & Grain
Morrill, Nebr. |
| | L. S. BURK
Chicago | HERMAN K. SCHAFER
President, Maney
Milling Co. | CARL A. SWANSON
President, C. A.
Swanson & Sons | LEO T. MURPHY
Vice President
Allied Mills, Inc. |
| | | | | J. L. WELSH
Butler-Welsh
Grain Co. |

LIVE STOCK *National* BANK

OMAHA, NEBRASKA

THE BANK OF FRIENDLY 24-HOUR SERVICE

Member of Federal Reserve and Federal Deposit Insurance Corporation

1949

JANUARY 1

*Announcing*THE LIVE STOCK NATIONAL'S
*Internal Operation Service**A New Service...*

Instituted by our Correspondent Banking
Department to assist our banker friends in
operational problems.

Another specialized service which we are
prepared to offer you during 1949.

YOUR INQUIRIES ARE CORDIALLY INVITED.

LIVE STOCK *National* **BANK**

OMAHA, NEBRASKA

THE BANK OF FRIENDLY 24-HOUR SERVICE

Member of Federal Reserve and Federal Deposit Insurance Corporation

Northwestern Banker, January, 1949

Employees Make Christmas Gifts



CONTEST—Hospitalized veterans and underprivileged children received more than 6,500 Christmas gifts from employes of Bankers Trust Company, New York.

Among the gifts were 250 dolls and 350 wooden toys. The dolls were purchased and dressed by the women employes, while the parts for the wooden toys were fabricated by wood working hobbyists, and then assembled and painted by other staff members.

David R. Young, head of the employes organization of Bankers Trust Company, shows the prize winning rocking horse in the bank's annual toy contest to **S. Sloan Colt**, president of the bank, who gets down on his knees to take a close look.

HIGHLIGHTS FROM FPRA MEETING

(Continued from page 22)

viate them, then the employe cooperates wholeheartedly and expresses himself frankly.

"While there are many effective ways to obtain employe opinions, a simple questionnaire sent to the home of the employe, requiring no signature, and entirely devoid of identification, is one of the most effective. The questions should be so worded that in most cases a simple 'yes' or 'no' answer can be given."

Mr. Chelsted stressed the importance of encouraging the employe to make any general comments which he so desired.

"You will be surprised at the interest your employes will take in improving procedure, customer relations, and working conditions, if you give them a fair chance," he said.

In closing, Mr. Chelsted stated, "It is certainly wise employe relations for management to make every effort to determine, as accurately as possible, the feelings of the employes in order that objectionable practices or conditions may be eliminated and irritating policies, which are misunderstood, can be explained."—The End.

City National Bank and Trust Company of Chicago

Condensed Statement of Condition—December 31, 1948

RESOURCES		LIABILITIES	
Cash and Due from Banks . . .	\$105,785,934.88	Capital	\$ 4,000,000.00
U. S. Government Securities . . .	151,747,462.84	Surplus	4,000,000.00
State, Municipal, and Other Securities	5,824,022.08	Undivided Profits	3,491,683.01
Loans and Discounts	71,350,084.87	Reserves for Interest, Taxes, and Contingencies	2,444,596.36
Federal Reserve Bank Stock . . .	240,000.00	Dividend payable February 1, 1949	60,000.00
Accrued Interest	931,336.25	Letters of Credit and Accept- ances Outstanding	1,442,975.24
Customers' Liability on Letters of Credit and Acceptances . . .	1,442,975.24	Other Liabilities	76,144.37
Other Resources	138,286.02	Deposits	321,944,703.20
	<u>\$337,460,102.18</u>		<u>\$337,460,102.18</u>

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EXTRA VALUES
that WIN and HOLD customers



When you sell American Express Travelers Cheques these EXTRA VALUES make friends for your bank

EXTRA: Your customers can use American Express Travelers Cheques almost *everywhere*. They are the original and by far the most spendable travelers cheques in the world.

EXTRA: American Express is carrying out a permanent program of intensive education, emphasizing that American Express Travelers Cheques may be accepted without fear of loss. Hotels, restaurants, gas stations, gift shops, transportation terminals and many other business places all will honor your customers' American Express Travelers Cheques.

EXTRA: An American Express Travelers Cheque is a "membership card" in America's foremost travel organization. When your customers carry American Express Travelers Cheques on trips, if they need help in solving their financial problems they can be sure of assistance anywhere in the United States and in principal cities around the world.



These extras have made American Express Travelers Cheques by far the best known cheques in the world. Because they are the best for your customers, we sincerely believe they are the best for you.

AMERICAN EXPRESS TRAVELERS CHEQUES

Officers Retire

Four veteran officers of The First National Bank of Chicago retired on pension from the bank at the close of the year. The banking careers of these men are splendid examples of the First National Bank's system of promotion, and the opportunity for the individual to make good.

At the top of the list, in point of service, is Vice President Roy R. Marquardt, with a record of over 50 years' employment, the tenth employe in the bank's history to reach the half-century mark.

Next is Vice President Harry Salinger, with 47 years' service. He entered the employ of the bank as a

young man in 1901, serving successively as messenger, general man, traveling auditor, assistant manager and manager of the foreign banking department.

The third to retire is Thomas S. McCarty of Wheaton, with 46 years of service. Mr. McCarty entered the employ of the bank in 1902. Coming up through the ranks, he was elected an assistant cashier in 1920, and assistant vice president in 1932.

Claude B. Carter of Evanston, with over 26 years of banking service, is the fourth to retire. Mr. Carter entered the employ of the Union Trust Company in 1922, and at the time of that bank's consolidation with the

First National Bank, was elected assistant vice president.

Executive Vice President

S. Sloan Colt, president of the Bankers Trust Company, New York, announced the election of Alex H. Ardrey, vice president in charge of the banking department of the company,



ALEX H. ARDREY
Receives Promotion

to a newly created office of executive vice president.

Mr. Ardrey entered the employ of Bankers Trust Company in 1930 as vice president in charge of the company's business on the west coast and in the southwest. He was made head of the banking department in 1945 and continues in this capacity, in addition to his new responsibilities. Mr. Ardrey was also named a director of the company.

At the same meeting, B. A. Tompkins, vice president since 1920, was designated senior vice president.

Elections

Central Hanover Bank and Trust Company has announced the election of the following men to the position of vice president: Rector K. Fox, C. R. Parker, Jr., Walter F. Thomas, A. C. Thompson and J. A. Turnbull.

The following men were appointed assistant vice presidents: W. A. Johnston, William Kardel, Jr., G. B. Moran, G. Sealy Newell and Benjamin Spier.

Assistant secretaries appointed were: H. Clay Dennett, William F. Jones, George R. Macalister, D. C. Merrick, William R. Morris and Russell R. Roetger.

Consumer Credit Conference

Dates for the National Consumer Installment Credit Conference, which

"The FARM OUTLOOK for 1949 is Good"—Says Doane

"Prices will stay high by prewar standards, but farmers must keep their guards up" . . . Farm income affects the profits of your bank. Study the economic forces affecting farm income. Advise your farm clients wisely, on which enterprises are most profitable. Make sound farm loans by keeping in touch with prices, markets, shortages and surpluses ahead, guided by the

DOANE AGRICULTURAL DIGEST

Edited by the oldest and largest farm management and appraisal organization, it was prepared originally for our own farm managers—to give concise advice on markets, changes, trends and new developments in agriculture. Demands from business executives and farm owners caused us to accept our first public subscriptions ten years ago.

The Digest Service consists of a 450-page cumulative reference volume, in strong loose-leaf binder, kept up to date by twice-monthly releases interpreting current trends . . . Particularly important to the Banker are releases on "When to Sell and Buy," "Business and Agriculture," "Important This Month," and "To Those Who Lend Money."

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Dept. 604, 203 Plymouth Bldg.

DES MOINES 9, IOWA

the American Bankers Association has announced will be held in St. Louis, Missouri, are March 29, 30, and 31, 1949. It will be held in the Hotel Jefferson in that city. The theme of the conference is to be Banking, Industry and Government. It is anticipated that in addition to representative speakers from banking and business there will be on the program several high officials of the government. The program is now in the process of development and speakers will be announced as soon as it is completed.

Heads Bond Department

S. Sloan Colt, president of Bankers Trust Company, New York, announced

that E. F. Dunstan has been elected vice president, and will be in charge of the bond department. Mr. Dunstan returns to this post after serving since April, 1947, as director of marketing of the International Bank for Reconstruction and Development.

Iowa-Des Moines Elections

Following the annual meeting at the Iowa-Des Moines National Bank, Herbert L. Horton, president, announced the election of Bernard D. Kurtz and Charles S. Bendixen to the board of directors and John T. McCormick as assistant cashier.

Both Mr. Bendixen and Mr. Kurtz are members of pioneer Iowa families.

Mr. Bendixen is secretary and treasurer of Shuler Coal Company and a trustee of the Thompson Trust.

Mr. Kurtz is secretary of L. H. Kurtz Company, secretary of the Kurtz Realty Company, and president of Kurtz Company, Mason City, Iowa. He is a member of the board of directors of the Des Moines Chamber of Commerce and of the Central Supply Association. Mr. Kurtz is the third generation of his family to serve on the bank's board.

Mr. McCormick, a member of the installment loan department staff, has been with the bank since 1929. During World War II he was with the United States Navy for two and one-half years, serving in the southwest Pacific.

All other officers and directors were re-elected. Officers are:

Herbert L. Horton, president, and Albert J. Robertson, vice president.

Department of Commercial Banking

John De Jong, Harry H. Sivright, Harold P. Klein and Geo. D. Jorgensen, vice presidents; James R. Brown, assistant cashier.

Department of Banks and Bankers

Erwin W. Jones and Everett M. Griffith, vice presidents.

Department of Bank Administration

Harry G. Wilson, vice president and cashier; Robert L. Carson, comptroller; James F. Hart, assistant vice president; James Burson, Clarence Mickelson and W. F. Howell, assistant cashiers.

Bond Department

Sherman W. Fowler and Harry L. Westphal, assistant vice presidents.

Trust Department

Clyde H. Doolittle, vice president; C. Ream Daugherty, trust officer; Arthur H. Keyes, assistant vice president, and Arthur J. Petit, assistant trust officer.

Mortgage Loan Department

Orville M. Garrett, vice president; Laird M. Fryer, assistant vice president, and Orville Gore, assistant cashier.

Installment Loan Department

Gerald O. Nelson, vice president, and Charles R. Clift, assistant cashier.

Talks to Students

A. M. Strong, vice president, American National Bank and Trust Company of Chicago, addressed students in exporting, importing and shipping at Northwestern University on January 14th. His subject was "The Significance of Imports in Our National Economy."

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

LA SALLE STREET AT WASHINGTON
Member Federal Deposit Insurance Corporation



STATEMENT OF CONDITION AT THE CLOSE OF BUSINESS DECEMBER 31, 1948

RESOURCES

Cash and due from banks	\$ 72,686,494.15
United States Government obligations	66,289,986.85
Municipal and other marketable securities	26,117,824.72
Loans and discounts	65,621,881.76
Federal Reserve Bank stock	210,000.00
Customers' liability on letters of credit and acceptances	1,437,263.79
Accrued interest receivable	409,140.03
Other assets	130,741.45
	<u>\$232,903,332.75</u>

LIABILITIES

Capital stock	\$ 3,000,000.00
Surplus	4,000,000.00
Undivided profits	1,272,751.59
Reserves for taxes, interest, contingencies, etc.	1,636,744.48
Unearned discount	1,073,458.59
Other liabilities	244,469.51
Liability on letters of credit and acceptances	1,438,340.79
Deposits:	
Demand	\$188,681,641.91
United States Government	3,640,781.30
Other public funds	7,981,597.61
Time	19,933,546.97

220,237,567.79

\$232,903,332.75

United States Government obligations and other securities carried at \$31,484,490.11 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

THE NATIONAL CITY BANK OF NEW YORK

Head Office • 55 WALL STREET • New York



Condensed Statement of Condition as of December 31, 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	\$1,532,119,431
United States Government Obligations	1,656,863,022
<i>(Direct or Fully Guaranteed)</i>	
Obligations of Other Federal Agencies	20,800,544
State and Municipal Securities	223,270,860
Other Securities	80,736,635
Loans and Discounts	1,422,290,652
Real Estate Loans and Securities	2,693,232
Customers' Liability for Acceptances	22,194,546
Stock in Federal Reserve Bank	7,500,000
Ownership of International Banking Corporation	7,000,000
Bank Premises	27,686,865
Other Assets	1,581,831
Total	\$5,004,737,618

LIABILITIES

Deposits	\$4,643,112,364
Liability on Acceptances and Bills. \$34,594,396	
Less: Own Acceptances in Portfolio	8,562,589
	26,031,807
Items in Transit with Branches	12,647,857
Reserves for:	
Unearned Discount and Other Unearned Income	5,925,327
Interest, Taxes, Other Accrued Expenses, etc.	21,006,274
Dividend	4,650,000
Capital	\$ 77,500,000
Surplus	172,500,000
Undivided Profits	41,363,989
291,363,989	
Total	\$5,004,737,618

Figures of Foreign Branches are as of December 23, 1948.

\$272,043,209 of United States Government Obligations and \$643,355 of other assets are deposited to secure \$199,885,739 of Public and Trust Deposits and for other purposes required or permitted by law.

(Member Federal Deposit Insurance Corporation)

DIRECTORS

WM. GAGE BRADY, JR.
Chairman of the Board

W. RANDOLPH BURGESS
Chairman of the Executive Committee

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President

SOSTHENES BEHN
Chairman, International Telephone and Telegraph Corporation

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

GUY CARY
Shearman & Sterling & Wright

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

CLEVELAND E. DODGE
Vice-President, Phelps Dodge Corporation

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

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

JAMES R. HOBBS
President, Anaconda Copper Mining Company

AMORY HOUGHTON
Chairman of the Board, Corning Glass Works

ROGER MILLIKEN
President, Deering, Milliken & Co. Incorporated

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.



Condensed Statement of Condition, December 31, 1948

RESOURCES

Cash in Vault and in Federal Reserve Bank	\$ 847,290,364.89	
Due from Banks	341,974,207.88	
TOTAL CASH		\$1,189,264,572.77
United States Government Obligations, direct and fully guaranteed	1,545,280,553.15	
State, County, and Municipal Bonds	283,455,131.62	
Other Bonds and Securities	109,996,633.92	
Stock in Federal Reserve Bank	6,499,400.00	
Loans and Discounts	2,807,070,397.91	
Accrued Interest and Accounts Receivable	24,974,348.58	
Bank Premises, Furniture, Fixtures and Safe Deposit Vaults	42,438,450.40	
Other Real Estate Owned	256,058.81	
Customers' Liability on Account of Letters of Credit, Acceptances, and Endorsed Bills	63,106,784.24	
Other Resources	571,540.33	
TOTAL RESOURCES		\$6,072,913,871.73

LIABILITIES

Capital	\$ 106,646,375.00	
Surplus	110,000,000.00	
Undivided Profits	62,872,254.99	
Reserves	4,666,168.06	
TOTAL CAPITAL FUNDS		\$ 284,184,798.05
Reserve for possible Loan Losses	41,505,513.86	
Deposits { Demand \$3,139,747,378.91 }		5,639,523,419.15
{ Savings and Time 2,499,776,040.24 }		
Liability for Letters of Credit and as Acceptor, Endorser, or Maker on Acceptances and Foreign Bills	65,383,454.65	
Reserve for Interest Received in Advance	12,463,320.59	
Reserve for Interest, Taxes, etc.	29,853,365.43	
TOTAL LIABILITIES		\$6,072,913,871.73

This statement includes figures of the Bank's foreign branches

Main Offices in Two Reserve Cities of California
SAN FRANCISCO • LOS ANGELES

Foreign branches: London, Manila, Tokyo, Yokohama, Kobe
Branches throughout California



MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

MEMBER FEDERAL
RESERVE SYSTEM

Adds Board Member

The stockholders of The Northern Trust Company, Chicago, at their annual meeting increased the number of directors of the bank from nine to ten members.

William R. Odell, Jr., vice president and treasurer of International Harvester Company, was elected to fill the new place on the board. Directors re-elected were: A. Watson Armour, Sewell L. Avery, Albert B. Dick, Jr., Edward L. Ryerson, Edward Byron Smith, Solomon Byron Smith, John Stuart, Merle J. Trees and Solomon A. Smith.

BANKERS YOU KNOW

(Continued from page 24)

boxing, and he still goes at things in the old sporting spirit. His competitive instinct is strong, he is a firm believer in teamwork and in battling aggressively all the time. He asks no quarter, and he well remembers a lesson learned in his youthful boxing days that it is unwise to relax before the bout is won.

Spasmodic genius in bank officers does not impress this vice president. Occasional bursts of energy and moments of brilliance are not good enough, he says. Once, when he was an inspector, he wrote to a branch manager: "Results are not obtained by spasmodic attempts, but only by sustained effort." It follows that he has little sympathy with dawdlers, insists on quick action when he wants something done, and demands strict discipline. His 10,000 employees, however, testify to his strong sense of justice and fairness, with a lapse into indulgence when they will effect an improvement for the good of the bank and the officers concerned.

Besides being a member of several clubs, Mr. Muir is a life governor and chairman of the finance committee of Verdun Protestant Hospital; governor, honorary treasurer and member of the executive committee of the Royal Edward Laurentian Hospital; associate honorary treasurer of the Canadian Chamber of Commerce, and he was chairman of the Welfare Federation Campaign, which raised \$1,148,000 for charitable work last fall. It was the first time in four years the campaign had been successful.

Mr. Muir was married to Phyllis Marguerite Brayley, daughter of the late Horace B. Brayley of Montreal, in 1919, and they have one daughter, Heather.

As to his recreations, they are as varied as the rest of his life: fly fishing, golf (he shoots in the low 80's), and driving an automobile . . . fast.

Outlook Fairly Good

By **PAUL S. RUSSELL**, President
Harris Trust & Savings Bank, Chicago

THE following analysis of the business outlook for 1949 was made at the request of the NORTHWESTERN BANKER and we feel sure that you will find Mr. Russell's opinion of the coming events most interesting.

"We have just completed a year



PAUL S. RUSSELL
Comments on Business Outlook

which by almost any standards will be recorded as one of outstanding achievement and prosperity. It was a year in which many new peacetime highs were established in output and consumption of goods and in the gen-

eral standard of living of our nation. Looking back, one cannot but have in mind the fact that the year 1948 completely refuted the forecasts of many who a year ago saw in the price maladjustments the basis for a downturn of business within the year. While I realize that the whole economic situation may have been changed considerably by such factors as the unexpectedly large agricultural harvests and the emergence of a large-scale foreign aid program, nevertheless, I am well aware of the difficulties and hazards in trying to make more than a tentative forecast of the course of business in coming months.

"Despite the momentum with which business begins the new year there are a number of reasons to question whether the recent rate of activity can be sustained indefinitely. Signs of weakness have been cited in residential building, freight carloadings, retail trade, backlogs of unfilled orders and other statistics. We know that profit margins in many industries have narrowed and that some industries, especially in consumer goods lines, have been experiencing a recession of their own. On the price front the state of balance is such that economists are about equally divided on the question of whether deflation rather than inflation may be in prospect. When to these considerations we add the likelihood of a fourth round of wage increases and the coming tax

BANK OPPORTUNITY NUMBER 34

Investment \$18,000

About 25% of the capital stock offered at book value

Carries top executive position to qualified man

Located in IOWA

Deposits over \$1,500,000

Earning about 15% on investment

Elderly owner wishes to retire

Modern home available on a modest rental basis

An inspection will convince you that the earnings can be greatly increased by younger and more aggressive management.

An excellent spot for a young banker to prove his executive ability.

This splendid opportunity is but one of the many fine opportunities now available through our service. If you are in the market for the purchase of an interest in a bank it will pay you to contact us.

Further information will be given on this and other opportunities only to bona fide prospective bank purchasers, and only after they have executed our bank purchaser's application.

Write for bank purchaser's application today.

Bankers Service Co.

HENRY H. BYERS, President
HARRY B. GIPSON, Vice President

Register & Tribune Building
Des Moines 9, Iowa

Telephone 2-7800

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by

WILLIAM H. BANKS WAREHOUSES, INC.

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SAFETY for your BANK LOANS;
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Definite DESCRIPTION of the COMMODITY stored.
ALL ADEQUATELY BONDED.

Many of your customers have INVENTORIES, which, when represented by proper WAREHOUSE RECEIPTS, give your bank PREFERRED COLLATERAL for your bank loans.

Write or telephone us today for complete details.

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Grand Rapids, Mich. ★ Fayetteville, Ark. ★ Weslaco, Texas



CROCKER FIRST NATIONAL BANK

OF SAN FRANCISCO

SAN FRANCISCO
OAKLAND



*Condensed Statement at close of
business December 31, 1948*

Resources

Cash and Sight Exchange . . .	\$ 97,736,466.92
*United States Government Securities	149,438,098.88
State and Municipal Bonds . .	9,301,773.92
Other Bonds	2,411,512.62
Loans and Discounts	84,157,959.88
Stock in Federal Reserve Bank	480,000.00
Customers' Liability under Letters of Credit and Acceptances	1,237,681.78
Bank Premises, Head Office and Oakland	3,153,112.97
Other Assets	182,255.73
TOTAL	\$348,098,862.70

Liabilities

Capital \$	6,000,000.00
Surplus	10,000,000.00
Undivided Profits	4,576,161.26
Reserve for Contingencies	4,100,000.00
Total Capital Accounts	24,676,161.26
Reserve for Dividend Payable—Jan. 3, 1949	210,000.00
Reserve for Interest and Taxes	801,033.99
Letters of Credit and Acceptances	1,237,681.78
Deposits:	
Secured Deposits	\$ 31,555,873.27
Time and Savings Deposits	79,007,730.96
Demand Deposits	209,711,843.85
TOTAL DEPOSITS	320,275,448.08
Other Liabilities	898,537.59
TOTAL	\$348,098,862.70

*Securities carried at \$38,385,000.00 are pledged to qualify in a fiduciary capacity and to secure Trust Deposits, United States Government and Other Public Deposits, as required by Law.

Member Federal Deposit Insurance Corporation

Ralph B. Wells, Eastern Representative—20 Pine Street—New York

DIRECTORS

JAMES K. MOFFITT <i>Chairman of the Board</i>
WILLIAM W. CROCKER <i>President</i>
J. F. SULLIVAN, JR. <i>Vice President</i>
STARR BRUCE
GEORGE T. CAMERON
ARTHUR GOODALL
A. G. GRIFFIN
ARTHUR W. HOOPER
CHARLES S. HOWARD
CLIFTON H. KROLL
LEWIS A. LAPHAM
NORMAN B. LIVERMORE
WALTER S. MARTIN
ATHOLL McBEAN
JOSEPH A. MOORE
S. F. B. MORSE
D. J. MURPHY
CHARLES PAGE
GEORGE A. POPE, JR.
MRS. HENRY P. RUSSELL
J. F. SHUMAN
WALTER H. SULLIVAN
SYDNEY G. WALTON
FREDERICK CROCKER WHITMAN

legislation, I believe that the probabilities at this time point toward some decline this year in the levels of business activity and corporate earnings. However, I anticipate that the year as a whole should be a relatively satisfactory one, and it appears that such factors as increased expenditures for public works, foreign aid and defense purposes should be effective in taking up part of the slack which may develop in the economy."

HOW TO INCREASE EARNINGS IN 1949

(Continued from page 21)

banking. We probably should be more concerned about maintaining our banks in good condition than laying too much stress on increased earnings."

"ADDING EXTRA SERVICE CHARGE"

By WALTER E. PAUSTIAN
*Cashier, Donahue Savings Bank
Donahue, Iowa*

"Although we are well satisfied with our present earnings, we are planning to add an extra service fee for chattel inspection, possibly \$5.00, which would include the original check-up and one more during the term of the loan. Thus, on a basis of about five hundred chattel mortgages per year, it is an easy matter to add \$2,500 of non-risk income to the earnings. We find that there is no objection to this charge as far as we are able to learn from the borrowers contacted."—The End.

W. B. Millard, Jr., Elected President

As this issue of the NORTHWESTERN BANKER goes to press, we have just



W. B. MILLARD, JR.
Heads Omaha National



CHARTER NO. 64

First Wisconsin National Bank of Milwaukee

Statement of Condition as of December 31st, 1948

Directors

- WILLIAM G. BRUMDER
Vice President
- WILLIAM MERRILL CHESTER
President-Treasurer,
T. A. Chapman Company
- E. J. DEMPSEY
Attorney, Oshkosh
- WALTER GEIST
President,
Allis-Chalmers Mfg. Co.
- JOSEPH F. HEIL
President, The Heil Co.
- WALTER V. JOHNSTON
Industrialist
- WALTER KASTEN
President
- GEORGE E. LONG
President, Koehring Co.
- ERNST MAHLER
Executive Vice President,
Kimberly-Clark Corp.
- ROBERT E. PABST
- CYRUS L. PHILIPP
President,
Union Refrigerator Transit Co.
- HAROLD H. SEAMAN
Industrialist
- LAWRENCE F. SEYBOLD
Executive Vice President,
Wisconsin Electric Power Co.
- WM. TAYLOR
Executive Vice President
- CHARLES O. THOMAS
President,
Pal-O-Pak Insulation Co.
- ERWIN C. UHLEIN
President,
Jos. Schlitz Brewing Co.
- JOSEPH E. UHLEIN
Banker
- JOSEPH E. UHLEIN, JR.
President, Glenogle Co.
- ROBERT A. UHLEIN
Banker
- ROBERT A. UHLEIN, JR.
Jos. Schlitz Brewing Co.
- WILLIAM D. VOGEL
Real Estate and Investments

RESOURCES

Cash and Due from Banks.....	\$153,730,669.89	
U. S. Government Securities.....	294,783,506.94	448,514,176.83
Other Bonds and Securities.....		18,084,707.07
Stock in Federal Reserve Bank.....		600,000.00
Loans and Discounts.....		97,646,973.00
Accrued Income Receivable.....		991,716.02
Bank Buildings and Equipment.....		3,315,531.25
Other Resources.....		3,199,633.41
		\$572,352,737.58

LIABILITIES

Capital.....	\$10,000,000.00	
Surplus.....	10,000,000.00	
Undivided Profits.....	8,038,136.11	
Special Reserves (includes amount sufficient to amortize U. S. Government and all other securities to par).....	9,014,192.85	37,052,328.96
Reserves for Interest, Expenses, Etc.....		1,098,318.47
Deposits.....	520,790,104.51	
War Loan Deposit Account.....	11,072,589.18	531,862,693.69
Other Liabilities.....		2,339,396.46
		\$572,352,737.58

President, WALTER KASTEN

Executive Vice President, WM. TAYLOR

Vice Presidents

- | | | |
|--------------------|-------------------|------------------------|
| WILLIAM G. BRUMDER | CARL M. FLORA | JOHN S. OWEN |
| EDWIN BUCHANAN | PIERRE N. HAUSER | CHESTER D. RANEY |
| GEORGE T. CAMPBELL | WILLIAM J. KLUMB | JOSEPH W. SIMPSON, JR. |
| EDWARD R. DROPPERS | JOSEPH U. LADEMAN | ROY L. STONE |
| | EDWIN R. ORMSBY | |

Cashier, A. G. CASPER

Comptroller, CLARENCE H. LICHTFELDT

UNPARALLELED STATEWIDE SERVICE

Through affiliated banks and correspondent bank relationships — embracing over 90 per cent of all banks in Wisconsin — the First Wisconsin offers unparalleled statewide banking service.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

received word that W. B. Millard, Jr., has been elected president of the Omaha National Bank and W. D. Clark has been re-elected chairman of the board.

Mr. Millard was formerly senior vice president of the bank.

Ray R. Ridge will continue as senior vice president.

WHAT BANKERS SAY ABOUT CREDIT POLICIES FOR 1949

(Continued from page 19)

than 40 per cent of what it was in 1920.

"2. In the farm mortgage field, monthly payment loans amortized over a period of years are gaining in popularity. . . . Long time agricultural credit can be made available through country banks without sacrificing liquidity.

"3. Production loans should proceed in a normal way unless there are local reasons for severe depression in farm product prices.

"We who are rural bankers will be watchful and will lend our aid in every way possible to maintain a sound economy in agriculture. That goal is of vital importance to this nation as a whole. No one of us can profit per-

manently at the expense of the farmer in a period of declining prices."

"MEET DEMANDS OF PEOPLE"

By **THOMAS C. BOUSHALL**,
President, Bank of Virginia, Richmond

"As to a credit policy for the banks in consumer financing, it seems to be abundantly clear that there is and will be ample demand for all agencies to extend consumer credit in the course of time.

"Our credit policy in consumer financing must be one of slow movement and not of violent fluctuation. We cannot be guilty of lending wildly today and none at all tomorrow, lending to every one on odd days and only a select few on even days. We must, rather, temper our credits to the needs of all on every day. We must adjust our services to the people's needs, cautioning against heavy borrowing in dangerous times, stimulating credit extension when the economy needs a spur for its even conduct.

"The great multitude of buyers of the products and the services of our country determines whether our economy is to rise and to expand in the years ahead. We must keep in close touch with the people. We must know and we must be prepared to meet their sound demands."

"WATCH INVENTORY LOANS"

By **WALTER L. WEBB**
Vice President, Wachovia Bank & Trust Co., Winston-Salem, North Carolina

"It is unintentional speculation in inventories arising out of the normal operations of industry that may well prove to be the banker's most difficult problem in 1949 so far as commodity and inventory financing are concerned. As bankers, we must be on our toes to meet the situation, whichever way the trend in a particular industry might go—toward inflation or toward deflation. It is quite probable that the trend may be one way in one industry and the opposite way in another during the coming year.

"The category of loans, in my opinion, where the trouble is most likely to come to the lender is in the instance in which a company borrows regularly for its operating requirements year after year, cleaning up all bank debt each year for at least thirty to sixty days, so that the banker is likely to be lulled into a state of complacency and one of these days he awakened with the sudden realization that his loan is now tied up in slow-moving inventories.

"Constant vigilance in an endeavor to avoid and forestall speculative inventory loans, however arising, and

MISSISSIPPI VALLEY TRUST COMPANY

ST. LOUIS 2, MISSOURI

Statement of Condition, December 31, 1948

RESOURCES

Cash and due from banks	\$ 73,506,821.24
U. S. Government Securities (Including those pledged \$16,317,159.50)	61,037,890.93
Other Bonds and Securities	7,871,706.43
Federal Reserve Bank Stock	300,000.00
Loans and Discounts	86,446,796.36
Customers' Liability on Acceptances and Letters of Credit	417,482.50
Real Estate	216,949.00
Accrued Earnings Receivable (Net)	234,926.78
Overdrafts	7,223.23
Other Resources	148,222.30
	<u>\$230,188,018.77</u>

LIABILITIES

Capital	\$ 6,000,000.00
Surplus and Undivided Profits	8,998,009.20
Accrued Interest, Expenses and Taxes Payable (Net) and Other Reserves	1,083,694.00
Acceptances and Letters of Credit	417,482.50
Other Liabilities	286,537.25
Deposits:	
U. S. Government, and other Public Funds	\$ 17,704,720.00
Other Deposits	195,697,575.82
	<u>213,402,295.82</u>
	<u>\$230,188,018.77</u>

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Corporation



94 Years of
Banking
Experience



THE NEW YORK TRUST COMPANY

100 BROADWAY

MADISON AVENUE AND 40TH STREET • TEN ROCKEFELLER PLAZA

CONDENSED STATEMENT OF CONDITION DECEMBER 31, 1948

ASSETS

Cash and Due from Banks.....	\$234,471,102.53
United States Government Obligations.....	217,199,198.37
Stock of Federal Reserve Bank.....	1,500,000.00
Other Bonds and Securities.....	4,899,700.05
Loans and Discounts.....	256,426,530.15
Customers' Liability for Acceptances.....	2,362,460.57
Interest Receivable and Other Assets.....	2,342,934.31
	<u>\$719,201,925.98</u>

LIABILITIES

Capital.....	\$15,000,000.00
Surplus.....	35,000,000.00
Undivided Profits.....	<u>15,895,511.61</u>
Reserves.....	65,895,511.61
Dividend Payable January 3, 1949.....	5,174,840.57
Acceptances.....	600,000.00
Accrued Taxes and Other Liabilities.....	2,791,812.17
Deposits.....	2,341,150.60
	<u>642,398,611.03</u>
	<u>\$719,201,925.98</u>

United States Government obligations carried at \$19,140,249.66 in the above statement are pledged to secure United States Government deposits of \$14,075,239.23 and other public and trust deposits and for other purposes required by law.

TRUSTEES

MALCOLM P. ALDRICH
New York

GRAHAM H. ANTHONY
President
Colt's Manufacturing Company

ARTHUR A. BALLANTINE
Root, Ballantine, Harlan,
Bushby & Palmer

JOHN E. BIERWIRTH
President

ALFRED A. COOK
New York

WILLIAM F. CUTLER
Vice President
American Brake Shoe Company

RALPH S. DAMON
President
American Airlines, Inc.

FRANCIS B. DAVIS, Jr.
New York

SAMUEL H. FISHER
Litchfield, Conn.

WILLIAM HALE HARKNESS
New York

HORACE HAVEMEYER, Jr.
President
The National Sugar Refining Co.

B. BREWSTER JENNINGS
President
Socony-Vacuum Oil Co., Inc.

J. SPENCER LOVE
Chairman of the Board
Burlington Mills Corporation

ADRIAN M. MASSIE
Vice President

SETON PORTER
President, National Distillers
Products Corporation

ROBERT C. REAM
Chairman of the Board
American Re-Insurance Co.

MORRIS SAYRE
President
Corn Products Refining Co.

CHARLES J. STEWART
Vice President

VANDERBILT WEBB
Patterson, Belknap & Webb

Member Federal Deposit Insurance Corporation

the will to take vigorous and courageous corrective steps to work out such a situation when it does develop are the attributes necessary for the banker's successful handling of commodity and inventory loans during the months immediately ahead."

"COMMERCIAL LOAN POLICY"

By **LESTER E. SHIPPEE**
Executive Vice President, Hartford-
Connecticut Trust Co., Hartford

"In charting our lending policy, it seems to me that whatever our views may be as to the continuation of inflation and level of business activity, we

should predicate our policy upon the least favorable prospects.

"Our first concern should be to maintain a liquid position sufficiently strong to guard against foreseeable contingencies, including the possibility that we may be called upon to carry additional cash reserves.

"Only those companies which maintain adequate cost systems, and who command management ability to control costs to the maximum possible, will be able to make a satisfactory showing in the period of intensified competition ahead.

"The price factor is of utmost importance in the analysis of inventory,

and our examination here must also give weight to the uneven demands of the economy.

"Another important factor to scrutinize is the ratio of debt to the owner's capital.

"Another item which we should not overlook is the advisability of frequent trade checks.

"Also, the average collection period bears careful watching.

"We must obtain more frequent and complete financial statements and income accounts than we have called for in the past.

"In implementing our investigations, there is no course so effective as that of visiting our customers at their places of business.

"In my judgment, the public interest, and our own, will best be served by a well defined, highly selective, and conservative lending policy."

"WISE CREDIT PRACTICES"

By **MARK A. BROWN**
Executive Vice President, Harris Trust &
Savings Bank, Chicago

"A wise bank credit policy today does not mean a restrictive credit policy. It does not mean a sharp curtailment of loans. It means a selective credit policy.

"There are certain standards we can adhere to in our credit practices—standards that are universally applicable to all banks under present-day conditions.

"The first of these standards deals with the quality of loans at their origin or inception. We need a far broader yardstick than the mere consideration of soundness from the viewpoint of the lending bank.

"The old rules of credit have not been superseded by the new short-cuts of postwar prosperity. It is as true now as it ever was that bank credit ought to be extended carefully, first against receivables, then against inventories, and only with the utmost caution against what may prove to be plant and equipment. Under this lending standard, the best banking is still that which seeks to minimize the risk, balanced against the usefulness of the loan.

"A vital part of a sound credit policy is the growing need to measure both loans and borrowers against the original conditions and premises upon which the loans were granted in the first place. I suggest reviewing periodically the loans made and the credits outstanding.

"Now, more than ever, eternal vigilance is the price of safety for not only the loans we make but for the chartered banking system as a whole."

FIRST NATIONAL BANK IN ST. LOUIS

Statement of Condition, December 31, 1948

RESOURCES

Cash and Due from Banks	\$139,611,890.01
U. S. Government Securities	142,477,428.97
Loans and Discounts	178,559,506.42
Other Bonds and Stocks	10,236,157.92
Stock in Federal Reserve Bank	612,000.00
Banking House, Improvements, Furniture and Fixtures	299,003.30
Other Real Estate Owned	833,002.00
Customers' Liability a/c Letters of Credit, Acceptances, etc.	1,544,366.23
Accrued Interest Receivable	864,754.19
Overdrafts	6,050.09
Other Resources	3,928.42
	<u>\$475,048,087.55</u>

LIABILITIES

Capital Stock	\$10,200,000.00	
Surplus	10,200,000.00	
Undivided Profits	8,660,211.29	29,060,211.29
Dividend Declared, Payable February 28, 1949		300,000.00
Reserve for Taxes, Interest, etc.		1,560,574.30
Unearned Discount		321,067.67
Liability a/c Letters of Credit, Acceptances, etc.		1,686,594.18
Other Liabilities		6,008.63
Demand Deposits	\$371,535,870.00	
Time Deposits	58,665,899.24	
U. S. Government Deposits	11,911,862.24	
Total Deposits		<u>442,113,631.48</u>
		<u>\$475,048,087.55</u>



St. Louis' Largest Bank

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"FLEXIBLE CREDIT POLICY"

By **DR. WILLARD E. ATKINS**
 Chairman Department of Economics
 Washington Square College,
 New York University

"On the basis of current price data, reports from agriculture and various industries and the recent record of department store sales, which for five weeks were below the 1947 level, it would appear that the postwar inflationary boom has been checked. Under such circumstances, any decisive and important action aimed at restricting trade at this time would hardly seem to be in order. In any case, the banks should be in a position of flexibility, with banker's able and willing to adjust their tactics to the situation as it develops.

"It should be clear that a policy of restricting credit no less than that of increasing credit is open to many dangers.

"A policy of raising reserves to prevent banks from lending or a decision by the bankers themselves to stop lending is very simple; but these are also very crude tactics that can produce great harm. They are akin to erecting road blocks to stop speeding automobiles. You may stop the careening car, but you may also cause a smash.

"If the administration launches an increased program—call it social security—it will transfer from those who otherwise would have the claim to 'have' to those who are now the beneficiaries of the new services. If

credit controls are necessary to effect these purposes, then they should be understood for what they are—not credit controls but a method for keeping people out of the market.

"I want it clearly understood that I disavow any intention of attempting to evaluate the worthwhileness of these measures. What I protest against are the evasive measures and the evasive talk by which the realities are hidden from public knowledge and recognition. Thereby, I protest against the consequences of such evasions; first, because the public is not told why it is being denied the many things it wants and feels it should have; and second, because in its ignorance, it turns its frustration into anger against the innocent."—End.

BANK of the MANHATTAN COMPANY

NEW YORK, N. Y.

Chartered



1799

DIRECTORS

- J. STEWART BAKER
Chairman
- NEAL DOW BECKER
President, Intertype Corporation
- WALTER H. BENNETT
Trustee, Emigrant Industrial Savings Bank
- GRAHAM B. BLAINE
Vice-Chairman
- JOHN C. BORDEN
President, Borden Mills, Inc.
- JAMES F. BROWNLEE
- GEORGE W. BURPEE
Coverdale & Colpitts
- HARRY I. CAESAR
H. A. Caesar & Co.
- ROBERT M. CATHARINE
President, Dollar Savings Bank of the City of New York
- F. ABBOT GOODHUE
Retired
- WILLIAM V. GRIFFIN
Chairman, Brady Security & Realty Corporation
- LAWRENCE C. MARSHALL
President
- HENRY D. MERCER
President, States Marine Corporation
- GEORGE L. MORRISON
President, General Baking Company
- WILLIAM J. MURRAY, JR.
President and Chairman, McKesson & Robbins, Inc.
- FRANK F. RUSSELL
President, Cerro de Pasco Copper Corporation
- FREDERICK SHEFFIELD
Webster, Sheffield & Horan
- PHILIP YOUNG
Dean, Columbia University School of Business

Condensed Statement of Condition

December 31, 1948

ASSETS

Cash and Due from Banks and Bankers . . .	\$ 390,123,248.43
U. S. Government Obligations	344,795,970.36
Other Public Securities	5,870,165.34
Other Securities	12,291,593.72
Loans and Discounts	455,974,434.05
F.H.A. Insured Mortgages	27,847,468.78
Other Real Estate Mortgages	3,442,217.83
Banking Houses Owned	11,326,682.64
Customers' Liability for Acceptances . . .	6,718,302.32
Other Assets	2,645,236.30
Liability of Others on Bills Sold Endorsed	5,880,608.22
	<u>\$1,266,915,927.99</u>

LIABILITIES

Capital (2,000,000 shares)	\$20,000,000.00
Surplus	30,000,000.00
Undivided Profits	16,622,900.09
Quarterly Dividend Payable January 3, 1949	600,000.00
Year End Dividend Payable January 3, 1949	200,000.00
Deposits	1,127,930,087.78
Certified and Official Checks	52,842,122.61
Acceptances Outstanding	8,369,484.15
Other Liabilities, Reserve for Taxes, etc. .	4,470,725.14
Bills Sold With Our Endorsement	5,880,608.22
	<u>\$1,266,915,927.99</u>

Of the above assets \$83,405,856.59 are pledged to secure public deposits and for other purposes; and certain of the above deposits are preferred as provided by law.
 Member Federal Reserve System Member Federal Deposit Insurance Corporation

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Statement of Condition, December 31, 1948

RESOURCES

Cash and Due from Banks	\$ 674,458,774.29
United States Government Obligations	1,132,234,194.34
Other Bonds and Securities	68,027,926.90
Loans and Discounts	458,734,635.66
Stock in Federal Reserve Bank	4,500,000.00
Customers' Liability on Acceptances	1,922,284.48
Income Accrued but Not Collected	6,650,180.56
Banking House	9,900,000.00
	\$2,356,427,996.23

LIABILITIES

Deposits	\$2,159,926,637.03
Acceptances	1,954,426.48
Reserve for Taxes, Interest, and Expenses	6,866,059.04
Reserve for Contingencies	18,107,975.36
Income Collected but Not Earned	520,284.04
Capital Stock	60,000,000.00
Surplus	90,000,000.00
Undivided Profits	19,052,614.28
	\$2,356,427,996.23

United States Government obligations carried at \$225,309,978.34
are pledged to secure public and trust deposits and for other
purposes as required or permitted by law

Member Federal Deposit Insurance Corporation

While "Peg" Keeps Interest Rates Same:

Municipals and Rails Should Be Good Income Sources in 1949

Critics of Government Bond Policies Fighting Losing Battle as Question Reaches Academic Stage

By RAYMOND TRIGGER
Investment Analyst
New York City

CRITICS of the Federal government's policies on prices of government obligations have, as they have long had, an excellent case, in theory, at any rate. The whole philosophy may be as wrong and dangerous as it is said to be. Nevertheless, the critics are fighting a losing battle.

Leaders of the investment banking fraternity gathered in Florida last December and considered the pegging policy, among other things. Albeit grudgingly, and by no means unanimously, the committee charged with this particular problem came up with a qualified endorsement of continuing the pegs. *The New York Times*, in its customary and thoughtful style, editorialized to the effect that the alternative to pegging was worse than the pegs, basing its conclusion mainly on the theory that what happened to 25 billion bonds after World War I would be much worse should it be allowed to happen to 250 billion bonds today.

Now Academic Question

In any case, though, the question is rapidly passing into the academic stage. In the light of the November elections, who will doubt that the fiscal policies in force prior thereto will continue to be the official policy? An acute and informed investment banker recently addressed himself to the question. Aubrey G. Lanston told assembled savings bankers a few weeks ago that the present is "both too late and too early" to abandon pegging.

Mr. Lanston argued that we cannot afford to eliminate the pegs at this time because their elimination would so shock lenders and investors that we would be pulling the rug out from under business.

Although there are no indications

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.

whatever of a change in general policy in Washington, there have been certain changes in its application in recent months which may be a pattern of things to come.

Out of the basically contradictory aims of checking inflationary tendencies on the one hand, and holding up long-term governments on the other came the inevitably conflicting policies of pushing prices of short terms down and holding prices of the longs. The Reserve Banks, consequently, were able to sell short terms to commercial banks while buying long terms from them and the insurance

companies. One result was that the total held by the Reserve Banks did not expand as much as it might have otherwise.

In fact, though, the program was becoming increasingly burdensome right up till Election Day. When the results were known, however, the pressure to sell long term bonds to the Reserve Banks evaporated, almost overnight. Indeed, prices of medium and long governments rose gently above the pegged levels. The insurance companies ceased to sell longs in advance of anticipated needs; some are reported to have re-purchased earlier sales.

New Headache

Out of the welter of reverses, of course, emerged a new headache. The Reserves found themselves selling longs on balance and buying the shorts, even though the overall pattern is out of joint and, theoretically, the shorts are cheaper and better buys than the longs. But the authorities do not want to let a vast amount of shorts settle in the hands of the Reserve banks. For the present, there is a solution of sorts. The Treasury

Commercial banks . . . if cautious and prudent, as they should be, will trim sails in expectation of some surprise developments (government programs) by mid-1949.

If business continues to boom and equity capital is as hard to find as it has been for many months, the commercial banks likely will be asked to supply more and more working capital in the form of commercial loans.

. . . insofar as governments are concerned, this writer holds that the shorts are the better buy now and will be even more attractive over nearby months and that the longs are over-priced and speculative retention could involve uncomfortable consequences . . .

Well informed observers look for an active market in municipal securities in 1949 . . .

The general pattern of interest rates will not undergo any significant change as long as prices of governments are unchanged . . .

The commercial bank seeking adequate income and serial maturities over a short to medium term normally finds rail equipment certificates perfectly suited to its needs.

is in a comfortable cash position and can, and does, retire substantial amounts of shorts at fairly frequent

intervals by using excess cash. All during the first quarter of 1949, the Treasury should be able to continue

this anti-inflationary policy, but the day of reckoning cannot be far off.

By the advent of the second 1949 quarter, this check on inflation may have been exhausted. At that stage, even higher short-term rates would be the logical expectation. Presumably investors will accept the bait and buy shorts, while selling longs. The problems of pre-election months will re-appear. The burden of maintaining prices on long-terms will grow heavier by mid-1949.

All of this must be well-known to the authorities and they appear to be acting in anticipation of some such development. That is, they are quite ready to sell longs on any modest rise in prices. Evidence of such willingness was the first chill administered to the market in longs following the elections. It took a lot of the glamour out of buying longs on the theory that the pegs are inviolate and that there might be a nice little profit to be garnered by buying longs for a turn.

Ample Powers

Although the Treasury and its running mate, the Reserve Banks, have no easy way out of the dilemma, they have ample powers to cope with almost any situation. In addition, they are blessed with remarkably ingenious staff workers who can, and do, think up endless ways of imposing artificial control on the market. In 1949, who can doubt, any agreed-upon program, if endorsed by the President, should be pushed through Congress without too much difficulty.

No one knows just what program will be pushed, but it is clear that new restrictions on a free market will be sought—and obtained, and imposed. There is no reason to suppose that the commercial banks will come out of the situation in a position to assume greater risks. If cautious and prudent, as they should be, they will trim sails in expectation of some surprise developments by mid-1949.

If business continues to boom and equity capital is as hard to find as it has been for many months, the commercial banks likely will be asked to supply more and more working capital in the form of commercial loans. If business droops, the more liquid the banks the better. And, while a pegged long-term government may look like a highly liquid asset, despite its actual maturity, it is not the same thing as a short-term obligation.

May Be Modified

Then, too, although the theory of pegs may be adhered to, the method and application may be modified in the light of some future problem. A peg is a peg, whether it be at 101 or 98.

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Member Federal
Home Loan
Bank System

STATEMENT OF CONDITION

December 31, 1948

HOME FEDERAL

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of Des Moines

DIRECTORS

C. B. Fletcher
Chairman of the Board

Arthur S. Kirk
President

Dr. Lawrence E. Kelley
Vice President

Jonathan M. Fletcher
Executive Vice President

Harold J. Howe
Counsel

Joseph N. Chamberlain
Real Estate & Insurance

Dr. John L. Hillman
President Emeritus,
Simpson College

Dr. Marvin J. Houghton
Dentist

J. T. Schilling
Iowa Power & Light Co.

ASSETS

Cash Investments and Securities	
Cash on Hand and in Banks	\$1,227,457.64
U. S. Bonds	890,266.16
	\$ 2,117,723.80
Federal Home Loan Bank Stock	150,000.00
First Mortgage Loans	9,627,393.33
FHA Improvement Loans	56,572.27
Loans on Passbooks and Certificates	36,739.22
Home Federal Building and Equipment	246,304.35
Other Assets	14,927.05
	\$12,249,660.02

LIABILITIES

Savings and Investment Share Accounts	\$11,370,882.21
Dividends Declared and Unpaid	130,507.54
Loans in Process	112,499.05
Other Liabilities	17,501.54
Specific Reserves	1,276.01
Reserves	
Reserve for Contingencies	\$ 250,000.00
Federal Insurance Reserve	316,933.67
Unallocated Reserve	50,000.00
	616,993.67
	\$12,249,660.02

GROWTH OF THE HOME FEDERAL

Organized under State Charter—May 6, 1936

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

Converted to Federal Charter—April 28, 1939

ASSETS

December 31, 1936	\$ 22,781.88	December 31, 1942	2,382,920.45
December 31, 1937	219,879.90	December 31, 1943	3,385,610.88
December 31, 1938	473,286.99	December 31, 1944	5,610,071.53
December 31, 1939	908,953.20	December 31, 1945	6,722,411.21
December 31, 1940	1,519,623.15	December 31, 1946	8,919,749.94
December 31, 1941	\$2,007,458.08	December 31, 1947	10,863,435.23
		December 31, 1948	12,249,660.02



A RECORD HIGH LEVEL of about \$400,000,000 of equipment trust certificates was reached by the nation's Class I railroads last year, with the grand total of obligations outstanding at the close of 1948 standing at about 1.5 billion. The outlook for 1949 is a continuous upward trend and authorities say the investment status of equipment trust certificates is remarkably high because of the enviable record of prompt payment of principal and interest.

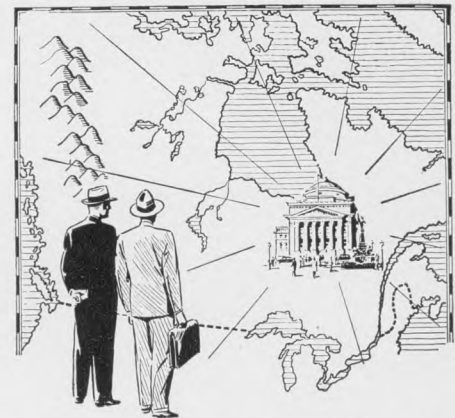
But longs bought at 101½, on the gamble that only a half-point could be lost at worst, would look like a pretty poor speculation if the limited loss of half a point turned out to be a potential loss of three and one-half points. Such a dip wipes out a good many months' interest under prevailing condition.

Thus, insofar as governments are concerned, this writer holds that the shorts are the better buys now and

will be even more attractive over nearby months and that the longs are over-priced and speculative retention could involve uncomfortable consequences.

The average bank has other investment opportunities than governments in any case. Brief comment is submitted on municipals and railroad equipments and their 1949 prospects in the following paragraphs.

Well informed observers look for



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Northwestern Banker, January, 1949

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an active market in municipal securities in 1949. Increased expenditures for schools, hospitals, and other social welfare undertakings, will cause larger financing by public agencies. In particular, the certain, determined

intervention of the national administration, on a broad scale, to counteract any downturn by the business cycle will require heavily increased borrowings for public works and relief programs.

No one can predict with any assurance how far the governmental agencies and particularly the Federal ones will go in efforts to offset a downturn in general business activity, but there is no indication that they will be backward or hesitant in tackling these problems. In addition to these so-called "compensated economy" expenditures, there are many public spending programs, previously deferred because of shortages of materials and labor, and, in some instances, high prices. They likely would be revived, should materials be in greater supply or prices tend to soften.

Ample Municipals

Thus, there should be an ample supply of municipal credits of all types and qualities coming on the market in 1949. Demand, too, is bound to be satisfactory as higher taxes on incomes enhance the exemption from taxation offered by municipal obligations.

The general pattern of interest rates will not undergo any significant change as long as the key to the entire structure—the prices of governments—is unchanged and this, of course, is the prospect. Should there be a decline in general business activity and should the fiscal authorities decide to combat it by lowering reserve requirements, there would follow an expanded demand for medium-term maturities from the commercial banks. In sum, the municipal market in 1949 should be a broad and active one, with little likelihood of prices falling and some possibility of a higher level.

Accordingly, even those commercial banks little concerned with tax exemption should watch sympathetically the municipal market and, if anything, incline toward expanding inventory during the year and certainly replacing maturing holdings.

Rails Set Record

A recent summary and forecast by a highly regarded authority on investments dealing with the rail equipment market concludes, in effect, along these lines. The year 1948 saw a record high level—around \$400,000,000—of equipment trust certificates sold by the Class I roads. About \$1,100,000,000 face value of these obligations were outstanding at the close of the year. If conditional sales agreements covering rolling stock are included, the grand total at the end of 1948 was in the neighborhood of one and one-half billion.

The heavy financing of this type in 1948 was a direct reflection of the close to \$1,000,000,000 spent by the

INVESTMENT SECURITIES

Public Utility

Industrial

Railroad

Municipal

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Incorporated

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New York

Milwaukee

Boston

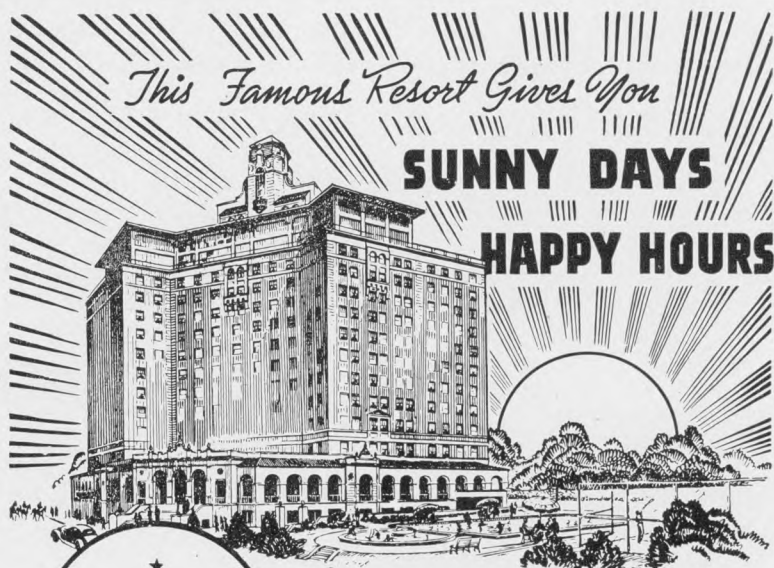
Minneapolis

Omaha

Waterloo

Kansas City

Moline



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roads for new equipment, in turn the result of parsimony enforced on the roads in the thirties and the unsatisfied demand created during the war years. The outlook is for a continuation of the trend during 1949 in view of the heavy orders placed by the roads. As of a recent date, the Class I carriers had placed orders for 1,630 locomotives and more than 100,000 new freight cars.

The investment status of equipment trust certificates is remarkably high because of the enviable record of prompt payment of principal and dividends (interest). The roads cannot get along without rolling stock in any case and, usually, certificates are margined with down payments of from 15 per cent to 25 per cent. Certificates mature serially, thus steadily increasing the equity since these obligations are reduced much faster than the underlying security wears out.

Good 1949 Outlook

There is nothing to indicate that any of the essential features of this type of security will suffer deterioration in 1949. And, since the supply again promises to be larger than normal, many commercial banks which have placed little emphasis on rail equipment certificates because they have been available in too small an amount, or too infrequently, may well revise their previous attitude.

As it happens, the investment bankers usually identified with the public offering of new rail equipment obligations are a fairly small group with long experience and well-defined, even rigid, notions as to indenture terms and other details. The pricing is semi-automatic, geared closely to going markets for governments. Although not wholly ignored, the credit of issuing road is not the all-important factor because of the unusual safe-guards thrown around equipment trust issues and the nature of the security, the actual locomotives and freight cars. These, under almost any conceivable conditions, more than pay their own way; that is, they earn more for the road using them than they cost to rent. Additionally, because of the high degree of standardization of railroad equipment generally, freight cars and locomotives could, in an extreme emergency, probably be taken back by the trustee and leased to another carrier.

The commercial bank seeking adequate income and serial maturities over a short to medium term, then, normally finds rail equipment certificates perfectly suited to its needs.—
The End.

SIX RULES FOR INVESTING BANK FUNDS

(Continued from page 26)

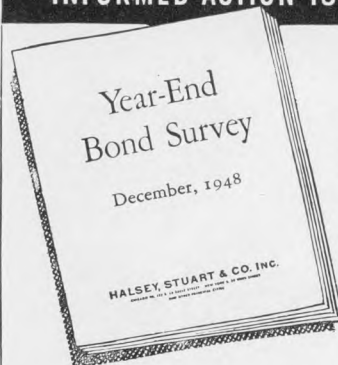
ing United States securities at amortized cost. The investment advantages are that it fosters the kind of unprejudiced investment action, calm judgment and mental equilibrium so essential to sound portfolio management, which could not be realized, if, for example, at some time in the future, bonds might have to be written down

to market by an unknown amount because of some temporary recession in prices.

Current Conditions

I would like to make three suggestions specifically related to current conditions. Please note that they fall squarely within the framework of the rules given. If they did not fall within that framework, the rules given would be inadequate, for they are intended to cover under all conditions.

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Send For Year-End Survey

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would have started. Our efforts have been directed towards serving the market better with a progressively improved package.

SO, when you offer to your customers — for \$1.35 — two hundred DeLuxe Personalized Checks, you are not merely offering imprinted checks but rather imprinted checks of high quality. The quality of the printing is right up to par. The quality of the paper is nationally recognized. The binding and the general workmanship are professional. And all the checks are consecutively numbered. Even the pretty red box which completes the package adds considerably to its value.

IF, therefore, you feel that you must offer personalized service to your customers — and it is becoming a "must" — don't, for goodness' sake, compromise as far as quality is concerned. You don't have to. You can accent distinctiveness with the DeLuxe package. We will not only make it for you . . . we will help you sell it.



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My three suggestions specifically related to current conditions are as follows:

1. At this time, new investments for ready availability should be confined largely to Treasury Bills and Certificates of Indebtedness.
2. At this time, maturities should not be extended beyond what is required and desired to increase or stabilize income.

3. At this time, and at all times, in a properly run bank, no concern should be felt because of book losses in holdings of United States Government securities if such securities are carried at amortized cost.

The first suggestion, to buy Treasury Bills and Certificates of Indebtedness for ready availability, follows from the fact that these securities give relatively good rates of return today,

are of short maturity, and enjoy an unequaled degree of marketability.

The second suggestion, that today maturities should not be extended beyond what is required and desired to increase or stabilize income, follows from the fact that I do not think we can count on any reversal in the upward trend of interest rates so long as business continues at a high level.

My third and final suggestion for well-run banks, is not to worry about book losses in holdings of United States Government bonds carried at amortized cost. Such losses will automatically disappear with the passage of time. The rise in interest rates which produced them is resulting in higher earnings being received on funds currently loaned or invested than could have been realized if interest rates were lower and the bonds in question showed a book profit. Further, where such investments were made for income and as a hedge against lower interest rates, they must be expected to show book losses from time to time when interest rates are higher than when the investments were made. A hedge cannot be expected to work two ways.

Little need be said regarding the automatic disappearance of book losses with the passage of time. That is certain, if the bonds are retained. At maturity they will be amortized to par and par will be paid.

Finally, and for the record, I have not been referring to book losses resulting from investments dictated by greed, which never should have been made or continued, or those which resulted from an abortive effort to secure profits by speculation. Book losses resulting from such undertakings should properly cause great pain and serve as a lesson. This may sound harsh, but I believe it is justified when bankers allow temporary conditions to sway them from a sound investment policy. Those bankers, on the other hand, who stick to a sound investment policy under all conditions will have no cause for sorrow.—The End.

New Bank

The National Bank of Joliet, Illinois, the city's newest financial institution, chartered on September 7, 1948, by the Comptroller of Currency, opened last month, as announced by Mortimer Goodwin, president.

The new bank, organized by a group of prominent Joliet citizens, opened with a total capitalization of \$250,000, entirely subscribed by Joliet people.

The bank is a member of the Federal Reserve System, the American Bankers Association and the Federal Deposit Insurance Corporation.

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Federal Home Loan Bank of Des Moines

DES MOINES, IOWA

STATEMENT OF CONDITION, DECEMBER 31, 1948

RESOURCES		LIABILITIES AND CAPITAL	
Cash	\$ 799,343.40	Deposits — Members	\$ 4,902,630.90
U. S. Government Obligations	17,590,802.44	Deposits — Others	35,000.00
Advances to Members	32,874,904.68	Accrued Interest Payable	291,827.08
Consolidated Obligations—		Accounts Payable	434.30
Expense	11,607.76	Dividends Payable —	
Accrued Interest Receivable	46,631.26	January 7, 1949	113,923.12
Other Resources	694.20	* Consolidated Obligations	
Furniture and Equipment		Outstanding	29,000,000.00
(Cost \$10,575.66)	1.00	** Capital Stock Subscriptions	
		Paid In	15,253,000.00
		Surplus:	
		Reserves \$1,641,433.17	
		Undivided	
		Profits 85,736.17	1,727,169.34
	\$51,323,984.74		\$51,323,984.74

* Participation in \$414,630,000 Consolidated Federal Home Loan Bank Obligations issued by the Home Loan Bank Board and now outstanding, which are the joint and several obligations of the eleven Federal Home Loan Banks.

** On January 3, 1949, this Bank retired \$295,800 of its capital stock owned by the U. S. Government in accordance with Section 6 (g) of the Federal Home Loan Bank Act.

How to Guarantee an Income In Spite of High Taxes, Low Interest

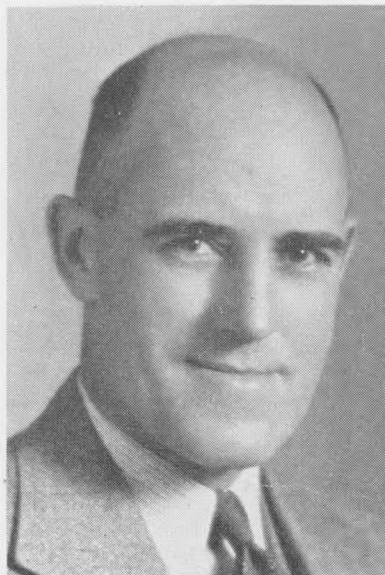
**Retirement Income Sidesteps Difficult
Problems of Taxes and Interest in Later Years**

By ROBERT SMYTH
*District Manager, Equitable Life Assurance
Society, Fort Dodge, Iowa*

(EDITOR'S NOTE: *The accompanying article is written in the same manner with which the author, Robert Smyth, conducts his interviews on this particular type of coverage. For continuity, Mr. Smyth's selling interview is carried through without interjection of questions by the prospect. Mr. Smyth is a member of the Equitable Society's Half-Million Dollar Club and an outstanding Iowa producer.*)

MR. SMITH, I have known for some time that you are quite successful, and a smart business man. I know also that you must have been making some money, and anyone I know who has made money these last few years has had a problem of investing it to any advantage. Even if you can get a mortgage at 4 per cent and have the income every year, it probably doesn't net you much over 2½ per cent by the time you pay the tax on it. However, if you invest in income insurance, that money accumulates and the interest isn't paid out under ordinary circumstances until you are 65.

At that time, if you take the income by the month instead of the cash (which, of course, would be available to you) you would enter as taxable income only 3 per cent of the original investment and the rest of the income would not be taxed until the amount so drawn would equal the original face. Even that is only half the story because after age 65 you and your wife each have an extra \$600 exemption. This makes \$2,400 for the two of you before you even start to be taxed, so you see why people who



ROBERT SMYTH
"Old principle of having your eggs
in different baskets is important"

understand this condition are putting thousands of dollars into such investments.

Right now it would be hard to find a good 80 acre farm that you could buy for \$18,000, but you can put from 15 to 18 thousand dollars into income insurance and have \$100 a month guaranteed for life after age 65.

Now I realize, Mr. Smith, that you don't need life insurance. There isn't a bit of question that you could do without it. In fact you could do without your automobile and go on living. You could do without that extra farm you bought, but the reason you

bought it is because you figured it was advantageous to you to have it.

Now, Mr. Smith, the old principle of having your eggs in different baskets is a mighty important one. People worth hundreds of thousands of dollars in the 1930's were embarrassed for cash many times because they had all their money in excellent but frozen investments. This investment is about the surest thing you could have to keep ready cash handy if times are different.

Another thing that you will agree with is that 30 years is a long time. If you dropped off in a few years and your wife had to manage all your present holdings, lots of things could happen. Among these ordinary investments you don't have a thing that guarantees her an income. The reason everything goes so excellently for you now is because you are handling it. You may not realize it, but you are far above the average in handling money. Since that is the case, what difference does it make to you if you invest a couple of thousand a year in an investment that might conceivably make you only 3 per cent if you live, when we will guarantee to complete the investment if you die and guarantee your wife a sure income? I'll bet she has gotten up early and has made a lot of good breakfasts for you during her lifetime, and surely she is worth doing something like this for, especially when you are helping yourself in regard to this tax and interest problem.

Of course, you may not be able to qualify for this investment, but if you

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

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

Scarborough & Company

Insurance Counselors to Banks



Northwestern Banker, January, 1949

can pass an examination we will be glad to get this contract out for you to see, and the way taxes and interest are at present, I think it would pay you well to study the matter.—The End.

Insurance Counsel

Martin J. Corbin of Des Moines has been made counsel for the Merchants Mutual Bonding Company and the Northern Casualty Company (mutual), both Des Moines companies, effective January 1.

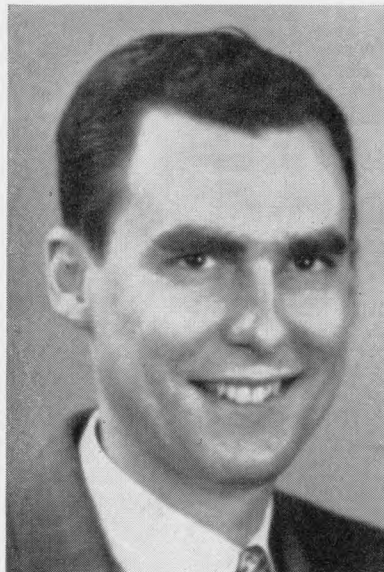
This announcement was made by Elmer H. Warner who is secretary-treasurer and manager of the Merchants Mutual and president of the Northern Casualty.

Mr. Corbin's appointment will be of particular interest to Iowa bankers since he was formerly connected with the Iowa banking department. He is a native of Des Moines, graduating from Des Moines public and high schools. He received his law degree from Drake University and was admitted to the bar.

Mr. Corbin served two years with an investment counsel firm in New York City and was with the Iowa state banking department as an assistant examiner and later as a junior examiner between 1940 and 1942. After a year and a half in army service, he returned

to the Iowa banking department as a senior examiner, then during the past year organized and operated Corbin's Market Letter, an investment advisory service.

The Merchants Mutual Bonding Company was organized in 1934 and



MARTIN J. CORBIN
With Merchants Mutual Bonding

has made an excellent growth as a strictly bonding company. The Northern Casualty was organized in 1932 as a bonding company and a year ago it was converted into a casualty company, writing all lines of automobile coverage and farm liability.

These two companies, which are both domiciled in Des Moines, had a premium volume in excess of \$200,000 in 1948.

Merchants Mutual Bonding Company officers include M. O. Milligan, president, E. H. Warner, secretary-treasurer and manager, W. W. Warner, assistant secretary, and Northern Casualty officers are E. H. Warner, president, Estelle W. Oakes, secretary, M. O. Milligan, treasurer, and W. W. Warner, assistant secretary.

Heads Association

Lester T. Jones, vice president of the Town Mutual Dwelling Insurance Company, Des Moines, has been elected president of the Iowa Association of Mutual Insurance Associations. He served last year as vice president of the Iowa Association.

Dividend

At the meeting of the board of directors of The Northern Trust Company, Chicago, held last month, the 204th consecutive quarterly dividend of \$4.50 was declared payable January 3, 1949, to stockholders of record at the close of business December 21st.

Central National Elects Stewart

Walter L. Stewart, an attorney and director of the bank, was elected vice chairman of the board of directors of the Central National Bank & Trust Company, Des Moines.

Emil Bowlin was promoted from assistant cashier to vice president, and Don Keller of the budget loan department was elected an assistant cashier.

Other directors of the Central National are William J. Goodwin, chairman of the board; E. F. Buckley, A. T. Donhowe, Harry Goldman, Robert K. Goodwin, W. J. Goodwin, Jr., H. F. Gross, B. Rees Jones, Edward A. Kimball, Guy E. Logan, Walter E. Muir, George A. Peak, Julian A. Peverill and Frank R. Warden.

Officers re-elected are Buckley, president; Warden, Donhowe, Lehman Plummer, Fred H. Quiner, Emmett E. Johns, J. R. Capps, Irwin Abram and W. G. Kane, vice presidents; H. C. Winder, cashier; G. W. Bartmess, Jr., J. E. Quiner, D. R. Withington, C. M. Larson, George Nelson and Dale C. Smith, assistant cashiers.

Also the following estate and trust department officials: Noel T. Robinson, vice president and trust officer, and I. L. Wright, Albert C. Roberts and Raymond W. Jones, trust officers.

Promotions

Year-end promotions at California Bank, Los Angeles, recently announced by Frank L. King, president, included the following: To vice president, C.

**FORTY YEARS
of Progress**

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

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

**WESTERN MUTUAL
FIRE INSURANCE COMPANY**

NINTH & GRAND DES MOINES 8, IOWA

"Mutual Insurance Is American Insurance"

Bankers:

We specialize in writing

**Automobile
and
Fire Insurance**



**CENTRAL STATES MUTUAL
INSURANCE ASSOCIATION**

Mt. Pleasant, Iowa

E. A. HAYES, President
O. T. WILSON, Secretary

Established 1929

C. Pearson; to assistant vice presidents, H. V. Grice, Herbert C. House, Fred S. Huber, Rudolph Ostengaard and Fred G. Tanner, Jr.

Herbert M. Bushnell

H. M. Bushnell, president of the United States National Bank of Omaha, died suddenly on Monday, January 10th.



HERBERT M. BUSHNELL

Mr. Bushnell was born in Lincoln, Nebraska, on July 1, 1893. He received his law degree from the University of Nebraska in 1919, and that same year joined the investment department of the United States National Bank. He later became trust officer, then a vice president, moving up through that position to executive vice president and eventually president. He had been a director of the bank since 1928.

At the annual meeting, which was held on the day Mr. Bushnell died, he was to have been elected chairman of the board. Ellsworth Moser was elected president of the bank.

Named Librarian

Gertrude E. Fitzgerald has been appointed librarian of the American Bankers Association, it was announced by Harold Stonier, executive manager of the association. Miss Fitzgerald has been a member of the A.B.A. staff for the past twelve years.

Elected to Board

At the annual meeting of stockholders of the First National Bank in St. Louis, Charles Powell Whitehead, president, General Steel Castings Cor-

poration, Granite City, Illinois, and Clark R. Gamble, president, Brown Shoe Company, St. Louis, were elected to the board of directors.

Mr. Whitehead is vice president, Railway Supply Manufacturers Association and a member of the Governing Board of Railway Business Association. Mr. Gamble has been president of Brown Shoe Company since February, 1948.

All other directors and all officers of the Bank were re-elected.

DEAR EDITOR

(Continued from page 13)

many years and now have a folder filled with them. This folder is popular with transient guests. It has passed through many hands and has been viewed with enthusiasm. We want you to know the enjoyment these pictures bring."

W. O. Reed, 498 Kensington Place, Pasadena 5, California

"Splendid Cover"

"Please allow me to express our great appreciation for the splendid cover display you gave the picture of our bank lobby in your December issue of the NORTHWESTERN BANKER. It shows up well, and we are deeply grateful for your having used it so effectively."

W. L. Boss, Vice President, First National Bank of St. Paul, St. Paul, Minnesota

"Long Live the NWB"

"We hope for you a very successful year in 1949 and our wish is—Long live the NORTHWESTERN BANKER."

M. G. Addicks, Vice President and Cashier, Citizens State Bank, Donnellson, Ia.

"Enjoy Each Issue"

"We truly enjoy every issue of the NORTHWESTERN BANKER which serves the banking fraternity so well."

C. W. Fowler, President, Poweshiek County Savings Bank, Brooklyn, Iowa

**MERCHANTS
MUTUAL
BONDING
COMPANY**

Incorporated 1933

Home Office
SAVINGS & LOAN BUILDING
Des Moines, Iowa

This is Iowa's oldest surety company.

A progressive company with experienced, conservative management.

We are proud of our two hundred and fifty bank agents in Iowa.

To be the exclusive representative of this company is an asset to your bank.

E. H. WARNER
Secretary and Manager

W. W. WARNER
Assistant Secretary

YOU CAN GET THESE *ESSENTIAL CASUALTY COVERAGES

FROM YOUR ALLIED MUTUAL AGENT

- Full Coverage Automobile • Workmen's Compensation • Manufacturers Public Liability • Contractors Public Liability Elevator Public Liability • Farmers Liability • Owners, Landlords, and Tenants Public Liability • Residence and Outside Theft • Storekeeper's Burglary and Robbery • Comprehensive Personal Liability

What Is an *Essential Coverage?

It's protection against those exposures of business men, employers and property owners which might result in your bankruptcy should a jury return a verdict against you resulting in a heavy court judgment.

"Allied Mutual Pays"



See Your Allied Mutual Agent

ALLIED MUTUAL CASUALTY COMPANY

HAROLD S. EVANS, President

Hubbell Building

Des Moines 7, Iowa

Northwestern Banker, January, 1949

Statement of Condition

December 31, 1948

RESOURCES

Cash and Due from Banks.....	\$123,270,857.62
U. S. Government Obligations*.....	117,295,597.21
Other Bonds and Securities*.....	15,946,216.92
Loans and Discounts.....	110,236,532.56
Stock in Federal Reserve Bank.....	450,000.00
Customers' Liability on Acceptances.....	1,436,055.50
Income Earned but not Collected.....	820,537.17
Banking House.....	3,000,000.00
Other Resources.....	46,170.66
Total Resources.....	\$372,501,967.64

LIABILITIES

Capital Stock.....	\$ 5,000,000.00
Surplus.....	10,000,000.00
Undivided Profits.....	2,463,313.34
Reserve for Contingencies.....	3,407,893.36
Reserve for Interest, Taxes, etc.....	1,295,145.34
Income Collected but not Earned.....	1,274,025.85
Letters of Credit and Acceptances.....	1,436,055.50
Deposits.....	347,625,534.25
<i>(Deposits include U. S. Government War Loan Account \$3,878,525.06)</i>	
Total Liabilities.....	\$372,501,967.64

*United States Government and other securities carried at \$59,244,257.92 are pledged to secure U. S. Government War Loan Deposits and other public funds and trust deposits and for other purposes as required or permitted by law.



National Bank of Minneapolis

Marquette Avenue—Sixth to Seventh Streets

Member Federal Deposit Insurance Corporation
Affiliated with Northwest Bancorporation

DIRECTORS

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



M. O. GRANGAARD
President
Minneapolis

Minnesota NEWS



ROBERT E. PYE
Secretary
Minneapolis

F. A. Amundson Joins Midway National Bank

F. A. Amundson, commissioner of banks for the state of Minnesota, and associated with the state banking department for twenty-five years, earlier this month tendered his resignation to Governor Luther Youngdahl, effective January 15, 1949. The announcement was made by the governor's office.

Mr. Amundson made known his future plans by announcing that he has been elected vice president and director of the Midway National Bank of Saint Paul.

Mr. Amundson was to join the official staff of the bank January 17th, according to A. L. Ritt, president.

At the governor's request, Mr. Amundson had withheld his resignation for several months to carry out a program in the department, which has now been completed. The governor immediately announced the appointment of Charles H. Wenzel, now deputy commissioner, as acting commissioner of banks.

Mr. Amundson was serving his twenty-sixth year with the State Banking Department of Minnesota. His first appointment was in 1923 as an assistant bank examiner. He has filled a number of positions in the department and had served as commissioner for the past nine years.

Mr. Amundson has written a number of articles on bank examination and supervision for banking and financial magazines. He has been active in organization in the state capitol and is now serving as secretary-treasurer of a special committee of state employees in connection with the state employees' retirement fund.

Treasurer of Fair

Gary P. Bauman, cashier of the Luverne National Bank, Luverne, Minnesota, was re-elected treasurer of the Rock County Fair Association, of which he was also named director for one year.

Finish Remodeling

Remodeling and redecoration of the Northern State Bank, Thief River Falls, Minnesota, was completed last

month and shown to the public at an open house affair a week before Christmas. George W. Werstlein, cashier, advised the bank's many customers of the new installations with a broadside mailing carrying pictures of the bank's interior. Lower counters, modern fixtures, soundproofing, fireproofing, air conditioning and increased service facilities are part of the new improvements.

George A. Beito is president of the bank, and K. E. Lindbergh and Mrs. Wanda J. Lee are assistant cashiers.

Minnesota Deaths

Luther W. Johnson

Luther W. Johnson, 57, co-founder and president of the Geneva State Bank, Geneva, Minnesota, died at his home following a long illness.

Thirty-three years ago he was one of the originators of the state bank at Geneva and had remained with it ever since.

Before entering business in Geneva, he was associated with the First National Bank of Albert Lea and the Clarks Grove State Bank.

William D. Grashius

William D. Grashius, president of the Citizens State Bank of Clara City, Minnesota, died last month of a heart attack. He was 55 years old. He had appeared to be in excellent health and had spent the previous day at work in the bank.

Lewis C. Newcombe

Lewis C. Newcombe, 72, well known Hibbing, Minnesota, banker, died at his home two days before Christmas of a heart attack.

Mr. Newcombe had been connected with the First National Bank of Hibbing since 1902, working his way up through various positions to that of executive vice president.

He was born in Bay City, Michigan, and moved to Hibbing in 1902.

Edward P. Dupont

Edward P. Dupont, 57, secretary-treasurer of the Northwest Paper Company and a director of the First National Bank of Cloquet, Minnesota, died early last month at his home. Mr. Dupont had been active for many years in civic work in Cloquet and in that city's business associations.

New Director

J. C. Thomson, president of Northwest Bancorporation, has announced the election of Wilfred E. Rumble, St. Paul, to the board of directors of Northwest Bancorporation, to fill the vacancy created by the resignation of Frederick K. Weyerhaeuser. Member of the law firm of Doherty, Rumble, Butler & Mitchell, Mr. Rumble is a director and chairman of the executive committee of the Empire National Bank and Trust Company, St. Paul.

National Secretary

G. V. Markey, head of the building and loan department of the Minnesota Banking Department, has been elected secretary of the National Association of State Savings, Building and Loan Supervisors. Mr. Markey left the Adrian State Bank at Adrian to go with the banking department in the early 1920's as an examiner. Later he was transferred to the department he now heads.

Moves to Minnesota

H. N. Rye, who has served the past twenty and one-half years as vice president and cashier at the Forest City Bank and Trust Company at Forest City, Iowa, has resigned to take over the duties of president of the First National Bank at Emmons, Minnesota, filling the vacancy left by T. K. Troe, former vice president and cashier, who died several months ago.

Mr. Rye has been in the banking business since 1914 when he took up banking in North Dakota. From there he did banking business in Iowa and Minnesota and in July, 1928, joined the staff of the Forest City Bank. During his career he helped incorporate banks in Kensett, Fertile and Ida Grove, Iowa.

The First National Bank at Emmons was organized in 1903 and has assets of approximately \$1,250,000. Mr. Rye announced that other personnel of the bank will remain the same.

Retires at Adrian

Retirement of W. E. Marston, for many years assistant cashier of the Adrian State Bank, Adrian, Minnesota, was announced last month.

He will devote his attention to income tax and bookkeeping service in an office in the new King Theater Building.

Mr. Marston entered the banking business 32 years ago, after his graduation from Adrian high school. He had been employed in the Adrian bank practically all the time since he entered the banking business, with the exception of a period in a Sioux Falls bank.

With Crookston Bank

Carl Lind, assistant cashier at the First State Bank of Floodwood, Minnesota, for a number of years, has accepted a position at the Crookston National Bank at Crookston.

Mr. Lind has been in the banking business since 1936. After completing his first year at Cambria, he went to Loup City, Nebraska, where he spent six months before moving to Floodwood.

Capital Increased

Lynn S. Olson, president, announces that the First National Bank of Cloquet, Minnesota, has recently received

approval from the Comptroller of the Currency of the action taken by the board of directors and shareholders for an increase of \$50,000 in the capital stock of the bank, by stock dividend.

As a result of this action, the capital stock is now \$150,000 and the surplus \$200,000. In addition, the bank has set aside a reserve of \$25,000 for contingencies, and, at present, has over \$85,000 in undivided profits.

Move Back Into Bank

The Clinton State Bank, Clinton, Minnesota, held open house last month as it moved into newly remodeled

quarters. During remodeling operations the bank was housed in temporary quarters across the street from the regular bank building. Officers of the bank were hosts at the affair and welcomed guests from Clinton and surrounding territory.

Plummer State Change

George D. Allen, cashier of the Plummer State Bank at Plummer, Minnesota, resigned his position last month.

Mr. Allen is succeeded by Arnold Newstrom of Aitkin, who had been assistant cashier of the Security State Bank in Aitkin.

Duluth A.I.B. Officer

The board of governors of Duluth Chapter, American Institute of Banking, last month appointed Thomas M. Spencer of the First and American National Bank as vice president. Mr. Spencer, who fills the unexpired term of William V. Polski, Jr., was named educational chairman of the chapter. Baird E. Hawley of Northwestern State Bank was named to succeed Mr. Spencer on the board of governors.

Graceville Promotions

R. J. McRae, president of the First State Bank of Graceville, Minnesota, recently announced the election of Rozelle E. Johnson and Marvin L. Andrews as assistant cashiers by the board of directors.

Cashier at Ellsworth

James Wilson of Roseau, Minnesota, took over his duties as cashier of the Ellsworth State Bank at Ellsworth last month. He fills the vacancy left by E. W. Olson.

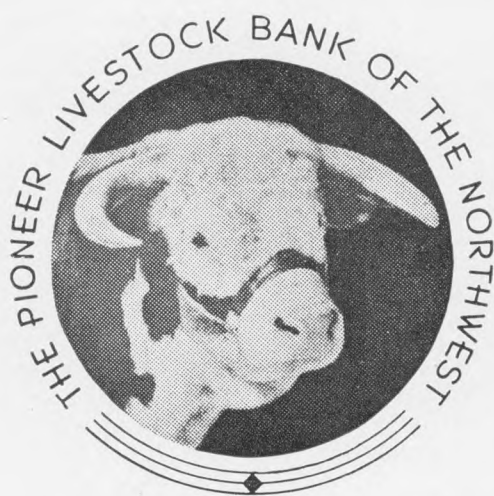
Change Capital Structure

An additional \$150,000 fund has been added to the capital structure of the Union National Bank of Rochester, Minnesota, it was announced recently by Orval U. Habberstad, president.

With the additional fund provided by stockholders, the capital of the bank was raised from \$150,000 to \$200,000, and surplus from \$100,000 to \$170,000, a total of \$370,000. With undivided profits and other reserves, the capital structure is now nearly a half-million dollars.

Named Assistant Cashier

William T. Stoll has been appointed assistant cashier of the Farmers and Merchants State Bank of Pierz, Minnesota. He is a son of R. M. Stoll, cashier of the same bank.

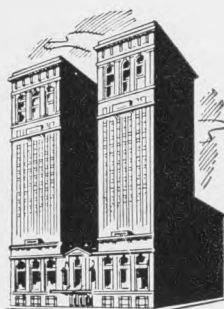
**Statement of Condition, December 31, 1948**

RESOURCES	
Loans and Discounts.....	\$ 3,633,613.77
Vaults and Fixtures.....	1.00
Interest Earned Not Collected.....	77,201.14
U. S. Govt. Obligations.....	\$ 8,850,743.22
Other Bonds and Securities.....	1,097,995.81
Cash and Due from Banks.....	5,053,891.47
	15,002,630.50
TOTAL.....	\$18,713,446.41
LIABILITIES	
Capital	\$ 250,000.00
Surplus	500,000.00
Undivided Profits and Reserves.....	286,065.25
Reserved for Interest Expenses and Taxes.....	113,820.93
Interest Collected Not Earned.....	12,418.59
Deposits	17,551,141.64
	18,713,446.41
TOTAL.....	\$18,713,446.41

The Stock Yards National Bank

South Saint Paul, Minn.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Statement of Condition

as at December 31, 1948

First National Bank of Minneapolis

RESOURCES

Cash and Due from Banks	\$111,753,305.45
United States Government Securities	123,569,694.21
Other Bonds and Securities	20,910,791.55
Loans and Discounts	108,382,267.90
Accrued Interest and Accounts Receivable	812,768.50
Customers' Acceptance Liability	404,621.50
Bank Premises and Furniture and Fixtures	198,566.50
Other Real Estate (For Future Development of Banking Premises)	500,000.00
Other Assets	1,922,380.73
Total Resources	<u>\$368,454,396.34</u>

LIABILITIES

Capital Stock	\$ 6,000,000.00
Surplus	11,000,000.00
Undivided Profits	3,887,799.46
General Reserve for Contingencies	2,108,369.89
Reserve for Interest, Expenses, Taxes, etc.	3,447,171.03
Acceptances and Letters of Credit	404,621.50
Other Liabilities	484,131.28
Demand Deposits	\$287,937,858.84
Time Deposits	53,184,444.34
Total Liabilities	<u>341,122,303.18</u>

DIRECTORS

Henry E. Atwood, *President*
 Atherton Bean,
Executive Vice President,
International Milling Co.
 Russell H. Bennett, *Treasurer,*
Meriden Iron Co.
 Daniel F. Bull, *President*
The Cream of Wheat Corp.
 J. G. Byam, *Vice President*
 John Cowles, *President,*
Minneapolis Star and Tribune Co.
 Donald D. Davis, *President,*
Minnesota and Ontario Paper Co.
 Paul V. Eames, *President,*
Shevlin-McCloud Lumber Co.
 Harry J. Harwick, *Chairman,*
Mayo Association, Rochester, Minn.
 John H. Hauschild, *Chairman of*
the Board, Chas. W. Sexton Co.
 W. L. Huff, *Executive Vice President,*
Minneapolis-Honeywell Regulator Co.
 C. T. Jaffray, *Chairman of the Board,*
First Bank Stock Corporation
 John H. MacMillan, Jr., *President,*
Cargill, Inc.
 Sumner T. McKnight, *President,*
S. T. McKnight Co.
 Howard I. McMillan, *President,*
Osborne-McMillan Elevator Co.
 W. G. Northup, *President,*
North Star Woolen Mill Co.
 S. G. Palmer, *Retired*
 Leslie N. Perrin, *President,*
General Mills, Inc.
 A. F. Pillsbury, *Director,*
Pillsbury Mills, Inc.
 H. R. Weesner, *Chairman of the*
Board, The Wabash Screen Door Co.
 F. B. Wells, *President,*
F. H. Peavey & Co.
 Alfred E. Wilson, *Vice President and*
Chairman of Trust Committee
 C. J. Winton, Jr., *President,*
Winton Lumber Co.
 Sheldon V. Wood, *President and*
General Manager, Minneapolis
Electric Steel Castings Co.
 Edgar F. Zelle, *President,*
Jefferson Transportation Co.

United States Government obligations and other securities carried at \$54,395,400.00 in the foregoing statement are deposited to secure public funds and for other purposes required by law.

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



Twin City News

TWO Minneapolis bankers will play prominent roles in a nationwide drive for funds for a memorial student union building at Carleton College, Northfield, Minnesota. **Malcolm McDonald**, vice president of the First National Bank of Minneapolis, is national chairman of the Carleton alumni fund committee, and **Ellwood H. Newhart**, assistant vice president of the Northwestern National Bank of Minneapolis, is a co-chairman of the Minneapolis area alumni fund committee.

Clarence R. Chaney, vice chairman of the board of directors of the Northwestern National Bank of Minneapolis, spoke on "The Importance of Retail Credit in the Community" at a recent meeting of the Retail Credit Association of Minneapolis.

Theodore B. Maier, vice president of the First National Bank of St. Paul, spoke on "Loans to Small Business" at a recent meeting of the St. Paul Association of Officemen.

The **Minnesota Bankers Association** will publish and distribute Minnesota's official centennial booklet, "**Minnesota Spans a Century**," in cooperation with the Minnesota territorial centennial committee. The volume will be released March 3, 1949, the date of the state's 100th anniversary.

M. O. Grangaard, president of the association and a vice president of the First National Bank of Minneapolis,

said the project has been approved by the association's council. **George E. Buscher**, president of the Alexandria State Bank, heads the bankers committee which is collaborating with the Minnesota Historical Society and centennial committee.

George W. Everitt of the First National Bank of Minneapolis is serving as president of the Minneapolis Astronomy Club.

Marquette National Bank of Minneapolis was host to employees at a Christmas party in the Curtis Hotel, Minneapolis. Gifts were distributed. **Russell L. Stotesbery** is president of the bank.

First Robbinsdale State Bank has increased its capital from \$35,000 to \$70,000 by transfers of \$25,000 from surplus and \$10,000 from undivided profits. Steadily expanding deposits, a substantial demand for loans and a general increase in the bank's activities were cited by **Joseph W. Roche**, vice president, as reasons underlying the change.

The bank opened for business in 1919. Deposits as of last September 25th totaled \$2,730,766. Located in Robbinsdale, Minneapolis suburb, it is affiliated with the First National Bank of Minneapolis and with the First Bank Stock Corporation.

T. B. Howard is president of the bank, and **Sven Grundstrom** is cashier. Directors include **H. A. Morse**, **Mr. Roche** and **Mr. Howard**.

Ralph H. Grove of the First National Bank of St. Paul was among participants in a recent discussion of the St. Paul housing situation. Increasing prices of homes make mortgages a poor risk unless down payments are more substantial, it was brought out at the conference.

St. Paul and Minneapolis bankers were hosts recently to **Arthur W. McCain**, president of the Chase National Bank of New York, who came to the Twin Cities for a visit. He was accompanied by **Francis G. Ross**, a vice president of Chase National, and **Percy J. Ebbott**, senior vice president.

They were guests at a dinner in the Minneapolis Club sponsored by **Joseph F. Ringland**, president of the Northwestern National Bank of Minneapolis, and **Henry E. Atwood**, president of the First National Bank of Minneapolis.

G. Sidney Houston, vice president of the First Service Corporation, talked on "Current Business Conditions" at a recent meeting of the Harvard Business School Alumni Club in Minneapolis.

Henry E. Atwood, president of the First National Bank of Minneapolis and a member of the federal advisory council of the Federal Reserve System, addressed the national credit conference of the American Bankers Association recently in Chicago.

Mr. Atwood told his audience that banks and borrowers in the north central states are following a conservative trend. As of last June 30th, he said, loans of member banks in this district were less than 25 per cent of deposits. This indicates a generally sound position in the area and reflects conservatism on the part of both banks and borrowers, he said.

Members of the Girls Club of the **First National Bank of Minneapolis** were hostesses recently to 35 underprivileged children at the club's annual Christmas party in the bank lobby.

SPECIAL OFFER

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

MINNESOTA COMMERCIAL MEN'S ASSOCIATION
2550 Pillsbury Ave. So. Minneapolis 4, Minnesota

THE FIRST NATIONAL BANK of Saint Paul

Statement of Condition

December 31, 1948

RESOURCES

Cash and Due from Banks.....	\$101,884,911.76
U. S. Government Securities.....	121,490,768.41
Other Bonds and Securities.....	10,943,518.24
Loans and Discounts.....	90,598,761.10
Accrued Interest and Accounts Receivable.....	966,469.81
Customers' Acceptance Liability.....	49,883.20
Bank and Office Buildings.....	2,300,000.00
	<u>\$328,234,312.52</u>

LIABILITIES

Capital Stock.....	\$ 6,000,000.00
Surplus.....	11,000,000.00
Undivided Profits.....	3,023,532.03
General Reserve for Contingencies.....	1,276,940.85
Reserve for Interest, Expenses, Taxes, etc.	1,279,855.75
Acceptances and Letters of Credit.....	49,883.20
Other Liabilities.....	1,359,108.48
Deposits	
Demand \$258,956,615.84	
Time 45,288,376.37	304,244,992.21
	<u>\$328,234,312.52</u>

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

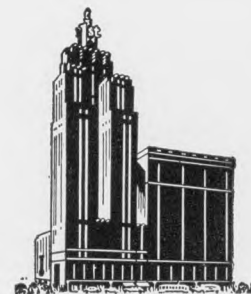
PHILIP L. RAY, *Chairman, Executive Committee*

JULIAN B. BAIRD, *President*

DEPARTMENT OF BANKS AND BANKERS

Wallace L. Boss, *Vice President* Lloyd L. Leider, *Assistant Cashier*
Elmer M. Volkenant, *Assistant Vice President* Donald W. Buckman, *Assistant Cashier*
Lee A. Sauer, *Assistant Vice President* Donald L. Smith, *Representative*

Member Federal Deposit Insurance Corporation



DIRECTORS

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

HAROLD P. BEND
Bend-Southall Sleepack Co.

EMMETT BUTLER
Mining

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

CHARLES F. CODERE, *Chairman,*
Board of Directors
St. Paul Fire & Marine Insurance Co.

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

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

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

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

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

E. T. FOLEY
Foley Brothers, Inc.

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

MILTON W. GRIGGS, *Chairman,*
Board of Directors
Griggs, Cooper & Co.

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

LOUIS W. HILL, JR., *Trustee*
Great Northern Iron Ore Properties

JOHN S. HOLL, *Executive Vice President*
Seeger Refrigerator Co.

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

SAMUEL MAIRS, *Chairman,*
Board of Directors
Archer-Daniels Midland Co.

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

JOHN A. OACE

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

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

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

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

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

Edwin F. Kelley, member of the board of directors of the Marquette National Bank of Minneapolis, has been elected a member of the Minneapolis park board. Mr. Kelley was Minneapolis superintendent of the Western Union Telegraph Company until his recent retirement.

William Rafferty, home loan contact man for the First National Bank of Minneapolis, attended a recent home-building industry meeting in Minneapolis at which the question of whether lending institutions could finance all or nearly all of the cost of a home was discussed.

Bank debits for the Ninth Federal Reserve District totaled \$31,619,013,000 for the first 11 months of 1948, compared with \$28,558,045,000 in 1947, or a gain of 11 per cent, the **Federal Reserve Bank of Minneapolis** reported recently.

Total debits for November in the district were \$3,056,312,000 as compared with \$2,854,027,000 in November, 1947, or a gain of 7 per cent.

Minnesota debits for November were \$2,189,433,000, a 4 per cent gain, and for the 11 months, \$22,726,258,000, a 10 per cent gain; Montana, for November, \$259,651,000, an 18 per cent

gain, and for the 11 months, \$2,435,821,000, a 13 per cent gain; South Dakota, for November, \$198,311,000, an 18 per cent gain, and for the 11 months, \$2,144,494,000, a 14 per cent gain; North Dakota, for November, \$213,944,000, a 14 per cent gain, and for the 11 months, \$2,133,898,000, a 19 per cent gain; western Wisconsin, for November, \$120,453,000, a 7 per cent gain, and for the 11 months, \$1,368,243,000, a 10 per cent gain, and upper Michigan, for November, \$74,520,000, an 8 per cent gain.

Ronald B. Harrison, an assistant vice president of the Marquette National Bank of Minneapolis, is as talented at music as he is proficient in his vocation.

Mr. Harrison conducted the bank's Christmas chorus, comprised of employees, at a series of three programs of carols in the bank lobby.

Henry S. Kingman, president of the Farmers & Mechanics Savings Bank of Minneapolis, has been named to the board of trustees of a Boy Scout foundation which will receive and administer all trust funds and bequests to the Boy Scout organization in the Minneapolis area.

The EON Club chorus of the **North-**

western National Bank of Minneapolis, composed of employees of the bank and its affiliates in the metropolitan area, continued a Christmas tradition by presenting carols in the bank lobby.

Director of the chorus is **Bruce H. Sielaff**.

The EON Club of the 10 Northwestern Banks sponsors the chorus and other activities, such as book clubs, bowling and softball teams. It has more than 1,250 members. EON stands for Employees of Northwestern.

The **Midland National Bank** of Minneapolis has completed an extensive remodeling operation which gives new and enlarged quarters for a number of departments including transit and credit. Also an attractive and efficient new cafeteria and lounge rooms for employees have been installed. The improvements include soundproofing and the installation of piped-in music for the employees during certain hours of the day.

Otto Bremer, chairman of the board of the American National Bank of St. Paul, has announced an increase of \$500,000 to the surplus account giving the bank a total surplus of \$2,500,000. The half-million was the amount of the increase from earnings. Capital is

1879-1949

FIRST AND AMERICAN NATIONAL BANK

OF DULUTH, MINNESOTA

STATEMENT OF CONDITION, DECEMBER 31, 1948

RESOURCES	LIABILITIES
Cash on Hand and Due from Banks.....\$18,581,991.61	Capital Stock\$ 2,000,000.00
United States Government Securities..... 35,379,581.18	Surplus 2,000,000.00
Municipal Securities 2,468,067.00	Undivided Profits 1,220,364.69
Other Bonds and Securities..... 3,781,058.77	Reserves 707,523.70
Loans and Discounts..... 17,090,971.81	Total Capital Accounts.....\$ 5,927,888.39
Federal Reserve Bank Stock..... 120,000.00	Reserve for Interest, Taxes and Expenses..... 277,051.11
Banking House 1.00	Discount Not Earned..... 98,078.30
American Exchange Property..... 1.00	Deposits:
Interest Earned But Not Collected..... 212,965.51	Demand\$48,897,132.36
Overdrafts 777.68	Time 21,115,826.49
	U. S. Government..... 1,319,438.91
\$77,635,415.56	Total Deposits 71,332,397.76
	\$77,635,415.56

OFFICERS

WILLIS D. WYARD, President
 WILLIS A. PUTMAN, Vice President
 Banking Department
 EDWARD L. PALMER, Vice President
 Trust Department
 JOHN L. EVANS.....Auditor
 F. RUDOLPH JACOBSON...Asst. Auditor
 JOSEPH C. JORGENSEN...Chief Clerk

BANKING DEPARTMENT

EMMONS W. COLLINS...Vice President
 J. DANIEL MAHONEY...Vice President
 ROBERT W. HOTCHKISS...Vice President
 HUBERT U. MOORE.....Vice President
 SYLVESTER T. STRAIN.....Cashier
 WILLIAM K. ALFORD...Asst. Vice Pres.
 WILLARD F. ARIO.....Asst. Vice Pres.
 HARRY W. GOOCH.....Asst. Cash.
 WALTER L. FREDRICKSON...Asst. Cash.
 EARLE J. ANDREE.....Asst. Cash.

MORTGAGE AND INSTALLMENT LOAN DEPARTMENT

L. REX HATTEN.....Vice President
 WALTER L. GRANDY...Asst. Vice Pres.

TRUST DEPARTMENT

CHESTER D. SEFTENBERG...Vice Pres.
 VERNON K. FALGREN.....Trust Officer
 ARTHUR M. OVENTILE...Asst. Tr. Officer
 MORRIS S. KNUDSEN...Asst. Tr. Officer
 KENNETH W. DENNIS...Asst. Tr. Officer

Member Federal Deposit Insurance Corporation

\$2,500,000 for a total capital structure now of \$5,000,000 for American National.

Officers of First National Bank of Minneapolis were hosts last month at a dinner at the Minneapolis Club honoring the senior vice president of the bank and two vice presidents of its affiliated First Minneapolis Company, all of whom retired from active duty December 31.

Honored guests were **J. G. Byam**, vice president of the bank since 1920; Orrin M. Corwin, executive vice president, and Arthur P. Morris, vice president and treasurer of First Minneapolis Company.

The Stock Yards National Bank of South St. Paul has completed some interior improvements, the principal one of which is increasing its vault space both for the bank and for its customers. It will not only increase the vault space, but will render it much more efficient, according to **President R. Lloyd Smith**.

Clarence A. Maley, vice president and trust officer of the American National Bank of St. Paul, has been named king of the 1949 St. Paul Winter Carnival which will run from February 11 through 20. He will officially take over the Carnival sceptre in an elaborate coronation pageant February 11. A native St. Paulite, Mr. Maley served as president of the St. Paul Winter Carnival Association from 1942 to 1946. He has been with American National since 1909.

Moves to New Ulm

George A. Volz recently took over his new duties as assistant cashier of the Farmers and Merchants State Bank at New Ulm, Minnesota. He replaces Carl J. Muehring, who resigned to move to Duluth.

Elect County Officers

Harold Ness, president of the First State Bank at Carlos, Minnesota, was elected president of the Douglas County Bankers Association at the association's annual meeting at Alexandria recently.

Elected association vice president was W. H. Beery, assistant cashier of the Alexandria State Bank, while O. P. Rakness, cashier at the First State Bank at Carlos, was elected secretary-treasurer.

On Home Loan Board

Stanton R. Dahlen, secretary-manager of the First Federal Savings and Loan Association of Thief River Falls, Minnesota, has been elected a member

of the board of directors of the Federal Home Loan Bank of Des Moines, Iowa, the latter institution serving savings and loan association in the upper middlewest.

Mr. Dahlen's term will run until December 31, 1950.

Changing Name

A proposal to convert the St. Cloud State Bank to a national bank, along with an increase of \$50,000 in the bank's capital, was to have been presented to stockholders at the annual meeting earlier this month. President D. J. Fouquette said the plan, if ap-

proved, would become effective within a short time and the bank would become a member of the Federal Reserve.

Increasing capital from \$50,000 to \$100,000 would be made possible by declaration of a 50 per cent stock dividend from the \$60,000 surplus and offering stockholders rights to subscribe to 250 new shares of common stock.

The St. Cloud State Bank is now in its 32nd year. Other officers are Irene Wilson and Donald N. Parent, vice presidents; August Inderrieden, cashier, and Myrtle Leyk and Robert J. Welle, assistant cashiers.

THE NORTHERN TRUST COMPANY

CHICAGO

Statement of Condition, December 31, 1948

RESOURCES

Loans and Discounts.....	\$ 91,571,352.74
U. S. Government Securities.....	300,780,374.33
Other Bonds and Securities.....	109,935,016.15
Federal Reserve Bank Stock.....	450,000.00
Bank Premises.....	1,400,000.00
Customers' Liability, Account Letters of Credit and Acceptances.....	638,718.91
Other Resources.....	167,865.00
Cash and Due from Banks.....	186,589,214.48
TOTAL.....	\$691,532,541.61

LIABILITIES

Capital Stock.....	\$ 3,000,000.00
Surplus.....	12,000,000.00
Undivided Profits.....	6,158,319.52
Reserve for Taxes, Interest, etc.....	13,143,131.79
Dividend Payable January 3, 1949.....	135,000.00
Letters of Credit and Acceptances Outstanding..	645,178.66
Other Liabilities.....	188,637.87
Deposits:	
Demand.....	\$442,990,662.77
Time.....	160,753,559.46
U. S. Government.....	52,518,051.54
TOTAL.....	\$691,532,541.61

United States Government securities carried in the above statement at \$58,300,226.57 are pledged to secure public and other monies, as required by law; and United States Government and other securities carried at \$581,955.48 are deposited with the State Authorities under the Trust Act.

Member Federal Deposit Insurance Corporation

Dividend

The board of directors of Manufacturers Trust Company has declared the regular quarterly dividend on the bank's capital stock in the amount of 60 cents per share, payable on January 3, 1949, to stockholders of record on December 22, 1948.

The board also voted to amend the by-laws of the Trust Company so that in the future the annual meeting of stockholders will be held on the third Wednesday in January instead of the second Wednesday, commencing with the forthcoming meeting of stockholders which will be held on Wednesday, January 19, 1949.

Investors Mutual

The directors of Investors Mutual, Inc., Minneapolis, open-end investment company, have declared a quarterly dividend of 12 cents a share, it was announced by E. E. Crabb, president and chairman of the board. The current dividend, derived exclusively from interest and dividend income, is payable January 21, 1949, to shareholders of record as of December 31, 1948.

As a matter of company policy, dividend distributions from profits on the sale of portfolio securities are made only in the final quarter of the fiscal year.

Net assets of Investors Mutual, Inc., as of December 9, 1948, were \$126,163,000, with shares currently owned by more than 67,000 shareholders. Investors Syndicate, Minneapolis, is the principal underwriter and investment manager of the fund.


Heads Branch

Irving Trust Company announces that Charles G. Gambrell, a vice president with broad experience in the company, has taken charge of its branch office in the New York Central Building, 46th Street and Park Avenue, New York.

Assistant Treasurer

Harry A. Lombard, formerly general manager of the Currier Lumber Company in Detroit, has been named assistant treasurer of Burroughs Adding Machine Company, according to an announcement made by John S. Coleman, president.

Mr. Lombard first joined the Burroughs organization in 1927 after eight years' experience with the Peninsular State Bank in Detroit. After serving on the sales staff of Burroughs' Detroit branch, he was transferred to the home office bank division where he handled supervisory duties for eighteen years.



The BANK at the YARDS

STATEMENT OF CONDITION

At the close of business December 31, 1948

RESOURCES

Loans and Discounts.....	\$ 4,271,104.51
United States Bonds and Notes.....	10,765,643.01
Municipal Bonds	661,102.87
Other Bonds and Securities.....	586,157.44
Federal Reserve Bank Stock.....	24,000.00
Interest Earned, Not Collected.....	78,334.67
Cash on Hand and Due from Banks.....	11,246,904.89
	\$27,633,247.39

LIABILITIES

Capital Stock	\$400,000.00
Surplus	400,000.00
Undivided Profits	156,767.17
Reserve for Contingencies.....	142,979.62
Total Capital Accounts.....	\$ 1,099,746.79
Reserve for Interest, Taxes and Expenses.....	64,813.19
Interest Collected, Not Earned.....	25,179.92
Deposits	26,443,507.49
	\$27,633,247.39

CARL L. FREDRICKSEN President	MARK A. WILSON Vice President
WILLIAM C. SCHENK Asst. V. Pres. and Cashier	JOHN S. HAVER Asst. Cashier
	KINLEY W. SMITH Asst. Cashier
CLIFFORD L. ADAMS Asst. Vice President	JAMES L. SMITH Asst. Cashier and Auditor
	STANLEY W. EVANS Field Representative

The

LIVE STOCK

National Bank

of SIOUX CITY

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION.

Receives Award



J. Milton Freeland, vice president of The City National Bank & Trust Company of Kansas City, Missouri (left), receiving from Ralph E. Meyers, treasurer of the Kansas City Chapter of the American Institute of Architects, an award recognizing the bank's new quarters at Tenth Street and Grand Avenue as the outstanding example of commercial building in the Kansas City area for 1947. Mr. Freeland was chairman of the building committee for the bank and played an important part in its design.



J. M. LLOYD
President
Yankton

South Dakota NEWS



CARL E. BAHMEIER, JR.
Secretary
Huron

At Vermillion Branch

Appointment of Henry T. Thompson as assistant manager of the Vermillion branch of the National Bank of South Dakota has been announced by T. S. Harkison, president. He fills a vacancy created by the recent resignation of Orley K. Ripplinger, who has accepted a position as cashier of the American National Bank of Little Falls, Minnesota.

A native of Sinai, South Dakota, Mr. Thompson began his banking career there in 1936 with the First State Bank. He was in the U. S. Navy from 1942 to 1945, as a radio operator. For the past two and a half years he has been assistant cashier of the First State Bank of White Bear Lake, Minnesota.

Conditions Very Good

A report received early last month from F. O. Palmer, cashier of the Security State Bank of Canova, South Dakota, reads as follows:

"Conditions here are very good. Farmers have produced the largest corn crop ever raised in this part of the state. A large portion of the crop has been sealed. Our loans, outside of the Commodity Credit Loans on corn and grain, have been increasing right along. Merchants report a brisk trade. So far the elevators here have been getting cars enough to handle all of the grain brought in, which helps considerably."

Meeting in Rosholt

Representatives from banks at Stockholm, Milbank, Wilmot, New Effington and Sisseton, South Dakota, were guests last month of the Rosholt Community Bank when the Whetstone Valley Clearing Association met in Rosholt.

Ralph Anderson, president of the association, presided over the meet-

ings. He gave a report on the Federal Forum held at the Nicollet Hotel in Minneapolis. Mr. Anderson is assistant cashier at the Roberts County National Bank.

Those attending included:

J. C. Hedman and Stanley Berg of Stockholm; A. O. Monson, Vernell Benson, H. A. Stenson of New Effington; Arlo Allen, W. T. Raebel and Dan Pollock of the First National Bank in Milbank; E. W. Boehmke and J. M. Aasland of Wilmot; L. E. Miner of Revillo; M. W. Wise, Joe Vandervoat, Earl Nixon, Fred Phillippe of the Dakota State Bank in Milbank; Ralph Anderson, A. W. Powell and F. H. Kouba of Sisseton; L. F. Waddington and Orlando Risdal of the Rosholt Community Bank.

Christmas Party

In order to show their appreciation of the growing business of the bank and good will of the public, the officers at the Farmers State Bank, Estelline, South Dakota, invited everyone to a Christmas party last month.

Visitors were given an opportunity to view not only the new interior finish, but were shown the numerous machines which are used in the business.

Another interesting feature of the afternoon was the showing of the film "Back of Every Promise," which is a dramatized story of commercial banking, showing how a bank operates, and the services it performs for individuals, industries and the nation as a whole.

Buy Canova Bank

Dean C. Trippler, Mrs. Trippler and Francis Trippler have sold their interest in the Security State Bank of Canova, South Dakota, to F. O. Palmer, Ernest Wobig and Gertrude Wobig.

Mr. Palmer has been cashier of the

bank and Miss Wobig teller. Dean Trippler was one of the original incorporators of the bank in 1921 and has been a director continuously since. He became president of the bank in 1939. Francis Trippler, also a director, became assistant cashier in 1942. Mr. Palmer became cashier and active manager of the bank in 1935.

New officers of the bank will be elected soon.

C. of C. President

C. H. Lockhart, president of the First Citizens National Bank, Watertown, South Dakota, has succeeded Fred E. Bichler as president of the local Chamber of Commerce.

President Resigns

L. T. Jarmuth has announced his retirement as president of the First National Bank of Miller, South Dakota.

Mr. Jarmuth has been in the banking business in the county 42 years and an officer of the bank since 1930, coming in the capacity of vice president. He succeeded A. B. Cahalan as president in 1947.

Lloyd Weaver is to be the new president and Louis Stechmann will be vice president.

Elected to Board

DeWitt Malvin, Belle Fourche, South Dakota, was elected to the board of directors of the First National Bank of the Black Hills at a recent meeting in Rapid City of directors and managers.

Mr. Malvin, vice president of the Belle Fourche branch and connected with the bank for more than 20 years, succeeds the late G. H. McGarraugh, Sturgis, who recently died.

Directors and managers in Rapid City for the meeting and dinner were Guy N. Bjorge, Chambers and Kenneth Keller, and John Ryan, all of Lead; H. S. Black, Dr. F. S. Howe, Carlton Gorder, A. A. and Allen Curn, Deadwood; Fred P. Hampton and George W. Milne, Sturgis; DeWitt Malvin and Vernon Black, Belle Fourche; Ralph Mattson, Hot Springs; Walter Dickey, Spearfish; and Oscar Fogelbeg, Newell.

Abeel Appointed

Governor George T. Mickelson has reappointed Verne W. Abeel, Pierre,

THE NATIONAL BANK OF SOUTH DAKOTA

Huron

Sioux Falls

Vermillion

Member Federal Deposit Insurance Corporation

Affiliated with FIRST BANK STOCK CORPORATION

South Dakota, to be state superintendent of banks. The appointment is subject to confirmation of the state senate.

Mr. Abeel's new term began as of January 3, 1949, and ends January 3, 1953. He first was appointed January 3, 1945.

Sioux Falls News

TOM S. HARKISON, president of the National Bank of South Dakota and chief rabban of El Riad Shrine, headed a delegation from the local Shrine to a recent ceremonial of El Zagal Temple at Fargo, North Dakota.

Dr. S. A. Donahoe, a director of the

National Bank of South Dakota, exhibited six head of Shorthorns in the breeding cattle classes of the International Livestock Exposition in Chicago.

O. A. Bray, assistant cashier of the Northwest Security National Bank, was re-elected secretary of Sioux Falls Chapter No. 2, Royal Arch Masons, and re-elected treasurer of Minnehaha Lodge No. 5, A.F.&A.M.

C. A. Christopherson, Sr., chairman of the board of the Union Savings Bank, was elected treasurer of all Scottish Rite bodies here.

Tom S. Harkison, president of the National Bank of South Dakota, was re-elected treasurer of the Kiwanis Club for 1949.

William C. Duffy, president of the Union Savings Bank, issued a call for the 1949 meeting of the Sioux Council, Boy Scouts of America, of which he is president. The annual gathering of Scouters is usually held here in January.

H. O. Engen, cashier and vice president of the Union Savings Bank, accepted contributions for the Christmas Good Will Train of CROP (Christian Rural Overseas Program) assembled here for conveyance to suffering people in war-torn lands overseas.

Carols

Christmas carols welcomed the holiday season at American National Bank and Trust Company, Chicago, when the bank's chorus of 30 voices presented a half-hour Christmas concert at one o'clock each afternoon from a balcony overlooking the main banking floor.

The chorus, which had been in rehearsal since last October, serenaded the bank's 500 employes at a "family reception" held on the main banking floor.

Entertains

The First National Bank of Chicago was host last month to 750 visiting bankers attending the A.B.A. Credit Conference at buffet luncheons served in the newly-remodeled quarters of the trust department of the bank.

Dividend

Directors of the First National Bank in St. Louis have declared a dividend of \$1.10 per share, 60 cents of which was an extra dividend payable December 22nd to stockholders of record December 15th, and 50 cents payable February 28, 1949, to stockholders of record February 18th. The directors also voted additional compensation for employes in service prior to January 1, 1948, equivalent to one-half month's salary on earnings up to \$4,000.

Brinkman Retires

Harry A. Brinkman, vice president of the Harris Trust and Savings Bank, Chicago, Illinois, retired at the year-end after 42 years in the Harris organization. Mr. Brinkman began his banking career in 1906 with N. W. Harris & Company, which later was incorporated as the Harris Trust and Savings Bank in 1907. He started as a statement clerk and bookkeeper. He was elected assistant cashier in 1912, cashier in 1927 and vice president in 1934.

STATEMENT OF CONDITION

NORTHWEST SECURITY NATIONAL BANK

of Sioux Falls, South Dakota

South Dakota's Leading Bank

December 31, 1948

RESOURCES

Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers.....	\$11,411,395.10	
U. S. Government Obligations.....	19,616,261.79	
State and Municipal Bonds.....	798,122.40	
Other Bonds and Securities.....	1,269,679.08	
		\$33,095,458.37
Stock in Federal Reserve Bank in Minneapolis.....	45,000.00	
Overdrafts.....	2,707.90	
Loans and Discounts.....	11,008,600.30	
Commodity Credit Corp., Grain Loans.....	1,189,313.08	
Banking Houses.....	232,500.00	
Includes Banking Houses at Sioux Falls, Brookings, Chamberlain, Dell Rapids, Gregory, Huron and Madison, all clear of encumbrance.		
Interest Earned but Not Collected.....	164,351.65	
Customers' Liability on Letters of Credit.....	36,000.00	
TOTAL.....		\$45,773,931.30

LIABILITIES

Capital Stock—Common.....	\$ 500,000.00	
Surplus.....	1,000,000.00	
Undivided Profits and General Reserves.....	392,195.52	
		\$ 1,892,195.52
Reserve for Interest, Taxes, and Other Expenses.....	134,254.54	
Interest Collected but Not Earned.....	68,590.36	
Deposits:		
Time.....	\$ 7,312,130.84	
Demand.....	35,777,759.98	
U. S. War Loan.....	553,000.06	
		43,642,890.88
Letters of Credit.....	36,000.00	
TOTAL.....		\$45,773,931.30

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

To Serve Farmers

Gilbert T. Urban, widely known in Stutsman county farming circles and long active in financial work in that section of North Dakota, has joined the staff of The National Bank of Jamestown as a special farm representative.

In announcing the appointment, F. L. Durand, president of the bank, stated that Mr. Urban in his new position will be available to offer farmers in this vicinity specialized counsel and help in banking matters of all types.

Zehringer Retires

Charles H. Zehringer, who went to Minot, North Dakota, in 1905 on a month's leave of absence from an office job in Minneapolis, and stayed on to build a career in banking and insurance in the Union National Bank of Minot, retired January 1st.

On April 15, 1916, he was appointed cashier of the bank, and V. R. Tompkins, now proprietor of the Tompkins Coal Company in Minot, became assistant cashier. The two ran the bank during that period of World War I when Major E. S. Person, bank president, served in the armed forces.

January 1, 1920, Mr. Zehringer was named vice president of the Union National and has held that office continuously, although since June, 1932, when he became manager of the Union Insurance Agency, his attention has been more occupied with insurance than with loans and discounts.

To New England

Henry W. Ness is now associated with the Citizens State Bank of New England, South Dakota. He replaces A. O. Lona, who resigned and who will live in Fergus Falls, Minnesota.

Mr. Ness came to North Dakota originally as a banker at Gascoyne and then moved to Reeder and worked in a bank there. He then came to New England where he was secretary-treasurer of the Federal Farm Loan set-up for 12 years, being transferred to the same job in Minnesota about a year ago.

Named President

A change was made recently in the officers of the First State Bank of Hope, North Dakota, and M. G. Pederson was elected president of the board of directors, holding that position as well as cashier. He has purchased the stock of Henry Northridge, former president.

Changes at Finley

The Citizens State Bank of Finley, North Dakota, announces the following changes in its personnel, due to the resignation of Ole Lovik, cashier.

The board appointed Leon A. Sayer, Jr., as vice president; H. C. Solberg, cashier, and Anna Marie Faltinson, assistant cashier. L. A. Sayer will continue to head the institution as president. Mr. Lovik had served the bank as cashier since August, 1945.

Winter Conference

The North Dakota Bankers Association last month held a one-day winter conference in Fargo. It was devoted mainly to study of new inheritance and income tax laws. President Arne Gregor of Leeds presided.

The meeting closed with a banquet in Town Hall of the Gardner Hotel, with Col. Ernest Miller, commander of the Brainerd, Minnesota, tank battalion on Bataan, giving the principal talk.

The North Dakota state banks exchange committee, which convened after the business session of the conference, heard Chairman Hans Fischer of Washburn report, and decided to ask the state legislature for changes in the Bank of North Dakota law.

The non-par banks, he said, would ask that the law be changed so that they would have to redeem at par only those checks made in payment for obligations to the state, its agencies and other governmental divisions.

About 200 persons attended the meeting, including bankers and their wives.

Golden Anniversary

Last month the Kindred State Bank, Kindred, North Dakota, reached its fiftieth year of activity.

Kindred State Bank, throughout those fifty years, has been a power in the community, and through straightforward dealings has gained a confidence among its patrons that is enjoyed by each and every one of them.

Thirty-five Years

Thirty-five years a banker in Garrison, North Dakota, is the record attained last month by Hans A. Fischer, cashier of the Farmers Security Bank. He is also president of the Farmers Security Bank at Washburn.

Mr. Fischer is a past president of the North Dakota Bankers Association, and is chairman for McLean county's bond buying effort.

In 1913, about two years after his arrival in Washburn, he took a job with the First National Bank. He resigned in 1919 to become the organizer of the Farmers Security Bank and its cashier.

Capital Increased

Edward E. Brown, chairman of the board of The First National Bank of Chicago, announced that the shareholders of the bank approved the increase in the capital stock of the bank from \$60,000,000 to \$75,000,000, the \$15,000,000 increase being a transfer from the bank's present surplus. The new stock was distributed as a stock dividend to shareholders of record at the close of business December 15, 1948.

Council Member

James M. Kemper, chairman, Commerce Trust Company, Kansas City, has been reappointed a member of the Federal Advisory Council of the board of governors of the Federal Reserve Bank. Nineteen hundred forty-nine will be Mr. Kemper's third consecutive term on the Council.

Promotions

Frank L. King, president, California Bank, Los Angeles, has announced the following promotions made at the December meeting of the board of directors:

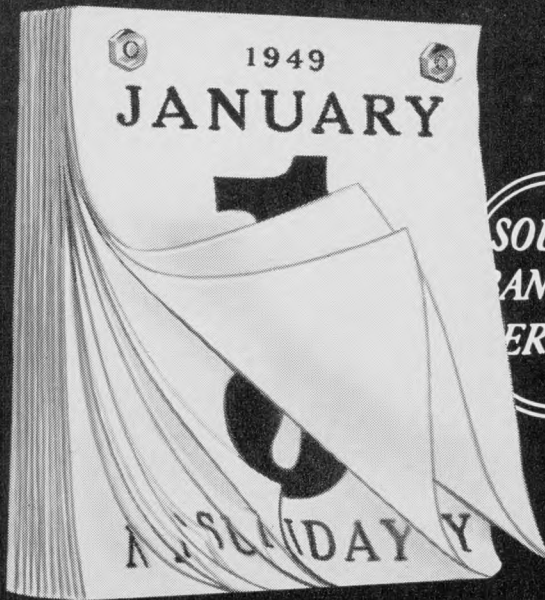
To vice president, C. C. Pearson; to assistant vice presidents, H. V. Grice, H. C. House, F. S. Huber, Rudolph Ostengaard, Fred G. Tanner, Jr.; to manager, W. H. Oliver; to assistant managers, B. P. Mitchell, J. W. Munson, W. H. Rogholt, R. F. Townley.

Assistant Cashier

The First National Bank in St. Louis has announced the election of Clarence E. Sommerich as an assistant cashier, in the exchange department. He has served in various departments of the bank for thirty-four years.

The
UNITED STATES
National BANK of Omaha

93
Years



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J. R. KENNER
President
Hebron

Nebraska NEWS



CARL G. SWANSON
Secretary
Omaha

Sherman A. Walker

Sherman A. Walker, 83, one of the organizers of the Farmers State Bank at Douglas, Nebraska, in 1919, and for the past 27 years its president, died last month.

Mr. Walker's death was a tragic one and a shock to all of his many friends and associates. He was burned to death in his farm home near Douglas when the house caught fire and burned. Mr. Walker was unmarried and had lived alone on his farm most of the past 52 years. Until the time of his death he had been in good health.

Burt County Meeting

The bankers of Burt county entertained the members of the Sarpy-Douglas-Burt and Washington County Association at Oakland last month. There were 60 guests present. Emil E. Placek, president of the First National Bank of Wahoo, was the speaker. He gave an interesting talk on his recent trip around the world and especially on conditions in central Europe.

The banquet was held at the Oakland Golf Club, with President C. C. Neumann and Cashier Chase Neumann of the Farmers & Merchants National Bank as hosts.

H. C. Larson, cashier of the Citizens State Bank of Decatur, vice president of the four-county bankers' organization, presided at the business meeting.

Adolph Pivonka

Adolph Pivonka, 79, president of the Bank of Swanton, Nebraska, for 30 years, died in Beatrice last month and burial services were held in Wilber. He is survived by his wife, Mary; one son, Adolph F., Swanton; a daughter, Mrs. William Fitl, Fremont; two sisters, four half sisters, four grandchildren and two great grandchildren.

Heads Falls City C. of C.

George Froehlich, executive vice president of the First National Bank, Falls City, Nebraska, is the new president of the Chamber of Commerce. He succeeds Paul Chaney. Bayard T. Clark is vice president and George S. Lyon, treasurer.

Open Investment Office

Alvin G. Nelson and Kenneth L. Peters have organized the General Loan and Investment Corporation in South Sioux City, Nebraska, and have received a license to operate from the Nebraska Department of Banking. Mr. Nelson is president and Mr. Peters is vice president and secretary. Capital of the firm, which will handle investments and loans, is \$100,000.

Mr. Nelson and Mr. Peters formerly were associated with the Nebraska State Bank in South Sioux City as vice president and cashier respectively.

Johnson Bank Closed

Liquidation of the First State Bank, Johnson, was reported by the Nebraska Banking Department last month.

The institution was closed, it was said, because James P. Kelley, cashier and executive officer, wanted to retire.

Increase Surplus

An increase in the surplus account to \$50,000 has recently been authorized by the board of directors of the Broken Bow State Bank, Broken Bow, Nebraska. The basic capital of the bank is now \$100,000.

Elect Four as Officers

George W. Holmes, chairman of the board of the First Trust Company, Lincoln, has announced the election by the board of directors of four 20-year employes as vice presidents in

charge of their respective departments.

The four new officers and the departments they supervise are: Otto F. Schlaebitz, trust department, formerly secretary and trust officer; Mathias G. Volz, insurance department; Evert M. Hunt, investment department, and Blanchard R. Anderson, real estate department.

Reappoint Directors

Fred S. Wallace, Gibbon farmer, has been reappointed a director of the Omaha branch of the Federal Reserve Bank of Kansas City, L. H. Erhart, vice president of the Omaha branch, has announced.

Mr. Erhart said Mr. Wallace's term would be for two years, starting January 1, 1949. He also announced that Fred W. Marble, president of the Stock Growers National Bank, Cheyenne, Wyoming, had been reappointed for a two-year term as a director of the Omaha branch.

Buys Missouri Bank

Harold F. James of Omaha, Nebraska, has purchased the controlling stock in The Home Bank of Savannah, Missouri, from J. D. McCaskey, who purchased the bank in 1938 and was active president of the bank until about a year ago when he became vice president of the First National Bank of St. Joseph.

Mr. James will succeed Mr. McCaskey as president and take over the active management of the bank. D. F. Turner will continue as vice president and Benton Van Horn as cashier. The year end statement of the bank shows \$50,000 capital, \$75,000 surplus, \$46,761 reserves and \$3,503,858 in deposits.


Mr. James was born and reared in northwest Missouri where he got his early banking experience. He was associated with the Gillam-Jackson Loan and Trust Company of Maryville, Missouri, from 1918 to 1920 and then entered the employ of the Omaha National Bank where he continued until 1933 when he became vice president of the Federal Land Bank of Omaha. In 1937 he went to Washington, D. C., to become vice president and treasurer of the Federal Farm Mortgage Corporation, where he continued until 1948.

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

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

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Scarborough & Company

Insurance Counselors  to Banks

Northwestern Banker, January, 1949

Lincoln Clearings Climb

Lincoln bank clearings showed an increase of almost \$25,000,000 in 1948.

The Lincoln clearing house reported that 1948 clearings totaled \$355,942,020, compared to \$330,987,305 in 1947.

December clearings totaled \$30,732,481.

Buys Davey Bank

Sale of the majority interest in the Farmers State Bank at Davey, Nebraska, to G. A. Frampton of Lincoln has been announced by John M. Hansen, cashier of the bank. Mr. Hansen is selling for reasons of health.

Mr. Frampton, a native Nebraskan, who began in the banking business in Lancaster county, was for five years in the business in Oklahoma and served six years as president of the Iowa State Bank in Des Moines. He sold his interest in it in 1946 and returned to Lincoln.

Mrs. Hannah Abbott

Funeral services were held in Hyannis, Nebraska, last month for Mrs. Hannah Abbott, mother of Chris J. Abbott and LeRoy Abbott, prominent Nebraska cattlemen and bankers of Hyannis and Alliance.

A pioneer in the Hyannis area, Mrs.

Abbott came to Hyannis in 1890 with her husband, the late Arthur Abbott, one of western Nebraska's early day cattlemen. He began the business now operated by his sons.

Joins Walters Company

The Charles E. Walters Company, bank stock sales organization of Omaha, Nebraska, announces the associa-



PAUL L. KELLER
To Travel Middlewest

tion of Paul L. Keller with the firm as vice president.

Mr. Keller has extensive banking experience, having been engaged in the banking and investment business in Nebraska and Colorado for many years.

He has lived in Omaha for a number of years, during which time he has had intimate contact with banks and enjoys an extensive acquaintanceship with bankers. He will be active in making personal contacts throughout the middle west, which territory Walters System has served for more than 44 years in negotiating the sale of banks.



*On the Rocky Bluffs
Above the River Landing*

... rose the great and ever growing Kansas City—created by a vast and overwhelming tide of commerce that helped to build our mighty Western empire.

For over a half century the Inter-State has shared the life and growth of that city . . . a time-honored relationship based on a sincere desire and the proved ability to serve our depositors and correspondents faithfully and well.

Condensed Statement
THE INTER-STATE NATIONAL BANK
Kansas City, Missouri

At the Close of Business December 31, 1948

RESOURCES

Cash and Due from Banks.....	\$26,628,862.25	
U. S. Government Securities.....	10,307,236.30	
Other Securities.....	6,007,172.24	\$42,943,270.79
Loans and Discounts.....		26,089,125.35
Stock in Federal Reserve Bank.....		75,000.00
		<u>\$69,107,396.14</u>

LIABILITIES

Capital.....	\$ 1,250,000.00	
Surplus.....	1,250,000.00	
Undivided Profits.....	1,324,408.84	
Reserve for Contingencies.....	400,000.00	\$ 4,224,408.84
Reserve for Taxes, etc.....		123,000.00
Deposits.....		64,759,987.30
		<u>\$69,107,396.14</u>

THE INTER-STATE NATIONAL BANK

LIVESTOCK EXCHANGE BLDG. 16TH. AND GENESEE STS.

Kansas City Missouri

Member Federal Deposit Insurance Corporation

**First National
Bank of Omaha**

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Omaha News

JOHN F. MERRIAM, executive vice president and a director of the Northern Natural Gas Company, with headquarters in Omaha, has been elected to the board of directors of the United States National Bank of Omaha. Mr. Merriam fills the vacancy caused by the resignation of **Roy Page**, former executive manager of the Omaha Public Power District, who has retired and will make his home at Carmel, California.

Ray R. Ridge, senior vice president of the Omaha National Bank and past president of the Omaha Chamber of Commerce, has been appointed to the



RAY R. RIDGE
On Board of Regents at the University of Omaha

board of regents of the University of Omaha.

The Omaha Board of Education selected him, eight to one, over **Roman L. Hruska**, chairman of the Douglas County Board, to fill the vacancy

caused by the recent death of **Will R. Johnson**, vice president of Northwestern Bell Telephone Company, and a director of the Stock Yards National Bank.

Mr. Ridge said that he was "highly honored" by the appointment. His term will expire June 30, 1949.

Halsey, Stuart & Company, Chicago investment bankers, were high bidders for the \$60,000,000 bond issue of the Northwestern Bell Telephone Company, President **J. Russell Hopley** announced at Omaha.

The firm, representing a group of 118 purchasers, offered 100.68999 for the 31-year 3 1/4 per cent debentures which were to be offered to the public at 101 3/8 to yield approximately 3.18 per cent to maturity.

Three Omaha firms, **John Douglas & Company**, **Wachob-Bender Corporation** and the **National Company**, participated in the underwriting. Another participating firm, **Stern Brothers** of Kansas City, has an Omaha office.

Each of the three Omaha firms took \$150,000 of the debentures.

Fred W. Thomas, president of the First National Bank of Omaha, appeared to be certain for appointment as a Democratic member of the board

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21st to 22nd on Y *Company* P. O. Box 548
Lincoln 1, Nebraska

STATEMENT OF CONDITION

The CONTINENTAL NATIONAL BANK OF LINCOLN

LINCOLN, NEBRASKA

At the Close of Business December 31, 1948

RESOURCES	
Cash and Due from Banks.....	\$ 9,136,132.50
U. S. Government Bonds and Certificates.....	14,471,969.69
Municipal Bonds and Warrants.....	534,901.62
Other Bonds.....	527,296.22
Loans and Discounts.....	5,984,256.10
Stock in Federal Reserve Bank.....	36,000.00
Furniture and Fixtures.....	41,357.96
Interest Earned But Not Collected.....	99,791.91
Overdrafts.....	3,002.32
Total.....	\$30,834,708.32
LIABILITIES	
Capital Stock.....	\$ 600,000.00
Surplus.....	600,000.00
Undivided Profits and Reserves.....	254,040.08
Interest Collected But Not Earned.....	34,414.47
Reserved for Taxes, Interest and Expenses.....	16,160.65
Deposits.....	29,330,093.12
Total.....	\$30,834,708.32

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OMAHA, NEBRASKA

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deral Reserve Bank of St. Louis

Northwestern Bell Bonds Signed by Trustee



Casper Y. Offutt, vice president and trust officer of The United States National Bank of Omaha, is shown seated at a table at The Signature Company in New York City, signing twenty-four bonds at a time as part of an issue of \$60,000,000 of Northwestern Bell Telephone Company's 3 1/4 per cent debentures for which The United States National Bank is the corporate trustee.

Observing Mr. Offutt are, seated, Ellsworth Moser, executive vice president, The United States National Bank of Omaha, and, standing, left to right, Richard C. Losch, assistant treasurer, Northwestern Bell Telephone Company; William A. Scott, American Bank Note Company, New York; William A. Wencel, comptroller, Northwestern Bell Telephone Company; Ross B. Johnson, secretary and treasurer, Northwestern Bell Telephone Company, and Harvey W. Roscoe, assistant treasurer, American Telephone and Telegraph Company, New York.

This is one of the largest issues of bonds that has ever been issued by a company in the midwest. The bonds were sold on November 16th to a syndicate headed by Halsey-Stuart and Company of Chicago. This was the first large issue of bonds to be sold at competitive bidding after the election and reflected a test of the market.

The bonds were readily absorbed in a broad distribution throughout the United States. The syndicate closed less than fifteen minutes after the books were opened and the bonds were bid up from the offering about three-quarters to one point. The bonds were originally priced to yield 3.18. Many insurance companies, pension funds, institutions and individual investors throughout the country purchased these bonds.

Inasmuch as the sale of this issue virtually tested the market at a crucial time, it was a credit to the company and the great agricultural states it serves that the bonds should be received so favorably.

of directors of Omaha's Metropolitan Utilities District.

Chairman Con Heafey said that he and his fellow Democratic director, Dr. Willard H. Quigley, asked Mr. Thomas to serve out the term of Congressman-Elect Eugene O'Sullivan, the third Democratic member of the board.

Mr. Thomas, long-time member of the Democratic party, has played no active role in politics, however.

Republican members of the board said that they would be "happy to go along with the appointment of Mr. Thomas."

Mrs. T. L. Davis, wife of the chairman of the board of the First National Bank of Omaha, was hostess at a tea recently to honor new members of the Nebraska Society of Colonial Dames. The tea followed a board meeting at the home of Mrs. Sloan Allen. Four Lincoln members were guests.

Special checking account plans for small depositors were announced recently by three downtown Omaha banks. Officials of the Omaha National, First National and United States National Banks announced that the institutions were offering plans under which the depositor may pay for checking account service according to the number of checks he or she writes.

Omaha wound up 1948 with bank deposits about 2 per cent lower than at the close of 1947.

Loans were slightly higher at year-end than they were a year ago.

Bank deposits at the end of 1948 amounted to \$412,648,685 for the nine banks. The 1947 year-end figure was \$421,409,213.

Bankers said the drop is of no significance. Several large deposits could have changed the total to the up side, they said.

Year-end deposits were \$41,310,744 higher than April, the year low, and \$31,745,712 above July. Savings accounts are down.

Bankers noted, too, that the comparison of 1948 and 1947 year-end figures did not show the wide swings of other years. They look for Omaha area finances to hold at an even keel in 1949. Agricultural props are expected to be better than the conditions in more industrialized centers.

Loans at the end of 1948 totaled \$100,449,180, a gain of about 7 per cent over the 1947 figure of \$93,262,902. Loans at year end had climbed \$9,500,000 above levels of last April and July.

Banks' holdings of Commodity Credit Corporation paper on stored crops accounted for much of the loan gain,

STATEMENT OF CONDITION

December 31, 1948

RESOURCES		LIABILITIES	
Loans and Discounts	\$12,721,713.84	Capital	\$600,000.00
Overdrafts	181.57	Surplus	650,000.00
Banking House	90,000.00	Reserves	532,477.26
U. S. Bonds	15,867,000.00	Undivided Profits	130,454.41
Other Bonds	25,000.00		\$ 1,912,931.67
Warrants	34,596.01	Reserve for Dividends	36,000.00
Customers Liability for Letter of Credit	5,000.00	Letters of Credit	5,000.00
War Savings Stamps	500.00	Due to Federal Reserve Bank	5,750,000.00
Stock Federal Reserve Bank	37,500.00	Deposits	\$33,059,119.43
Cash and Sight Exchange	5,862,885.00	War Loan Deposits	508,446.71
Due from Federal Reserve Bank	6,627,121.39		33,567,566.14
	\$41,271,497.81		\$41,271,497.81

NATIONAL BANK of COMMERCE

LINCOLN, NEBRASKA

46 years at 13th and O Streets

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said observers. Banks also reported increases in loans to buyers of medium-priced homes and to livestock raisers.

Members of the Omaha Chapter, American Institute of Banking, went on a tour recently of the new World-Herald Building in World-Herald Square at Omaha. Lester E. Souba, auditor, Live Stock National Bank, is president of the chapter.

Harry Greenway, Omaha investment banker, has sold his Omaha residence at 123 North Thirty-eighth Avenue and has taken an apartment at the Logan Hotel.

Northern Natural Gas Company, with headquarters in Omaha, has declared a total dividend of 60 cents a share on its common stock, including a 45-cent fourth quarter regular dividend and a 15-cent extra dividend. The dividend was to be paid December 29th to stockholders of record December 10th.

J. F. McDermott, vice president of the First National Bank of Omaha, spoke at the Creighton University Founders' Day banquet in Omaha last month at Hotel Fontenelle. He is a member of the Creighton board of regents. The dinner, honoring Count, John and Edward Creighton, founders of the University, is held annually for faculty members of the school. Bronze plaques were given to faculty members who have completed 25 years of teaching.

Mr. McDermott declared that it is still basically true that "education is Mark Hopkins on one end of the log and a student on the other."

Mr. McDermott also spoke recently at the Joslyn Memorial in Omaha before the Omaha Coin Club. "The Monetary System of the United States" was his topic.

Dave Davis, Jr., son of the vice president of the Omaha National Bank, with Dave Hanighen, won the championship in the Omaha Club's handicap squash tournament. Mr. Davis defeated Jack Kennedy, Jr., in the Class A finals.

Jim Stewart, son of Mr. and Mrs. J. T. Stewart, III, returned the middle of December from San Diego, Cali-

fornia, for a 10-day Christmas leave with his parents. He has been in Navy training since September. He will return to San Diego before reporting to New London, Connecticut. He has received an appointment to the Submarine Base.

J. T. Stewart, III, is vice president and cashier of the First National Bank of Omaha.

W. B. Millard, Jr., vice president of the Omaha National Bank, was among a group of 24 Nebraskans who left Omaha the middle of December in two Navy planes for a two-day "familiarization course" at Pensacola, Florida.

The trip included a tour of the Pensacola Base and a trip aboard the Aircraft Carrier USS Wright.

Daniel J. Monen, vice president of the Omaha National Bank, in charge of the trust department, has been elected president of the Creighton University Alumni Council. He succeeds **Dr. Louis D. McGuire**.

The election was announced at a dinner-dance at the Hotel Paxton in Omaha, following a two-day alumni homecoming program. Three hundred and fifty alumni attended. Mr. Monen said that the Alumni Council will give

OVER SEVENTY-SEVEN YEARS OF BANKING EXPERIENCE

Statement of Condition

The First National Bank of Lincoln

LINCOLN, NEBRASKA

(ORGANIZED 1871)

At the Close of Business December 31, 1948

ASSETS

Cash and Due from Banks.....	\$15,370,497.17
U. S. Government Bonds.....	25,396,061.72
Other Bonds and Securities.....	1,556,982.19
Federal Reserve Bank Stock.....	81,300.00
Loans	7,603,265.60
Interest Earned, Not Due.....	135,218.95
Banking House	506,729.99
Total Assets.....	\$50,650,055.62

LIABILITIES

Capital Stock	\$1,500,000.00
Surplus	1,225,000.00
Undivided Profits	535,860.79
	\$ 3,260,860.79
Discount Unearned	50,537.97
Reserve for Taxes, Etc.....	62,541.77
Deposits	47,276,115.09
Total Liabilities.....	\$50,650,055.62

OFFICERS

P. R. EASTERDAY Chairman	A. C. GLANDT Vice-Pres. and Cashier
GEORGE W. HOLMES President	R. J. BECKER Vice-President
HOWARD FREEMAN Exec. Vice-President	CLIFFORD G. WESTON Vice-President
BURNHAM YATES Vice-President	LYLE F. STONEMAN Vice-President
E. U. GUENZEL Vice-President	G. H. CRANE Asst. Cashier
	R. A. GESSNER Asst. Cashier

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TIMELOCK EXPERTS
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OMAHA**

more attention to the placement of graduates.

Nelson G. Kraschel, former governor of Iowa and now general agent for the Farm Credit Administration, with headquarters at Omaha, recently replied to the president of the American Bankers Association, **Evans Woollen, Jr.**, in his attack on farm credit

in a speech at Omaha before the Nebraska Bankers Association.

Mr. Kraschel declared that the speaker "dodged the facts."

"According to press reports of the speech," said Mr. Kraschel, "he failed to explain that my article in the Farm Credit Leader was based on testimony before Congressional committees by ABA representatives.

"Mr. Woollen's statement that United States Treasury deposits in banks were never intended to be and have not been a profit-making device for banks is refuted by the Congressional hearing reports."

Internal Operations Survey

Assistance in working out the operational problems of country bank correspondents and friends is the design of a new service introduced the first of this year by the correspondent bank division of the Live Stock National Bank of Omaha. It will be directly supervised by Armand S. "Chico" Chaves, comptroller of the bank.

The Live Stock National's new service, officially labeled its "Internal Operations Survey," is the result of the enthusiastic acceptance and appreciation of surveys of this type made for several banks during the past year. It has been developed more completely as a result of these experiences, and is offered in 1949 as a formal part of Live Stock National's program of helpfulness to correspondents.

It is the plan to make available trained personnel from within Live Stock National who will make a complete survey of the internal operations of a bank on request, and then follow with recommendations for greater efficiency if such possibilities present themselves.

This survey work will be under the direction of Comptroller "Chico" Chaves, well-known to many bankers by reason of his years of service as a national bank examiner. Mr. Chaves joined the Live Stock National as auditor in 1946 and was elected comptroller in November, 1948.

The First National Bank

St. Joseph, Missouri

STATEMENT OF CONDITION

at the close of business December 31, 1948

RESOURCES

Cash and Due from Federal Reserve and Other Banks.....	\$10,619,287.57
U. S. Government Obligations.....	15,064,476.12
Other Bonds and Securities.....	1,781,784.70
Federal Reserve Bank Stock.....	30,000.00
Loans and Discounts	4,282,468.51
Bank Building, Fixtures and Other Real Estate.....	1.00
Interest Earned Uncollected and Other Assets.....	93,165.95
Total	\$31,871,183.85

LIABILITIES

Capital	\$ 500,000.00
Surplus	500,000.00
Undivided Profits	289,803.99
Reserve for Contingencies	68,914.25
Reserves for Taxes, Dividends, etc.....	49,607.18
Deposits	30,462,858.43
Total	\$31,871,183.85

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ST. PAUL, MINNESOTA

Des Moines Office

515 Iowa-Des Moines
National Bank Building
T. C. CANNON
District Manager

— Other Offices —

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

Omaha Office

1105 First National
Bank Building
ELMER J. OTTESON
District Manager



HARRY W. SCHALLER
President
Storm Lake

Iowa NEWS



FRANK WARNER
Secretary
Des Moines

Ross Succeeds Woods In Council Bluffs

Lewis W. Ross, president of the Citizens State Bank at Oakland, Iowa, became president of the First National Bank of Council Bluffs January 1st. He succeeds George W. Woods, who resigned because of ill health. Board



LEWIS W. ROSS
President, First National, Council Bluffs

Chairman Don B. Stoufer made the announcement of these changes.

Mr. Woods had been associated with the First National Bank since 1934 when he left his position as state banking commissioner for Nebraska. He served as executive vice president at first, then as president the past few years.

Mr. Ross began his banking career at the First National as a messenger in 1915. He attended Abraham Lincoln high school in Council Bluffs, Boyles Business College in Omaha and the American Institute of Banking. He went to Oakland in 1919 and has been there since. He has been a

director of the First National for several years and will continue as president of the Citizens State Bank at Oakland.

Ben Summerwill Better

The many friends of Ben S. Summerwill, veteran banker and president of the Iowa State Bank and Trust Company, Iowa City, will be delighted to know that he has recovered nicely from the minor heart attack which he suffered in Chicago in December while attending the A.B.A. Credit Conference.

The attack was less serious than first diagnosed, and after a week in a Chicago hospital and a week in an Iowa City hospital, he is back at his desk in the bank on "limited duty." He plans, however, to go south next month for a brief rest and vacation.

Boost Capital at Dunlap

Stockholders of the Dunlap Savings Bank, Dunlap, Iowa, voted at the regular January meeting to increase the capital stock from \$25,000 to \$50,000 through the payment of a 100 per cent stock dividend.

This will make the capital account of the Dunlap Savings Bank as follows: Capital, \$50,000; surplus, \$50,000, and undivided profits of \$67,000.

G. W. Hull resigned as a director on account of ill health and was replaced by E. J. Millard.

All other officers and directors were re-elected.

West Branch Election

The First State Bank of West Branch, Iowa, held its annual meeting with the following directors being re-elected: Fred W. Hinkhouse, J. Curtis Barnhart, Floyd T. Fawcett, William W. Wertzbaugher, N. P. Olsen, H. Grant Hemingway and Lawrence C. Rummells.

The officers and staff elected by the board of directors were: Fred W. Hinkhouse, president; J. Curtis Barnhart, vice president; Lawrence C. Rummells, cashier; E. L. Gregg and Harold A. Pedersen, assistant cashiers; Carol B. Slach, secretary, and Glenn W. Jacobsen and Marilyn A. Hemingway, bookkeepers.

The bank is starting its seventy-fourth year of service in the community. It paid a dividend of 12 per cent and transferred \$50,000 to the surplus account, making its capital structure \$25,000 common stock; \$125,000 surplus, and \$20,235 undivided profits.

Entertains Cattlemen

One of the most successful public relations ideas carried through recently by bankers was the dinner given for 231 cattlemen in Corning, Iowa, last month by B. P. St. John, president and cashier of the Okey-Vernon National Bank of Corning. Mr. St. John had invited the many farm and stock raising customers of the bank and hopes to make this an annual affair.

Addressing the group was Rex Beresford, agricultural economist of Iowa State College.

To Be RFC Director

W. K. Bramwell, chairman of the board of the Hardin County Savings Bank at Eldora, Iowa, is slated for

Sioux City Group Meeting

As this issue goes to press officers of Group One of the Iowa Bankers Association are making plans for the program and entertainment for the annual meeting of Group One in Sioux City, Saturday, February 12th. Headquarters, as usual, will be at the Martin Hotel and the Sioux City Clearing House Association is already appointing its committees to handle the event.

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

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Scarborough & Company

Insurance Counselors



to Banks

Northwestern Banker, January, 1949

appointment by President Harry S. Truman as a director of the Reconstruction Finance Corporation.

Although a Republican, Mr. Bramwell has the support of Iowa Democratic State Chairman Jake More to fill the vacancy caused by the resignation of Henry T. Bodman, also a Republican. The unexpired term to be filled by Mr. Bramwell would run until June 30, 1950.

Although there has been no official confirmation on Mr. Bramwell's appointment by President Truman, reliable Washington sources said he has been introduced as "the new member of the board." The position pays an annual salary of \$12,500.

Zach G. Suiter

Zach G. Suiter, 57, president of the Farmers Savings Bank at Princeton, Iowa, died last month after an illness of some length.

He had been associated with the Farmers Savings Bank since 1912, working his way to the presidency through the various positions in the bank. Mr. Suiter is a former president of the Scott County Bankers Association and was well-known among Iowa bankers. Recently he was elected president of the Scott county board of education, culminating a long interest in the welfare of public schools. He had long been

active in civic affairs within Princeton also.

Mrs. Suiter was elected to the board of directors to fill this vacancy.

He is survived by his wife, two children, a granddaughter and two brothers. His son, Glen H. Suiter, is connected with the Farmers Savings Bank as assistant cashier.

Promoted at Oakland

Delmar F. Busse has been named executive vice president of the Citizens State Bank at Oakland, Iowa. He has been vice president of that insti-



DELMAR F. BUSSE
Named executive vice president

tution for some time and in his new position will assume administrative duties of the Oakland bank.

His election as executive vice president was made known following the announcement that the Citizens State Bank's president, Lewis W. Ross, also has been elected president of the First National Bank in Council Bluffs. Since Mr. Ross will assume active management of the latter bank, Mr. Busse will supervise the business of the Oakland Bank.

Guest Speaker

Frank Warner, secretary of the Iowa Bankers Association, was a recent speaker before the senior class in economics at Simpson College, Indianola, Iowa.

New President at Laurel

T. C. Sheek has been elected president of the Peoples Savings Bank of Laurel, Iowa, succeeding C. W. Buhrow, 85, who died recently. T. L. Laverty was elected vice president replacing Mr. Sheek, and Alex Louks, son of a previous director, was elected

D

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CHICAGO CLEARING HOUSE.
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HANDLING OF ITEMS THROUGH-
OUT THE CITY ARE COMPLETE.

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

Members, Federal Deposit Insurance Corporation

STATEMENT OF CONDITION
DECEMBER 31, 1948

RESOURCES

Loans and Discounts	\$ 8,458,418.42	
Other Bonds and Stocks	50,000.00	
Customers Liability on Acceptances.....	10,216.80	
Overdrafts	254.44	
Government Obligations	\$6,614,599.10	
Municipal Bonds	401,500.00	
Cash and Due from Banks.....	3,025,756.21	10,041,855.31
		\$18,560,744.97

LIABILITIES

Capital Stock—Common	\$ 600,000.00	
Surplus	200,000.00	
Undivided Profits	151,591.41	
Reserves	382,555.59	
Unearned Discount	69,650.26	
Bank Liability on Acceptances.....	10,216.80	
Deposits	17,146,730.91	17,146,730.91
		\$18,560,744.97

VALLEY BANK AND TRUST COMPANY
DES MOINES

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

to the board, filling the vacancy left by Mr. Buhrow's death. Hugh C. McCleary, cashier, and S. M. McCleary are the other board members.

Mr. Buhrow was one of the original directors when the Peoples Savings Bank was organized in 1909. He was elected president of the bank in 1947, succeeding his older brother, C. F. Buhrow, who retired. C. W. Buhrow was a successful farmer in the Laurel community until he retired in 1921. Mr. Buhrow had missed only a very few board meetings since 1922.

Valley Bank Promotions

Frederick M. Morrison, president of the Valley Bank and Trust Company

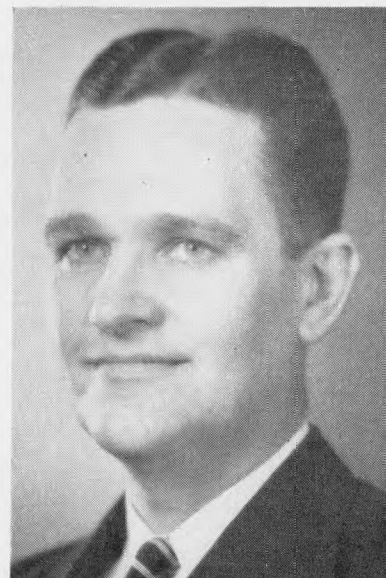
of Des Moines, has announced the promotion of Ray Thompson to the position of vice president, he formerly having been assistant vice president.

James Morrison has been elected assistant cashier.

Mr. Thompson has been associated with the bank since 1937 and has developed the installment loan department into a very successful part of the bank, and will continue as head of that division of the bank's activities.

James Morrison has been in the bank for the past two years, and prior to that attended "The Hill" School at Pottstown, Pennsylvania, where he

graduated. Subsequently he attended the University of Iowa and Grinnell College before entering the banking business.



RAY THOMPSON
Vice President

The officers of the bank are now as follows: Frederick M. Morrison, president; Winfield W. Scott, senior vice



JAMES MORRISON
Assistant Cashier

president; J. R. Astley, Edward P. Kautzky, Roy E. Huber and Ray Thompson, vice presidents; Frank M. Thompson, cashier, and Carl W. Altman, George W. Gill and James Morrison, assistant cashiers.

On December 31, 1948, the Valley Bank & Trust Company had a capital stock of \$600,000, surplus and undivided profits of \$351,000, reserves of \$382,000 and deposits of over \$17,146,000.

Condensed Statement of Condition

DECEMBER 31, 1948

ASSETS

Cash and Due from Banks	\$ 6,029,718.60
U. S. Government Bonds	7,619,132.58
State, County and Municipal Bonds	164,876.80
Other Bonds and Securities	87,848.77
Stock in Federal Reserve Bank	24,000.00
Loans and Discounts	5,856,602.23
Bank Building, Furniture and Fixtures	164,474.23
Other Assets	6,157.49

\$19,952,810.70

LIABILITIES

Capital	\$400,000.00
Surplus	400,000.00
Undivided Profits	117,635.87
Reserve for Contingencies	107,000.00

Total Capital Account	\$ 1,024,635.87
Reserve for Taxes and Interest	67,344.98
Other Liabilities	101.00
Deposits	18,860,728.85

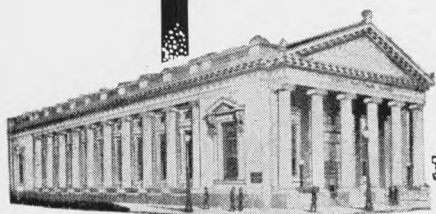
\$19,952,810.70

A. G. SAM, President

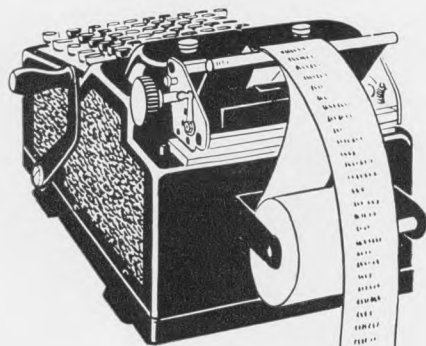
- | | |
|----------------------------------|-----------------------------------|
| J. T. Grant, Vice President | H. H. Strifert, Assistant Cashier |
| J. R. Graning, Cashier | K. J. Shannon, Assistant Cashier |
| E. A. Johnson, Assistant Cashier | W. L. Temple, Assistant Cashier |
| J. Ford Wheeler, Auditor | |

First NATIONAL BANK

in SIOUX CITY



MEMBER FEDERAL RESERVE SYSTEM
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



HERE'S HOW IT ADDS UP AT THE MARQUETTE *National* BANK OF MINNEAPOLIS

RESOURCES

(December 31, 1948)

Loans and Discounts.....	\$ 8,861,239.49
Overdrafts	945.72
Cash and Due from Banks....	10,950,817.63
U. S. Government Securities...	11,939,148.06
Municipal and Other Securities	1,851,072.33
Banking House	154,587.63
Furniture and Fixtures.....	108,945.75
Other Resources	6,463.49
Total Resources	\$33,873,220.10

LIABILITIES

(December 31, 1948)

Deposits	\$32,655,268.88
Capital	500,000.00
Surplus	500,000.00
Undivided Profits	217,951.22
Total Liabilities	\$33,873,220.10

RUSSELL L. STOTESBERY
President

LYNN FULLER
Executive Vice President

DEPARTMENT OF BANKS AND BANKERS

CHARLES C. RIEGER
Vice President

OTTO H. PREUS
Assistant Vice President



J. W. Hubbell Named Chairman; S. C. Pidgeon Elected President

JAMES W. HUBBELL was elected chairman of the board of the Bankers Trust Company, Des Moines, and Scott C. Pidgeon was elected president

Mr. Hubbell has been a director of Bankers Trust Company for over 22 years. In 1944 he became actively associated with management of the bank as vice president, and May 31,

secretary-treasurer of the Equitable Life Insurance Company of Iowa, and trustee of the Frederick M. Hubbell estate.

For many years Mr. Hubbell has been active in the civic affairs of Des Moines and has participated in those enterprises which have helped to develop the city and the state. He is a past president of both the Des Moines Chamber of Commerce and the Greater Des Moines Committee.

Mr. Pidgeon has been with the Bankers Trust Company more than 31 years. He began working for the bank at the time of its incorporation in 1917, was elected vice president in 1932 and was named executive vice president at the meeting of May 31, 1947. A native of Salem, Iowa, he attended public schools in that community, then entered Iowa Wesleyan College at Mt. Pleasant, later attending the University of Iowa. Following graduation from the latter in 1915, he entered the banking business in Des Moines with the First Federal State Bank the same year, then joined the Bankers Trust Company upon its organization.

Mr. Pidgeon is a member of the board and chairman of the finance committee of the American Mutual Life Insurance Company of Des Moines.

In community affairs Mr. Pidgeon has always taken an active leadership and is a past president of the Chamber of Commerce and at the present time is treasurer of that organization. He is also secretary-treasurer of the Des Moines Rotary Club and treasurer of the 133rd district of Rotary which comprises the southern half of Iowa.

In taking over management of the credit department, G. A. Moeckly, with the Bankers Trust for 20 years, replaced J. W. Edenburn who has retired. Under the supervision of Mr. Moeckly, the credit department of the Bankers Trust will be expanded and



JAMES W. HUBBELL
Chairman of the Board



SCOTT C. PIDGEON
President

to succeed him by the board of directors at their annual meeting January 11th. Mr. Pidgeon has been executive vice president of the bank. Also, M. N. Baird was elected assistant cashier in charge of the mortgage loan department.

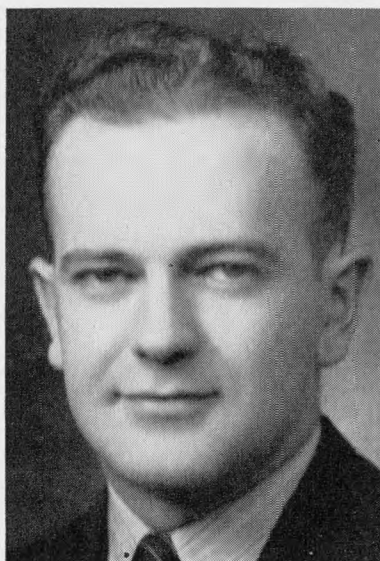
Other changes and promotions announced by Mr. Hubbell following the board meeting include the naming of George Moeckly, vice president, as manager of the credit department, and Robert K. Popple as manager of the personal loan department, succeeding Mr. Moeckly.

1947, was elected president to succeed the late B. F. Kauffman, who was named chairman of the board at that time. Mr. Kauffman, founder of Bankers Trust Company, died last July.

Mr. Hubbell was born in Des Moines and was graduated from Harvard University with a B.A. degree in 1917, entering military service shortly thereafter and serving as a first lieutenant in the infantry. Mr. Hubbell also is



GEORGE MOECKLY
Vice President
Manager Credit Department



M. N. BAIRD
Assistant Cashier



ROBERT K. POPPLE
Personal Loan Manager



Statement of Condition

DECEMBER 31, 1948

ASSETS

Cash	\$17,049,445.19
United States Government Securities	34,461,210.38
Loans	22,188,891.13
Municipal Bonds	5,214,877.66
Bank Premises	700,000.00
Furniture and Fixtures	94,447.34
Federal Reserve Bank Stock	138,000.00
Overdrafts	1,460.26
	<hr/>
	\$79,848,331.96

LIABILITIES

Capital	\$ 600,000.00
Surplus	4,000,000.00
Reserves and Profits	1,318,746.98
Deposits	73,929,584.98
	<hr/>
	\$79,848,331.96

DIRECTORS

V. O. FIGGE
President

J. M. HUTCHINSON
Executive Vice President

CHARLES J. JOHNSON
Independent Biscuits, Inc.

JOS. S. KIMMEL
Republic Electric Company

FREDERICK H. LAMB
Physician

H. E. LITIG
Davenport

HERMAN STAAK
Vice President

CABLE G. VON MAUR
Petersen-Harned-Von Maur, Inc.

THOMAS J. WALSH
Walsh Construction Company

C. D. WATERMAN
Lane and Waterman

DAVENPORT BANK AND TRUST COMPANY

Member Federal



Reserve System

DAVENPORT, IOWA

Member Federal Deposit Insurance Corporation

enlarged, with many new facilities added, which will place it in a better position to serve local customers, as well as out of town patrons and correspondents of the bank.

The Bankers Trust Company has enjoyed continuous growth since its founding. Deposit figures for December 31, 1948, were \$57,986,376, an increase of \$2,348,486 over deposits as of December 31, 1947.

Officers of the bank are now as follows: J. W. Hubbell, chairman of the board; S. C. Pidgeon, president; C. W. Mesmer, vice president; F. C. Atkins,

vice president and cashier; L. Nevin Lee, vice president; F. S. Lockwood, vice president and trust officer; William Ellison, vice president; G. A. Moeckly, vice president; A. F. Erickson, J. B. Monahan and M. N. Baird, assistant cashiers, and S. G. Barnard, assistant secretary.

Named Bank Director

John Winga of Washington, Iowa, has been named to the board of directors of the Washington State Bank, it was announced recently by L. A. Holland, vice president.

Mr. Winga will fill the vacancy on the board created by the recent death of Dr. W. L. Alcorn.

Dr. Alcorn had been a member of the board at the bank since its organization in 1932 and was active in the affairs of the institution until his death.

Gets Community Award

Royal E. Bennett, assistant cashier of the First National Bank in Humboldt, Iowa, received an award of considerable distinction last month when he was selected to receive the 1948 Community Service Award of Humboldt and Dakota City. His selection was made by presidents of the Chamber of Commerce, Rotary, Lions, Ministerial Association and the Humboldt Board of Education.

The award presented to Mr. Bennett was a plaque suitably inscribed and given by the Humboldt *Republican* and *Independent*.

One of Mr. Bennett's main contributions to the welfare of Humboldt was his constant effort on behalf of the city's young people, providing them with recreation, sports programs and modern athletic equipment. In this activity he organized complete baseball programs for boys and girls of all ages, got the ball diamond at the fairgrounds lighted for night play, had outstanding professional teams and amateurs brought in for exhibitions, organized basketball programs for winter time in the high school gym and organized teams among older men in the community for their recreation.

Mr. Bennett also organized workers in Humboldt county and directed the entire drive for the Christian Rural Overseas Relief Program.

Here We Go Again!

"And you mean to tell me that in your section of California you have 365 days of sunshine a year?"

"Exactly so, sir, and that's a mighty conservative estimate, too."

Resolved

to serve you better than ever

in 1949

Condensed Statement of Condition

December 31, 1948

RESOURCES	
Cash and Due from Banks.....	\$ 52,259,020.08
Bonds (Carried at less than market value)	
U. S. Government and U. S. Government	
Guaranteed Bonds	\$ 28,796,562.56
Federal Land Bank, State and Municipal Bonds	9,087,806.49
High Rated Corporation Securities.....	507,459.55
	38,391,828.60
Federal Reserve Bank Stock.....	150,000.00
Loans and Discounts.....	52,090,907.82
Grand Avenue Bank Bldg.—Unencumbered (Cost over \$1,000,000).....	1.00
New City Bank Building.....	1,788,082.39
Other Real Estate (One Property).....	1.00
Furniture and Fixtures (Cost over \$200,000).....	1.00
Customers' Liability Account Letters of Credit.....	1,137,174.00
Customers' Liability on Acceptances Outstanding.....	19,374.61
Accrued Interest Receivable.....	273,890.77
Overdrafts.....	2,928.41
TOTAL RESOURCES	\$146,113,209.68
LIABILITIES	
Capital Stock (Paid In).....	\$ 400,000.00
Capital Stock (Earned).....	\$2,000,000.00
Surplus (Earned)	3,000,000.00
Undivided Profits (Earned).....	1,828,254.36
Invested Capital	\$ 6,828,254.36
Unearned Interest	434,059.13
Reserve for Interest and Taxes.....	195,835.01
Our Liability Account Letters of Credit Issued.....	1,137,174.00
Our Liability on Acceptances.....	19,374.61
Deposits	137,498,512.57
TOTAL LIABILITIES	\$146,113,209.68

The above statement is correct.

R. C. KEMPER, President.

OFFICERS

Rufus Crosby Kemper, Pres.	Jack Black, Asst. Vice-Pres.
George C. Kopp, Exec. Vice-Pres.	John Yonts, Asst. Vice-Pres.
James S. Neely, Vice-Pres.	Ewart H. Burch, Asst. Vice-Pres.
F. D. Farrell, Vice-Pres.	James F. Mack, Asst. Vice-Pres.
Kearney Wornall, Vice-Pres.	Benjamin B. Hanis, Asst. Cashier
J. Milton Freeland, Vice-Pres.	Charles W. Koester, Asst. Cashier
Dale R. Ainsworth, Vice-Pres.	Jack S. Kitchen, Asst. Cashier
James F. McPherson, Vice-Pres.	Allen Morrow, Asst. Cashier
L. Earl Stephenson, Vice-Pres.	Chester L. Brewer, Jr., Asst. Cashier
Cyril J. Jedlicka, Vice-Pres.	Emory P. James, Jr., Asst. Cashier
Robert L. Greene, Vice-Pres.	Guy S. Hadsell, Asst. Cashier
James R. Gayler, Vice-Pres.	David B. Cox, Asst. Cashier
Earl W. Deputy, Trust Officer	K. H. Armstrong, Asst. Trust Officer
Richard T. Pendleton, Trust Officer	Dewey Shillerston, Asst. Trust Officer
Louis G. Loschke, Cashier	Tom Collins, Publicity Director
Edward E. Lyric, Comptroller	Bror W. Unge, Mgr. Foreign Dept.
John E. Hoffmann, Asst. Vice-Pres.	

CITY NATIONAL

Bank & Trust Company

ESTABLISHED 1913

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Pres. and Sec. Asst. Sec.

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Common Stock Changes

The State of Iowa Department of Banking announces the following changes in capital structure among Iowa state banks:

The Kerndt Brother Savings Bank at Lansing increased its common stock from \$30,000 to \$60,000 by payment of a stock dividend.

The Dallas County Savings Bank at Minburn increased its common stock from \$15,000 to \$30,000 by payment of a stock dividend.

Elected President

At a meeting of the board of directors of First State Bank of Churdan, Iowa, recently, Yates Allen was named president of the bank to succeed the late D. E. Whitney.

Mr. Allen has been with the First State for over forty-one years and had retired as active vice president and cashier a year ago last August. He has been an executive officer and director of the bank for over thirty years.

At the same meeting H. W. Reading and Fred O. Bauer, directors, were named as vice presidents.

C. C. Jacobsen

C. C. Jacobsen, 65, a banker for 32 years at Mapleton and Sioux City, Iowa, died at his home in Iowa City last month. After retiring from the banking business, he took charge of the regional Agricultural Credit Corporation at Sioux City, then for nine years was director of the RACC division of the Farm Credit Administration in Washington, D. C.

Mr. Jacobsen is a past president of the Iowa Bankers Association, was deputy superintendent of the state banking department at one time, and had been a member of the Iowa banking board.

Heads Fayette Bankers

Carl B. Schori, assistant cashier of the First National Bank of West Union, Iowa, was elected president of the Fayette County Bankers Association at the meeting in Fayette last month. Churchill T. Williams, vice president and cashier of the Oelwein State Bank, was named vice president and Herbert Colby, also of Oelwein, was elected secretary-treasurer.

President of C. of C.

Milton C. Barnett, cashier of the Guthrie County State Bank, Guthrie Center, Iowa, will serve as president of the Chamber of Commerce for the coming year, having been elected to that office last month. He will take the place of James Quegg, who has held the office of president the past year.

Elmer E. Kirkhart

Elmer E. Kirkhart, 58, manager of the Lorimor office of the Commercial State Bank of Afton, Iowa, died last month of a sudden heart attack suf-

fered while returning to his home from a trip in the country. He had been manager of the Lorimor office the past five years.

Lyon County President

Carl Schoening, cashier of the Lester State Bank, Lester, Iowa, was elected president of the Lyon County Bankers Association last month. John J. Porter, executive vice president and cashier of the Lyon County State Bank at Rock Rapids, is the new vice president and Hugo Ross, assistant cashier of the same bank, is the new secretary-treasurer.

Statement of Condition

December 31, 1948

ASSETS

Cash on Hand and on Deposit with Banks.....	\$ 8,190,507.67
United States Government Securities.....	10,856,567.27
Other Bonds and Securities.....	287,006.94
Loans and Discounts.....	7,558,050.89
Security National Bank Building, Vault and Fixtures	325,651.00
Federal Reserve Bank Stock.....	30,000.00
Other Assets	6,019.94
	<hr/>
	\$27,253,803.71

LIABILITIES

Capital	\$ 500,000.00
Surplus	500,000.00
Undivided Profits	142,115.35
Deposits	26,111,688.36
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	\$27,253,803.71

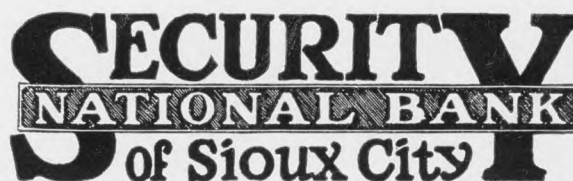
DIRECTORS

Paul Bekins
 Charles R. Gossett
 Harold A. Jacobsen
 Edward C. Palmer
 George L. Booth
 Otis P. Garrison
 Wm. W. MacFarlane
 George C. Pechstein
 Harry P. Pratt

OFFICERS

Charles R. Gossett, *President*
 B. M. Wheelock, *Vice President*
 Albert C. Eckert, *Vice President*
 Daniel B. Severson, *Vice President*
 R. Earl Brown, *Cashier*
 Robert W. Lewis, *Assistant Cashier*
 Frank H. Abel, *Assistant Cashier*
 Charles H. Walcott, *Assistant Cashier*
 Orville Boe, *Assistant Cashier*

Howard L. Johnson, *Vice President and Trust Officer*



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

New Cashier at Yale

Jay W. Hemphill, who has been associated with the Farmers State Bank at Yale, Iowa, for the last 23 years, more recently as assistant cashier, has been named cashier of that institution to succeed the late Guy E. Heater.

Charles H. Arthur

Charles H. Arthur, vice president and a director of the De Witt Bank and Trust Company, De Witt, Iowa, died last month.

Des Moines News

ALLEN WHITFIELD, prominent Des Moines attorney and a director of the Valley Bank and Trust Company, was elected president of the Des Moines Chamber of Commerce last month, succeeding **Richard R. Rollins**, investment counselor and a director of the Bankers Trust Company, Des Moines.

Winfield W. Scott, senior vice president of the Valley Bank and Trust Company, was re-elected vice president along with **E. E. McConney**, pres-

ident of Bankers Life Company. **E. T. Meredith, Jr.**, vice president, treasurer and general manager of Meredith Publishing Company, and a director of the Bankers Trust Company, is a newly-elected vice president. **Scott C. Pidgeon**, president of Bankers Trust Company, was re-elected treasurer.

Directors re-elected for three-year terms included **Harold P. Klein**, vice president of the Iowa-Des Moines National Bank. **E. F. Buckley**, president of the Central National Bank and Trust Company, was appointed to the board by the directors. Still serving on the board are **Herbert L. Horton**, president of the Iowa-Des Moines National Bank; **James W. Hubbell**, chairman of the board of Bankers Trust Company, and **Gardner Cowles**, a director of Iowa-Des Moines National Bank.

Rolfe O. Wagner, president of the Capital City State Bank, is the new president of the Des Moines Clearing House Association. **J. W. Hubbell**,



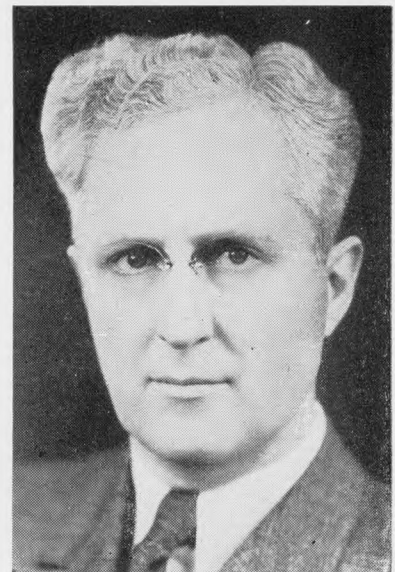
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Count in Your Favor
All Through the Year**

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Every minute lost costs money. Every minute saved means extra profit.

So let Commerce 24-hour Transit Service work to your advantage this year. Our complete day and night transit units eliminate any possible delay by immediately dispatching items direct to towns and cities throughout the U. S.—saving from one to three days on many of them.

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ROLFE O. WAGNER
Heads Des Moines Clearinghouse

chairman of the Bankers Trust Company, and **Herbert L. Horton**, president of the Iowa-Des Moines National Bank, were elected vice presidents. **Fred C. Atkins**, vice president and cashier at Bankers Trust Company, was re-elected secretary for the 10th year.

Members of the staff of the Iowa-Des Moines National Bank, their husbands and wives, a total of 308 persons, attended the bank's annual Christmas party at Younkers Tea Room last month during Christmas week.

Three new members of the 25-Year Club received watches. They are: **Albert J. Robertson**, vice president;

Commerce Trust Company

Capital Funds Exceed 22 Million Dollars
KANSAS CITY'S LARGEST BANK
Established 1865 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Louise Flory, secretary, and Richard B. Stubbins, teller.

Dancing and other entertainment followed the dinner and formal part of the program.

At the annual Christmas party for the staff of the Central National Bank and Trust Company last month, E. F. Buckley, president, presented watches to four men who had completed 20 years of service with the institution. The party was held at the Savery Hotel.

New members of the 20-year club honored at the affair were: Harold Winder, cashier; Cliff Larson, assistant cashier; Floyd Madden, head paying teller, and Arthur McClintic, auditor.

Sioux City News

THE Security National Bank entertained its directors and employes at the Warrior Hotel at a Christmas party last month. An exchange of gifts was held after dinner. A dramatic sketch and community singing were other features of the program. President C. R. Gossett was host and Cashier R. E. Brown presided as toastmaster.

Executives and employes of the Toy National Bank, the Farmers Loan and Trust Company and affiliated banks at Anthon, Alta, Marcus and Remsen attended a Christmas party at the Mayfair Hotel. Conrad Aronson, assistant cashier of the Toy bank, was toastmaster, and R. R. Brubacher, president, extended greetings. Program features included music by East High School pupils, a skit and interviews with Santa Claus.

Santa Claus distributed gifts to executives and employes of the Live Stock National Bank after a dinner at the Jackson Hotel. Malcolm Erickson, paying teller, was toastmaster for the dinner program. C. L. Fredricksen,

president, welcomed the group. Among those present were G. F. Silkknitter, D. A. Noble, C. R. McKenna and B. L. Sifford, members of the board of directors.

Mr. and Mrs. Carl Fredricksen recently returned from a three weeks' trip to Hollywood Beach, Florida, where they were attending the annual meeting of the Financial Advertisers Association. They also took a side trip to Havana.

Employes and executives of the Woodbury County Savings Bank at-

tended a Christmas dinner at the Jackson Hotel. M. C. Eidsmoe, president, welcomed those attending. Chairman of the program was A. D. Blendenman, assistant cashier. Lawrence Oemig was in charge of the entertainment committee. Mrs. Margaret Baxter led singing of Christmas carols and dancing occupied the later hours after gifts were exchanged.

Me, Too!

Arithmetic Teacher: Jimmy, if you had \$2 in one pocket and \$3 in another, what would you have?

Jimmy: Somebody else's pants on.

UNION BANK AND TRUST CO.

OTTUMWA, IOWA

Member of Federal Reserve System

Statement of Condition as of December 31, 1948

RESOURCES

Loans and Discounts.....	\$ 4,834,541.96
Bank Building	89,000.00
Furniture and Fixtures.....	25,738.65
Stock in Federal Reserve Bank.....	30,000.00
Overdrafts	2,812.38
U. S. Bonds.....	\$4,084,038.64
U. S. Agency Bonds.....	400,189.71
Municipal Bonds	1,765,501.85
Other Marketable Bonds.....	268,748.97
Cash and Exchange.....	4,000,283.91
	<u>10,518,763.08</u>
	\$15,500,856.07

LIABILITIES

Capital	\$ 300,000.00
Surplus	700,000.00
Undivided Profits	174,909.42
Dividend Payable January 3, 1949.....	15,000.00
Deposits	14,310,946.65
	<u>\$15,500,856.07</u>

DIRECTORS

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S. S. BARKER
C. C. COUPLAND
C. P. GLENN
MERRILL GILMORE
T. J. MADDEN

C. G. MERRILL
H. L. POLING
H. L. POLLARD
N. F. REED
FRANK VON SCHRADER
MAX VON SCHRADER

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J. C. BLACKFORD, Vice President
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C. G. MERRILL, V. P. and Trust Officer
W. C. MILLER, Assistant Cashier
GEORGE HALLER, Assistant Cashier

Southern Iowa's Largest Bank

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**OMAHA — DES MOINES
 DAVENPORT**

Annual Christmas Party



The above picture was taken at the annual Christmas party of the **Live Stock National Bank of Sioux City, Iowa**. Directors, officers and members of the staff attended the yearly holiday affair at the Jackson Hotel at which time that venerable old gent, Santa Claus, made an appearance after dinner to distribute gifts to those present.

Hard Times Tokens Born Of Earlier Depression

ONE hundred and ten years ago times were so hard that the nation's coin disappeared into the proverbial sock. This financial panic during the presidency of Andrew Jackson resulted in a veritable flood of private coined tokens.

These tokens were issued by indi-

viduals who wished to supply the country with the much needed small change, and also to state publicly their personal political opinions.

Many of these tokens are still in existence and among collectors they are known as "hard times tokens" or "Jackson cents." There are several hundred varieties, mostly struck in copper and about the size of our 25 cent piece. They were issued from 1837 to 1841.

The inscriptions they bear are prob-

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Business
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KOCH
BROTHERS
FOURTH and GRAND
DES MOINES

ably the most satirical and slanderous ever placed on coins. On many tokens bitter political propaganda was accompanied by pictures of pigs, mules, and turtles, to symbolize the issuer's opinion of the opposite party. Others bear pointed references to the currency question which was then a political football.

Today these necessity tokens are popular among collectors. Although there are many rare varieties, a fairly comprehensive collection can be formed by the collector of moderate means.—By Stuart Mosher, Editor of *The Numismatist*.

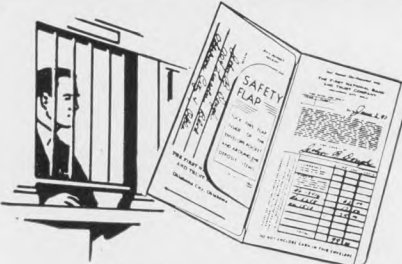
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421 NINTH STEET
DES MOINES

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mark, . . . exclusive patented
flap protects contents.*

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St. Louis 10, Mo.
Des Moines 14, Iowa
Kansas City 8, Mo.

NATIONAL BANK OF BURLINGTON

BURLINGTON, IOWA

Statement of Condition, December 31, 1948

ASSETS	LIABILITIES
Cash and Due from Banks.....\$ 3,008,250.66	Capital Stock\$ 200,000.00
U. S. Government Securities... 2,765,046.43	Surplus 300,000.00
State, County and Municipal Bonds 1,544,241.10	Undivided Profits 182,083.76
Other Bonds 545,649.51	Reserves 45,690.10
Loans and Discounts..... 3,160,357.95	Interest Collected but Not Earned 16,125.15
Overdrafts 1,032.75	Deposits 10,359,820.14
Stock in Federal Reserve Bank Bank Building 36,504.00	
Furniture and Fixtures..... 27,316.85	
Other Assets 319.90	
Total\$11,103,719.15	Total\$11,103,719.15

John H. Witte, Jr., President
Vincent P. Cullen, Executive Vice President

Thomas L. Dyer, Cashier
F. J. Norton, R. K. Pearson, E. L. Hausknecht,
Asst. Cashiers.

Member Federal Deposit Insurance Corporation

CHEMICAL BANK & TRUST COMPANY

Founded 1824

165 Broadway, New York

CONDENSED STATEMENT OF CONDITION

At the close of business, December 31, 1948

ASSETS

Cash and Due from Banks.....	\$ 487,514,146.62
U. S. Government Obligations.....	415,567,186.28
State, Municipal and Public Securities	93,176,481.95
Other Bonds and Investments.....	4,728,361.77
Loans and Discounts.....	560,799,245.74
Banking Houses.....	522,259.85
Other Real Estate.....	2,231,316.17
Credits Granted on Acceptances.....	15,099,478.07
Accrued Interest and Accounts Receivable.....	3,110,818.40
Other Assets.....	975,161.35
	\$1,583,724,456.20

LIABILITIES

Capital Stock.....	\$25,000,000.00
Surplus.....	75,000,000.00
Undivided Profits.....	10,727,058.94
Reserve for Contingencies.....	4,098,963.18
Reserves for Taxes, Expenses, etc.....	2,866,416.56
Dividend Payable January 3, 1949.....	1,125,000.00
Acceptances Outstanding \$19,559,894.46 (Less own acceptances held in portfolio).....	2,887,408.78
Other Liabilities.....	13,044,140.29
Deposits.....	1,435,190,391.55
	\$1,583,724,456.20

*Securities carried at \$49,240,837.48 in the foregoing
statement are deposited to secure public funds
and for other purposes required by law.*

Charter Member New York Clearing House Association
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American Trust & Savings Bank

DUBUQUE, IOWA

Organized 1905 Incorporated 1912

STATEMENT OF CONDITION, DECEMBER 31, 1948

RESOURCES		LIABILITIES	
Cash and Due from Banks.....	\$ 5,119,380.82	Capital Stock	\$ 250,000.00
U. S. Government Bonds.....	9,948,926.09	Surplus	350,000.00
Federal Reserve Bank Stock.....	18,000.00	Undivided Profits	194,886.14
State, County and Municipal Bonds	815,868.72	Reserves	125,000.00
Corporate Bonds	95,705.02	Deposits:	
Loans and Discounts.....	4,292,147.05	Demand	\$10,456,583.52
Overdrafts	348.11	Time	8,605,011.00
Bank Building	50,000.00	U. S. Gov.	
Other Assets	65.78	War Loan	
		Acct.	358,960.93
	\$20,340,441.59		19,420,555.45
			\$20,340,441.59

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MANSON, IOWA



In the DIRECTOR'S ROOM



No Comment

"What shall I say about the two peroxide blondes who made such a fuss at the game last night?"

Editor: "Why, just say the bleachers went wild."

Oh You Fussbudget!

"I should be very happy, because I'm married to the type of girl I wanted.

"She is a marvel of physical perfection. We have been married three years and never once have I seen her hair disarranged or her gown untidy. Her hands are ever white and smooth. Marvelously manicured nails gleam when she extends her fingertips in greeting. Her teeth are rows of white pearls. Her complexion would shame any school girl. She's wonderful! Her immaculate appearance is a source of never-ending joy to me.

"But I'm getting tired of eating in restaurants!"

Naturally Not

A woman arrived for the wedding late. As she came rushing up to the door, an usher approached her for her invitation.

"I have none," she snapped.

"Are you a friend of the groom?" asked the usher.

"Certainly not!" the woman replied. "I'm the bride's mother."

How About Douse?

If more than one mouse is mice,
And more than one louse is lice,
Then you must agree,
Obviously,
That more than one spouse is spice.

Just in Passing

Which reminds us of an appropriate typographical error committed by an insurance trade journal in a "Barometer of Coverages":

Ordinary Life—Excellent;
Term—Fair;
Annuities—oGod.

In the DIRECTOR'S ROOM

The Very Idea

"Mary," admonished the mother who objected to her daughter's tomboyish antics, "don't you think you are getting too big to play with boys?"

"Oh, no, Mother!" exclaimed the daughter frankly. "The bigger I get the better I like 'em!"

Candor

Surgeon: Here is my bill. I wish you would pay \$100 down and \$25 per week.

Patient: Sounds like buying an automobile.

Surgeon: I am.

Salesmanship?

Uncle: Have you a dime bank, Willie?

Willie: No, but I have a billfold.

The Best Teacher

"What takes a lot of experience?"

"For a girl to kiss like a beginner."

Christmas Casualty

"There you are, my dear," the bride announced, "my first turkey." She proudly placed the steaming bird on the dinner table.

"It looks wonderful, darling!" her husband responded. "What did you stuff it with?"

"Stuff it?" exclaimed the bride. "Why, dear, this one wasn't hollow!"

College Education

You learn more and more about less and less till finally you know everything about nothing.

Fancy Names

Witness: He said that you were a sculptor but that you should wash more often.

Attorney: Give me his exact words.

Witness: Well, he said that you were a dirty chiseler.

Then Bury It!

Young Husband: This pie is burnt. I'd send it back to the bakery.

Young Wife: I didn't buy it. It's my own cremation.

Mixed Feelings

"Yes, I broke my engagement. My feelings are changed completely from what they were when I accepted him."

"But why do you still wear the ring?"

"Oh, my feelings toward the ring are just the same."

Wrong Direction

Little Old Lady (poking driver with umbrella): Is that the First National Bank?

Bus Driver: No, ma'am. That's my stomach.

Quick-Change

Little Girl (whispering to mother at wedding): Did the lady change her mind?

Mother: Why, no, dear. Why do you ask?

Little Girl: 'Cause she went up the aisle with one man and came down with another.

Identification

One Lawyer (to another during a trial): And so are you a liar.

Judge: And now if these gentlemen are through identifying each other, we'll proceed with the case.

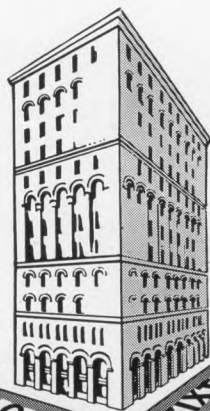
Company

A thirsty man wandered into the bar and ordered a dry Martini cocktail. He drank it with relish, and remarked that it was the best he had ever tasted. The bartender whipped up another, and the customer declared it was even better than the first.

"Such genius deserves reward," he said, swaying slightly. He reached into his pocket and produced a live lobster. "Here! Take this with my compliments," he said.

The bartender held the lobster gingerly at arm's length. "Thanks," he said dubiously, "I suppose I can take it home for dinner."

"No, no," objected the customer "he's already had his dinner. Take him to a movie."



ON LOCUST AT SIXTH

BANKERS TRUST COMPANY

Des Moines • Iowa



STATEMENT OF CONDITION

December 31, 1948

RESOURCES

Loans and Discounts	\$15,654,887.04
Other Securities	509,001.00
Municipal Bonds	1,314,382.90
Stock in Federal Reserve Bank	60,000.00
Furniture and Fixtures	108,789.00
U. S. Government Bonds \$27,979,562.77	
Cash and Exchange . 16,589,552.75	44,569,115.52
Customers' Liability on Letters of Credit and Trade Acceptances . . .	5,750.00
	<u>\$62,221,925.46</u>

LIABILITIES

Capital (Common Stock)	\$ 1,000,000.00
Surplus	1,000,000.00
Undivided Profits	1,000,000.00
Reserve for Contingencies	1,000,000.00
Other Reserves	104,919.30
Reserve for Taxes and Interest	124,879.34
Deposits	57,986,376.82
Bank's Liability on Letters of Credit and Trade Acceptances	5,750.00
	<u>\$62,221,925.46</u>



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President, The Flynn Dairy Co.

THOS. A. BURCHAM, M.D.
Radiologist

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WM. ELLISON
Vice President

S. G. BARNARD
Assistant Secretary

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STATEMENT OF CONDITION

As of December 31, 1948

RESOURCES

Cash and Due from Banks	\$ 39,107,176.94
*U. S. Government Securities	45,185,594.82
State, County and Municipal Securities	3,468,957.82
Federal Reserve Bank Stock	150,000.00
Other Bonds and Securities	1,241,555.06
Loans and Discounts	24,785,674.27
Interest Earned but Not Collected	268,614.15
Bank Premises	933,500.00
Furniture, Fixtures and Vaults	1.00
Overdrafts	46.72
Customers Liability on Letters of Credit and Acceptances	31,852.13
	<u>\$115,172,972.91</u>

LIABILITIES

Capital Stock—Common	\$ 2,500,000.00
Surplus	2,500,000.00
Undivided Profits	692,175.04
General Reserves	272,000.00
	<u>\$ 5,964,175.04</u>
Reserve for Interest, Taxes & Other Expenses	201,275.35
Interest Collected but Not Earned	113,807.04
Bank Liability on Letters of Credit and Acceptances	31,852.13
Deposits	108,861,863.35
	<u>\$115,172,972.91</u>

*\$10,457,361.71 U. S. Government Securities Pledged to Secure Public Funds, Trust Department Funds and War Loan Deposit Account.

A Strong, Dependable Correspondent Connection

IOWA-DES MOINES NATIONAL BANK

Member Federal Deposit Insurance Corporation