

NORTHWESTERN *Banker*

MARCH
1949



Annual Bond
and Investment
Survey—Page 30

NATIONAL FARM INSTITUTE SPEAKERS—Page 11

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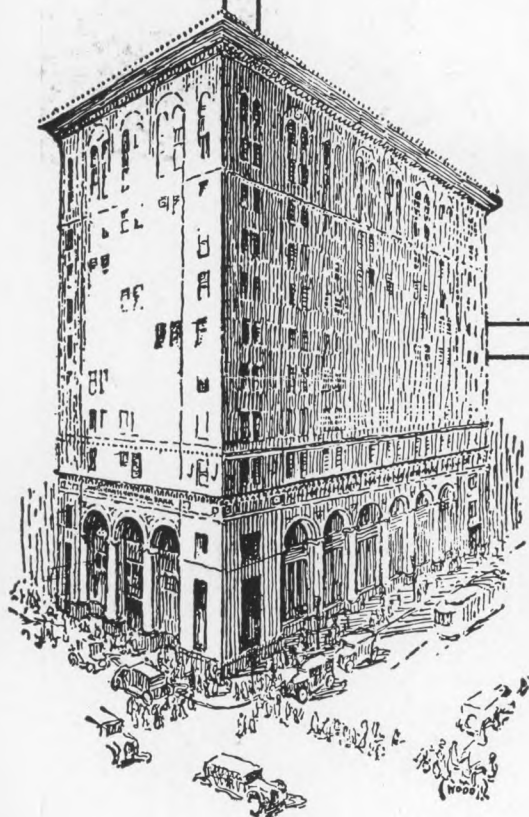
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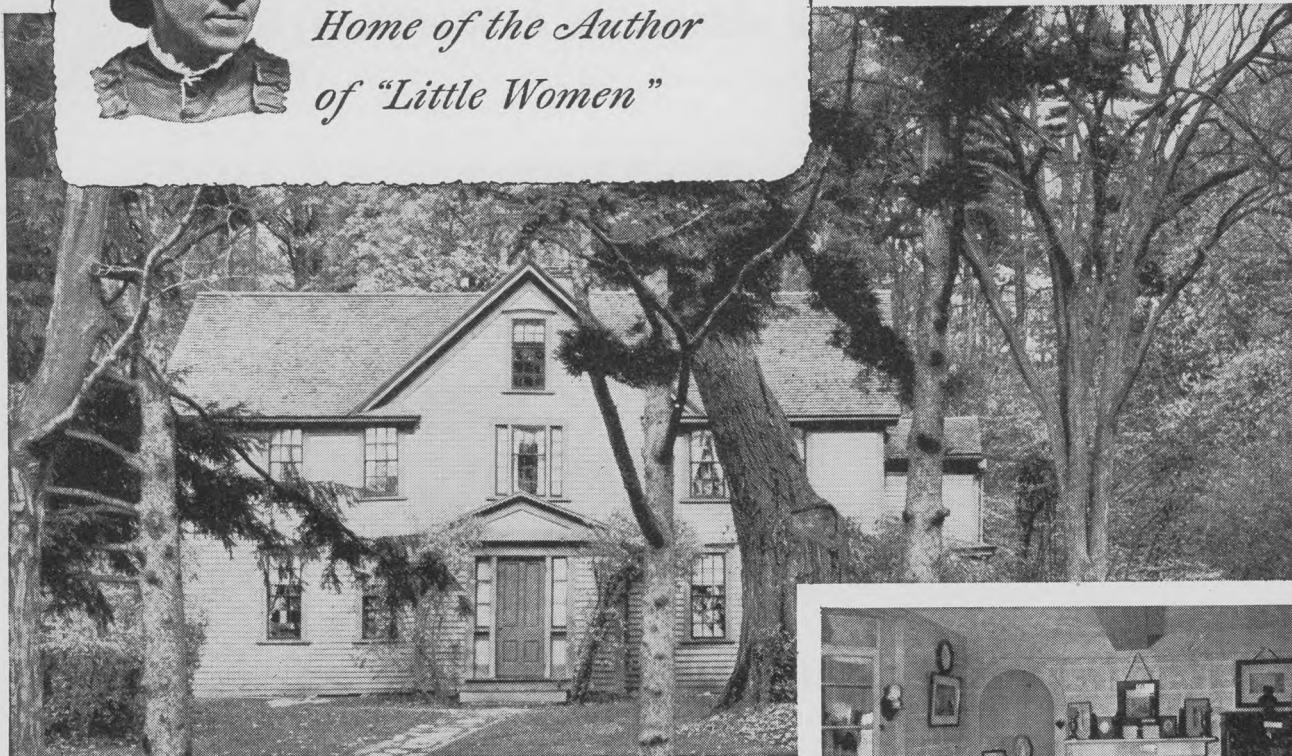
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Orchard House

*Home of the Author
of "Little Women"*

Famous American Homes



"THE FIRST golden egg of the ugly duckling," wrote Louisa May Alcott after the publication of "Little Women" which brought fame and prosperity after lean years of believing herself a failure. Yet the publisher was disappointed in the manuscript and inclined to reject it. Fortunately, he sought the opinions of some young friends and their enthusiastic reaction convinced him of its appeal.

As every reader knows, "Little Women" is based on the early home life of the four Alcott sisters and through the tomboy Jo, Louisa herself is revealed. Though the author spared no unflattering details, Jo with all her faults emerges as the strongest and most endearing character.

Louisa, the second of the four daughters,

was born in 1832 in Germantown, Pennsylvania, where her father conducted a school. A man of culture and advanced educational ideas, Bronson Alcott was nevertheless an impractical dreamer who had difficulty making an adequate living.

After many moves, in 1857 the Alcotts bought Orchard House in Concord, Massachusetts, which remained their home for twenty-five years. Built about 1650 and one of the oldest in Concord, the house was so dilapidated that its former owner had thought it fit only for firewood. But he did not know the resourceful Alcotts who energetically set to work and made the old wreck habitable. Some of the decorations made by May (Amy in "Little Women") still remain.

Under the spur of necessity the ambitious Louisa began writing at an early age, but her stories netted very little and failed to meet her own critical standards. With "Little Women," which was written at Orchard House and published when she was 36, she not only became successful in the eyes of the public but had the satisfaction of feeling that she had hit her stride. Characteristically, she rejoiced most in being able at last to install a furnace



The library in Orchard House

in Orchard House and provide her family with many other necessities and comforts. Her dominant love and protective instinct were constantly directed toward her family. This single-minded devotion was probably why she never married.

Orchard House is now maintained by the Louisa M. Alcott Memorial Association. Through the help of relatives and friends it has the same appearance and much of the same furniture as in the days when the Alcott family made it their home.

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View of parlor. Note "sausage pillow" mentioned in "Little Women"

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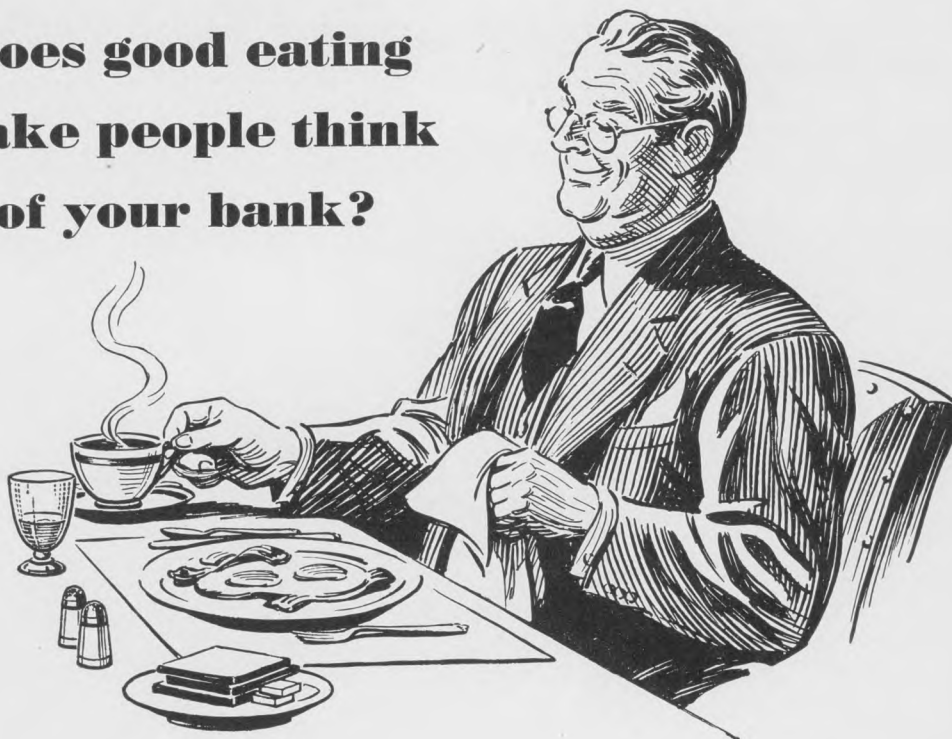
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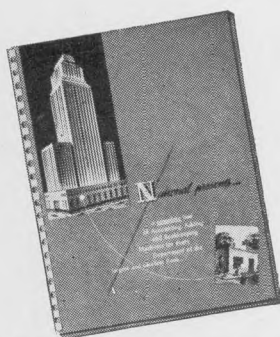
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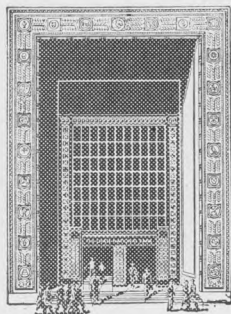


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Why bankers use the



in Chicago

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Independent Bankers To Convene

Members of the Independent Bankers Association have planned a Spring Tonic Trip to Biloxi, Mississippi, which, including the time aboard trains going and returning and the time spent in the deep south, will consume about ten days. The time spent in Biloxi will be on March 20th, 21st and 22nd. Following this there will be three more days, or the balance of that week, when the bankers and their wives will visit in and near New Orleans. There is no special program planned for any of the time the visitors are in the south. While many sight-seeing trips are available, it is a time for relaxation and fun.

Charles C. Rieger, vice president of the Marquette National Bank, Minneapolis, is chairman of the transportation committee for the trip beginning in the Twin Cities. It is planned to pick up passengers all the way to St. Louis as the train progresses south across the middlewest.

Detroit Meeting

Twelve projects of immediate value and importance will be on the table for discussion when the Financial Public Relations Association's extension committee holds its annual meeting March 13-14, 1949, at the Statler Hotel in Detroit, Michigan. Chairman of the committee, Howard C. DeMelt, vice president, Syracuse, New York, Trust Company, assisted by Vice Chairman Charles J. Miller, executive vice president, First National Bank, Meadville, Pennsylvania, will have a board of fourteen experts to discuss subjects ranging from the education of children to the increased costs of advertising. Each subject will be presented in a short speech by one or two of the committee members and will then be thrown open for discussion at large.

ON THE COVER

Taking for its theme "American Agriculture in World Affairs", the National Farm Institute held its eleventh annual meeting in Des Moines last month. The Institute was sponsored by the Agricultural Department of the Des Moines Chamber of Commerce.

Pictured on the cover are **Wilfred J. Hinton** (left), of the Institute of Banking, London, England, and **Lee Allbaugh**, economist of The Rockefeller Foundation, New York City. Mr. Hinton spoke on the subject, "Europe's Contribution to World Recovery," and Mr. Allbaugh took part in a panel discussion of "The Dollar Shortage and What Is Back of It."

NORTHWESTERN Banker DES MOINES

Oldest Financial Journal West of the Mississippi • 54th Year • No. 740

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NORTHWESTERN BANKER

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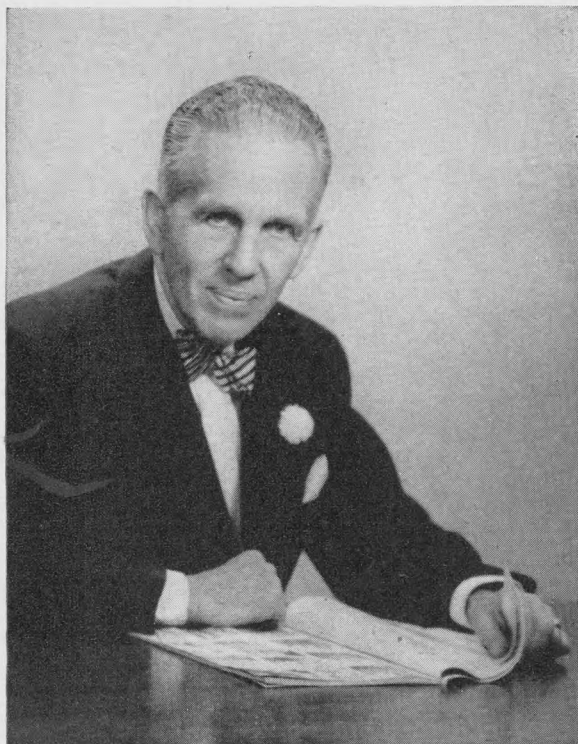
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Northwestern Banker, March, 1949



Across the Desk From the Publisher

Dear William N. Enstrom:

President, Irving Trust Company, New York

Congratulations on putting "human interest" into your bank statement at the end of the year.

The NORTHWESTERN BANKER believes there is more human interest in a "bank book" than any book in the world, and human interest is certainly reflected in the sum total of all the transactions represented by a bank statement.

We enjoyed reading "Circus elephants and Indian mahouts might never make you think of a bank. Yet they furnish one of many interesting behind-the-scene stories in this year-end statement. Thousands of Letters of Credit are issued by our Foreign Division each year to cover imports you use every day. One, however, instructed us to pay a dealer in Ceylon for two female elephants—if they arrived here 'sound of sight and limb.' The accompanying mahout, furthermore, was to receive his three months' salary.

"There's a college education in this statement, too. It's only a small Thrift Account now, to be sure, but a young father intends it to grow to see his son through college, class of '63. And a personal loan recently received by the 'Thompson' family was far more important to them than one of the multi-million dollar commercial loans. It

financed a critically-needed operation on their young son.

"As Irving Trust Company enters its 98th year, we continue to broaden our usefulness to business, the community at large, and you."

That's what we call good copy, good advertising and plenty of "Human Interest."

Dear Melvin F. Lanphar:

President Lanphar & Co., Detroit Mortgage Bankers

According to some authorities, you have handled more mortgages through your organization than any single individual in the United States and therefore you should speak with authority on this subject.

In your remarks you said, "Our policy is this. We will make every good loan that should be made in our trade territory, if the borrower is a good borrower and if he can show reasonable ability to repay it. Before we do that we have a preliminary inspection report wherein one of the officers inspects the property. If it passes muster, then we take a formal application, get a credit report, photographs, an appraisal by a qualified fee appraiser, a real one, not a horseback or Paul Revere, but a real appraisal, title insurance and survey. And why do we do that? Because we want every mortgage in our bank in such shape that it can be sold without any 'beefs.'"

"Now if country banks will make their mortgages so they can be sold, they will never get frozen up or get to where they can't make loans. Our loans are made on 5, 8 or 10-year monthly payment basis, fully amortized, mostly 6 per cent (some 5 per cent and 5½ per cent, but mostly 6 per cent).

"In 1949 there is going to be a billion dollars worth of Defense Bonds that are going to mature. You ought to get that money because the more savings you have, the more mortgages you can make, and the more mortgages the more good you can be to your community and, consequently, the more profit. Don't ever get out of the mortgage market."

In discussing our "tremendous mortgage debt," John Lintner, writing in the *Harvard Business Review*, presents some of the less favorable views of our present mortgage situation, but also believes that even if we should have a depression, that "losses on current portfolios will be lower" because of the lessons which lenders have learned from previous experience.

Mr. Lintner discusses the question this way:

"(1) The large proportion of existing mortgage portfolios put on the books within the last three years gives cause for concern. . . . The

volume of new mortgage loans made during the three years from mid-1945 through mid-1948 amounted to 50 per cent more than the total amount of such loans outstanding on V-J Day, whereas the new loans made in the three years 1927-1929 amounted to only 10 per cent more than the loans outstanding at the end of 1926. . . .

"(2) It is significant that in recent years an increasing proportion of uninsured mortgage loans are being made at from 75 per cent to 80 per cent of the current appraised value. In contrast, during the 1920's lender other than building and loan associations were limited by law to no more than 60 per cent to 66 $\frac{2}{3}$ per cent of appraised value. . . .

"On the other hand, there have been many changes in mortgage lending practices and policies since the 1920's which should serve to reduce substantially the relative rates of losses taken on current mortgage portfolios even if another depression should prove to be as severe as the last.

"Much of the existing residential mortgage debt is guaranteed by the Federal Government, through the Federal Housing Administration and the Veterans Administration. . . . Nevertheless, it is significant that both these forms of federal support cover less than one-third of the residential debt outstanding and only a minor fraction of commercial mortgages. . . .

"Finally, there is reason to believe that the losses on current portfolios will be lower even in the event of a severe depression because of the lessons which lenders themselves have learned from their previous costly experience. . . .

"If, on the other hand, as seems probable to the author, any general business depression within the foreseeable future is most unlikely to be as severe as that of the 1930's, mortgage losses are likely to be even more manageable, and the yield correspondingly greater."

We agree, Mr. Lanphar, that bankers should "stay in the mortgage business," but to do so they should at all times make conservative loans based on sound appraisals.

Dear Sumner H. Slichter:

Chairman, Research and Policy Committee of C.E.D.

Your committee made a real contribution to the economic welfare of the United States, when you prepared your statement on "Monetary and Fiscal Policy for Greater Economic Stability."

One of the important statements you made had to do with the Federal Reserve and whether it

should or should not support the government bond market.

Your report put it this way, "The Federal Reserve is now supporting the prices of the longer-term government bonds at levels slightly above par. The Committee recognized the serious considerations underlying this support policy. However, the current support of government bond prices has inflationary effects. The ability of the Federal Reserve to offset these effects is not unlimited, and under some conditions could be quickly exhausted. Accordingly, in its decisions on the purchase and sale of government bonds, the Federal Reserve should act on the basis of its judgment from time to time as to the effect of such action on the economy as a whole. **It should accept continuing responsibility for the maintenance of an orderly government bond market.**

"It should also give due consideration to requirements arising out of unsettled international relations. However, the Federal Reserve should feel free to reduce the support level unless it finds a superior alternative way of bringing about a monetary restriction if and when that is required by the objective of economic stability."

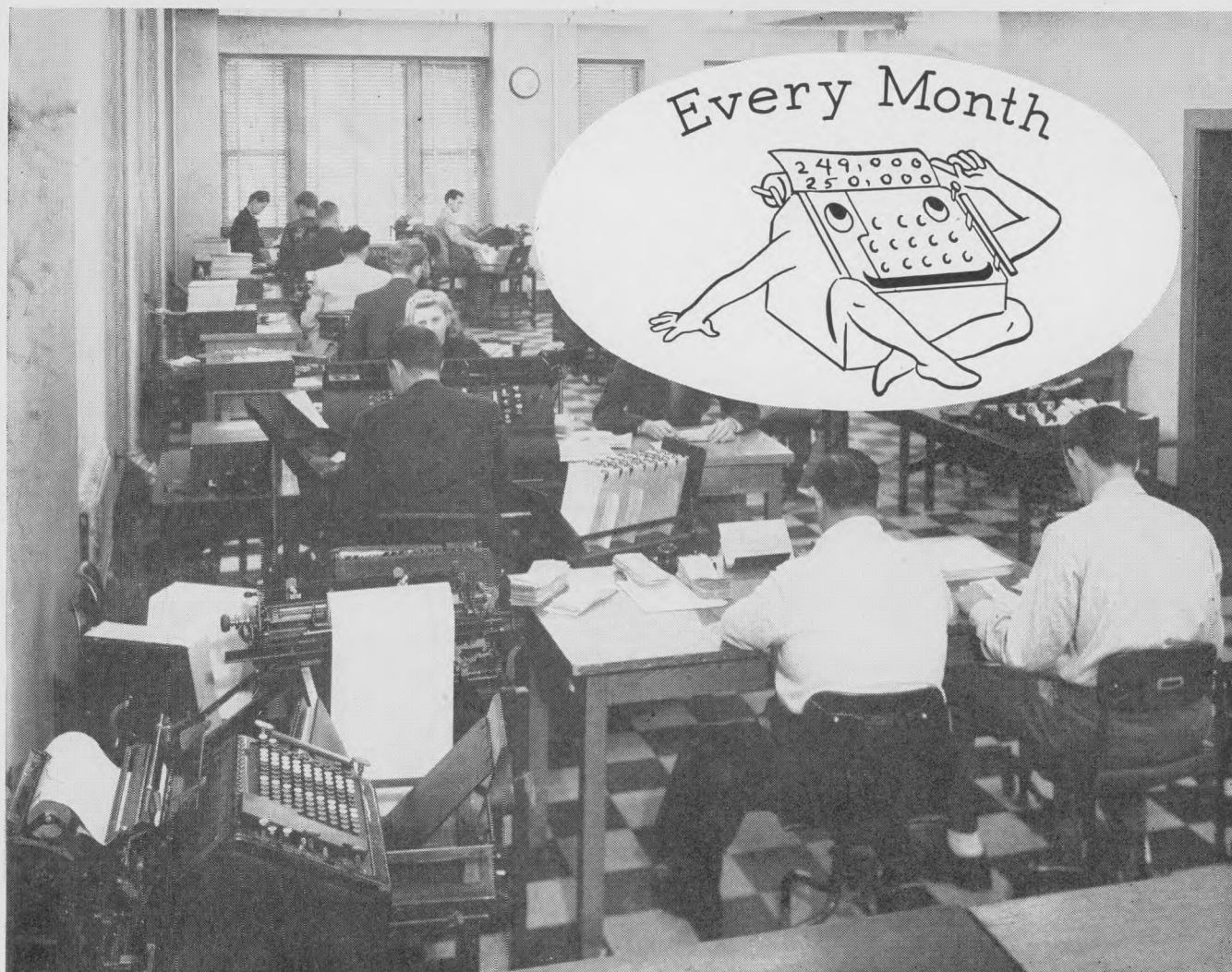
In the opinion of the NORTHWESTERN BANKER, the most important sentence in the above statement is "It should accept continuing responsibility for the maintenance of an orderly government bond market."

With a national debt of over 250 billion dollars, a grave responsibility rests upon the government and in turn on the Federal Reserve system if we are to prevent a serious drop in government bonds. We realize there are some who believe that they should be pegged at a certain level and it would be better for the economy as a whole, but we are quite sure that if the government bond market should have a long and protracted downswing, that the national economy would be affected much more adversely than would be the case by having a supported government bond market by the Federal Reserve system.

However, your statement leaves it to the Federal Reserve board to make their decision whether they should or should not support the market and we believe that your Committee was wise in that respect, but it is our feeling that the government bond market should not be allowed to get "too far out of line" either up or down.

Clifford DePuy

Northwestern Banker, March, 1949



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It is in the General Bookkeeping Department that the checks of customers are posted in the individual ledgers. As in all Departments—the General Bookkeeping Department is equipped with modern equipment and a well trained personnel.

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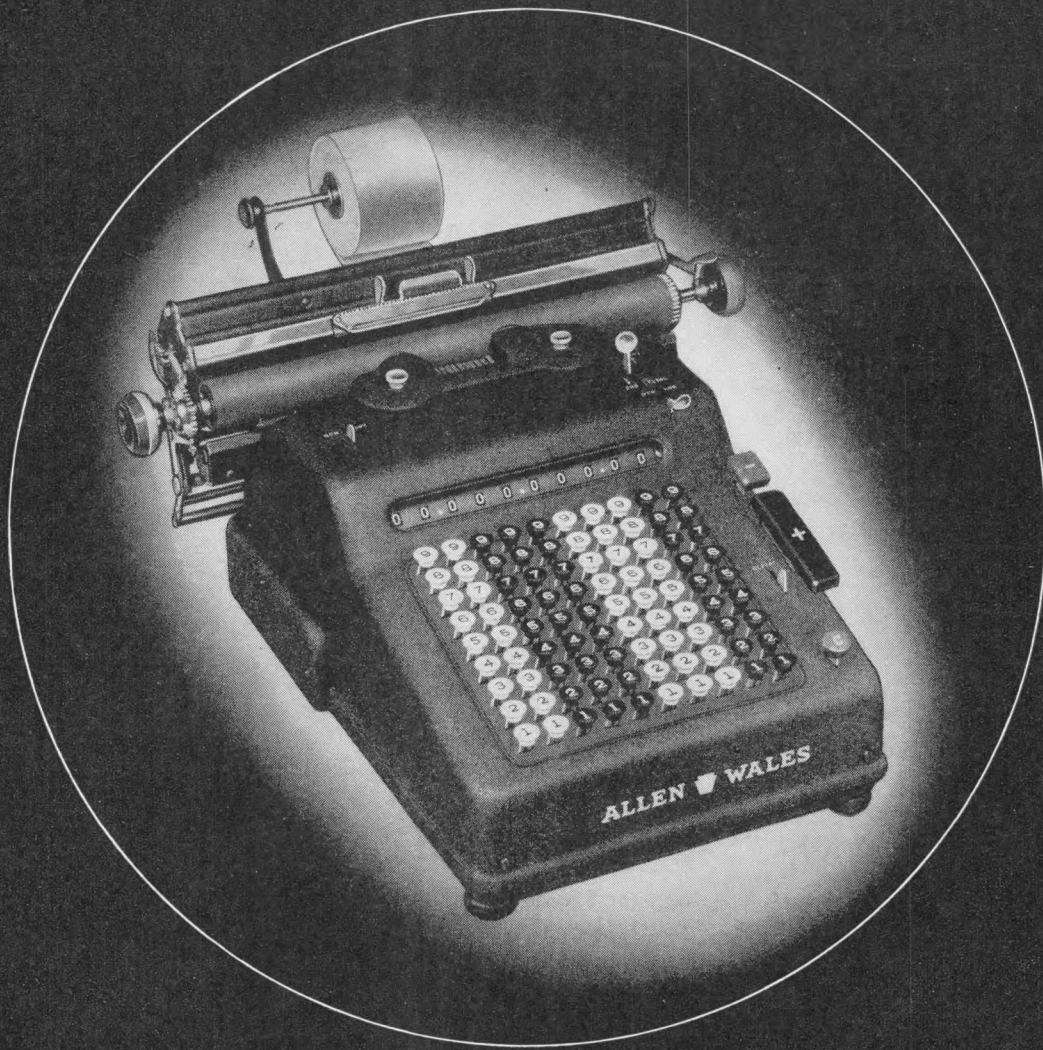
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Northwestern Banker, March, 1949



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6 Agricultural Problems Facing Bankers Today

Proper Planning for the Future Requires Review and Possible Revision of Farm Loan Policies

By HARRY M. SWANZEY
Cashier, First National Bank
Joliet, Illinois



HARRY M. SWANZEY

OVER the past several years the agricultural problems to face the banker have been few in number and of little magnitude. Assurance of the four fundamentals of lending—character, capacity, credit and collateral—has just about eliminated any possible trouble. We have had continuous good times, with a steady increase in commodity prices and with very few breaks except those of a seasonable nature. Net returns on farms have been good, even with high costs.

I am afraid that there is a tendency by too many of us to look at present conditions only, and through rose-colored glasses. We have not projected far enough into the future, which we must do if we are to keep our agricultural lending structure on a sound basis. If we do not do this, problems that are sure to develop will be many.

Six Major Problems

Our problems now, in my opinion, are:

1. Continued high commodity prices. There is bound to be a break.
2. Overexpansion. A large number of our farmers are young and have not been through a severe break, such as 1920 and 1921.
3. Optimism. The farmer is a natural optimist and wants to take advantage of the last bulge.
4. Over-production. With high prices, there is a tendency to push the soil to the limit with too little attention paid to soil conservation and land use.
5. Over-confidence on our part. We may be inclined to say, "Yes," without proper analysis, to our customers with whom we have had a continued and good experience. I believe this may be particularly true in unsecured lines.
6. General trends and inflation. The Federal government has attempted to curb inflation by increasing reserves, but with the Federal Reserve Banks supporting govern-

ment bond prices, I wonder if that measure will be effective. Banks will continue to make loans if they believe them to be sound and will, therefore, have to sell governments. The result is obvious.

Let us look at these problems and how they affect agricultural lending and the different types of loans, with some discussion on how to avoid them.

Character

I think first and utmost to be considered is the man. An honest man capable operator is the most important factor. Without this, your problems would be many and tangible collateral of little value. Every precaution should be taken to know to whom you are extending the credit. A financial statement, accurately taken, will give you a pretty good picture of the applicant's position. Inquiries should be made and, on new applicants, every available source of information should be used in checking on character and ability.

Purpose of Loan

Next in importance is the purpose of the loan, and purposes are sundry and many. It is important that first consideration be given to such purposes as will do the farmer the most good. The most common is known as the "general purpose" loan. Operating expenses must be considered first and, if there is room for additional credit, capital purposes and unnecessary expenditures can be considered. In loans of this nature, careful study

must be given to the production capacity of the farm, management ability of the farmer and cost of operation. Right here, it seems to me, is the place to determine whether or not there is overexpansion, such as the purchase of too much high-priced equipment and consumer goods, or improvement to the buildings. There must be assurance of sufficient income to meet operating costs and repayment of the loan before other purposes are considered. If there is not sufficient current income to meet operating and living costs, they will have to be provided for in the loan.

Dairy Loans

Most dairy loans are capital in nature, in that quite often they are for the replacement of cows. Here, too, caution against over-expansion should be exercised. Cows are high in price, and the present level of milk prices may decline. Income on dairy farms is constant, coming monthly from the milk check, and it should not be necessary to lend for operating expenses except possibly when seasonably heavy-

Crop Production Loans

It would seem that over-production would be the greatest problem to face us in crop production loans. It is quite possible that the problem is here right now. We have a much lower price level on grains than last year, but an abundant crop as against a short crop, so that there may not be too much difference in net returns. However, has the land been pushed too hard, and not enough attention paid to crop rotation and soil conservation? Always in crop production loans, first consideration must be given to operating expenses. Income
(Turn to page 50, please)

Six Problems

1. Continued high commodity prices.
2. Overexpansion.
3. Optimism
4. Overproduction.
5. Overconfidence.
6. General trends and inflation.

News and Views

OF THE BANKING WORLD

By RALPH W. MOORHEAD, Associate Publisher

THE Old Timers Club is the name of a group in the Minneapolis-Moline Power Implement Company of Minneapolis which has 810 members. They are officers and employees who have been with the company more than 20 years.

They held a big dinner recently at the Hotel Radisson in Minneapolis, attended by 1,130 employees and officers.

In the Old Timers Club, 22 have been with the company 50 years or more and 174 have been there 35 years or more. Their president, **W. C. MacFarlane**, is a member of the club.

One of the largest schools in the country, in the point of enrollment, is the American Institute of Banking, according to the report given at the mid-winter meeting of the A.I.B. executive council at Houston. Thirty-five thousand students are now enrolled in the Institute and it has 84,000 members. "An experienced and educated staff is just as valuable an asset as the bonds and loans held by banks," said **Pierre N. Hauser**, vice president, the First Wisconsin National Bank, Milwaukee, who is A.I.B. president this year.

The Institute is shooting for 100,000 members by the time the 50th convention is held in Minneapolis in June 1950.

Eleven cents of every dollar paid

out by an individual or corporation in taxes are spent for European Aid.

The authority for this is **A. M. Strong**, vice president, American National Bank of Chicago, who also says, "While we in Chicago and the midwest contribute a substantial share of the Aid funds, we are not sharing in the benefits of the program in the same proportion as other sections of the country." He feels that nations which receive American Aid should be requested to distribute their business equally throughout the United States.

Gordon Malen, assistant advertising manager, the First National Bank of Minneapolis, is now president of the Twin Cities Financial Public Relations Association.

Gordon was formerly a newspaper man in the Twin Cities and during the war he served in the FBI.

A great many people may not know that the Central Hanover Bank and Trust Company of New York has for 20 years maintained a Department of Philanthropic Information.

During this time, the bank has developed one of the most comprehensive libraries in the world to assist benefactors in wise public giving.

Charles N. Wonacott, for 17 years treasurer of the Board of National Missions of the Presbyterian Church, has become associated with the Central



CHARLES N. WONACOTT
Consultant

Hanover as consultant in the field of philanthropy. He is a middlewesterner, born in Missouri, and was in business on the west coast for a number of years.

Louis W. Fischer, vice president, American National Bank and Trust Company of Chicago, has been elected director and treasurer of the Evangelical Hospital of Chicago. Mr. Fischer was elected to succeed the late **Albert Bromann**.

According to latest reports, livestock losses in Nebraska and the Dakotas in the blizzard area were not as heavy as first anticipated.

Moreover, with the tremendous amount of moisture the soil will receive from heavy snows, grain men and ranchers in both states look forward to good small grain crops and plenty of pastures this year.

Since 76 per cent of our total federal budget covers national defense, foreign aid, veterans, and interest on the national debt, many taxpayers ask "Where can you cut expenses?"

A recent **Cleveland Trust Company** business bulletin answers this point in this way. "This apparently implies that it is hardly worth while bothering about the remaining 24 per cent (which amounts to \$9,935,000,000). Actually there is plenty of room for substantial savings through more efficient operation of functions included in

(Turn to page 36, please)



DRY FEET—Pedestrians in downtown Omaha have enjoyed the "radiant heat" sidewalks around the **Omaha National Bank**, Omaha. During its remodeling last summer, the bank installed hot water pipes beneath the surface of the sidewalk. Now, when it snows, the pipes make the snow melt and the sidewalk stays dry. It is even warm to the touch. There is no more need for shoveling and scraping, and the danger of falls is practically eliminated.

Northwestern Banker, March, 1949

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

A NORTHWESTERN BANKER
Survey



TO PROMOTE YOUR BANK, make calls on all new arrivals in your community, acquaint them with your town, and try to make them glad they moved there. A bank should be on its toes constantly to improve its public relations.

THE following comments from bankers on the subject "How We Plan to Increase Our Bank Earnings in 1949," conclude the series on this subject which began in the January issue of the NORTHWESTERN BANKER. In the three installments on this important topic, including this issue, the NORTHWESTERN BANKER has published the ideas of 50 bankers from various parts of Iowa, Minnesota, Nebraska, North Dakota and South Dakota.

R. M. Messerschmidt, president, First National Bank, West Des Moines, Iowa: "I believe that bank earnings, generally speaking, have been quite satisfactory and I do believe that the time is right here on us to think more about keeping the assets of our banks in good shape, rather than increasing the earnings. These are the days where the seed is sown which may cause trouble later on.

"When prices are constantly increasing and every one is making money, loans usually work along very nicely, providing any care is used at all. But when prices decline, the situation becomes different. Debts contracted with corn at 50 cents per bushel and paid with corn at \$1.50 per bushel are one thing and debts contracted with corn at \$1.50 per bushel and paid with corn at 50 cents per bushel are vastly different. I am not nearly so much concerned with more earnings as I am in keeping the note pouch in good shape."

Vernon Rice, Cashier, The Commercial National Bank, Grand Island, Nebraska: "In this connection we have in mind the increasing of loans and also an increase in the interest rates. We believe, however, that strict attention should be given to the type

of loans taken and those loans which are already held. If care is given in this connection the earnings will naturally take care of themselves through a minimum of losses. We do not want to be too ambitious for new loans."

G. L. Hill, cashier, Sac City State Bank, Sac City, Iowa: "In view of the continued increase in this bank's earnings during the last few years, up to and including 1948, whereas many of the larger banks have shown a decline in net earnings, we feel that possibly we have reached a peak in our earnings and that our trend may now be slightly downward as our operation follows the trend of the larger institutions.

"It hardly seems conceivable at this point that we would expand our loan volume a great deal beyond our present totals of approximately \$1,300,000 in loans, which include about \$300,000 in Commodity Credit loans, with total resources in the neighborhood of \$3,400,000. With the large volume of Commodity Credit loans which are being made by our farmers, we have had a sizable amount of higher interest loans paid which will materially affect our earnings during the coming months.

"In 1949 we are planning an organized personal visit to each of our present customers, and prospective customers, in our area. I believe in this way we can increase our insurance commissions, productive loans, and other sources of income. And at the same time we will be creating a more friendly business relationship. Such a plan should be well worth the time and effort."

F. E. HANSEN, Cashier,
State Bank of Kenneth,
Kenneth, Minnesota.

"We do not propose to be aggressive in the loan field as our demand is likely to continue strong if prices decline further. Our commercial loans show some material increase, but our real estate and residential loans have remained fairly constant over a period of about a year.

"We have previously installed a new service charge schedule which has materially increased our income from that source and we have found two or three mediums of miscellaneous income which we will attempt to develop in coming years, but they will not be of a major nature at this time.

"In view of this picture of possibly reduced income from loans during the coming years, we may find that much effort will be made to streamline and mechanize our internal operations to develop a more efficient operation and thereby effect a greater corresponding net result. Steps in that direction have already been taken through the installation of such equipment as new posting machines, central proof machine, Recordak and electric endorser.

"Frankly, we will be well satisfied if we come reasonably close to our net earnings of the last couple of years at the close of 1949."

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"Believes in calling on the customer first"

Bankers You Know

Frank L. King

President
California Bank
California Trust Company
Los Angeles

A MIDWESTERN banker who went west and made good in a big way is Frank L. King, president of the California Bank and California Trust Company of Los Angeles. If any one word could be singled out to describe the philosophy he has followed in his 32 years of banking experience that word probably would be "service." Fellow-workers of Mr. King can attest to the fact that this one-word description covers a vast field of activity in the more than three decades that have passed since he started working for his home-town bank at the age of 19.

Born in Sparta, Illinois, on August 5, 1897, Mr. King completed grade and high school education there, attended Northwestern School of Commerce in Chicago, then hustled back to Sparta to begin working for the First National Bank in 1916 as assistant cashier. He has been hustling ever since, leaving no stone unturned in his search for efficiency, economy where possible, new ideas in banking and new business.

After leaving the bank in Sparta, he spent a year in the Army in 1919, and in 1920 became a national bank examiner. In 1925 he joined the

Mutual National Bank of Chicago as assistant cashier and was transferred to the old Continental National Bank and Trust Company of Chicago in 1928 as assistant comptroller. When the latter institution merged with the Illinois Merchants Trust Company he became comptroller of both banks, the name being changed to the Continental Illinois National Bank and Trust Company.

Mr. King moved ahead rapidly in the Continental Illinois organization when his splendid work was continually noticed by the bank's senior executives. In 1929 he was elected comptroller of the Continental Illinois Company, the security affiliate of the bank, and later secretary and treasurer. In this connection he gained invaluable knowledge in the underwriting of securities and the problems of investment companies. In 1930 he was elected comptroller of the Continental Illinois National Bank and Trust Company. When Congress decreed the divorcement of security affiliates from commercial banks, Mr. King remained as comptroller of the bank and in 1931 also assumed the same duties with the Continental Illinois Safe Deposit Co.

In 1943 the late Arch W. Anderson, at that time president of California Bank but previously associated with Mr. King at the Continental Illinois, persuaded Mr. King to move to California as executive vice president and director of California Bank. With typical "King" foresightedness and thoroughness, he investigated southern California's prospects and the local bank's prospects first, then decided there was a great future in store for both and made the change.

At the annual meeting in 1945, Mr. King was elected president when Mr. Anderson became chairman of the board. Since Mr. Anderson's death a year later, Mr. King has been chief executive officer of the bank, remaining as president.

Throughout all his years of close attention to details of business, Mr. King's foremost concern has been for the customers the bank serves. He believes in calling on the customers before they come into the bank and he insists that this policy be carried out by junior and senior officers of California Bank. Calls on correspondent banks, business houses and industry are constant, not only for

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Northwestern Banker, March, 1949



*The Latch String is
Always Out*

Years Ago

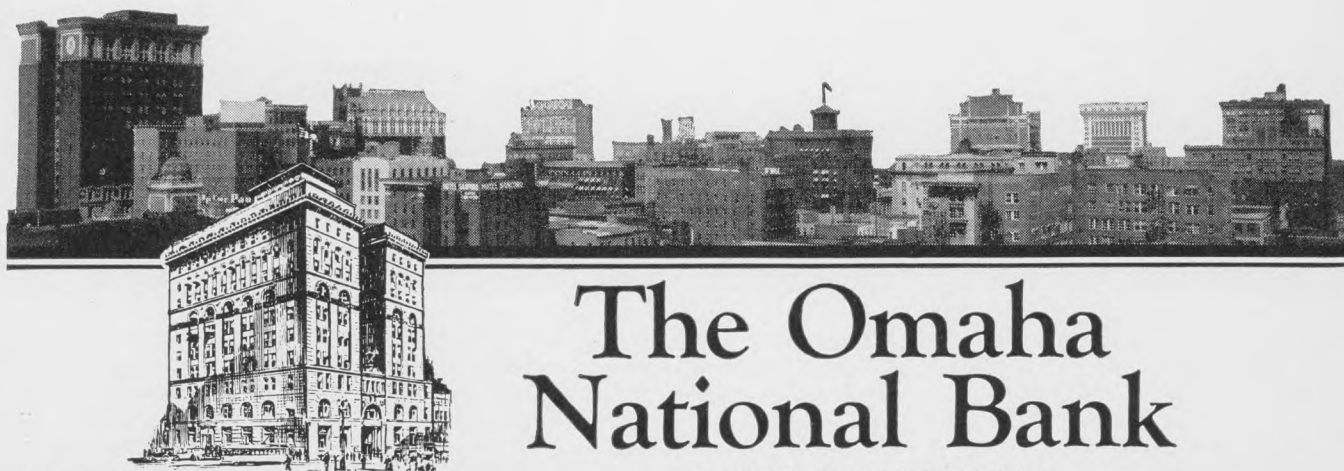
a latch string, hanging on the outside of a door, signified a friendly home—a home that would greet you with a warm-hearted welcome and true hospitality.

Today

although the latch strings have been gone for many, many years, we extend to you that same warm-hearted welcome, that same sincere hospitality at our bank.

In a sense, our latch string is *always* out.

We'd like to see you more often. We'd like to feel that The Omaha National Bank is your "headquarters" when you are in Omaha.



**The Omaha
National Bank**

FARNAM AT SEVENTEENTH

Member Federal Deposit Insurance Corporation

Northwestern Banker, March, 1949

LEGAL

Can Former Bank Employees Be Told Where They Can Work?

Q. Puckley went to work for an Oklahoma bank as cashier. As an incident to getting the job he entered into a written agreement with his employer which provided that on the termination of his employment he would not, within two years, work for any other bank in the county. His employment terminated and he forthwith went to work for another bank not only in that county but in the same city. His first employer sued to enjoin him from doing so. Should such employer prevail?

No. Oklahoma, North Dakota, South Dakota, Alabama and California have statutes providing that every contract by which any one is restrained from exercising a lawful profession, trade or business of any kind is, to the extent that it does so, void. The Oklahoma Supreme Court, in a recent case of first impression in that state, has held that under such statute an employer situated similarly to the first employing bank mentioned in the question cannot prevail in an injunction along the lines of the one outlined.

Q. Colton, a Minnesota banker, was named executor of the will of a deceased friend which provided that his "household goods and effects" should go to a certain beneficiary. The problem arose of whether this covered simply the furniture of the house or whether it included other household items as well. There was nothing in the will defining what the testator meant by his use of the words or which could be made a basis of determining any specific intent regarding them. Should the beneficiary receive only the furniture?

No. The bequest of "household goods and effects" included not only household furniture but everything else in the house that was usually held and used by the occupant to lend to the comfort and accommodation of the household. The Minnesota Supreme Court has so held in a recent proceeding, citing decisions from Illinois and elsewhere as precedents for its ruling.

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

Q. A French citizen came to this country in 1940, having on deposit here some \$500,000 in listed stocks. In 1941 he created a trust for his minor child. To do this he sold \$250,000 worth of securities, bought U. S. government bonds with the funds, transferred them to the trustee, and, within a few days thereafter, had the trustee sell the bonds and invest the trust funds in better income paying stocks listed on the Big Board. He was never in business in this country, and, as to such aliens, the statutes provided that federal gift taxes should not be applicable to gifts of U. S. government bonds. Was a federal gift tax payable on the \$250,000 contribution to the trust?

Yes. While a taxpayer may act so as to decrease his gift taxes to the extent that the law allows him, action under the statute here involved had to represent a true investment in tax exempt securities and not simply a temporary transfer which was promptly terminated as soon as the desired object of tax avoidance was thought to be accomplished. The investment in government securities represented only temporary expedients which were adopted with no real thought of investment but merely of tax exemption. It follows that a federal gift tax on the conveyance to the trust was due and payable.

Q. Brown, an Iowa banker, owned a 160-acre farm in that state. A railroad company sought to run a line of tracks through the center of it and, as an incident thereto, asserted in condemnation proceedings that it was liable to reimburse Brown only for the reasonable value of the number of acres covered by its right of way. Should it be sustained in such an assertion?

No. The fair value of the number of acres taken by the railroad for its right of way in the circumstances outlined is not the measure of the damages to which the owner is entitled. The inconvenience and the damage to the land as a whole, that is, to the entire tract's market value is the criterion. The Iowa Supreme Court so pointed out in a recent decision.

Q. Clayton, a Nebraska banker, let Borden use his automobile. Later he asked him to return it and, when it was not forthcoming, brought a replevin action against Borden for its recovery. Borden, a shiftless soul, had, before Clayton asked him to return the car, let it get out of his possession and control in that he had passed to another the privilege of using it. Could Clayton, in such circumstances, recover from Borden a judgment for either the car or damages in the replevin proceedings?

No. In an action of replevin, the inquiry is concerned with the property in possession of, and wrongfully withheld from the plaintiff, by the defendant at the commencement of the suit. There can be no recovery of property or of damages by the plaintiff in this type of suit for property of which the defendant had not possession or control when the case was begun.

Q. Willis, a Texas banker, leased a building owned by him in that state to Moore for five years. The lease contained a provision that it might be "renewed" for an additional five year term on thirty days' notice. The notice was appropriately given and Moore continued to occupy the premises. He did not demand and execute a new lease but treated the old lease as extended. In such circumstances did his leasehold interest in the property terminate at the end of the first five years?

No. In Texas no distinction is drawn between the terms "extension" and "renewal" used in a lease. In the absence of an express provision that a

(Turn to page 88, please)

Your Government Bonds



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

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

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

Member Federal Deposit Insurance Corporation

Northwestern Banker, March, 1949

Window Displays

Irving Trust Company, New York, at its 48th Street and Rockefeller Plaza Branch Office, is introducing a novel window display featuring a series of three-dimensional, illuminated exhibits or "dioramas" dramatizing its banking services.

A decided departure from the usual type of bank advertising, the exhibits were conceived and executed under the direction of Edward H. Burdick, designer of the Freedom Train, and other outstanding visual education exhibits.

The complete display consists of one large "theme" diorama and eight small

"service" exhibits set off in individual shadow box frames of gray pickled oak, with transparent lucite faces upon which brief advertising copy is engraved. The exhibits themselves are scaled, lifelike reproductions of various scenes, people and situations, modeled and painted in full color and perspective.

Vice President

Grenville S. Sewall has been appointed a vice president of the Chase National Bank and will serve as associate legal counsel, it was announced by Winthrop W. Aldrich, chairman.

Mr. Sewall has been a partner in the

law firm of Milbank, Tweed, Hope & Hadley. A graduate of Williams College, 1923, and Harvard Law School, 1926, he resides in Rye, New York, where he was a member of the city council, 1940-43, and mayor, 1944-47. He was president of the Rye Community Chest in 1940 and has continued as a director.

New Sidewalk Service

Something new in service to its customers has recently been installed by the Rock Island, Illinois, Bank & Trust Company. The installation is a combination of sidewalk commercial



Sidewalk tellers windows and night depository. A part of the depository installation shows behind the lady customer.

teller windows and floodlighted night depository.

The Rock Island Bank & Trust Company is located on a corner; in fact, the building has a street on two sides and occupies the "flatiron" of the entire area. Part way down one side of the building, opening into the rear quarters of the bank, they have placed duplicate tellers' windows on the sidewalk, between which is placed the night depository, the latter under floodlight during the hours of darkness.

Stock Dividend

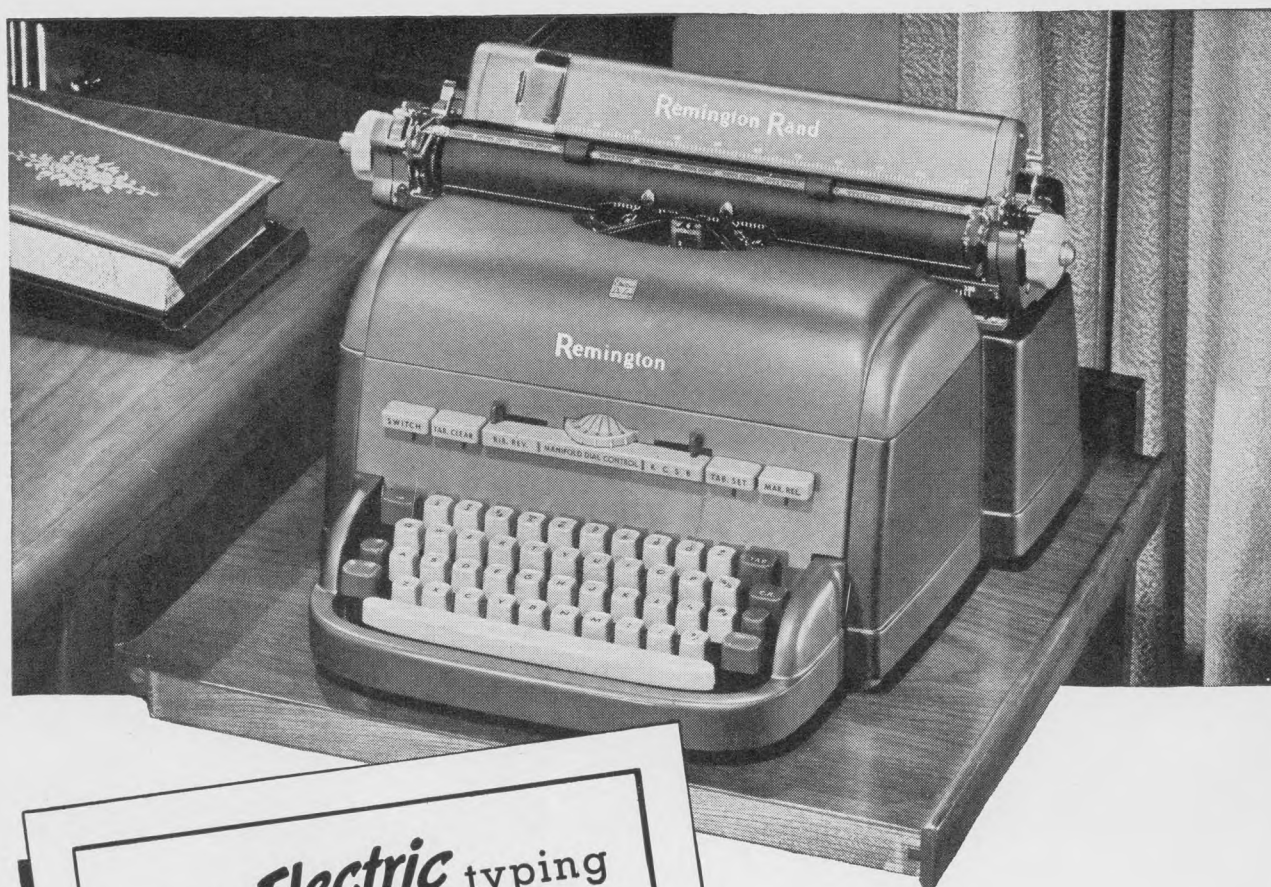
A 20 per cent stock dividend was recommended to stockholders by the board of directors of Bank of America.

Upon approval of stockholders and the Comptroller of the Currency, this action will result in the transfer to capital from undivided profits, which on December 31, 1948, amounted to \$62,872,254, of \$21,329,275. This is less than the amount which was added to capital funds from 1948 earnings. The result will be to increase capital from \$106,646,375 to \$127,975,650.

MANY MIDWESTERN BANKERS,
WHOSE CUSTOMERS SHIP
LIVESTOCK TO CHICAGO,
RECOGNIZE THE GENUINE
UTILITY OF DROVERS FRIENDLY
SERVICE HERE IN THE 'YARDS'
AT THE CENTER OF THINGS.

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

Members, Federal Deposit Insurance Corporation



now- **Electric** typing
saves for banks

Electricity makes the difference!

SAVES TIME: The fast, easy electric action of the distinctive finger fitted keyboard on the new Remington Electric DeLuxe has been designed to allow flying fingers to flow smoothly over its keys—turning out *more work, better work in less time.*

SAVES WORK: Since operation is *completely* electric on this new Remington, gone forever are the laborious hand carriage return—the pounding of typewriter keys—time consuming hand spacing. Through the electrification of the carriage return

alone, the typist eliminates countless fatiguing hand operations every day.

SAVES MONEY: Scientific studies reveal that an increase of 10% or more in typing productivity results from *each typing station* in your office equipped with this superb new typewriter.

Why not send for the FREE full color illustrated brochure "New Profits Through Electricity." It will show you how to start saving today—by decreasing office costs and increasing typing production—the *electric way.*

Remington Rand

THE FIRST NAME IN TYPEWRITERS

DEPT. D-3, 315 FOURTH AVE.
NEW YORK 10, N. Y.

Send me a FREE copy.

NAME.....

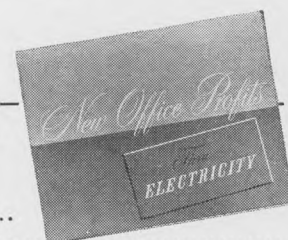
COMPANY.....

ADDRESS.....

CITY.....

ZONE.....STATE.....

Remington Rand Inc.



Drovers National Promotes Five

Four officers were promoted and a new member added to the bank's official family when directors of the Drovers National Bank, Chicago, met early last month.

Frank M. Covert and Robert Lough

were promoted from assistant vice president to vice presidents; Leo R. Gruber, cashier, was elected vice president and cashier, and Fred D. Cummings was moved up from assistant cashier to assistant vice president, it

was announced by George A. Malcolm, president. The new official is Wesson S. Hertrai, who was elected assistant cashier.

Frank Covert, in charge of Drovers' Correspondent Bank division for many years, is well known by bankers throughout the midwest. He continues to head the division.



FRANK M. COVERT
Vice President



ROBERT LOUGH
Vice President



LEO R. GRUBER
Vice President and Cashier

MAKE INVENTORY LOANS SECURED BY OUR WAREHOUSE RECEIPTS

Your Bank can make safe, sound loans against a customer's inventory, when secured by our Warehouse Receipts. The inventory may remain stored on the customers' premises. For added safety and protection in making loans, and to permit larger lines of credit, suggest that your customers make use of St. Paul Terminal's Field Warehouse services.

We Invite You To Consult With Our Experienced Representatives

St. Paul Terminal Warehouse Co.

DES MOINES OFFICE
511 Iowa-Des Moines
National Bank Bldg.

T. C. CANNON
District Manager

OMAHA OFFICE
1105 First National
Bank Building

Telephone
Atlantic 9611

425 East 8th Street, St. Paul, Minnesota

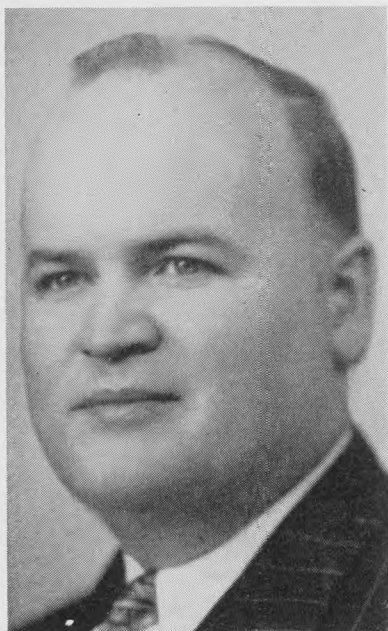
OFFICES ALSO LOCATED IN

MINNEAPOLIS MILWAUKEE CHICAGO DETROIT

Robert Lough, promoted to vice president, continues in charge of the important bank investment division, a post he has held for many years.

Leo R. Gruber, a member of the Drovers staff since 1926, served as auditor and comptroller before being elected cashier in 1945. He is now vice president and cashier.

Fred D. Cummings, one of the younger members of the bank's official



FRED D. CUMMINGS
Assistant Vice President

family, will continue in the correspondent bank division. Since joining the staff in 1930, Mr. Cummings has gained wide acquaintance among mid-western bankers.



WESSON S. HERTRAIS
Assistant Cashier

Wesson S. Hertrais, the newest member of Drovers' official family, will



Need help in
WISCONSIN?

IS prompt, efficient collection of Wisconsin checks and drafts important to you? Do you ever need first-hand facts about sources of supply in Wisconsin? . . . credit information? . . . market data? . . . who's who?

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

This bank is the largest in the state . . . 27th in size among all banks in America . . . and over 90 per cent of the hundreds of banks throughout Wisconsin are First Wisconsin correspondents.



Member of
the Federal Deposit
Insurance Corporation

**FIRST WISCONSIN
NATIONAL BANK
OF MILWAUKEE**

Northwestern Banker, March, 1949

head the new business division. His background of experience and training includes a master's degree in business administration from Harvard, a term as an official of a bank in New Hampshire, and wartime service with the Navy.

Active management of the Drovers National Bank of Chicago and Drovers Trust and Savings Bank continues under the supervision of George A. Malcolm, president, and two senior vice presidents, Frederick N. Mercer and Dale E. Chamberlin.

Drovers National Bank was established in 1882 to serve every branch of the livestock industry. From the first it featured highly specialized serv-

ice to correspondent banks, packers and livestock commission firms. Today, due to the vast increase of its industrial area, the Drovers serves a wide field and meets all the Chicago requirements for hundreds of mid-western banks. The Drovers Trust and Savings Bank was organized in 1902. The December 31, 1948, statements of condition showed combined resources of over \$100,000,000.

Heads Clearing House

David H. Reimers, president, Live Stock National Bank, was elected president of the Chicago Clearing House Association at the recent annual meeting. Herman Waldeck, executive vice

president, Continental Illinois National Bank & Trust Company, was elected vice president. Charles H. Albers was re-elected manager.

Paul S. Russell, president, Harris Trust & Savings Bank, was elected



DAVID H. REIMERS
President, Chicago Clearinghouse

chairman of the clearing house committee and Solomon A. Smith, president, Northern Trust Company, was elected vice chairman.

Other committee members elected are E. E. Brown, board chairman of the First National Bank; W. J. Cummings, board chairman, Continental Illinois National Bank, and Philip R. Clarke, president, City National Bank & Trust Company.

Retire

Eight persons were retired recently from the bank staff of the Northwestern National Banks of Minneapolis. They were honored at a Twenty Year Club party where they received a fond farewell from the Twenty Year Club members and, as a token of esteem, a solid gold ring.

The honored persons were: Fred H. Sandberg, assistant cashier and manager of the Foreign Exchange Department, who has been with the bank 43 years; James W. Groves, assistant vice president, with 41 years of service; F. H. Hedtke, teller, 40 years; Melburn L. Dean, installment loan officer, 30 years; W. L. Simpson, manager, safe deposit department, 23 years; Jalmer Jensen, guard, 21 years; Lloyd Hostetler, auditor and tax accountant, 20 years, and Harlan D. Barry, installment loan officer, 20 years.

Their years of service totaled 238. Members of this club total 10,196 years of service at the Northwestern Banks of Minneapolis.

1. What bank is known as the Pioneer 24-Hour Transit Bank?	2. What bank sends more items direct for collection than any other commercial bank in the U. S.?	3. What bank has a Private Wire System to all principal financial centers?
4. What bank supplies accurate Credit Reports from files carefully maintained during 83 years of operation?	5. What bank has over 1350 correspondents in 42 states?	6. What bank has the oldest and best equipped Foreign Department in Kansas City?
7. What bank is known as the Banker's Bank?	8. What bank has a reputation for saving from one to three days on a great many transit items?	9. What bank is famous as the "Transit Cross Roads of the Nation"?
10. What bank has a Special Department to help with matters not included in the regular routine of banking?	11. What bank has won an outstanding reputation for quick presentation of both country and city collections?	12. What bank is noted for providing correspondents with every banking service known to the industry?

YOU'RE RIGHT! THE ANSWER TO ALL THE QUESTIONS

Commerce Trust Company

Capital Funds Exceed 22 Million Dollars
KANSAS CITY'S LARGEST BANK
 Established 1865
 MEMBER FEDERAL DEPOSIT
 INSURANCE CORPORATION

Special Meeting

A special meeting of the shareholders of the Bank of America was held this month in San Francisco, to vote upon a proposal to increase the capital stock of the bank by payment of a common stock dividend to the shareholders on the basis of one share additional for each five shares owned.

The proposal was made by the board of directors at its regular meeting of February 8th. Approval by the shareholders will result in increasing the common capital structure of the bank from \$106,646,375 to \$127,975,650 through the transfer of \$21,329,275 from undivided profits. Total over-all capital funds at December 31, 1948, stood at \$284,184,798.

Heads Council

Edward E. Brown, chairman of The First National Bank of Chicago, was re-elected president of the Federal Advisory Council of the Federal Reserve System for 1949 at a meeting held last month.

Other officers elected are:

First vice president, Charles E. Spencer, Jr., chairman of the board, The First National Bank of Boston; second vice president, Robert V. Fleming, president and chairman, Riggs National Bank of Washington, D. C.

Directors elected are:

W. Randolph Burgess, chairman of the executive committee, The National City Bank of New York.

Frederic A. Potts, president, The Philadelphia National Bank, Philadelphia.

Sidney B. Congdon, president, The National City Bank, Cleveland, Ohio.

The above six constitute the executive committee of the council.

Herbert V. Prochnow, vice president of The First National Bank of Chicago, was elected secretary.

Alumni Meeting

Plans are in the making for the twelfth annual reunion of The Graduate School of Banking alumni, which is to be held in New York on Saturday, March 19th, at the Hotel Biltmore, it was announced by John W. Arthur, Jr., of the Bank of New York and Fifth Avenue Bank, who has been appointed chairman of the committee on general arrangements. The class of 1947, of which G. Russell Clark is president, is in charge. Mr. Clark is manager of the New York Clearing House.

The reunion program will follow the annual spring luncheon conference of the faculty of the school. The committee has plans for a series of conferences beginning at 3:00 o'clock, covering Commercial Banking, Investments, Trusts and Savings Bank Management.

Dividend

The board of directors of The First National Bank of Chicago, at their regular February meeting, declared a dividend of \$2.00 per share on the capital stock of the bank, payable April 1, 1949, to stockholders of record March 24th; also a dividend of \$2.00 per share, payable on July 1, 1949, to stockholders of record June 23, 1949.

Presenting

Dr. A. W. Bradford



Retiring President
FIRST NATIONAL BANK
LACON, ILLINOIS

After serving approximately twenty years as President of the First National Bank of Lacon, Illinois, Dr. Bradford announced his retirement on November 1, 1948. He explained that the bank had lost two directors by death since the first of the year and with one exception he, at 76 years of age, was the youngest remaining director. Dr. Bradford felt the necessity of getting the management of the bank into younger hands.

With that thought in mind he contacted the Bankers Service Co. After some correspondence, and upon the recommendation of one of his correspondent banks, he invited the president of Bankers Service to call for a personal conference. At this meeting he and his associates authorized us to provide a purchaser for the controlling stock. Negotiations were conducted in a very quiet and confidential manner without any of the citizenry becoming aware of, or even suspecting what was taking place. The announcement November 1 that he and others had sold the controlling stock to Gerry D. Scott of Wyoming, Illinois, and Wilford A. Nelson of Allison, Iowa, came as a complete surprise to the community. Mr. Scott is now president and Mr. Nelson is executive vice president.

The year-end statement of the bank shows \$50,000 capital, \$125,000 surplus, \$71,766 in undivided profits and reserve and \$2,936,865 in deposits. It is one of the oldest national banks in Illinois.

If, because of advanced age, ill health or other reasons, you are thinking of selling your bank, we invite you to confer with us in confidence with the assurance that no one will be told of your plans until you have authorized us in writing to do so.

Bankers Service Co.

HENRY H. BYERS, President
HARRY B. GIPSON, Vice President
Register & Tribune Building
Des Moines 9, Iowa

Correspondents can count on us

to provide their Chicago
accounts with complete banking service, in a
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ANNUAL INVESTMENT SURVEY

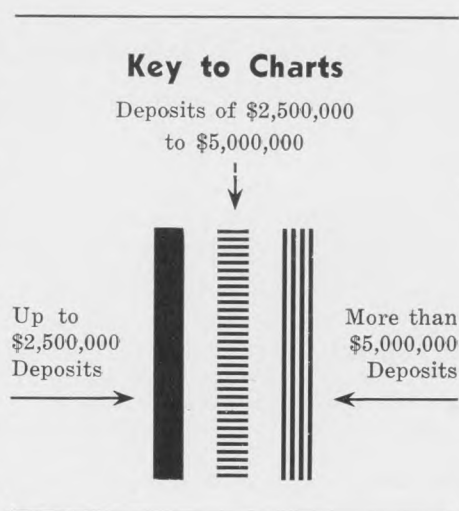
How Banks Are Investing Their Funds

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

A NORTHWESTERN BANKER SURVEY

GOVERNMENT bond holdings in banks of the middlewest consist largely of maturities of two years or less, while tax exempt and revenue issues in these same portfolios show the largest percentage in the two-to-five year bracket, according to a survey just completed among banks in Iowa, Minnesota, Nebraska, North Dakota and South Dakota. This survey is made annually by THE NORTHWESTERN BANKER, and the results published in the March issue of each year.

On this and the opposite page are charted the answers bankers made to five questions relating to their bond portfolios. To permit pin-point analysis, banks were divided into three deposit groups or classifications—those with deposits under \$2,500,000, deposits of \$2,500,000 to \$5,000,000, and deposits of more than \$5,000,000. Reference to the "Key to Charts" appearing on this page shows the three different styles of bars used in the charts, with each bar applying to a deposit classification.



In Chart One is portrayed the sources from which bankers receive their investment information. Related to this analysis are Charts Two and Three, which show some of the reasons bankers gave for their selections. From bankers who selected other sources of information than

charted here, a few comments were as follows:

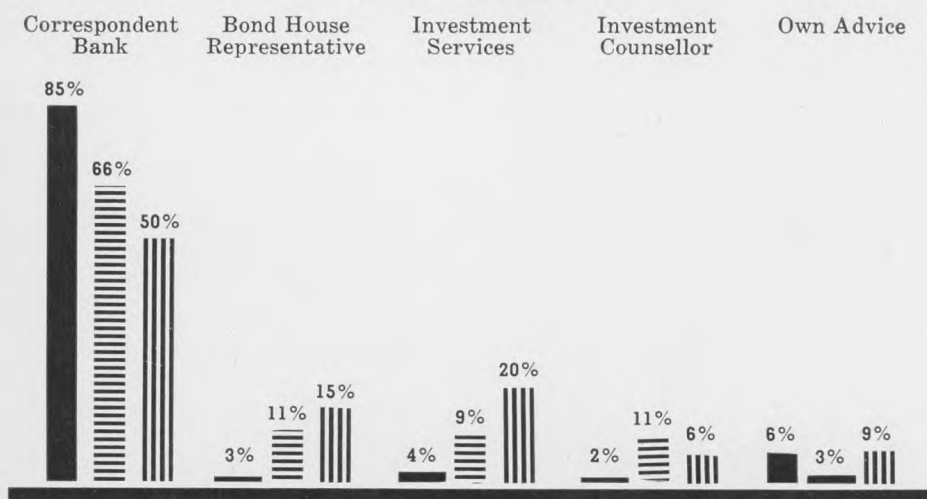
Investment services—"We get better service." . . . "This gives us a chance to study our own investment problem." . . . "They help us to keep abreast of the trends." . . . "We have confidence in the experience of successful men." . . . "Coming to my desk, it permits me to study at my own convenience."

Investment counsellor—"They have no bonds to sell." . . . "Am well acquainted with members of the firm, and they are financially responsible." . . . "Get very good service and competent advice." . . . "An investment counsellor has nothing to sell, and makes it his business to study trends." . . . "They are considered to be impartial."

Use own judgment—A number of bankers replied they used their own judgment in making their investment purchases, getting their information from various sources, and not a few said they relied on investment articles appearing in THE NORTHWESTERN BANKER to guide them. "We read articles in your publication, THE NORTHWESTERN BANKER . . . THE NORTHWESTERN BANKER has some mighty good articles."

A large majority of the bankers replying to the questionnaire appear to be well satisfied with the investment information supplied by whatever source they are using, according to Chart Four, where 85 per cent of them report the service received is satisfactory. Some comments of the few who could use additional help are: "Would like to have a rating on all the smaller municipals in Iowa and surrounding states." . . . "Correspondent banks should make a closer study of municipal bonds, and be able to advise us." . . . "Would like to have price on Governments pegged at par." . . . "More insight, more foresight, and more brains." . . . "Advice as to when the market will drop." . . .

1—Upon Whom Do You Rely the Most for Advice on Your Bond Portfolio?

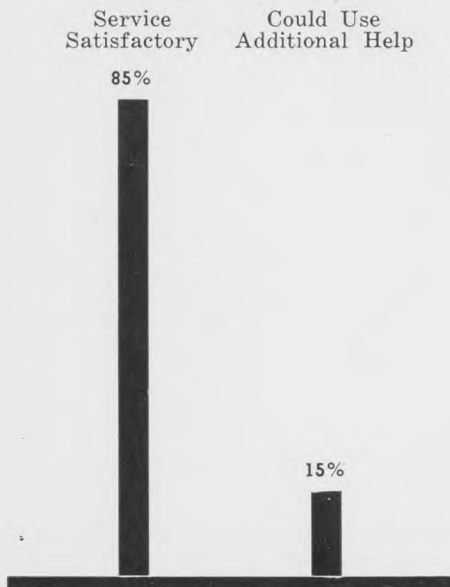


Northwestern Banker, March, 1949

"More information on good corporates and general revenue bonds that would increase the earnings of banks." . . . "More information from the FDIC and the state banking department—they give you advice when you get in trouble, but not before."

Chart Five, relating to maturities diversification, shows much the same bracket trend for the three deposit classifications, with the exception of the small banks, which seem to have most of their tax exempt and revenue issues in shorter term than banks of larger deposits.—The End.

4—Would You Like More Investment Assistance Than You Are Now Receiving? (Composite of all banks)



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

Governments		Tax Exempt and Revenue	
2 yrs. or less	42%	2 yrs. or less	40%
2-5 years	32%	2-5 years	25%
5-10 years	16%	5-10 years	22%
Over 10 yrs.	10%	Over 10 yrs.	13%

2 yrs. or less	47%	2 yrs. or less	26%
2-5 years	31%	2-5 years	33%
5-10 years	14%	5-10 years	28%
Over 10 yrs.	8%	Over 10 yrs.	13%

2 yrs. or less	48%	2 yrs. or less	32%
2-5 years	31%	2-5 years	36%
5-10 years	14%	5-10 years	24%
Over 10 yrs.	7%	Over 10 yrs.	8%

2—Why Bankers Prefer Their Correspondent Connection as Their Chief Source of Investment Information

- 1—Suggestions and information have proved to be reliable
- 2—They are well qualified to give investment information
- 3—Correspondent is interested in the welfare of the smaller bank
- 4—Many times it is more convenient to deal directly with correspondent
- 5—Problems of the country and city banks are much the same

3—Why Bankers Prefer an Investment House as Their Source of Investment Information

- 1—They have close connection with various markets and exchanges
- 2—An investment house can provide all necessary statistical information
- 3—They have many years of experience in analyzing bank investment portfolios
- 4—Because of personal acquaintance and friendship

Cash Payments to the Public

THE recent report of the Council of Economic Advisers to the President indicates that Federal, state and local government cash payments to the public in the calendar year 1949 may reach the staggering sum of \$61 billion, according to an article in the February issue of *Business Comment*, bulletin of The Northern Trust Company.

This sum, which almost equals total national income in 1936, is made up of over \$44 billion of Federal spending and almost \$17 billion of state and local spending. The total is more than \$9 billion higher than in 1948, the article points out.

"Whereas the Federal government had an excess of receipts over payments of better than \$8 billion in 1948," the article states, "the outlook is for a small Federal cash deficit in this calendar year. State and local governments had a deficit of almost \$1 billion in 1948, and the deficit is expected to be larger in 1949."

Stating that these developments in government finance have a profound influence on the national economy, the bulletin goes on to point out that, on a fiscal year basis (years ending June 30th), the cash budget shows a continuing but sharply diminishing surplus for the fiscal years 1948, 1949 and 1950. The realized or estimated cash surpluses are \$8.9 billion, \$2.8 billion and \$1.5 billion, respectively, but the bank adds that "all the estimates assume that present high levels of employment and incomes will continue at least to mid-1950. Should incomes decline and unemployment increase, receipts will be less and payments larger than those on which the above figures are based."

The \$9 billion expansion in the flow of government payments and the sharp change from a large surplus in

1948 to a deficit in calendar 1949 may, according to the bank, "have a determining effect on the trend of business activity, on bank deposits, and on Treasury financing methods." The larger government expenditures will have a diffused impact on business. Some expanded programs, such as aircraft procurement, stockpiling of strategic materials, public housing and public works, will effect primarily the heavy industries.

"On the other hand," the bulletin states, "Federal aid to education, larger social security benefits, support operations in farm commodities, and the dividend on national service life insurance will increase the incomes of individual recipients. The effect on individual spending or saving patterns will be diverse."

The supporting effect on various markets of larger government spending and payments may be offset by the discouragement to private enterprise inherent in the prospect that present tax rates may be indefinitely continued if not increased, the bank points out.

"The adverse effect of high tax rates has been obscured by the war-created boom and the large volume of liquid assets left by the war that could be drawn upon to finance business capital as well as consumer expenditures. When government absorbs 25 per cent of the net national product as it did in 1948, the country would seem to be perilously close to making a fundamental decision—a decision," the bank reports, "whether to rely increasingly on government as the guiding and determining factor in the economic life of the country, or whether to rely on the choices and decisions of millions of business men and individuals trying to better themselves and their families."

Holds Conference

Manufacturers Trust Company, New York, acted as host last month to from two to three hundred bankers representing its correspondents in the Second Federal Reserve District at a one-day conference on current banking problems.

During the morning and afternoon sessions various officers of Manufacturers Trust Company spoke on "Current Banking Problems," "Legal Problems Which Develop in Everyday Banking," as well as "Specialized Loan Services."

Henry C. Von Elm, chairman of the

board of Manufacturers Trust Company, welcomed the guests and Louis P. Christenson, vice president and senior loaning officer, presided.

With Central National

J. Ross Humphreys, president of the Central National Bank in Chicago, announces the election of Alvin J. Vogel as vice president and coordinator of administration in the bank's operating department.

Mr. Vogel began his career in Chicago 23 years ago with the Lake Shore National Bank and from the first has specialized in bank operation. During

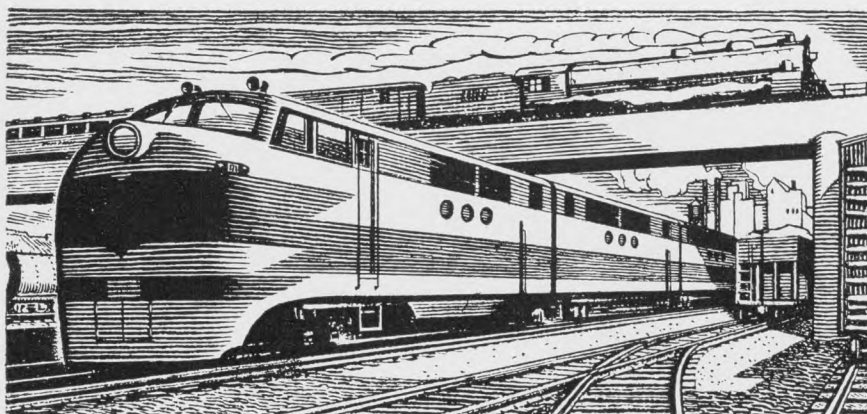
the past four years he has been the executive secretary of the research committee of The National Association of Bank Auditors and Comptrollers. He has also traveled throughout the



ALVIN J. VOGEL
Elected Vice President

country studying bank operations and addressing groups and conferences on banking problems. He is a faculty member of the American Institute of Banking and a lecturer at the Central States School of Banking at the University of Wisconsin.

The bank's new program will be completed in June when it will occupy two buildings on the site of one which burned two years ago.



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Series H, Due 2003

**The New York, Chicago
& St. Louis R. R. Co.**
Ref. Mtge. 3% Bonds,
Series F, Due 1986

Reading Company
Ref. Mtge. 3¾% Bonds,
Series D, Due 1995

**Southern Pacific Railroad
Company**
First Mtge. Bonds, 2¾%,
Series F, Due 1996

**The Texas and Pacific
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Why Bankers Like

Tax Anticipation Warrants

By J. H. RILEY

Vice President

**A. C. Allyn and Company, Inc.
Chicago**

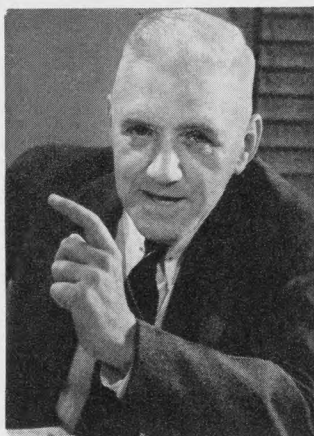
A RECENT news item appearing in a Chicago newspaper announced that a group of banks in eastern and mid-western cities had purchased \$60,800,000 Chicago Board of Education Tax Anticipation Warrants, payable from the 1949 tax levies. The item was given space on page eight or nine, was inconspicuous and unquestionably was not read by 1 per cent of the people who purchased newspapers that day. The item, however, was "big news" to investment bankers who believe in and who have purchased and sold Tax Anticipation Warrants of the six major taxing bodies (Cook County, The Forest Preserve District of Cook County, The City of Chicago, The Board of Education of the City of Chicago, The Chicago Park District and the Sanitary District of Chicago) in Cook county, Illinois.

The purchase of such a substantial amount of Chicago Board of Education Warrants by some of the largest banks in New York, Chicago, Philadelphia and other eastern and middle western cities was an excellent indorsement of that class or type of short-term investment and an expression of confidence in the willingness and ability of taxpayers in Cook county, Illinois, to pay their taxes promptly. I should like to state at the onset that the sale of Tax Anticipation Warrants by a taxing body does not represent temporary deficit financing by that body, nor does it represent poor financial administration. It is an accepted and recognized method of providing cash to enable the taxing unit to meet its current expense, discount its bills and preserve its credit.

In view of the fact that in the state of Illinois one year's taxes will not become due and payable until 1950 and then in two installments (May 1st and September 1st) and that year's expense will become due and payable the same year, our legislature authorized the issuance of Tax Anticipation Warrants, which provide a means whereby taxing bodies may obtain the funds required to carry on their necessary functions until taxes which have been levied are collected. Schools, hospitals, orphanages and homes for the aged must be open at

all times. Police and fire departments must be kept at their maximum of efficiency and the taxing body whose responsibility it is to provide the services mentioned cannot postpone it until the tax bills are sent out and payment received. It must have funds available to meet its operating expense at all times.

While the legislature gave municipalities the right to issue Tax Anticipation Warrants, it restricted the amount of warrants which can be is-



Remember:

"the sale of Tax Anticipation Warrants by a taxing body does NOT represent temporary financing by that body, nor does it represent poor financial administration. It is an accepted and recognized method of providing cash to enable the taxing unit to meet its current expense, discount its bills and preserve its credit."

sued to 75 per cent of the amount of the tax levy and further provided that all warrants be numbered and retired in numerical order out of the first taxes collected. Before going into the procedure which precedes as well as follows the issuance of Tax Anticipation Warrants, perhaps I should attempt a definition of Tax Anticipation Warrant and that would be "an evidence of the holder's interest in a certain year's tax levy made for a stated purpose, which, when collected, has been assigned for its payment."

Tax Anticipation Warrants are really an interest in tax accounts receivable. They comprise a well diversified list of accounts, many of which have the highest credit ratings in the commercial and industrial field. Railroads, banks, insurance companies and well-known individuals, all help to make up the list of those who owe and who usually pay their taxes before the delinquent (penalty) dates.

Because we are more familiar with

the operations of Cook county than with the other five large taxing bodies in the county, this outline will cover the county's warrant procedure, which is similar to the others.

In January of each year, the Board of County Commissioners has submitted to it a tentative budget for that year which has been prepared by its fiscal officer and in which there is listed the various items of expense and the probable income, as well as the source of income to meet the ex-

pected expense. Cook county has many sources of income other than property taxation which contributes about 50 per cent of the total. Fees for services rendered by the county recorder, the sheriff, the clerk of the probate court, and the licenses issued by the county make up the balance of income received.

After a public hearing on the budget, which is attended by interested taxpayers and civic groups, the proposed budget as amended is adopted and then the exact amount of the funds to be raised by taxes will be known.

A tax levy resolution is then passed and a copy promptly filed with the county clerk who must have this information in order to compute the total tax rate. After the tax levy resolution has been passed, the board of commissioners may sell warrants in an amount up to 75 per cent of the taxes levied. Cook county seldom issues warrants up to 75 per cent of

its corporate or highway fund levy. Usually warrants equal to 60 or 65 per cent of the levy will be the maximum authorized.

In March or April of the year following the issuance of the warrants, the county treasurer will send out tax bills for all taxing bodies which levy taxes on property in Cook county. Included in the tax bill will be the taxpayers' share of the corporate and highway fund levies made the previous year. Warrants are usually outstanding between 15 and 18 months. As a rule, they are issued about February 1st of one year and retired between May 15th and August 15th of the year following. They have no fixed maturity, therefore, no coupons are at-

tached. Calls are made in amounts of \$1,000,000 or more as taxes are received.

One Exception

It was stated earlier that all Tax Anticipation Warrants must be retired in numerical order. There is one minor exception, which is that a taxpayer may use a Tax Anticipation Warrant to pay his share of the tax levy for which the warrant was issued without regard to the number of the warrant. While it is possible to pay a part of a tax bill with a tax warrant, it is done very seldom, for the reason that the vast majority of taxpayers pay tax bills considerably less than the face value of a tax warrant, which is from \$1,000 to \$5,000. The

average tax bill in Cook county is about \$180 and, as the levy made for county corporate purpose is about 6 per cent of a tax bill, the county corporate share would be \$10.80. The county treasurer cannot take in a \$1,000 or \$5,000 warrant on a \$180 tax bill and give the taxpayer the difference in cash, as this would be paying the warrant, or a part of it, out of its numerical order, which our statute forbids.

Yield

Warrants are priced to give a fixed yield to the first probable call date, which is May 15th. If not called on that date, the warrant holder would, of course, receive the interest rate designated in the warrant until it is paid. As warrants must be paid in numerical order, it is obvious that the lower the number the more certain it will be paid on or about the first probable call date, therefore investment houses when determining offering prices naturally put higher prices on the warrants which will be paid first.

How They Are Sold

Warrants are not sold by number but by the percentage of the tax levy which the warrants represent. To illustrate:

If the corporate fund tax levy totaled \$15,000,000 and the total warrants issued was \$9,000,000, that amount would represent 60 per cent of the tax levy.

Assuming the par value of the warrants to be \$100,000, warrants numbered 1 to 15 inclusive would represent 1 to 10 per cent of the tax levy.

Municipal Bond Income Increases Bank Earnings



The yield on municipal bonds obtained by a bank is income to keep and is not reduced by taxes at the end of the year. Today high grade municipal bonds can be purchased within the 10-year maturity range to yield as much as 1.50%. A bank in the "53% bracket" must obtain 3.19% before taxes to equal this and one in the "38% bracket" must obtain 2.42%. Since 1882 state and municipal financing has been an important part of our business. Your inquiries are invited.

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Warrants numbered 16 to 30 inclusive would represent 10.01 to 20.00 per cent of the tax levy and warrants numbered 76 to 90 inclusive would represent 50.01 to 60 per cent of the levy.

When ready for sale our circular would offer warrants between 1 and 10.00 per cent of the tax levy to yield, for instance, 1.30 per cent to May 15th of the year following; warrants between 10.01 and 20.00 per cent to yield 1.35 per cent to May 15th of the year following, and the final block of warrants between 50.01 and 60.00 per cent to yield 1.65 per cent to May 15th of the year following. As a rule, coupon rates on the low numbered warrants will be less than the coupon rates on the higher numbered warrants.

When delivered the warrants are accompanied by a legal opinion of recognized bond attorneys who state that the warrants are valid and legal and the treasurer is under legal obligation to pay the warrants in the numerical order of their issuance as a first disbursement of the proceeds of the taxes when collected and such tax proceeds may not be used for any other purpose until the warrants issued in anticipation of such taxes are paid.

As the largest amount of taxes levied are those on real estate and as real estate taxes may be paid in two equal installments (May 1st and September 1st), it is very unlikely that the county treasurer will receive by May 15th sufficient tax payments to call all the Tax Anticipation Warrants issued; however, because it is possible for the county treasurer to receive such payments by that date, the "basic price" of the warrants sold is computed to that date.

Retirement

The order of retirement of Cook county corporate warrants in the past few years has been as follows:

The 1944 taxes were due May 1 and September 1, 1945. The first warrants were paid May 1, 1945, and the final payment of warrants was made on September 4, 1945. The 1945 taxes were due May 1 and September 1 of 1946; the first payment of 1945 warrants was made on April 29, 1946, and the last payment August 24, 1946; the first 1946 warrants were paid May 15, 1947, and the last on July 21, 1947; June 1, 1948, was the first payment date for 1947 warrants and September 13, 1948, the final payment date.

To complete the history of the 1947 corporate fund tax warrants, which totaled \$9,500,000, the dates of call and amounts called were as follows:

\$3,000,000	June 1, 1948
1,000,000	June 18, 1948
3,000,000	June 16, 1948
1,500,000	August 9, 1948
1,000,000	September 13, 1948

Interest received by the holder on Tax Anticipation Warrants when they are paid is treated as municipal bond interest would be treated, as it is exempt from the Federal income tax.

Our experience with Cook County and Forest Preserve District of Cook County Warrants has been very satis-

factory, as the warrants have been retired on or near the expected call dates. Each year an increasing number of banks have become purchasers and we have found that once warrants have been purchased by a bank we can expect to receive repeat orders in the years to follow.—The End.

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NEWS AND VIEWS

(Continued from page 18)

both the 76 per cent and the 24 per cent. This is clearly evident from information already released by the Commission on the Organization of the Executive Branch of the Government. The Commission has pointed out that the nation is paying heavily because the Federal government, now the biggest business in the world, is not running smoothly; and it supports this conclusion with detailed facts and figures."

In the story of the election of **Ellsworth Moser** as the new president of the United States National Bank of Omaha, in the February **NORTHWESTERN BANKER**, reference was incorrectly made to "Mr. Ellsworth," the new president.

This error, of course, did not trick our **NORTHWESTERN BANKER** readers, among whom President Moser is so well and widely known.

The **NORTHWESTERN BANKER**, however, did not intend to attribute a split personality to the new U. S. National president, even though he is tall enough to make two average bankers.

Our proofreader is already on his way to exile in Siberia.

John J. Anton, vice president, First National Bank of Chicago, is evidently in agreement with an editorial in the February issue of the **NORTHWESTERN BANKER**. He writes, "I usually take time out to take a gander at your 'Across the Desk from the Publisher.' Publisher DePuy's letter to 'Dear Eleanor' in your February **NORTHWESTERN BANKER** I thought was particularly good and it just happens to strike my fancy to the point that I send my compliments on it."

William A. McDonnell, president, First National Bank in St. Louis, addressed a meeting of the Little Rock, Arkansas, Chamber of Commerce recently on: "The Business Outlook for 1949."

California Bank

Alex H. Smith, vice president, California Bank, Los Angeles, has been assigned to the bank's Van Nuys branch and will supervise San Fernando Valley branches, Frank L. King, president, announces. Mr. Smith will be assisted by Jack F. Johnson, assistant vice president, a member of the Van Nuys staff for the past two years.

American Bankers Association Midwinter Trust Conference, held in New York last month, was attended by Frank L. King, president, and Frank H. Schmidt, executive vice president, California Trust Company.

The Municipal Market Has the New Look

Municipals Have Taken on Glamour—There Have Been Changes in the Purpose for Which They Are Issued

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

TIME was when the municipal market was a quiet, somewhat mysterious activity that a comparatively few people carried on in the midst of a securities business that gave its headlines and its chief attention to stock flotations and corporation bond issues. Many a bond salesman, and his customers, too, grew up in the business without bothering to learn what made one municipal bond worth more than another or what a legal opinion was for. All this, in spite of the fact that "municipals" were probably the oldest type of bonds in the market and certainly the most secure as a class. But they just didn't have the glamor! And, of course, they came into the market in comparatively small volume, a little less than a billion a year, on the average, between 1931 and 1940. Their special feature, exemption from federal income taxation, was appreciated by only a select few.

Now the municipal market has the new look, and glamor, too. It makes the headlines. It has many followers. Few salesmen and buyers now neglect to study the municipal offering lists. Tax exemption is widely appreciated, now. Municipal bonds may not continue to occupy the center of the stage indefinitely but their present position has a look of permanence. The restrictions of the war years made it inevitable that the volume of new financing would increase greatly after the war's end, but other factors in our changing economy point to increased use of municipal bonds as a means of financing the needs—and wants—of the people. Recent years have seen interesting changes in the purpose for which municipal bonds are issued.

More Now Marketed

In the three years since the war's end more than six billions of new municipal bonds have been marketed. This is about twice the annual average of new tax-exempt issues in the 30's. A part of this came from the marketing of issues that were held up by the war. About 1½ billions represented soldiers' bonus bonds. Some of the increase reflects the higher con-

struction costs of the postwar years. But there is still some excess left to indicate an expanding use of municipal credit.

Good reason for expecting municipal bonds to maintain a more prominent position in the investment market can be found in the growing importance of government in our daily lives. Mr. Average Citizen demands more service from the city hall. More and better water, better transportation, more recreation facilities, bigger stadiums, better highways to drive on, a place to park his car, more and better education for his children, increased hospital facilities, a place to live. All these demands mean more bonds. So we find taxing bodies lending their credit for a great variety of purposes, some old, some new. On the increase are the newer ones, such as sewer revenue bonds, parking revenue bonds, airport bonds, bridge revenue bonds, and dormitory revenue bonds. Recently there have been housing revenue bonds. No doubt, still other requirements of the atomic

age will produce other types of financing which can be done only through municipals.

Increased Yield

Another item in the municipal market's new look and, of course, the most appealing from the buyer's standpoint, is the increase in yield. At the peak of municipal prices in 1946, there was a 1.00 per cent difference in yield between their prices (Dow-Jones average) and the best grade of corporation bonds (Moody's Aaa Utilities). Expressed another way, the municipal yield was 56 per cent of the corporate yield. At the recent low for municipal prices about a year ago the percentage was 89 per cent. It is now about 80 per cent. This change in price level brought some tax-exempt bonds of good quality to the same yield basis as taxable bonds. The net of it all was that, for example, a buyer with a preference for a utility bond was able to find it as the obligation of a municipality, with ample security, good earnings, and steady growth, at the same price that he would have to

NECESSARY YIELDS FROM TAXABLE BONDS TO EQUAL YIELD FROM 10-YEAR AND 20-YEAR TAX-EXEMPT MUNICIPAL BONDS

(Assumed municipal yields, 10-year 1.70%, 20-year 2.20%)

Bank Income Bracket	10-year Municipal (1.70%)	20-year Municipal (2.20%)
\$ 5-20,000	2.21%	2.86%
20-25,000	2.27%	2.93%
25-50,000	3.62%	4.68%
Over 50,000	2.74%	3.55%
Individual Income Bracket		
\$ 8-10,000	2.43%	3.14%
14-16,000	2.90%	3.75%
20-22,000	3.35%	4.34%
26-32,000	3.74%	4.84%

Northwestern Banker, March, 1949

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pay for a corporation bond. All this, and exemption from Federal income taxation, too!

Still another new appeal in municipals is the increase in their marketability. The expanding volume, plus the added variety, have attracted a larger following in investment circles and they in turn bring new buyers to the market. This means new outlets and a broader understanding of municipal financing. A holder with tax-exempt bonds to sell finds more bidders for them today than ever before.

While exemption from Federal income taxation is not a new feature in municipal obligations, it has taken on a lot of new appeal, especially to banks. The current talk about increasing Federal taxes may not materialize into action on individuals, but corporations will be lucky if they escape some kind of a boost. At present a 2.20 per cent yield on a municipal bond is equivalent to 3.55 per cent in a bank in the 38 per cent bracket, and to 4.68 per cent in a bank in the 53 per cent bracket. This is stiff competition for most any kind of paper. Other comparisons are shown in the accompanying chart.

Viewed from another angle, a banker considering a ten-year taxable bond at a 2.30 per cent basis, would have a better net return from a municipal bond at 1.80 per cent if his bank's net income is over \$5,000 per year. An individual considering a 20-year taxable bond at a 3.00 per cent basis would have just as good a net return from a municipal bond at 2.20 per cent if his net income exceeds \$6,000 per year! And no one is talking about reducing taxes.

Don't overlook the new look in municipals.—The End.

Annual Conference

The thirteenth annual conference of the Central States Group of the Investment Bankers Association of America is scheduled for Wednesday and Thursday, March 16th and 17th, at the Drake Hotel, Chicago, it was announced by Andrew M. Baird, A. G. Becker & Company, Incorporated, chairman of the group.

More than two hundred investment bankers, mainly from Illinois, Indiana, Iowa, Nebraska and Wisconsin, but from every other section of the country as well, are expected to attend. The conference arrangements are being handled by George S. Channer, Jr., Channer Securities company, chairman of the group's meetings and entertainment committee.

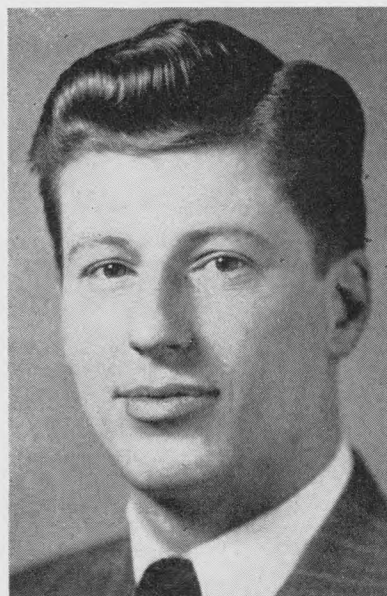
There will be a luncheon, addresses and afternoon discussion meetings on both Wednesday and Thursday; a formal dinner Wednesday in honor of

Hal H. Dewar, Dewar, Robertson & Pancoast, San Antonio, president of the I.B.A., and an informal dinner and entertainment on Thursday.

To Contact Bankers

L. W. Scott, who has been associated with the home office of J. M. Dain & Company of Minneapolis for the past several months, is planning to travel southern Minnesota for the company.

J. M. Dain & Company specializes



L. W. SCOTT
To Travel Southern Minnesota

in corporate and municipal securities of the central northwest part of the United States, being particularly active in Minnesota, North Dakota, South Dakota and Montana.

Mr. Scott is a native of Janesville, Minnesota, and graduated from Carleton College at Northfield with a degree in economics. Before coming with J. M. Dain & Company, he was associated with Commercial Credit Corporation in Mankato, Minnesota, and also with the Standard Oil Company in the same city. Mr. Scott's father, Dr. Louis W. Scott, is president of the Janesville State Bank at Janesville, Minnesota.

Investment News

PAUL K. VAN WINKLE, with Paine, Webber, Jackson and Curtis for 20 years, has resigned from that investment firm to accept appointment as vice president in the municipal department of Wheelock and Cummins. Mr. Van Winkle will continue to live in Chicago. He is well known among bankers and investment men throughout the middlewest.

Succeeding him with Paine, Webber, Jackson and Curtis as manager of the municipal bond buying department is **Paul T. Stephens**, who formerly was

A. G. Becker & Co.

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manager of the municipal trading department.

D. E. McFarland, vice president of Kalman and Company, Minneapolis, is vacationing with Mrs. McFarland in Nassau.

Carleton D. Beh, president of Carle-

ton D. Beh Company, Des Moines, is enjoying a vacation in Phoenix, Arizona, with Mrs. Beh. They are returning to Des Moines about April 1st.

A visitor in Guatemala is **Harold E. Wood**, president of Harold E. Wood Company, St. Paul. He is expected back in St. Paul about April 15th.

Even though the majority of Americans favor the free enterprise system, few of them are fighting for it, **Hal H. Dewar**, San Antonio, said on a short visit to Minneapolis and St. Paul recently.

Mr. Dewar is president of the Investment Bankers Association of America and was scheduled to talk to Twin City investment bankers at the Town and Country Club but the meeting was canceled when he missed his plane.

"Profits and a free economy go hand in hand," Mr. Dewar said. "Working together, these two factors gave this country the highest standard of living in history."

Mr. Dewar believes that venture capital is the lifeblood of free enterprise and must be kept flowing by spreading direct ownership of the country into more hands. It is the work of investment bankers to work harder and more effectively in reaching a greater number of investors, he said. Mr. Dewar was on his way to the west coast.

The **Omaha Improvement Commission** has approved issuance of an additional \$729,000 in bonds. This, with \$1,225,000 in bonds already authorized for the South Omaha sewer project, made possible the issuance of \$1,954,000 in citywide improvement plan bonds at one time.

The commission authorized an extra \$100,000 in street improvement bonds.

Carl C. Magdsick, immediate past president of the Commercial Trust and Savings Bank, Charles City, Iowa, has announced his entrance into the investment banking business.

He has become Iowa representative of Carter H. Harrison & Company, Chicago, succeeding **W. E. Dodge**, who has retired.

During the past year, Mr. Magdsick sold a substantial part of his holdings in the Commercial Bank, resigned from the presidency but remains on its board of directors. In his new position, he will continue to live in Charles City. Mr. Magdsick has been associated with the bank 39 years, the past 29 years as president.

Mr. Dodge has been associated with the Harrisons for 30 years, the last 11 as Iowa representative of Carter H. Harrison & Company.

An extension course on **fundamentals of investment banking**, sponsored by the Minnesota group of the Investment Bankers Association, will be continued by the University of Minnesota through May 30th.

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Investment for Liquidity, or Investment for Income?

Too General a Viewpoint Should Be Avoided—

A Bank's Investment Account Should Serve as an Elastic Medium

By CHARLES R. BENNETT
Vice President and Sales Manager
J. M. Dain & Company
Minneapolis

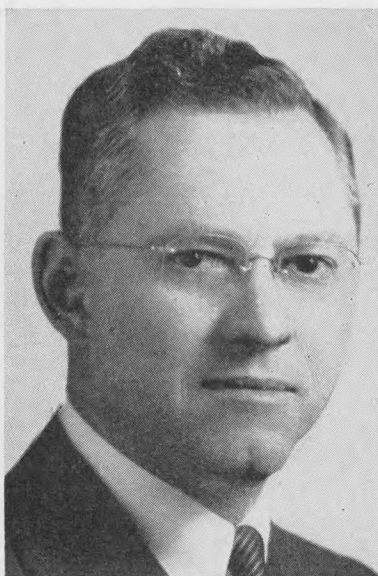
WHEN visiting with bankers respecting their bond investment accounts, it has often occurred to the writer that sufficient emphasis has not always been placed upon the distinction between investment for liquidity and investment for income. This suggests that too often investments are purchased with too general a viewpoint rather than with a definite conviction as to how they add to the portfolio the specific value needed at the moment. Hence, the efficiency of the account it impaired and disappointment may later result.

A bank's investment account is maintained as a service adjunct to the banking function. It is expected to serve as an elastic medium, expanding and contracting, under varying market conditions, according to the changing cash position of the bank and the volume of loans.

Since the investment account is called upon to augment cash position at one time and to bolster earning power at another, often without choice as to market conditions, it is apparent that the account must possess a high degree of liquidity and at the same time produce an acceptable rate of return without sacrifice of safety, i.e., assurance of prompt payment of principal and interest when due.

For Liquidity

Liquidity, as a practical banking requirement, goes beyond the popularly accepted definition of mere active marketability with close spreads between bid and asked prices. We think price stability or the ability to obtain close to purchase price on resale must be tied in with a proper conception of liquidity in a banking sense. Stability of price can only be assured through short maturity for, of course, the longer the maturity the greater the variation in price with any change in interest rates. Liquidity, therefore, we would deem a combination of active marketability and short maturity. Liquidity of the type required and income are both features of value; hence, each commands its price. We can



CHARLES R. BENNETT
"Each Investment Has a Purpose"

hardly expect to find, therefore, the maximum degree of liquidity in an investment carrying the highest rate of return. Rather than to compromise either, we think it more desirable to seek liquidity and income separately by actually maintaining two distinct investment accounts, one investment for liquidity and the other investment for income.

Income Bonds

A bank's first investment purchases, after setting aside sufficient cash reserves, may properly consist of highly liquid government 90-day bills, certificates of indebtedness, and then one, two and three year maturities of government notes and bonds. When sufficient investment for liquidity has been completed through such purchases, determined by the character of the economy of the area, diversification of industry, stability of deposits, etc., there is no need for paying a premium for further liquidity and more attention may be given to acquiring higher yielding income bonds. In investing for income, maturities may be lengthened somewhat if the economy of the area and the stability

of deposits warrant. If we lengthen maturities, what happens if money rates advance and bond prices turn down? Perhaps then we should stay with very short maturities. But what then if support prices are maintained and money rates remain stable within a narrow range, aren't we then sacrificing the income that we think important? The point is, are we going to have to depend upon guessing the trend of money rates and bond prices in order to achieve success in our investment bond account, or is there a more certain way of conducting such an account? We like the conception of the investment bond account that contemplates purchase for income and holding through to maturity and relies upon a diversified and evenly staggered maturity schedule to provide a hedge against the effect on prices of changing money rates.

An Illustration

As an illustration, let us say that in our bank we have made provision for adequate liquidity. In addition, we have an amount totaling \$1,000,000, in cash or invested securities, which we could properly include in an investment for income account. Let us first examine the invested portion of this total to see if we might improve the net income return or obtain the same return with shorter maturities. If, then, we complete investment of the \$1,000,000 in such a way as to produce a portfolio maturing \$100,000 a year, say, from one to ten years (some may prefer one to five years, others up to one to 15 years), we will have set up a bond investment program that admits of many distinct advantages:

If we reinvest each year the proceeds from \$100,000 maturing bonds in new 10-year bonds, we will obtain the maximum yield available to us through the longer maturities.

Gradually the rate of return on this entire portfolio will improve to the average rate prevailing for ten-year maturities.

While the rate of return will im-

prove to the equivalent of the average yield on 10-year maturities, the average maturity of our portfolio will remain around only five and one-half years.

Funds will be kept continuously invested; there will be no loss of in-

come waiting for more favorable markets.

The peace of mind and increased efficiency resulting from the release from worry as to the course of the market is not the least of the advantages to be gained.

As in any human endeavor, there is a direct relation between the adherence to a sound plan and the measure of accomplishment in the conduct of the bank's investment portfolio. Having adopted the above program, it would appear obviously important to utilize the investment for liquidity and the investment for income accounts for precisely the purposes for which they are established. When deposits increase temporarily or demand expands in the usual course of business, increase or decrease investments in the liquidity account. When a bulge in money rates occurs and is reflected in lower bond quotations, don't be unduly disturbed and seek to dispose of your income bonds. Through the roll over of maturities, the income account has automatic provision for increasing investment income, should the trend of money rates advance. Stay with the program throughout the cycle. So long as the liquidity account is maintained in adequate proportion and the bonds in the income account are held to maturity, mere changes in price quotations are of minimum significance and a satisfactory average rate of return is attained. There is nothing spectacular about this plan, but it is simple, it is safe, and it is effective.—The End.

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Receives Award



Dr. Harold Stonier, executive manager of the American Bankers Association, receiving the annual award of an honorary membership in New York Chapter, American Institute of Banking, at the 45th Annual Banquet of the Chapter which was held last month. Chapter President **George O. Nodyne** (at right), who is also vice president of the East River Savings Bank, is making the presentation.

High Grade Bond Market Has Calmed Down in Past Months

**Commercial Banks Showing Signs of Reaching Out for
Longer Maturities at Levels Above the Pegs**

By RAYMOND TRIGGER
Investment Analyst
New York City

OUTSTANDING characteristic of the high grade bond market in recent months has been its sedate behavior. Toward the end of 1947 the pegs were abruptly lowered and all concerned were excited. The actual damage done was, perhaps, not great but more than sufficient, particularly in the municipal field. More important than portfolio write-downs was the creation of doubt. If pegs could be pulled once and reinserted (considerably lower), might it not happen again?

The thought remained uppermost in the minds of all conservative observers during the greater part of 1948. At the same time, those relatively few but remarkably vociferous advocates of no pegs at all set forth their contentions on any and all occasions. The very fact that the entire removal of pegs could be seriously discussed, however unlikely such action might be, gave rise to concern and the markets naturally reflected this.

Since November, though, the situation has calmed notably. No longer is there any strong advocacy of letting the government bond market find its natural levels (lower is meant, of course). No longer is there any serious question as to the ability of the money masters in Washington to hold the line. Understandably, commercial banks generally have lately shown signs of reaching out for longer maturities at levels quite a bit above the pegs. This can only be interpreted as a supreme confidence in the floor under the market. It is true that there is also an unofficial ceiling, but this has been given only superficial consideration.

Insurance Companies Calm

The insurance companies, during most of 1948 the whipping boys of the administration, have calmed down, too. At any rate, they have ceased to sell any considerable volume of governments. Thus far in 1949, they have remained generally inactive on both sides of the market, thereby contributing their bit to the prevailing somnolence.

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.

The Federal Reserve Bank of New York lately published its survey of recent developments. As to commercial banks, "This lengthening of maturities of bank portfolios apparently reflected growing confidence in the stability of the government bond market, as well as the uncertainty surrounding the business outlook. Many of the banks entering the long-term bond market for the first time in many months had experienced, or were anticipating, a decline in commercial loans and were rearranging their portfolios to counteract either an actual or prospective decline in income."

There is little exceptional in the remarks just quoted and they unquestionably emanate from a source peculiarly well qualified to discuss the subject. Nonetheless, the opinions and actions attributed to the banks may be challenged. One professional advisor to banks, at least, has pointed out with considerable asperity that the banks have a rather inglorious record in the matter of calling the government bond market and, by implication, could be wrong again.

Banks Have Problems

The country's commercial banks, of course, have tough problems. When any considerable number of them decide that their incomes must be at least sustained, if not bolstered, and at the same time conclude that the government bond market will be pegged indefinitely, no one can deny that those banks have both the need and the justification for lengthening

maturities. They need the increased incomes and they can produce plausible arguments in support of lengthening maturities.

Most observers will be quick to sympathize with the action taken by those banks, although more than a few will continue to point out that need and plausibility, while perhaps expedient, are a far cry from the fundamentals. The more prudent bankers will not forget the huge size of the federal debt and the almost reckless proportion of it that is due, or callable, within 12 months. Nor will they lose sight of the fact that actual prevailing interest rates are low and, conversely, bond prices in all categories are high.

Those who look back to the aftermath of World War I for guidance can dig up fairly impressive statistics. Thus, one writer on the subject has said, "Between August, 1920, and December, 1927, yields declined from 5.67 to 3.17 per cent on Treasuries from 5.28 to 3.90 per cent on municipals, and from 6.76 to 4.62 per cent on AA corporates." Given a somewhat similar background—and the sharp drop in commodity prices, for example, is reminiscent of 1920—a like trend might be expected at about this stage of the aftermath of World War II.

Comparisons Doubtful

Ignoring the rather substantial differences between the present day and those of the early '20s for the moment, one may be intrigued by the resemblance. But, before being beguiled too far, one will consider that the general industrial economy had had quite a fair shake-out before 1920 and that a corresponding setback is yet to be encountered since the end of World War II. Further, in the early 1920s at least two great industries, the chemical and the automobile, entered upon their lustiest growth period. What have we today? Atomic energy? It seems rather distant. Television? Superimposed on radio and motion pictures, this new industry may make its stir in the industrial world, but will it ever be the dynamic factor that

Northwestern Banker, March, 1949

the growth of chemical and automobile manufacture were a quarter century ago?

And, aside from the industrial potentialities as yet to be exploited, there is the matter of original position with respect to interest rates. The statistics quoted in an earlier paragraph are not questioned, nor is the evidence of a "trend" denied. But the levels from which the trend started and that at which it wound up are of at least equal importance. The depths to which interest rates had dropped by December, 1927, however much lower they were than those in August, 1920, are still fantastically

high when compared with those prevailing today. At this writing, the longest eligible Treasury yields about 2.35 per cent. Is it within reason to expect that the yield will fall in the next seven years in proportion to the 5.67 to 3.17 per cent decline of the 1920-1927 period? Are there no absolutes deserving consideration?

However praiseworthy the achievements in the 1920s, it must also be allowed that the problems then tackled by the fiscal authorities were ever so much easier to handle. The attack was started with yields at high levels; the total debt was, absolutely and relatively, much smaller than is to-

day's; the maturity structure presented less serious headaches than does today's. Thus, if the money managers directing today's affairs take much longer and go less farther, they may not fairly be criticized; nor should their perhaps limited successes be measured against the Treasury's showing in the 1920s. Nonetheless, some progress may properly be required. Happily, there are signs that commercial bankers may be offered something "other than the recent monotonous diet of one-year certificates," as one writer describes it, during the course of the year in connection with the substantial refunding operations ahead.

Future Brighter

There apparently is at least a fair chance, for example, that the mid-June refunding will include an exchange offer, perhaps into a five-year note with 1½ per cent coupon. Something even better could come forth, say a seven-year maturity and a 2 per cent coupon, inasmuch as there exists an unwieldy concentration of maturities in the 1952-55 bracket, but the total in 1956 and on out is relatively light. At the same time, that is, during 1949, somewhat firmer short-term rates are a logical expectation. They could be allowed, in connection with the important refunding operations, at no net rise in the total debt service.

The banks, then, may look forward to gradual progress on rearranging the Treasury's maturity schedule on terms that will work out as fairly satisfactory, but they probably are not justified in continuing to lengthen their own portfolio maturities. On the other hand, the calm and orderly climate in which the government market has lately flourished likely will prevail. There is no unusual risk presently discernible in coasting along, reasonably confident that the authorities have the situation well in hand and will not relax their grasp of it.

A note of caution is in order, though. The government market is high, when measured by long term yardsticks, and is artificial, measured by any instrument, but it is a lot more secure, relatively, than the better-grade corporate market. Time and again, the highest commercial banking authorities have insisted that there is too little equity money being supplied industry. Is this not the equivalent of saying that there is too much debt in the U. S. industrial economy? And, even if there were not "too much," the fact remains that the traditional market spreads between governments and corporates is too narrow. The condition would appear to be that the industrial outlook for 1949 is not



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especially bright and, on the other hand, the supply of money seeking work is large. The first may persist for some little time, or could worsen; the second is bound to contract, perhaps sooner than expected, and is unlikely to be replenished.

Although the prices of tax-exempt bonds have pushed much higher since last November, they are, relatively, not high and still have the dynamic potentialities afforded by their tax shelter. If the top-level powers in Washington have their way, taxes will be raised and a budgetary surplus achieved. The bulk of it doubtless will be used to sustain government bond prices and to facilitate such other aims as the Treasury has. But, before any surplus can be created and applied to fiscal operations, higher taxes will have to be enacted. The Congress, to be sure, is apparently reluctant, but the issue has not been completely joined, much less decided. Since by any reasonable approach prices of tax-exempts are not high, this sector of the investment security field would appear to offer special inducements: excellent yields, allowing for tax exemption; little risk; and, possibly, higher prices.—The End.

To Larger Quarters

The regional office of the St. Paul Terminal Warehouse Company in Des Moines last month moved to larger quarters in the Iowa-Des Moines National Bank Building, from 515 to 511, the new address, according to an announcement by T. C. Cannon, regional manager. The move was made necessary because of the increased business of the firm in this area. The company also maintains a district office in Omaha, Nebraska.

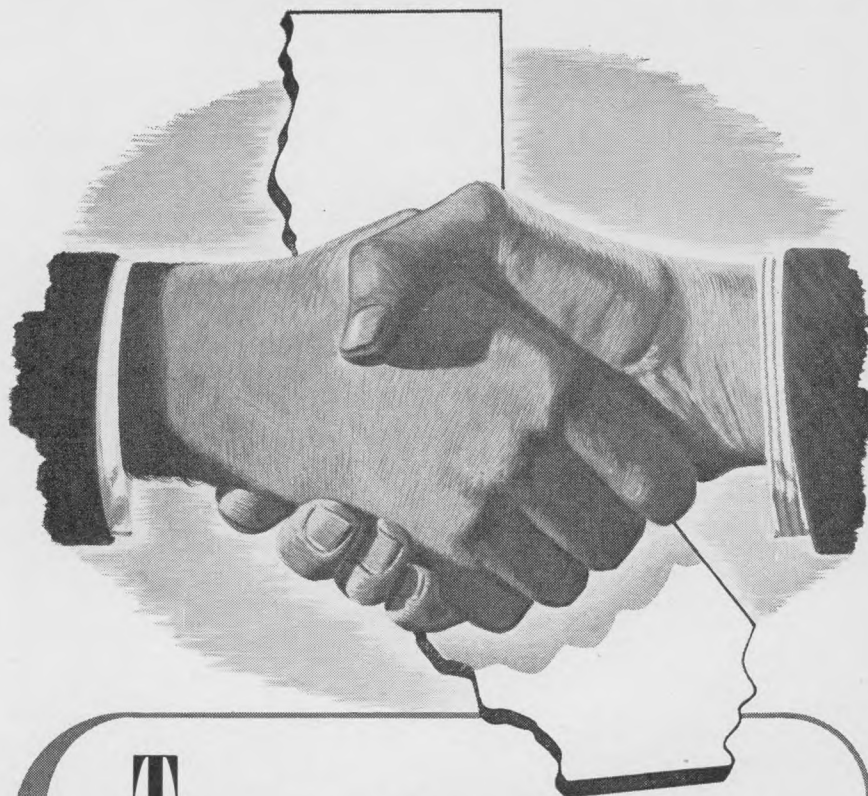
St. Louis Promotions

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

E. Leslie Bloom, from assistant cashier to assistant vice president. Mr. Bloom is in the correspondent bank division, and was elected an assistant cashier in May, 1947. Edw. C. Anderson, from assistant cashier to assistant vice president. Mr. Anderson is in the new business department, and was elected an assistant cashier in May, 1947.

A. A. Bercaw was elected an assistant vice president. Mr. Bercaw is manager of the U. S. Government Securities department. He has been manager of that department since 1933, and became an employee of the bank in 1920.

John L. Farrell was elected an as-



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Northwestern Banker, March, 1949

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Des Moines, Iowa

DR. R. W. WOOD
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Newton, Iowa

ASSETS

United States Government Bonds*	\$ 8,903,501.40
Other State and Municipal Bonds*	2,297,014.76
No bonds owned by the company have ever been in default either as to interest or principal.	
Cash in Banks	2,139,360.37
Real Estate—Home Office Building	340,821.69
Real Estate Mortgages—F.H.A.	365,449.36
Stocks and Federal Savings Certificates	74,070.00
Premiums Receivable—not past due	2,117,110.85
Current balances due from agents and policyholders.	
Interest Accrued and other assets	83,066.26
Total Admitted Assets	\$16,320,394.69

RESERVES

Reserve for Claims	\$ 6,740,640.19
Funds set aside to fully pay all incurred and expected losses.	
Reserve for Unearned Premiums	4,994,096.00
Funds set aside to return to every policyholder the unearned premium in event of cancellation.	
Reserve for Taxes—State and Federal	445,606.35
All Other Reserves	1,080,258.24
Included in this Reserve is a sufficient amount to pay dividends on all participating policies.	
Total	\$13,260,600.78
Reserve for Contingencies	\$ 800,000.00
Unassigned Surplus	2,259,793.91
Total	\$16,320,394.69

*Amortized Values.

A NATIONAL INSTITUTION

Home Office

210 Seventh Street

Des Moines

BRANCH OFFICES

Philadelphia, Pa.
Charlotte, N. C.
Lansing, Mich.
Milwaukee, Wis.
Chicago, Ill.

Jackson, Miss.
St. Louis, Mo.
Minneapolis, Minn.
Kansas City, Mo.
Omaha, Neb.

Wichita, Kans.
Dallas, Tex.
Denver, Colo.
Seattle, Wash.

Automobile, Plate Glass
Workmen's Compensation



Public Liability Insurance,
Fidelity and Surety Bonds

sistant cashier. Mr. Farrell is manager of the collection department, which position he has held for more than 20 years. He started his banking career with the old Mechanics-American National Bank.

New Check Writers

Two new Protectograph Check Writers, one electric, the other hand-operated, both representing advanced design in their field, have been announced by The Todd Company.

Model 79, a new electric portable,



One of two new Protectograph Check Writers, announced by the Todd Company, is this Model 79 portable, electric machine. It includes locked control to prevent misuse of the check writer by unauthorized personnel, and a removable prefix die which imprints the company's name and the dollar sign immediately before the amount. The die can be taken out easily and locked in a safe place when the machine is not in use.

was created to meet customer need for a machine with standard gauges to handle the check forms in most common use. It embodies locked control to prevent misuse of the machine by unauthorized employees, and drop-forged brass type which shreds indelible ink from a ribbon into the fibers of the check, making it impossible to alter the amount without destroying the paper itself.

Another protective feature is the removable prefix die which imprints the company's name or trademark and the dollar sign immediately before the amount. This die can easily be removed and locked in a safe when the unit is not in use.

Model 74 is similar in design to Model 79, except that it is hand-operated.

Unbalanced

"What's a budget?"

"Nothing more than a mathematical confirmation of your suspicions."

INSURANCE

How to Make Big Customers Out of Little Ones

**It Is Well to Get Ready for the Time
When Walk-in Business Stops Walking In**

By R. C. LARSON
Field Supervisor
Aetna Casualty & Surety Company
Hartford

DEVELOPING additional business "in your own back yard" was stressed by R. C. Larson, field supervisor of the Aetna Casualty and Surety Company, in a recent talk.

Pointing out that many agents are concentrating on developing new clients and ignoring the vast opportunities for increased business among their present policyholders, Mr. Larson asked, "Are there undeveloped premium dollars in your files; is there a pot of gold in your back yard as yet undiscovered?"

To discover whether such a gold mine exists, Mr. Larson urged the agents to make intensive use of the customer analysis, classification and development plan.

Citing cases of agents who have made analyses, Mr. Larson said, "One agent found that 647 of his customers had but one policy with his agency; 333 customers had but two policies with his agency, and 168 had three or more policies.

"Still another agent that I know found that among 2,606 customers, 2,470 had purchased only one policy from him; 124 customers had bought only two policies from him and only 12 customers had three or more policies.

"What an opportunity for development! And you can't say that the same opportunity doesn't exist in your agency until you have made a systematic study of your customers.

"One agent recently told me that during two years following the analy-



R. C. LARSON
"Develop Old Customers, Too"

sis of his customers, he had written \$35,000 in new premiums on old customers. Another told me that he had increased his average commercial account from \$245 annually to \$646 and his personal insurance accounts from \$31.50 to \$95.70 annually.

"I recognize that the job of customer analysis and classification represents a lot of work, but it is worthwhile and necessary work and must be done if you expect your agency to grow on a sound basis. Some day this boom will be over and these lush days of easy business will be just a

pleasant memory. I know many agents who have done practically no soliciting for new business during the past few years. But when walk-in business stops walking in and when customers begin to telephone you to reduce their insurance rather than increase it, selling will again come into its own. When that day comes, the agent who is following a systematic plan of customer development need have no fears for the future. He repaired his roof when the sun shone and now that it is raining, he is snug and dry in his house. So we urge you to do this job now—to do it now even though you don't seem to have enough hours in the day to handle your present business—to do it now even if your office force is taxed to capacity. Conditions will never be exactly right in a busy agency to get a job done which no one is pressing, so we say do it now when the sun is shining."


Classify Customers

Mr. Larson suggested that after the agent had analyzed his customers' accounts he should then classify them as "A," "B" or "C," the "A" customers being those with the best potential for the development of additional business, the "B" customers being an intermediate group, and the "C" customers those who purchase only one or two small policies and are unlikely to buy any additional coverages. The agent should give his class "C" customers whatever services they are entitled to, but should not spend a

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 2 4325

Scarborough & Company

Insurance Counselors  to Banks

Northwestern Banker, March, 1949

great deal of time trying to sell additional lines to those customers.

Renewals for "B" customers should be delivered in person and the agent should try to get them to increase their limits or amounts of insurance to proper levels and also to buy additional needed coverages. The class "A" customers should be followed up individually and their accounts should be developed through the medium of well made insurance surveys.

In discussing the survey method of selling, Mr. Larson remarked, "My company pioneered in account selling and keeps accurate records of the business produced by the surveys made by company personnel. Recently, the results obtained from 10,000 surveys made for all classes and sizes of risks were analyzed. It was found that these surveys produced \$4,509,132 in new premiums or an average of \$602 for each commercial survey and \$160 for each personal survey. These figures are confined to new business placed with my company and do not include business obtained by the agent and placed with other insurers.

"The most successful agents that I know are using this method of account development. It works for the new agent or the experienced agent and geography doesn't have anything to do with its success. It is being used in big towns and small."

Examples

Mr. Larson then went on to give examples stating the case of an agent in Ohio who, after completing 74 surveys during his first year of business, produced \$18,000 in premiums. An agent in Illinois, who has been in the insurance business for five years, points to 16 personal and 35 commercial surveys which have brought nearly \$38,000 in new business. A new agency, in two years, built up a volume of over \$100,000 in premiums, a large share of which was a direct result of survey work. A midwestern agency, after 32 years of existence, produced approximately \$100,000 a year in premiums. In 1930 the agency started on a program of account selling through the survey method and after 18 years paid its companies \$1,800,000 in premiums, all of it direct business. Six men handle this tre-

mendous volume and they do it with ease because they sell accounts, not policies, Mr. Larson said.

In concluding his remarks, Mr. Larson urged the use of the survey method of selling for the following reasons:

"Because it is a tested method of account selling.

"Because by selling an entire account rather than individual policies you are in a position to deliver the services which an agent is supposed to deliver.

"Because the survey is an offensive as well as defensive weapon—it produces new business and helps hold renewals.

"Because the survey makes your customer realize that his insurance is a problem which can't be solved by buying insurance through the mail.

"Because the survey is a showcase in which to display your services.

"Because it raises the plane of insurance and is concrete evidence that the stock agent is worthy of his hire."
—The End.



56th ANNUAL FINANCIAL STATEMENT

As of December 31, 1948

ADMITTED ASSETS

Mortgage Loans	\$ 284,262.20
Bonds and Stocks	4,409,823.47
Deposit in Banks	1,766,524.96
Building and Loan Association Shares...	50,000.00
Agents' Balances	141,381.14
Interest Due and Accrued	24,276.05
Home Office Building	130,000.00
All Other	9,407.32

Total.....\$6,815,675.14

LIABILITIES

Reserves:	
Losses and Claims	\$ 419,559.38
Unearned Premiums	1,346,450.00
Salaries, Rents, Expenses, Etc.	5,260.64
Taxes (Federal, State and Other)	202,516.14
Contingent Commissions	254,391.24
All Other	3,958.82

Total.....\$2,232,136.22
Surplus as Regards Policyholders.....4,583,538.92

Total.....\$6,815,675.14

Surplus Over All Liabilities \$4,583,538.92

FARMERS MUTUAL HAIL INSURANCE COMPANY OF IOWA

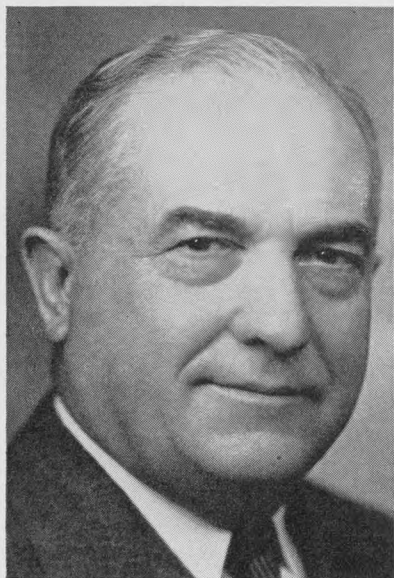
C. P. RUTLEDGE, President

1019 High Street, Des Moines

Town Mutual Dwelling

B. Rees Jones has been re-elected president of Town Mutual Dwelling Insurance Company, Des Moines, it was announced following the organization's annual meeting.

Substantial gains were made in all departments of the company's opera-



B. REES JONES
Re-elected President

tions last year, President Jones announced. The annual report showed that Town Mutual assets now exceed 3 million dollars; also \$896,597,386 insurance in force—a gain of \$91,236,383.

Other officers re-elected were Lester T. Jones, vice president; Frank H. Dirst, Hampton, Iowa, secretary; Wm. J. Goodwin, treasurer; Charles L. Henschel, assistant secretary; Leslie L. Greve, assistant secretary; and Gus Scurlock, superintendent of agents.

Re-elected directors are H. F. Gross, Harold S. Evans, Des Moines; R. Lloyd Young, Oelwein, Iowa; and R. J. Sullivan, New Hampton, Iowa.

Policyholders National

Total insurance in force amounting to \$56,896,106 is shown in the 30th annual statement of the Policyholders National Life Insurance Company of Sioux Falls. Total assets of the company are \$8,917,069. Insurance in force of the company has increased \$26,000,000 in the past 5 years and assets have increased \$5,500,000.

The Policyholders National Life presents a nice statement and shows \$114.79 in approved assets for each \$100 of liabilities. The average of all American companies in this respect is \$106.90.

At present, the company is licensed and operating in South Dakota, North Dakota, Minnesota, Iowa, Nebraska, Wyoming, Montana, Idaho, Washington and Oregon.

Officers include S. H. Witmer, president; Holton Davenport, vice president; H. O. Chapman, secretary-treasurer; W. J. Harris, vice president-actuary; Dr. R. Reagan, medical director; and B. H. Millard, director.

Farmers Elevator

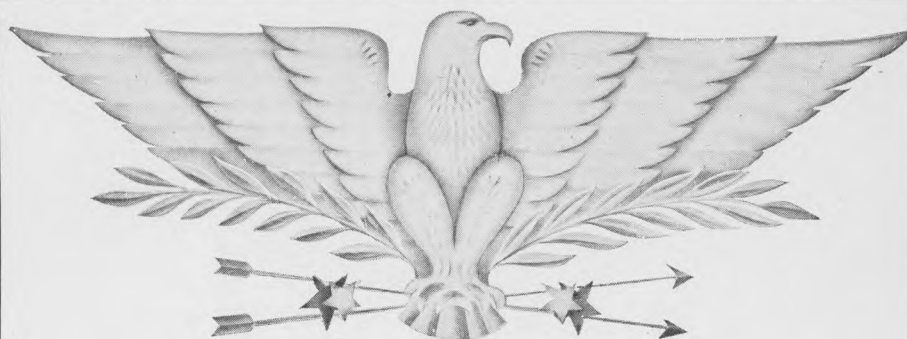
The Farmers Elevator Mutual Insurance Company, Des Moines, held its annual meeting recently. The three directors whose terms were expiring, namely, C. J. Kelsey, Iowa Falls; Scott Ellis, Dallas Center; F. C. Behm, Missouri Valley, were all re-elected for terms of three years. All officers were also re-elected and they

are as follows: W. P. Moeller, president, F. C. Behm, vice president and Don E. Edison, secretary-treasurer.

It was reported at the annual meeting that in 1948 the gain on insurance in force was one of the largest in any year since beginning operations in 1909. The net gain in insurance in force for the year 1948 was \$4,882,460.

New Form

Completion of a new standardized form of Registered Mail and Express Policy for banks, effective last month, was announced by George C. Bennett, chairman of the Insurance and Protective Committee of the American Bank-



PROTECTED

It's a comfortable feeling, isn't it? Knowing that your property is protected by insurance that is suited to your individual needs.

That's the feeling that you want to secure for your clients as well as your stockholders.

We are proud of the many fine banker agents who represent us throughout the middle west. We know they want the best for their clients and we are happy that they feel that service can be found at

WESTERN MUTUAL FIRE INSURANCE COMPANY

Ninth and Grand

Des Moines, Iowa



ers Association. Mr. Bennett is assistant comptroller of the Bankers Trust Company, New York, New York.

The new policy, superseding certain varying terms and conditions of policies issued by different companies, includes important improvements in addition to changes effected in existing policies since March 1, 1947, by endorsement. In his announcement, Mr. Bennett said: "The endorsement was regarded as temporary, and at conferences of the A.B.A. Insurance and Protective Committee with underwriters' representatives prior to March, 1947, it was agreed that further study should be given to standardizing and improving the entire policy. The two groups conferred again last summer and, as a result of these discussions, the new standard policy furnishes broader coverage in many respects."

6 AGRICULTURAL PROBLEMS FACING BANKERS

(Continued from page 17)

here, of course, is seasonal, and if we are to set the loan up on a sound basis we should provide the operating costs as needed. This can best be done with a budgeted loan.

Cattle feeder loans appear to be the

type of loan in which there is the greatest danger of over-expansion. Margins have been large the past few years, and in some cases fantastic. This condition would naturally attract men to a cattle feeding program who ordinarily do not feed, and encourage average feeders to buy more cattle. Feeding costs are low this year and the ratio to price very favorable. Cattle can be fed on a narrower margin and there is nothing in the current picture to indicate a serious decline in market prices. Farmers know these things and are inclined to be optimistic and want to take advantage of conditions. The cycle is bound to take its course and some day the trend will be in reverse. Even now, there is evidence of ample supply in consumer goods, such as clothing, shoes and household appliances. That usually is a pretty good barometer. It seems to me that the time to discourage over-expansion is before the trend reverses and not after. That point may not be just at this time, but caution certainly is a safe procedure to follow.

The problems confronting us in extending credit for the purchase of feeder lambs are about the same as with feeder cattle, with the additional one of experience, or rather the lack of it.

Breeder Cattle Loans

Loans on breeder cattle present quite a price problem. The prices are high and it will take quite a long time for these loans to be paid. It would seem to me that a full purchase price loan on breeder cattle would be very hazardous at this time. Before returns could be realized on the loan, prices could be materially lower.

Harvested Grain Loans

Most loans to hold and carry harvested grain have presented no problems at all, as they have been made by and under the guarantee of the Commodity Credit Corporation. Last fall it was different. Most of our customers were coming to us with Commodity Credit certificates which were nothing more than an agreement to purchase a certain amount of grain of a specified grade and at the guaranteed price. That presented the problem of being assured the conditions would be met, if we granted the loan on the basis of the certificate issued. We had to be assured that the amount of grain was there, would qualify as to grade, and was adequately stored and properly insured. In our bank we were making these loans on 80 per cent of the amount and on a chattel mortgage basis unless the borrower was entitled to unsecured credit.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

FINANCIAL STATEMENT

December 31st, 1948

ASSETS

Cash in Banks	\$ 4,137,217.60
Investments:	
United States Government Bonds	\$15,715,861.81
State and Municipal Bonds	5,065,317.39
Corporate Discount Notes	2,223,288.19
Preferred Stocks	3,724,080.00
Common Stocks	7,512,092.52
	<u>34,240,639.91</u>
Capital stock of National Surety Marine Insurance Corporation, a wholly owned subsidiary	1,794,345.38
Premiums in Course of Collection, Not over 90 Days Due	2,448,877.99
Accrued Interest	114,316.83
Reinsurance and Other Accounts Receivable	131,511.25
Home Office Building	500,000.00
TOTAL ADMITTED ASSETS	\$43,366,908.96

LIABILITIES, CAPITAL AND SURPLUS

Reserve for Losses and Loss Adjustment Expenses	\$ 7,024,723.30
Reserve for Unearned Premiums	13,335,831.38
Reserve for Commissions, Expenses and Taxes	1,575,444.04
Capital Stock	\$ 7,500,000.00
Surplus	13,930,910.24
Surplus to Policyholders	21,430,910.24
TOTAL	\$43,366,908.96

Investments are carried on the basis prescribed by the New York Insurance Department—bonds being carried at amortized values and stocks at values based on rates promulgated by the National Association of Insurance Commissioners. If investments, including those of National Surety Marine Insurance Corporation, a wholly owned subsidiary, were carried at the December 31st, 1948 market quotations, total assets and surplus would be increased by \$133,786.96.

Bonds carried at \$1,163,720.22 are deposited as required by law.

Real Estate Loans

For the most part, farm real estate loans have been on a fairly sound basis, but there have been some cases that present their problems, greatest of which has been paying too much for the farm. If the purchaser has a large equity, it does not make too much difference, but if not, that is a different matter. We have had to decline a few because too much credit was required when considering the long-range price structure. There have been some cases, too, where there has been over-expansion in improvements.

Sound real estate loans go farther than just the one factor that the farm can be sold for the amount of the mortgage. These are the problems of which we must be very careful.

Unsecured Loans

Problems arising in unsecured loans are, I believe, a great deal of our own making. We are too inclined to take too much for granted and not thoroughly analyze the situation. We think we know the customer, that he has a good financial position and is good for most anything he asks. It seems to me that we should screen every request in loans of this type, be assured the purpose is good for the borrower, and that the loan is set up on a sound basis.

Secured Loans

A great deal of trouble can be avoided on all secured loans if the borrower is required to apply the proceeds of the sale of all property in the chattel mortgage on the loan. Under the law, no other procedure can be followed. The borrower may think he needs that money, or part of it, but it should and can be determined after he pays on the loan. This can be accomplished by making an advance to the existing chattel mortgage, providing the mortgage form with an additional advance clause is used. For the most part, farmers have become educated to this procedure and there need not be very many problems of this nature.

Knowledge of Farm

To face and solve these problems, we must have an adequate knowledge of the farm and its capacity to produce. I do not see how we can acquire that knowledge without an inspection. A man well versed in farming can soon tell, by visiting a particular farm, whether or not it has the capacity to produce and is operated on a sound basis. He can observe many things, such as the general condition of the farm and its productivity, and whether or not the farmer is efficient in his work and has managerial ability. He can determine if enough soil conservation is

practiced and best use of the land is made.

You may feel that your volume of business does not warrant the employment of a full-time fieldman. That may be true, but there is a lot of time before nine in the morning and after closing hours in the afternoon. Much

can be accomplished in those times. It has been done by many banks. If done conscientiously, you will find it will not be long before it will be necessary to employ a full-time fieldman.

Soil Conservation

I have mentioned soil conservation and land use as a problem, particu-



After a loss, no banker cares about the cost of insurance. Then the question is: "Are we covered?"

The Saint Paul Banker's Blanket Bond (Form No. 24, with extended coverage) is designed to give the greatest protection possible. Call a Saint Paul agent.

BANKER'S BLANKET BONDS

L. R. (Len) Moeller, Exec. State Agent

SAINT PAUL-MERCURY INDEMNITY COMPANY

111 West Fifth Street

Saint Paul 2, Minnesota

Insurance Counsellors to Banks

Now Starting Our Second 20 Years As Strictly An Agency Co.

Working With Selected Agents Since 1929



ALLIED MUTUAL CASUALTY COMPANY

Harold S. Evans, President

Hubbell Building

Des Moines 7, Iowa

larly in crop production loans. It not only is in those loans, but in all loans, as well as a problem affecting all mankind. Too much emphasis cannot be placed on this matter, and I think it behooves all of us to do our part in solving it. So far as agricultural loans are concerned, I would far rather increase the amount for soil conservation purposes to where it might seem like too much credit, than to leave it out if it means the farmer would not be able to follow a soil conservation program.

Let us do our part. The land is the heritage of all of us and we must preserve it.

If we take heed to the danger sig-

nals of over-expansion, over-production, over-confidence and the general inflation picture, I believe that our problems will not be great and our troubles few.—The End.

BANKERS YOU KNOW

(Continued from page 20)

business of the moment, but for the constant understanding of problems and for providing a steady flow of information among directors and executive officers responsible for progress of the bank. California Bank now has \$431,237,453 in deposits with total capital of \$18,101,739.

During his five years in Los An-

geles, Mr. King has taken an active part in civic organizations as well as in national and regional banking associations. He is treasurer of the Greater Los Angeles Plans, Inc., a private, nonprofit organization sponsoring and developing the Los Angeles War Memorial Auditorium and the Los Angeles Opera House; director and treasurer of the All-Year Club of Southern California; director and treasurer of the American Cancer Society; director and treasurer of the Los Angeles Area Building Funds, Inc.; director of the Founders' Fire and Marine Insurance Company, and a trustee of the University of Southern California.

At present he is president of the State Bank Division of the American Bankers Association and holds other A.B.A. offices. He serves on two committees of the California Bankers Association; is a director of the Los Angeles Branch of the Federal Reserve Bank of San Francisco; is a member of the board of trustees of the Controllershship Foundation, Inc., and a member of the clearinghouse committee of the Los Angeles Clearing House Association.

Mr. King also is a member of the California Club, Stock Exchange Club, Los Angeles Country Club and Bel-Air Bay Club.

Mr. King was married to Lucille Alhime in 1924 and they have three children, Frank L., John Frederick and Robert Alexander.

Moeller Assistant Secretary

Of special interest to his many banker friends in the midwest was the recent election of Leonard R. Moeller as assistant secretary of the St. Paul-Mercury Indemnity Company. Mr. Moeller was executive state agent for the St. Paul-Mercury for a number of years, specializing in bankers' blanket bonds, and has built up a very large acquaintance through his many years of attending state conventions and group meetings in this area.

Irving Trust

Irving Trust Company, New York, announced the promotion of John F. Childs and Olavi Silvonen from assistant secretary to assistant vice president and the appointment of Arnold H. Nichols as an assistant secretary.

Mr. Childs has been with Irving Trust Company since 1940, except for the period 1942 to 1945, during which he served in the United States Navy. He was appointed assistant secretary in 1947 and is a member of the official staff of the bank's public utility department.

Mr. Silvonen joined the Irving's staff in 1941 as a security analyst. On

56th ANNUAL STATEMENT

December 31, 1948

ADMITTED ASSETS

Cash in Banks and Office.....	\$ 368,509.81
Federal Savings and Building and Loan Associations.....	312,000.00
United States Government Bonds.....	1,595,241.66
State, County and Municipal Bonds.....	112,118.49
Canadian Bonds	105,936.42
Canadian National Railway Bonds.....	103,381.86
(Guaranteed by Canadian Government)	
Public Utility Bonds.....	147,121.61
Miscellaneous Bonds	10,000.00
Stocks	142,890.13
Accrued Interest and Dividends.....	9,891.42
Agents' Balances	66,915.20
(Not over 90 days due)	
Other Assets	674.19
TOTAL ADMITTED ASSETS.....	\$2,974,680.79

LIABILITIES

Reserve for Losses and Adjusting Expenses.....	\$ 49,772.73
(Losses incurred and in process of adjustment)	
Reserve for Unearned Premiums.....	1,507,375.12
Reserve for Taxes and Expenses.....	56,049.09
Other Liabilities	1,202.04
Total Liabilities and Reserves.....	\$1,614,398.98
Guaranty Fund	\$ 200,000.00
Surplus	1,160,281.81
SURPLUS TO POLICYHOLDERS.....	1,360,281.81
TOTAL	\$2,974,680.79

INSURANCE IN FORCE DECEMBER 31, 1948

\$896,597,386.00

Town Mutual

DWELLING INSURANCE COMPANY

B. REES JONES, President

HOME OFFICE — Hubbell Building — DES MOINES

his return from three years' service in the United States Navy he resumed his former duties and is now in immediate charge of the security analysis department.

Minnesota Commercial Men's Association

The Minnesota Commercial Men's Association of Minneapolis had a very successful year during 1948. During the year the association made an in-



PAUL C. CLEMENT
Secretary and Manager

crease in its assets and in the report of Paul Clement, secretary and general manager, they now total \$438,028. Assets are divided as follows: Cash, \$64,861.56 (14.9 per cent); U. S. government bonds, \$142,530 (32.5 per cent); municipal bonds, \$129,527 (29.6 per cent); railroad bonds, \$13,875 (3.2 per cent); stocks, \$21,860.25 (5.0 per cent); endowments, cash value, \$29,478.88 (6.7 per cent); savings and loan deposits, \$10,186.98 (2.3 per cent); real estate, \$17,400 (4.0 per cent); interest receivable, \$2,125.02 (0.5 per cent); market value over book value of stocks and bonds, \$6,183.40 (1.4 per cent).

Secretary and General Manager Clement is widely known in the health and accident business. His hobby has been conservation. He has served as national president for the Izaak Walton League and makes many speeches on the subject of conservation before local chapters of the Izaak Walton League and other conservation organizations.

Buys Bonds

The City National Bank and Trust Company of Kansas City, Missouri, bought \$435,000 in sewer bonds of Kansas City, at an effective interest

rate of 1.5218 per cent, which city officials said reflected the AA credit rating of the city by Moody's Investors' service.

Twenty-nine bids by syndicates representing sixty-six of the largest investment and banking firms in the nation were received for the 20-year serial bonds.

The City National Bank and Trust Company bid was for \$46,000 of the bonds, to bear 3 per cent interest and to mature in 1950 and 1951, and for \$407,000 at 1½ per cent, to mature from 1952 to 1969. It offered a premium of \$7.40, which made the cost

of the bonds \$71,692.60 over the 20-year period.

The \$453,000 in bonds are the first of the 41½ million dollars in bonds voted in the November, 1947, election.

Heads Clearinghouse

William C. Connett, executive vice president of the First National Bank in St. Louis, has been re-elected president of the St. Louis Clearinghouse Association. Harold T. Jolley, president of Boatmen's National Bank, was re-elected vice president and R. R. Tillay was re-elected manager.

Another Year of Growth Shows

GAINS IN ASSETS

GAINS IN RESERVES

GAINS IN SURPLUS FUNDS

GAINS IN PREMIUM INCOME

GAINS IN INSURANCE IN FORCE

Financial Statement—January 1, 1949

ASSETS

Cash and Bonds.....	\$3,362,136.11
First Mortgage Loans on Real Estate.....	4,433,452.46
Home Office Building and Other Real Estate.....	188,808.29
Stocks	607,761.54
Loans to Policyholders and Other Secured Loans.....	149,781.78
Interest and Rents Due and Accrued.....	51,028.28
Net Premiums in Course of Collection.....	124,100.87
Total Assets	\$8,917,069.33

LIABILITIES

Policy Reserves	\$6,585,886.01
Reserves for Policyholders Dividends.....	180,848.07
Premiums Paid in Advance.....	638,750.69
Other Reserves and Liabilities.....	387,585.09
Total Liabilities	\$7,793,069.86
*Surplus to Policyholders.....	1,123,999.47
Balance	\$8,917,069.33

*Includes Capital Stock \$204,404.67.

POLICYHOLDER'S NATIONAL LIFE INSURANCE COMPANY

SIoux FALLS, SOUTH DAKOTA

HELPING MAKE
GOOD COMMUNITIES
BETTER!



A FARM WELL TILLED, A BARN WELL FILLED

"When tillage begins, other arts follow. The farmers therefore are the founders of human civilization." Thus Daniel Webster defined the historical significance of farming.

It's only a short step—historically, culturally and economically—from our farms to our towns and factories and institutions. Many of our traditions and faiths and ways

of life are deeply rooted in the good earth. There's something real about farming that builds people who are sound and steady and self-reliant and honest . . . the kind of people bankers welcome as customers. No wonder FIRST of Minneapolis welcomes every opportunity to help banks serve their farm communities better.

HOW CAN WE HELP YOU HELP YOUR COMMUNITY?

FIRST NATIONAL BANK OF MINNEAPOLIS

HENRY E. ATWOOD, *President*

DEPARTMENT OF BANKS AND BANKERS

M. O. GRANGAARD, *Vice President*

J. J. MALONEY, *Assistant Vice President*

K. T. MARTIN, *Assistant Vice President*

G. S. HENRY, *Assistant Vice President*

C. E. CORCHRAN, *Assistant Vice President*

J. M. DOWNES, *Assistant Cashier*

S. R. OMLIE, *Assistant Cashier*

R. O. WEYRAUCH, *Representative*

Member Federal Deposit Insurance Corporation

Northwestern Banker, March, 1949



M. O. GRANGAARD
President
Minneapolis

Minnesota NEWS



ROBERT E. PYE
Secretary
Minneapolis

New President at Luverne

At the annual meeting of the Luverne National Bank, Luverne, Minnesota, H. L. Smith, formerly vice president, was elected president and J. L. Goembel, formerly president, was named chairman of the board. Ben Fitzer, a member of the board, was elected vice president. Other officers are: G. P. Bauman, cashier; Lyle M. Smith, assistant cashier, and H. C. Nelson, assistant cashier.

Director at Northfield

Dr. Laurence McKinley Gould, president of Carleton College at Northfield, Minnesota, has been elected a director of the Northfield National Bank and Trust Company.

Dr. Gould, internationally known geologist and geographer, joined the Carleton faculty as a professor of geology in 1932, and since 1945 has served as president of the college.

All directors of the bank were re-elected. The Northfield National Bank and Trust Company is affiliated with First Bank Stock Corporation.

Returns to Marshall

A. E. Persons, cashier of the Western State Bank of Marshall, Minnesota, and Mrs. Persons recently returned to Minneapolis by plane from Los Angeles, then returned to Marshall. Mr. Persons and his wife had left early in January for a vacation on the west coast but while there he underwent emergency surgery. Mr. Persons is expected to be back at his desk the early part of March.

Winona Changes

Chester A. Fockens, vice president of the First National Bank of Winona, Minnesota, was given the additional duties of cashier at the recent annual meeting. C. W. Britts, formerly vice president and cashier, relinquished the cashiership to accept appointment as executive vice president. G. M. Robertson, president, and other officers were re-elected.

Elected Cashier

Frank Manthey, formerly assistant cashier, was elected cashier of the First National Bank of Waseca, Min-

nesota, at the annual meeting of the board recently.

Mr. Manthey will fill the position vacated by J. E. Farrell, who retired last fall.

Surplus was increased \$50,000 by action of the board.

New Director at Walker

Leonard P. Peterson, Cass county register of deeds, was elected to the board of directors of the First National Bank of Walker, Minnesota, at the annual meeting of the group.

New St. Cloud Officer

George J. Mainz was elected president of the American National Bank of St. Cloud, Minnesota, at the annual meeting. W. J. Bohmer will serve as vice president.

Other officials include B. R. Mainz, cashier, and C. E. Schoener, A. J. Eveslage, T. P. Galernault and Elinda G. Laubach, assistant cashiers.

Moves to Nerstrand

Raymond Kalow, formerly assistant cashier of the Security State Bank of Waterville, Minnesota, has been

elected cashier of the Farmers State Bank at Nerstrand.

Remodeling at Red Wing

A remodeling program, costing several thousand dollars, is under way at the First National Bank, Red Wing, Minnesota, according to Leon Kaliher, president.

The interior will be completely redone, ceilings will be lowered and sound-proofed and a new lighting system put in. In addition, new banking machinery and equipment will be installed.

Elected Cashier

Jerome A. Stotke, a member of the Farm Bureau Association, was elected cashier of the Citizens State Bank of Waverly, Minnesota, as well as a director, at the annual meeting.

Capital assets of the bank were increased to \$50,000 by the board of directors.

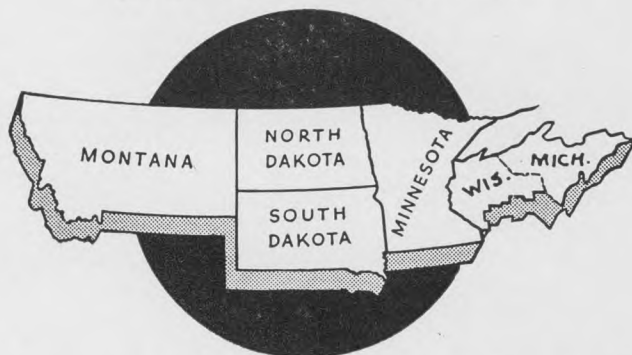
Duluth Dinner Speaker

Harry W. Gooch, assistant cashier of the First and American National Bank of Duluth, Minnesota, spoke on the subject of job relations at a dinner meeting of the Lake Superior Conference of National Association of Bank Comptrollers in Duluth last month.

Moves to Austin

William H. Witte of Wabasha is a new assistant cashier at the Austin State Bank, Austin, Minnesota. He has been cashier of the First State Bank of Wabasha, with which he had been employed for the past 27 years.

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New Cloquet Bank Building

Doors of the new banking home of the First National Bank of Cloquet, Minnesota, hailed as one of the most modern and efficient banks in this section of the country, were opened to the public for the first time last month.

FOR SALE—Old established 2½ million dollar bank and insurance agency in rich dairy section. Write HMF Northwestern Banker, 527 7th St., Des Moines, Iowa.

FOR SALE: Burroughs Style 131302 Tally Roll Posting Machine; accumulates checks, deposits and new balances. Root River State Bank, Chatfield, Minn.

Directors, officers and employees of the bank were hosts at "open house" marking completion of the First National's new quarters.

Located on the northwest corner of Cloquet Avenue and Eighth Street, the new building, with its distinctively functional exterior, has been a focal point of community interest ever since the start of construction early last spring.

Growing steadily ever since its founding in 1900, the First National has assets of over \$7,000,000 and had, completely outgrown its old quarters. Officers of the bank are Lynn S. Olson, president; C. I. McNair, Jr., vice president; W. N. Campbell, cashier, and Arthur J. Anderson and C. K. Sunnar-

borg, assistant cashiers. Directors are Harry T. Kendall, Jr., A. H. Kennedy, Allen Spafford and Messrs. McNair and Olson.

Clearing House Head

Herman C. Matzke, president of the City National Bank, was elected head of the Duluth Clearing House Association at its annual meeting in the First and American National Bank Building last month. Mr. Matzke succeeds Willis D. Wyard, president of the First and American National Bank.

Other officers chosen were Wilbur F. McLean, first vice president; Mr. Wyard, second vice president; Julian V. Hagberg, secretary-treasurer, and Sylvester T. Strain, manager.

The Duluth Clearing House Association endorsed Willis A. Putman, vice president of the First and American National Bank, as a candidate for the Minnesota Bankers Association vice presidency.

Thirtieth Anniversary

Last month marked the 30th anniversary of Frank P. Powers with the Kanabec State Bank. He assumed the cashiership of the Quamba State Bank February 1, 1919.

In January, 1921, he was elected president and has served in that capacity ever since.

February, 1932, the bank was moved to Mora and the name changed to Kanabec State Bank.

Edward F. McCarthy

Edward F. McCarthy, 85, vice president of the Citizens National Bank of Madelia, Minnesota, and associated with that institution since 1913, died at his home recently.

Blooming Prairie Cashier

At the annual meeting of stockholders of Farmers & Merchants State Bank of Blooming Prairie, Minnesota, Edward C. Habberstad, a native of Blooming Prairie, who attained the rank of colonel in the U. S. Army Air Corps in World War II, was elected cashier.

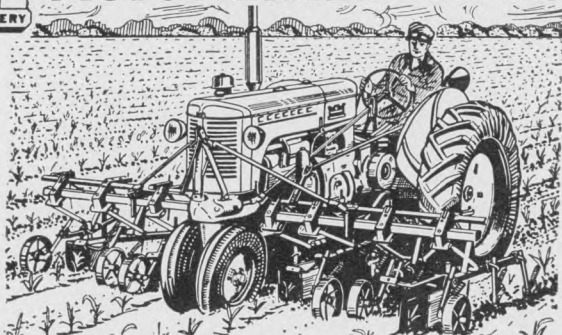
He is a son of E. O. Habberstad, president, who announced that \$5,000 was added to the surplus fund, increasing it to \$70,000, making the capital, surplus and undivided funds total over \$100,000.

Spicer Banker Honored

E. J. Rykken, vice president and cashier of the Green Lake State Bank at Spicer, Minnesota, was guest of honor at an "open house" affair held at the bank last month. The public was invited to the event, which marked Mr. Rykken's 25th year of service with that bank.

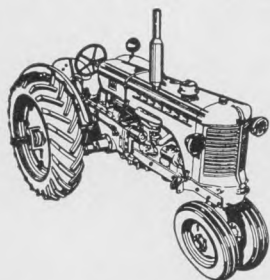
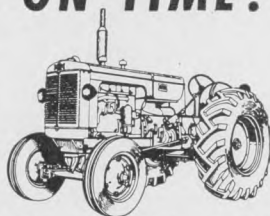


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Ruggedness and all-round "go" are coupled with fuel economies in MM Visionlined Tractors to assure reserve power and outstanding performance under all field and weather conditions. From the famed MM Visionlined "foursome"—the models R, U, Z and GTB—choose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



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

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

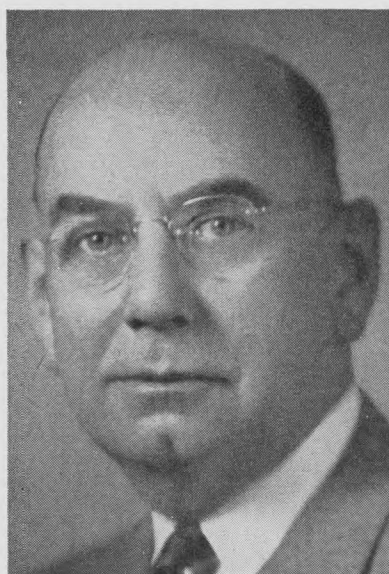
MM TRACTORS ARE VISIONLINED FOR EFFICIENCY, COMFORT, AND SAFETY!



MINNEAPOLIS-MOLINE POWER IMPLEMENT COMPANY
MINNEAPOLIS 1, MINNESOTA



AUGUSTUS H. KENNEDY, president of the First Bank Stock Corporation since 1941, and **Ellwood O. Jenkins**, vice president since 1947, were named chairman of the board of directors and president, respective-



ELLWOOD O. JENKINS
President, First Bank Stock Corporation
Minneapolis

ly, at the annual meeting of the corporation's directors recently in Minneapolis.

Mr. Kennedy succeeds **Clive T. Jaffray**, who will continue to be a director.

Following extended service as a vice president of the First National Bank of St. Paul, Mr. Kennedy in 1931 became vice president of the First Service Corporation, operating affiliate of the First Bank Stock Corporation. In 1935 he was elected vice president and director of First Bank Stock, advancing to the presidency in 1941.

From 1936 to 1947, Mr. Jenkins served as president of the First National Bank of Great Falls, Montana. For five years he has been a director and for two years a vice president of the First Bank Stock Corporation. In 1947 he came to Minneapolis as executive vice president and director of the First Service Corporation and

a year ago was elected its president.

Other officers of the First Bank Stock Corporation were re-elected by directors at the meeting. They include **Julian B. Baird** and **Henry E. Atwood**, vice presidents; **Hugh W. Martin**, treasurer; **Lawrence B. Hogue**, secretary; **Leonard O. Fredell**, assistant secretary, and **Andrew R. Moorhead**, assistant treasurer.

In addition to Messrs. Jaffray, Kennedy and Jenkins, all present directors of the corporation were re-elected.

Ashton Carhart, a vice president of the First National Bank of Minneapolis, has been elected president of the University Club of Minneapolis.

Julian B. Baird, president of the First National Bank of St. Paul, has been re-elected treasurer of the Minnesota Community Research Council, Inc. Mr. Baird also was named to the executive committee of the council, which seeks to protect Minnesotans from unequal solicitations of funds by local and national organizations.

Also elected to the executive committee were **Henry E. Atwood**, president of the First National Bank of Minneapolis, and **Henry S. Kingman**, president of the Farmers and Mechanics Savings Bank of Minneapolis.

The council formerly was headed by **J. Cameron Thomson**, president of the Northwest Bancorporation.

Bruce B. Dayton, secretary and treasurer of the Dayton Company, Minneapolis department store, recently was elected a director of the First National Bank of Minneapolis, **Henry E. Atwood**, president of the bank, announced. Mr. Dayton is a graduate of Yale University and rose to the rank of captain during four years of army service in the recent war.

Donald L. MacGregor, assistant vice president of the First National Bank of St. Paul, has been elected to the board of trustees of Macalester College, St. Paul.

William R. Chapman, vice president of the Midland National Bank of Minneapolis, participated recently in a panel discussion with six bankers from various parts of the nation at a meeting of the midwest regional conference of Robert Morris Associates in Chicago.

The First National Bank of Minneapolis recently sponsored a television broadcast of presidential inaugural films over a Minneapolis television station.

Andrew R. Moorhead, assistant treasurer of the First Service Corporation since 1942, was named treasurer at the annual meeting recently, **Ellwood O. Jenkins**, president, announced. Mr. Moorhead succeeds **Hugh W. Martin**, who has been vice president and treasurer for the past 10 years. Mr. Martin was re-elected vice president at the annual meeting.

Other officers re-elected were Mr. Jenkins, president; **J. M. Dougherty**, **E. W. Leonard**, **F. S. Lytle** and **G. Sidney Houston**, vice presidents; **L. B. Hogue**, vice president and secretary; **L. O. Fredell**, assistant secretary, and **K. H. Kanne**, assistant treasurer.

Department managers re-elected were **B. S. Woodworth**, advertising; **E. A. Tyler**, buildings; **D. R. Mays**, consumer finance; **E. A. Lassila**, credit; **J. P. Thornton**, insurance; and **C. L. Arkenstine**, purchasing. First Service Corporation is the operations affiliate of the First Bank Stock Corporation.

Minneapolis Clearing House Association named **Henry E. Atwood** its president and **Joseph D. Husbands** as its manager.

Mr. Atwood is president of the First National Bank and Mr. Husbands vice president and cashier of Northwestern National Bank. Both terms are for one year.

Ben S. Woodworth, assistant cashier of the First National Bank of Minneapolis, has been re-elected a director of the Minneapolis Athenaeum, a library organization.

Malcolm B. McDonald, a vice president of the First National Bank of Minneapolis, was among speakers at a recent gathering of trustees of Carleton College, Northfield Minnesota, in Rochester, Minnesota. Mr. McDonald is alumni trustee of the school.

Two Minneapolis bankers served as judges for a "business idea" contest sponsored by the Minneapolis Junior Chamber of Commerce, Minnesota Federation of Engineering Societies and the Twin Cities Marketing Association. They are **Henry E. Atwood**, president of the First National Bank of Minneapolis, and **Joseph F. Ringland**, president of the Northwestern National Bank of Minneapolis.

Frank H. Kriz, retiring chairman of the board of the First National Bank of Hopkins, recently received a gold watch at a dinner given in his honor by the bank's directors in recognition of 38 years of service.

Henry E. Atwood, president of the First National Bank of Minneapolis, with which the Hopkins bank is affiliated, made the presentation. Mr. Kriz' long service with the organization began in 1910. He advanced through junior officerships to the presidency in 1940 and to the chair-

manship of the board of directors in 1946.

Julian B. Baird, president of the First National Bank of St. Paul, was named to a St. Paul committee in charge of a drive to raise funds for work in the study and control of heart disease.

Guy W. LaLone, vice president of the First National Bank of Minneapolis, has been elected president of the First Minnehaha National Bank of Minneapolis. He succeeds **J. G. Byam**, who has retired from both the presidency and the board membership.

The First Minnehaha Bank is affiliated with the First National Bank of Minneapolis and with the First Bank Stock Corporation. Mr. LaLone has been associated with the latter bank since 1929.

William A. Benson, assistant cashier of the Northwestern National Bank, has been appointed to the advisory board of the North American office of the bank, **J. F. Ringland**, president, announced last month.

Mr. Benson will remain principally engaged at the Northwestern National where he is in charge of the mortgage department, but his new duties will

bring him in closer contact with the operations of the North American office where he started his career in 1913.

Clarence A. Maley of the American National Bank of St. Paul recently was elected to the board of directors of the St. Paul Athletic Club. Also elected to the board was **Wilfrid E. Rumble**, St. Paul, a director of the Northwest Bancorporation.

Funeral services for **Mrs. Sadie Lilly**, stepmother of **Richard C. Lilly**, chairman of the board of the First National Bank of St. Paul, were conducted recently in St. Paul. Mrs. Lilly died at the age of 84.

St. Paul Pioneers



In the four parades in the St. Paul Winter Carnival last month, the **First National Bank** of St. Paul float carried well known characters of the Minnesota Territorial period, portrayed by members of the bank staff.

Theme of this year's Carnival was the state's centennial. The Winter Carnivals date back to 1886.

Also on the First National float was a replica of the building in which **Parker Paine**, founder of the First National, conducted his pioneer banking business in the 1850's.

Typical of pioneer characters portrayed on the float are the two men in the above picture. Standing is **Mr. Paine**, and seated is **James Goodhue**, publisher of the first newspaper in the territory and founder of the *Minnesota Pioneer*.

In CANADA and NEWFOUNDLAND — It's

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HEAD OFFICE — MONTREAL

Assets exceed



\$2,000,000,000

Sixty-two employees of the 10 **Northwestern National Banks** in Minneapolis recently were admitted to membership in the banks' 20-year club, signifying completion of 20 years of service. The club has a total membership of 312.

The Minnesota Bankers Association, the Minnesota state banking department and the University of Minnesota co-operated recently in sponsoring the **10th Annual Minnesota Bankers' Conference** at the university. Agricultural and business trends were outlined by a group of authorities.

Bankers who spoke included **J. Marvin Peterson**, research director for the Minneapolis Federal Reserve Bank; **Walter B. Garver**, agricultural economist for the Chicago Federal Reserve Bank; **Allen Crawford**, vice president of the Bankers-Equitable

Trust Company, Detroit; **K. J. McDonald**, president of the Iowa Trust and Savings Bank, Estherville, Iowa; and **Robert E. Pye**, secretary of the Minnesota Bankers Association.

Hilda Hoff, for many years with the Minnesota state banking department, died recently in Rush City, Minnesota, at the age of 63. Funeral services and burial were in Minneapolis.

Arnulf Ueland, president of the Midland National Bank of Minneapolis, recently was re-elected treasurer of the Minneapolis club. **Henry S. Kingman**, president of the Farmers and Mechanics Savings Bank of Minneapolis, is retiring president.

C. T. Anderson of the Fourth Northwestern National Bank of Minneapolis recently was re-elected treas-

urer of the South Side Business Men's Association of Minneapolis.

Raymond E. Myhre, assistant cashier at the Fourth Northwestern National Bank of Minneapolis, has been named treasurer of Augsburg College and Theological Seminary of Minneapolis. He will continue in his position at the bank.

Northwest Bancorporation, which came into being 10 months before the 1929 financial crash, celebrated its 20th anniversary recently at the directors' annual meeting in Minneapolis.

J. Cameron Thomson, president, paid tribute to **Edward W. Decker**, first Banco president; to the four initial directors, **James F. Bell**, **John Crosby**, **Frank T. Heffelfinger** and **John S. Pillsbury**, and to three direc-

The Minnesota Commercial Men's Association had a very successful year during 1948. The statement below indicates its strong financial position. Liberal sickness and accident policies paying from \$25.00 to \$75.00 a week for disability with \$5,000 for accidental death are available for select risks at a very low cost. A hospital policy covering hospital and surgical expenses is also provided.

Statement as of December 31, 1948

RESOURCES			LIABILITIES	
	%			
Cash	14.8	\$ 64,861.56	Disability Claims Pending.....	\$ 28,317.43
U. S. Government Bonds.....	32.5	142,530.00	Unearned Assessments	42,215.50
Municipal Bonds	29.6	129,527.00	Reserve for Taxes, Unpaid Bills, etc.....	6,637.59
Railroad Bonds	3.2	13,875.00	RESERVE FOR PROTECTION OF	
Stocks	5.0	21,860.25	MEMBERS	360,857.57
Endowments, Cash Value.....	6.7	29,478.88		
Savings and Loan Deposits....	2.3	10,186.98		
Real Estate	4.0	17,400.00		
Interest Receivable	0.5	2,125.02		
Market Value over Book				
Value of Stocks and Bonds..	1.4	6,183.40		
TOTAL.....	100.0	\$438,028.09	TOTAL.....	\$438,028.09

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MINNESOTA COMMERCIAL MEN'S ASSOCIATION

PAUL CLEMENT, Secretary

2550 PILLSBURY AVENUE

MINNEAPOLIS 4, MINNESOTA

tors elected later in 1929, **Edgar M. Morsman, Jr., Augustus L. Searle** and **Fred Bohlen**. All seven directors remain active today.

Mr. Thomson also paid tribute to other directors who served from 1929 to 1945. They are **Shreve M. Archer, A. C. Cobb, George D. Dayton, W. A. Hurst, Hanford MacNider, Isaac S. Moore, George P. Tweed** and **Theodore Wold**.

During 1948, Mr. Thomson reported, Banco and its 70 affiliated banks served more customers and handled more transactions than in any previous year. Total earnings (consolidated) reached an all-time high of \$28,730,536, which was 8.4 per cent

greater than in 1947. Consolidated net income was \$5,382,193, equal to \$3.47 per share, compared with \$4,297,643, equal to \$2.77 per share in 1947. Net cash income was \$1,839,953, compared with \$1,805,872 in 1947.

Three Minneapolis bankers recently were re-elected to key offices of the Community Chest and Council of Hennepin County (Minneapolis). They are **Clarence R. Chaney**, chairman of the trust department and vice president of the Northwestern National Bank of Minneapolis, who will continue as vice president and chairman of the chest's office personnel and management committee; **Lowry Moore**, as-

sistant treasurer of the Farmers and Mechanics Savings Bank of Minneapolis, who was renamed vice president and chairman of the budget and distribution committee, and **Arthur H. Quay**, vice president of the First National Bank of Minneapolis, who will continue as treasurer of the chest.

More lending at the community level was urged in Minneapolis recently by **Aksel Nielsen**, Denver, Colorado, president of the Mortgage Bankers Association of America. Mr. Nielsen came to Minneapolis to address the annual meeting of the Mortgage Bankers Association of Minneapolis, with members of the St. Paul group as invited guests.

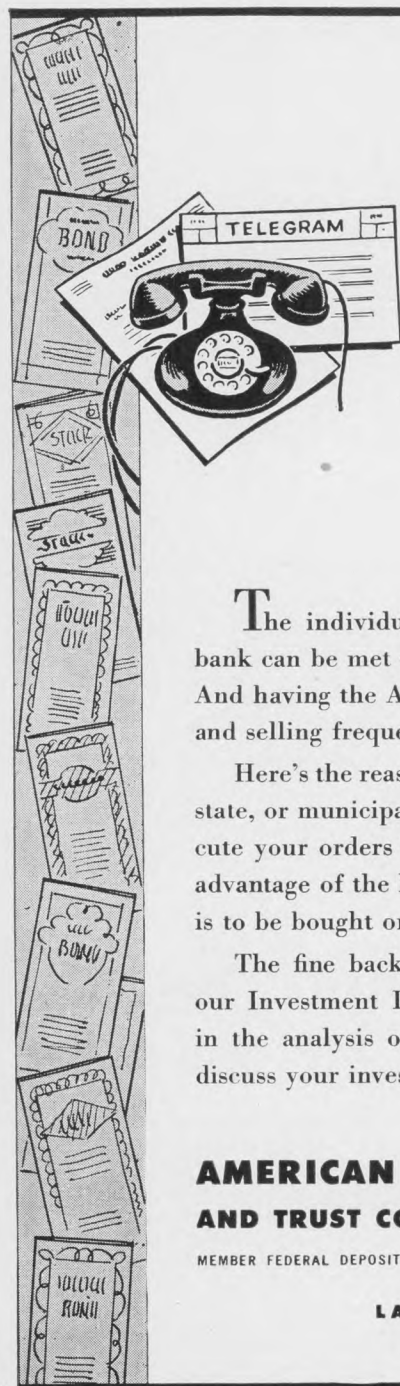
Mortgage bankers, he said, are marking time, waiting for congress to draw the picture in the lending field for the next year or so. With Mr. Nielsen as guest of honor was **George Patterson** of Chicago, secretary-treasurer of the national organization. **Donald N. Newhall** is president of the Minneapolis association.

Lew Wallace, trust officer and assistant secretary of the First National Bank of Minneapolis, recently was elected secretary of the board of trustees of Breck school, St. Paul.

Four Minneapolis bankers played leading roles at the recent Farm Forum sponsored by the Minneapolis Chamber of Commerce. **Henry E. Atwood**, president of the First National Bank of Minneapolis, was general chairman. Members of the Farm Forum committee were **Gordon Malen** of the First National Bank of Minneapolis, **L. O. Olson**, vice president of the Midland National Bank of Minneapolis and **Frank Parsons** of the Federal Reserve Bank of Minneapolis. Ashton Carhart, a vice president of the First National Bank of Minneapolis, is treasurer of the Chamber of Commerce.

G. Sidney Houston, a vice president of the First Service Corporation, was re-elected recently as secretary-treasurer of the Minneapolis Society of Fine Arts.

A watercolor painting by **Clarence R. Chaney**, vice chairman of the board of the Northwestern National Bank of Minneapolis, was selected recently to hang in the 82nd annual exhibition of the American Watercolor Society in New York. The painting, showing the Sixth street entrance of the bank building, was reproduced on the bank's 1948 Christmas greeting cards.



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The individual investment requirements of your bank can be met efficiently by our Investment Division. And having the American National do your purchasing and selling frequently saves money for your bank.

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The fine background of experience of the men in our Investment Division may also be of value to you in the analysis of your investment account. Why not discuss your investment problems with us?

**AMERICAN NATIONAL BANK
AND TRUST COMPANY OF CHICAGO**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

LA SALLE AT WASHINGTON



Dr. Albert A. Reed, a Minneapolis dentist who helped organize the former Lake Street Bank of Minneapolis, died recently at the age of 77. Services were conducted in Minneapolis, and burial was in Humboldt, Iowa.

Minnesota's 504 state banks are in sound and healthy condition, **Charles M. Wenzel**, acting Minnesota commissioner of banks, reported recently. Mr. Wenzel said that 66 per cent of the state bank assets are represented by government bonds and cash. Deposits have increased \$11,130,422 since December 31, 1947, and now total \$992,636,631, he said. Loans went up \$56,685,940 to \$287,070,107.

Six Minnesota banks—three in Minneapolis, two in St. Paul and one in Duluth—were listed recently in the roll call of the 300 largest commercial banks in the United States.

The Northwestern National Bank of Minneapolis was ranked 45th, with deposits of \$347,625,534 as of December 31st; the **First National Bank of Minneapolis**, 48th, \$341,122,303; the **First National Bank of St. Paul**, 60th, \$304,244,992; the **American National Bank of St. Paul**, 232nd, \$76,906,711; the **First and American National Bank**

of Duluth, 247th, \$71,332,398, and the **Midland National Bank** of Minneapolis, 300th, \$57,558,756.

Bankers in the Ninth Federal Reserve district handled more money payments last year than in 1947, reflecting the high level of business activity, **John N. Peyton**, president of the Federal Reserve Bank of Minneapolis, disclosed recently in the bank's annual report.

Although total bank deposits were down slightly from 1947, they changed hands more rapidly and hence did more money work as bank loans reached an all-time peak, Mr. Peyton said. The Minneapolis bank and its branch at Helena, Montana, handled 58,500,000 checks in 1948 with a total dollar value of \$21,000,000,000.

Eleven employees of the First National Bank of Minneapolis have completed 24 years of service with the bank. They are **Melvin Peterson**, **Henry J. Helgeson**, **M. C. Setterberg**, **Klemet E. Jensen**, **Lawrence A. Doherty**, **Ann Potasnak**, **L. C. Peterson**, **Eva L. Engel**, **Marie S. Anderson**, **Alice F. Hamren** and **Marion L. Trumble**.

SUB-ASSEMBLIES

A finished automobile is the result of assembling a number of sub-assemblies. Thus the ignition system, the pistons and rods, the frame and springs, the body and hardware, might be classed as major sub-assemblies. Previously a large number of minor sub-assemblies were manufactured, for example the parts that make up the distributor, or the fuel pump, or the oil filter.

During the manufacturing processes of these sub-assemblies the shape of the finished product is not indicated, except of course to those engaged in the planning and building of it. So it is sometimes with a process of thought and the ultimate acceptance of an idea. The

recognition of the fully developed idea sometimes appears to burst into full view, having at last taken on a recognizable form, and the thing we see is the completed product and not the contributing factors of its formation.

Applied to the Personalized Check program, we observe the sub-assembly process at work. Here and there these assemblies are now taking shape. With more frequency this year we recognize full acceptance of the idea in its entirety. In other words, the program is taking shape. More and more bankers are recognizing the complete picture and are appreciating the full significance of the program itself.

At what stage of acceptance are you? How far have you progressed toward the final assembly? How close are you to adopting the full imprinting program? Wherever you are, we are prepared to help you put the parts together to the end that all your customers ultimately will be using imprinted checks, thus making your handling operations easier and more accurate, thus saving you time and money, thus pleasing more of your customers.



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LAWRENCE SERVICE Now Can Protect Your Smaller Loans

IN ADDITION to our standard field warehousing service as conducted for 35 years, Lawrence has now opened a special "Small Business" Department.

The same efficient safeguards which Lawrence provides for your larger commodity loans are now available for loans ranging from \$25,000 down to as low as \$5,000.

This extension of Lawrence service is ready now to help improve your present loan portfolio. It opens a vast new field for profitable loan business on moderate size inventories.

A Lawrence representative is ready to confer with you or your client and explain the working of this new "Small Business" service in full detail.

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100 N. La Salle St.

Los Angeles • Boston • Philadelphia • Pittsburgh
Buffalo • Cleveland • Cincinnati • Kansas City
St. Louis • Atlanta • Des Moines • Charlotte
New Orleans • Houston • Dallas • Denver • Phoenix
Portland • Seattle • Spokane • Stockton • Fresno
Washington, D. C. • Manila, P. I.

Several members of the First National Bank of Minneapolis organization have been elected to important civic posts. **Arthur Nettum** has been elected treasurer of the West Broadway Businessmen's Association. **Gordon M. Malen** was named president of the Twin City Financial Public Relations Association. **Richard McCune** was elected finance officer of Frank H. Lundberg American Legion post. **Henry V. Bruchholz** was re-elected treasurer and **Kenneth R. Johnson** was renamed secretary and assistant treasurer of the Minneapolis Foundation.

Playing leading roles in the Hennepin county (Minneapolis) Red Cross

drive were **Cecil A. Burnham**, general chairman; **Malcolm B. McDonald**, vice chairman; **George Everitt**, and **Philip H. Nason**.

Evan M. Johnson, former assistant comptroller of the First National Bank of Minneapolis, has joined the National Association of Bank Auditors and Comptrollers as executive director. He served as national president of the association in 1935 and 1936. Recently he had been associated with the Capital National Bank of Sacramento, California.

All directors were re-elected and two additional directors were named to

the board of the Fidelity State Bank of Minneapolis at the annual stockholders' meeting, **C. Herbert Cornell**, president, announced recently.

The new directors are **Loyal Simensen** and **Eugene Hickok**. Mr. Simensen was elected vice president. Also promoted was **Edward Turnblom**, who was named an assistant cashier.

Election of **George T. Povey** as a new assistant cashier of the Cherokee State Bank of St. Paul has been announced by the institution's board of directors.

Ganus V. Fait, vice president of the Northwestern National Bank of Minneapolis, died of a heart attack. He was 51.

Mr. Fait suffered the attack while in his office at the bank. He was taken to St. Barnabas hospital, where he died.

Mr. Fait was vice president in charge of Northwestern's trust department. He came to the bank in 1934 as assistant secretary.

Paul C. Johnson is a new vice president of Camden Park State Bank of Minneapolis.

He was appointed to succeed **Otto W. Veth**, who has retired from the board of directors.

H. G. Haugland, attorney, and **Edward H. Hildebrand**, building contractor, were named directors.

Two Officers Promoted

At the annual meeting of the Northern State Bank of Thief River Falls, Minnesota, **George W. Werstlein** was advanced from cashier to vice president and **Kenneth E. Lindbergh**, former assistant cashier, was promoted to the cashiership. At the same time **Alfred Skarstad** was named a member of the board of directors, succeeding the late **E. M. Bennes**.

Geo. A. Beito was re-elected president, and **Mrs. Wanda J. Lee** was named assistant cashier.

The surplus account of the bank was increased \$25,000, making it \$75,000, together with \$50,000 capital and \$58,217 in undivided profits and reserves.

Two Directors Elected

Leo C. LaFrance and **Harold K. Brehmer** were elected to the board of directors of the Merchants National Bank of Winona, Minnesota, recently. **Norman W. Schellhas** and **Harry M. Kowalczyk** were both elected assistant cashiers.

**MORE MINNESOTA NEWS
ON PAGE 64**

The BANK



at the YARDS

CARL L. FREDRICKSEN
President

MARK A. WILSON
Vice President

CLIFFORD L. ADAMS
Vice President

WILLIAM C. SCHENK
Asst. V. Pres. and Cashier

JOHN S. HAVER
Asst. Cashier

JAMES L. SMITH
Asst. Cashier and Auditor

KINLEY W. SMITH
Asst. Cashier

STANLEY W. EVANS
Asst. Cashier

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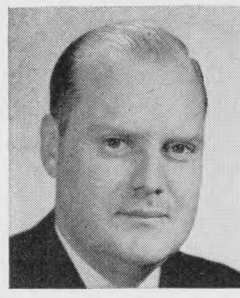
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



South Dakota NEWS

J. M. LLOYD
President
Yankton

CARL E. BAHMEIER, JR.
Secretary
Huron



New President at Bryant

Dr. A. W. Guse was elected president of the Bryant State Bank, Bryant, South Dakota, by the board of directors recently. He fills the vacancy caused by the death of M. B. Hestad, 88, a few weeks ago. Other officers remain the same.

New Cashier at Flandreau

Leo Pottratz has been elected cashier of the Farmers State Bank of Flandreau, South Dakota, by directors at the annual meeting. Mr. Pottratz has been carrying on the duties of this office for some time.

Heads Mitchell C. of C.

J. M. Patton, president of the Mitchell National Bank, Mitchell, South Dakota, was elected president of the Mitchell Chamber of Commerce.

Deposits Down Slightly

South Dakotans ended 1948 with bigger bank accounts than they had other times during the year—but they were leaner than they had been at the end of 1947.

A year-long downward trend in bank deposits reversed during the latter part of 1948 and depositors ended the year with \$253,608,198 in 135 state banks, Vern W. Abeel, state banking superintendent, said. The total was about \$6,000,000 less than reported at the end of 1947 and about \$19,000,000 less than the record deposits of \$271,634,787 reported October 6, 1947.

Rules on Security Pledges

A bank can accept and pledge security for deposits of a county as much over its capital and surplus as the county commissioners may authorize.

That was the conclusion reached last month by South Dakota Attorney General Sigurd Anderson in an opin-

ion sent to State's Attorney D. G. Grieves, Winner.

Gerald McGregor

Gerald McGregor, 51, for the last few years operator of the Spencer telephone exchange, died in Mitchell, South Dakota, last month.

A former bank cashier at Platte, South Dakota, Mr. McGregor had also been employed by the state banking department at Pierre and as a bank examiner.

Change Bank Name

The Farmers State Bank of Lyons, South Dakota, has a new name. Directors voted to change the official name to "Farmers State Bank."

Sioux Falls News

A TWO-DAY conference of Northwest Bancorporation of Minneapolis here was attended by bankers from Sioux Falls, Brookings, Chamberlain, Dell Rapids, Gregory, Huron, Madison, Aberdeen, Britton, Groton, Milbank, Mobridge, Redfield and Watertown, South Dakota; Denison, Des Moines and Sioux City, Iowa; Hastings, Norfolk and Omaha, Nebraska; and Luverne, Marshall, Slayton and Tracy, Minnesota.

Representing Northwest Bancorporation were **J. Cameron Thomson**, president; **R. F. Mactavish**, vice president and secretary; **Von E. Luscher**, vice president and treasurer; **A. R. Evans**, vice president; **Carl E. Voight**, vice president; **H. Raymond Horn**, chief examiner; **R. L. Federman**, comptroller; **W. H. Notland**, assistant vice president, and **G. R. Falk**, assistant secretary.

Mr. Thomson gave the opening address, reviewing 1948 operations of the group headed by him, and discussing economic conditions generally.

Speakers from affiliated banks were **F. B. Stiles**, president, First National Bank, Aberdeen; **Harry Wilson**, vice president and cashier, Iowa-Des Moines National Bank, Des Moines; **H. C. Wuertz**, president, Rock County Bank, Luverne; **A. L. Vickery**, vice president, United States National Bank, Omaha; **Adolph J. Hallas**, vice president, Stock Yards National Bank, Omaha; **Carl L. Fredricksen**, president, Live Stock National Bank, Sioux City, and **Tony L. Westra**, assistant cashier, Northwest Security National Bank, Sioux Falls.

Adolph Lodmell, vice president and assistant trust officer of the Northwest Security National Bank, received the Honor Athenian award for the fourth time at the 25th annual banquet of the Sioux Falls Athenian club. The award is bestowed by vote of the members for contribution to the club during the past year.

John McQuillen, vice president and trust officer of the Northwest Security National Bank, was toastmaster at a banquet of the newly organized Minnehaha Democratic club which was addressed by United States Representative **Eugene O'Sullivan** of Omaha.

Frank Cinkle, vice president and cashier of the National Bank of South Dakota, was elected treasurer of the Credit Bureau of Sioux Falls.

C. A. Christopherson, chairman of the board of the Union Savings Bank, gave a talk on George Washington before the Kiwanis club. He commented on Washington's probable view of today's war threats were he to return in 1949. Mr. Christopherson was one of the old-timers honored by the local Elks lodge. He is the oldest past exalted ruler, having become an Elk in 1898.

W. E. Perrenoud, cashier of the First National Bank and Trust Company, was elected a director of the Minnehaha Country club.

C. A. Christopherson, chairman of the board of the Union Savings Bank, was re-elected treasurer of the Sioux Falls Civic Music Association.

J. V. Lowe, vice president and cashier of the Northwest Security National Bank, was named a director of the

THE NATIONAL BANK OF SOUTH DAKOTA

Huron

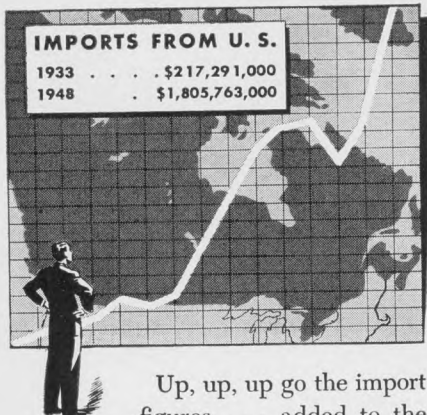
Sioux Falls

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So we invite you to talk Canada with us. Contact our offices in New York, Chicago or San Francisco, or our Foreign Department in Montreal.

* * *

Our 100-page booklet, CANADA TODAY, will serve as your introduction to the country. It was prepared to supply you with information about the provinces, the people and the industries of Canada. For your free copy, write for Booklet C-53 to any of our U. S. offices, or to our Foreign Department in Montreal.



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B of M

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Washington High School Band Parents' Association.

Tom S. Harkison, president of the National Bank of South Dakota, and potentate of El Riad temple here, was elected first vice president of the Midwest Shrine Association at its 18th annual meeting in Fargo, North Dakota. The association is composed of the Shrine temples in Manitoba, Saskatchewan, North Dakota, South Dakota and Minnesota and the Shrine temples in Sioux City, Iowa, and Madison, Wisconsin.

January bank clearings here were down from the all-time Sioux Falls records established in the first month of 1948. They dropped from \$30,171,062 in January, 1948, to \$25,488,294 in January, 1949. Largely responsible for this was the decline in livestock valuation of nearly \$4,000,000.

W. C. Duffy, president of the Union Savings Bank, was appointed to the finances and records committee of the local Izaak Walton league chapter. W. E. Perrenoud, cashier of the First National Bank and Trust Company, will serve on the chapter's game and fish committee.

MORE MINNESOTA NEWS

Named New Director

G. P. Madden was elected director of the Farmers National Bank of Waseca, Minnesota, at their annual meeting. He replaces Ray Moonan, now a St. Paul attorney.

Fills Brother's Vacancy

At the annual meeting of the stockholders of The First National Bank of Aitkin, Minnesota, Dave Megarry, of the firm of Megarry Bros., was elected to fill the vacancy on the board caused by the death of his brother, William Megarry, who had served as a director for many years.

Detroit Lakes Changes

B. C. Barrett was named a vice president and Parnell E. Sanford cashier of the Detroit State Bank of Detroit Lakes, Minnesota, at the annual meeting. George Maruska was named assistant cashier and Geo. J. Haas was renamed president. C. C. Williams is also a vice president of the bank. Mr. Barrett formerly was cashier and Mr. Sanford was assistant cashier.

Add New Director

One new director was named to the board by stockholders of the Miners

National Bank, Eveleth, Minnesota, at the recent annual meeting. He is George Bodovinitz. All other officers and directors were re-elected.

President of Hawley Bank

When the State Bank of Hawley, Minnesota, held its annual stockholders' meeting recently, George Wastvedt was elected president; Vance N. Thysell, vice president; A. B. Leverson, cashier, and H. J. Hutton, assistant cashier.

Founder Named Director

Elmer W. Klapmeier was elected a director of the Ogilvie State Bank, Ogilvie, Minnesota, at the annual meeting. He was one of the original incorporators of the bank. Frank P. Powers was re-elected president.

Elect Officers

Two new men have been added to the staff of the Crookston National Bank, Crookston, Minnesota. President Donald T. Lawler announced recently.

They are Carl V. Lind, formerly of Floodwood, Minnesota, assistant cashier, and Kenneth Laliberte, Crookston, bookkeeper.

New Director at Mankato

At the election of officers and directors of the First National Bank, Mankato, Minnesota, Hugh H. Miller, manager of the Standard Oil Company office in Mankato, and B. W. Kough, vice president of the bank, were named to the board of directors.

Increase Surplus

At the annual meeting of stockholders and directors of the State Bank of Park Rapids, Minnesota, the surplus fund of the bank was increased by the addition of \$10,000 to its \$30,000 reserve fund. Surplus now is \$40,000.

One new member of the board of directors was elected from among the stockholders. He is L. C. Enfield of Osage.

Elected Vice President

Millett V. O'Connell, Hastings, Minnesota, attorney, was elected vice president of the Hastings National Bank, replacing the late L. P. Kingston, at the annual meeting of the bank's board of directors. Mr. O'Connell has been a member of the board of directors.

MORE MINNESOTA NEWS ON PAGE 65



ARNE A. GREGOR
President
Leeds

North Dakota NEWS



C. C. WATTAM
Secretary
Fargo

Changes at Watford City

Several changes in the officer staff of the First International Bank of Watford City, North Dakota, were announced recently following the annual meeting. O. N. Stenehjem was advanced from cashier to president; Lee M. Stenehjem was promoted from assistant cashier to vice president, and O. V. Stenehjem was advanced from assistant cashier to cashier. G. A. Stenehjem and Ivar Drovdal were re-elected vice presidents.

The First International Bank gained over \$1,000,000 in deposits during 1948, moving from \$2,991,329 to \$4,082,992.

O. N. Stenehjem left Watford City the latter part of January for a vacation in California and expected to be gone about six weeks.

Promote Minot Bankers

At the annual meeting of the directors and stockholders of the First National Bank of Minot, North Dakota, Geary H. Wagner was promoted to assistant cashier from auditor and Clifford E. Nansen was promoted from discount teller to auditor.

Name New Director

At the annual meeting of stockholders of the Farmers State Bank of Lisbon, North Dakota, Wesley Liebbrand was named to succeed Knute Ringdahl as director.

Mr. Ringdahl, who has been a director of that institution for a number of years, has resigned because he intends to make his residence elsewhere.

Mr. Liebbrand is a substantial farmer and stockman of the county and a resident of Alicetown township.

Elect La Moure Officers

Officers elected by directors of the First State Bank of LaMoure, North Dakota, at the recent annual meeting are as follows: G. A. Klefstad, president; Roy A. Holand and A. H. Goehl, vice presidents; C. H. Alin, cashier, and Miss Jeanette Cole, assistant cashier.

Elected Assistant Cashier

Ella Mae Cull has been elected assistant cashier of the Bank of Hamil-

ton, North Dakota. She has been an employe of the bank since last June. John E. Argue was named president; C. Edgar Kippen, vice president and Franklin Page, cashier.

Retires at Grand Forks

Directors of the First National Bank of Grand Forks, North Dakota, have elected S. K. Roisum to the directorate and also have elected him vice president and cashier of the bank. He takes the place in the officer list of M. W. Murray, a vice president for many years, but who expressed his desire to be relieved of his duties. Mr. Murray continues as a director.

Fred R. Orth, re-elected as president, announced after the meeting that Arthur Moen had been elected an assistant cashier.

Increase Capital

The Bank of Rhame, North Dakota, has been authorized by the state banking board to increase its common stock from \$25,000 to \$40,000.

Bank Redecorates

The Dakota National Bank of Fargo, North Dakota, is in the midst of a remodeling and redecorating job. The lobby has been redecorated and fixtures refinished, and the work room is being remodeled with installation of acoustical tile, a circulating air system and new lighting fixtures. The safety deposit section also is being redecorated.

MORE MINNESOTA NEWS

Promoted to Cashier

At the annual meeting of the First National Bank of Northfield, Minnesota, E. H. Watson, veteran vice president and cashier, who has been active on the staff for 57 years of the bank's 76 years in business, asked to be relieved of some of his duties and R. F. Shumway was promoted to cashier. At the stockholders' meeting the number of directors was increased from five to seven, with Martin Perman and Mr. Shumway as the new board members.

Increase Size of Board

At the annual meeting of the stockholders of the First National Bank, Fergus Falls, Minnesota, it was decided to enlarge the board of directors from five to seven members.

Dr. Norman H. Baker and Edward V. O'Meara, two well-known Fergus Falls men, were named to the board.

Elect New Directors

Two new directors were named to the First National Bank of Albert Lea, Minnesota, at the meeting of shareholders. All present directors were re-elected.

John L. Crowley, manager of the Albert Lea Wilson & Company plant, and Richard A. Trow, vice president of Queen Stove Works, Inc., were added to the board.

Capital Changes

Following are a number of capital stock changes in Minnesota banks effected through action taken at annual meetings of stockholders:

Security State Bank of Ellendale, capital stock increased by \$25,000 by payment of stock dividend.

Kanabec State Bank of Mora, surplus increased from \$60,000 to \$100,000 by transfer of \$40,000 from undivided profits.

Farmers State Bank of Mountain Lake, a 100 per cent stock dividend increased capital from \$25,000 to \$50,000.

Northfield National Bank and Trust Company, surplus increased by \$20,000.

Northwestern State Bank of Ortonville, capital increased from \$35,000 to \$50,000.

First National Bank of Roseau, \$10,000 added to surplus, making it \$35,000.

Farmers State Bank of Russell, capital stock increased from \$15,000 to \$30,000.

Union State Bank of Sauk Rapids, surplus increased \$5,000, making capital total now \$55,000.

First National Bank of Sleepy Eye, surplus increased from \$75,000 to \$100,000.

State Bank of Tower, surplus increased to \$30,000 by transfer of \$10,000 from undivided profits.

Declares First Dividend

A little more than three years after its opening in August, 1945, and with deposits nearing the \$3,000,000 mark, the Second Northwestern National Bank, one of the 10 Northwestern National Banks of Minneapolis, has declared its first dividend.

For 93 Years
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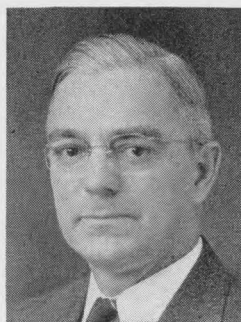
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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



J. R. KENNER
President
Hebron

Nebraska NEWS



CARL G. SWANSON
Secretary
Omaha

Name Convention Dates

President J. R. Kenner and the executive council of the Nebraska Bankers Association have announced the 52nd annual convention will be held in Lincoln on Tuesday and Wednesday, October 11, 12, 1949. The banks of Lincoln will be the hosts and convention headquarters will be at the Cornhusker hotel.

To facilitate housing, it has been agreed that all requests for hotel reservations should clear through the hotel and registration committee. Lincoln hotels will not accept reservations direct nor from any other source than the hotel committee. Reservation blanks will be sent to all member banks at a later date. It has been suggested by this committee that no requests for hotel accommodations be made until after the reservation forms have been mailed.

General chairman of the convention will be T. B. Strain, president of the Continental National Bank of Lincoln, assisted by George W. Holmes, president of the First National Bank, and Byron Dunn, president of the National Bank of Commerce.

Carl D. Ganz, vice president of the National Bank of Commerce, is chairman of the hotel and registration committee.

Changes at McCook

Several changes in the official staff and the board of directors bring back two prominent names to the First National Bank of McCook, Nebraska. These moves were brought about by filling the vacancy created by the death several months ago of H. P. Waite, a veteran director and vice president of the bank. Rolland Larmmon, president, announced the changes following the annual board meeting recently.

M. L. Springer, president of the Commerce Trust Company and a director of the National Bank of Commerce, both of Lincoln, was elected to the board of directors. He is the son of W. G. Springer, who from 1921 to 1932 was cashier of the First National of McCook.

Frank F. Barnett was elected to fill the vacancy as vice president. He

has been a principal stockholder of the bank and is the son of A. Barnett, who for many years prior to his death in 1938 was president of the First National Bank and one of McCook's most prominent citizens.

H. M. Krogh, with the bank since 1932 and cashier since 1938, has been promoted to vice president, and Max L. Billesbach, assistant cashier since joining the bank in 1936, has been advanced to cashier.

Election at Malmo

At the annual meeting of the Security Home Bank, Malmo, Nebraska, the following directors were named: Emil Barry, Richard Barry, Charles Kremlacek, Arthur Larson, H. L. Reimers, E. S. Schiefelbein and Amy H. Houfek. Officers are as follows: H. L. Reimers, president; Richard Barry, vice president; Amy H. Houfek, cashier, and E. S. Schiefelbein, counsel.

Fremont Second in Nation

Fremont, Nebraska, ranked second among 333 cities in the increase in bank debits of 1948 compared to those of 1940.

The 333 cities are those in the United States which make regular monthly reports to the Federal Reserve Bank.

Fremont with a 477 per cent increase ranked second only to Eugene, Oregon, which had a gain of 501 per cent. In third place was Tucson, Arizona, with 401 per cent.

A comparison of bank debits for 1948 with those for 1947 shows Fremont in twenty-third place among the 333 cities. The increase was 19.5 per cent. Total debits of the Fremont banks were \$195,190,000 for 1948.

Appoint Two Directors

Two new directors, Russell Harris and Glenn Anderson, have been appointed by the board of the First National Bank of Holdrege, Nebraska.

These men purchased the stock of B. V. Hanson, vice president, who will remain in the employ of the bank he has served for 42 years.

Continual growth has marked the existence of the First National Bank. When the bank passed the 65-year mark recently, President L. J. Titus and other officers checked the bank books and found the following records: \$90,000 on deposit in 1884 at opening time; \$340,000 in 1900; \$867,000 in 1915; \$1,741,000 in 1940, and \$7,300,000 at the present time.

Officers of the First National Bank and business men of Holdrege are proud of this record, since Holdrege is a city of 4,500 people and the bank deposits reflects a sound community financial position.

Celebrates 90th Birthday

C. M. Brown, president of the First National Bank at Cambridge, Nebraska, celebrated his 90th birthday last month. He was born February 2, 1959.

Mr. Brown has been in the banking business 65 years, three years of that time having been spent in Beatrice, Nebraska, the remaining 62 at the Cambridge bank.

Joins Plymouth Bank

Charles H. Strnad of Belleville, Kansas, has been elected cashier of the Farmers State Bank, Plymouth, Nebraska.

Mr. Strnad has had over fifteen years' banking experience, and was county clerk of Republic county, Kan-

Nebraska Group Meetings Schedule

During a recent meeting of Group Association Officers with the Administrative Committee of the Nebraska Bankers Association, it was decided that the 1949 Group Meetings be held during a period, April 18th to April 22nd, as follows:

Group	Date	Meeting Place
One	—April 18—	Lincoln
Four	—April 19—	Hastings
Six	—April 20—	Alliance
Five	—April 21—	Broken Bow
Two	—April 22—	Columbus
Three	—April 22—	Norfolk

sas, prior to his election as cashier of the Farmers State Bank.

Named Assistant Cashier

C. W. Troupe was elected as a new assistant cashier at the annual meeting of stockholders of the Farmers and Merchants National Bank, Oakland, Nebraska.

All other officers, including C. C. Neumann, president, were re-elected.

Henry Schneider Retires

Henry A. Schneider, Plattsmouth, Nebraska, informed the Plattsmouth

State Bank stockholders at their annual meeting that he desired to be relieved of the presidency of the bank, a position which he has held since 1922.

Mr. Schneider will be replaced by his son, Carl J. Schneider, in the top position. Eugene Burdic was elected vice president.

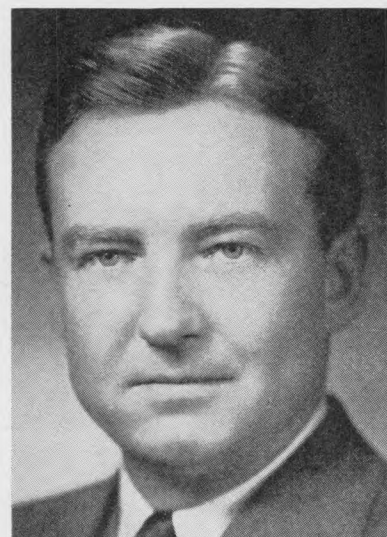
Resigns at Cozad Bank

Roscoe R. Garner, cashier of the Cozad State Bank, Cozad, Nebraska, has resigned to enter the Emil Barta insurance and real estate firm at Co-

zad, in which he has purchased an interest. Mr. Garner had served as cashier in the Bank of Brady, Nebraska, for a number of years prior to his association with the Cozad State Bank.

Appoint Livestock Adviser

Henry C. Karpf, president of the Live Stock National Bank of Omaha, announces the appointment of John M. (Jack) Shonsey of Hardin, Montana,



JOHN M. SHONSEY
With Livestock Department

to the livestock department of the bank. Mr. Shonsey will assist in servicing livestock loans, and be available in an advisory capacity to Live Stock National's correspondent banks and their customers in matters relating to the production of livestock. His 15 years' experience in this field, including a year buying cattle for Swift and Company, will permit the Live Stock National to expand the "Advisory Service Program" which it offers to banks and livestock men throughout the midwest area.



THE INDIAN TRADE

In 1840 the Town of Kansas was just one year old . . . and an important part of the new town's business was with the Indian tribes to the West.

Delawares, Shawnees, Kaws, Kickapoos and Osages thronged the streets of the border settlement to spend their government annuity money and trade ponies, pelts and silver ornaments for blankets, saddles, powder, tobacco and jewelry. It was the forerunner of the vast trade from the West and South that was to make Kansas City Queen of the Prairies . . . a trade that was to make the Prairies a mighty agricultural empire.

In sharing and contributing to this growth through its many correspondents, the Inter-State has served the West faithfully and well for more than a half century. In a correspondent connection here you will find the experience, integrity and friendly helpfulness of the Inter-State a very real asset . . . an asset readily available to you at any time.

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First National Bank of Omaha

Oldest National Bank From Omaha West

Member Federal Deposit Insurance Corporation



Omaha News

ELLSWORTH MOSER, president of the United States National Bank of Omaha, has been elected a director of the Burlington Railroad Company.

He succeeds the late **H. M. Bushnell**, his predecessor as head of the Omaha bank.

Ralph Budd, president of the railroad, will reach 70 on August 20th, and under the company's rules governing tenure of officers will be eligible for retirement. Mr. Budd said he will not ask that any exception to the rule be made in his case.

The net estate of **Alvin E. Johnson**, former president of the Live Stock National Bank of Omaha, who died December 31, 1946, was listed at \$126,698. The gross estate totaled \$277,659.

Beneficiaries were Mr. Johnson's widow, **Nina M.**, who received \$45,899, and three children, **Alvin W.**, **Howard M.**, and **Myrtle M. Olson**, each of whom received \$26,932.

The South Dakota Legislature passed and sent to its Senate a bill authorizing deposit of state funds in banks at **Omaha** and **Sioux City**. The present law limited out-of-state depositing of state funds to banks in New York, Chicago and the Twin Cities.

Fourteen employees and officers of the **Omaha National Bank** became members of the bank's 20-Year Club at a dinner last month at the Blackstone Hotel.

A former Omahan, **Hawthorne Arey**, 43, who left his law practice in 1934 to go to Washington on what he thought was a temporary assignment, was nominated recently by President Truman to be a director of the Export-Import Bank. He has been vice president of the bank.

Mr. Arey, born in Omaha, is a graduate of Omaha Central High School and received his law degree from Creighton University after attending Grinnell College and the University of Nebraska. In 1938, he joined the Export-Import Bank as secretary and

counsel after serving as an attorney for the RFC and HOLC.

President Truman's nomination of Mr. Arey was part of a move in which Vice Chairman **Herbert Gaston** would be promoted to chairman of the E-I organization.

L. E. Laird, chairman of the board, announced recently that the office of general agent of the Farm Credit Administration at Omaha is to be discontinued.

The post, created in 1933, has been held for the last six years by **Nelson G. Kraschel** of Harlan, Iowa, and Omaha, former governor of Iowa. Mr. Laird said that the duties will be consolidated with duties of the presidency of the Bank for Co-operatives, now held by **T. F. Tobin**.

"This move follows a pattern set by the other 11 Farm Credit districts," said Mr. Laird.

Mr. Kraschel said that shrinkage of the FCA at Omaha from an organization employing 1,500 persons to one with fewer than three hundred has reduced the need for a full-time general agent.

"I shall leave this position with the satisfaction of having served during the crucial war-time years," he stated.

Mr. Tobin has been with the FCA since 1931. He was named vice president and treasurer of the Federal Intermediate Credit Bank of Omaha in 1934.

In 1944, he became president of the Bank for Co-operatives. He is a native of Mitchell, South Dakota.

Economics in general is a fine topic for conversation, but the important thing for the world is a balanced economy. That is what **J. Francis McDermott**, vice president of the First National Bank of Omaha, emphasized in a recent talk before the Omaha Real Estate Board at the Regis Hotel.

"The purchasing power of the people must equal the value of goods and services produced, or somebody or something is being sold short," he declared.

Officers of the Nebraska Children's



FIRST NATIONAL BANK

In St. Joseph, Mo.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Herber Meile, senior vice president of the Douglas County Bank of Benson, presented plaques to the outstanding man in youth work in suburban Benson at a dinner of the Benson Lions Club. The award went to **Paul Kristy**, Lions Club member.

R. H. Mallory, vice president, United States National Bank of Omaha, and **Kenneth G. Harvey**, president, Douglas County Bank of Benson, were among Omahans who recently inspected the B-36, world's largest bomber, as 19 Omaha men were on a two-day air trip to air bases at Fort Worth, Texas, and Salina, Kansas. The men are members of the Chamber of Commerce Armed Services Committee.

At the annual meeting of the Covered Wagon Council of Boy Scouts at the Legion Club in Omaha, **J. Clifford Rahel**, first vice president of Wachob-Bender Corporation, Omaha investment firm, was re-elected president of the board. **Stephen J. Wirtz**, assistant vice president of the Omaha National Bank, was re-elected treasurer. **Robert F. Clarke**, president of the banking house of A. W. Clarke, Papillion, is the new vice president of the board.

Charles McCumsey, former president of the Federal Land Bank of Omaha, has been elected executive vice president and general manager of the Carney Company, Inc., Mankato, Minnesota. The firm manufactures building products.

A downtown Omaha store found itself under scrutiny of the Secret Service when it used **giant-sized dollar bills** for advertising purposes.

Agents confiscated the bills, five feet long and 18 inches wide, and turned them over to the United States district attorney. There was no prosecution.

Ford E. Hovey, former Omaha banker, was re-elected president of the Occidental Building and Loan Association of Omaha by stockholders at the annual meeting. He also was re-elected a director for a four-year term.

Arthur L. Coad, president of the Packers National Bank of Omaha, has been elected president of the Nebraska Blue Cross Hospital Plan. He succeeds **Francis Bath**, who held that office five years.

Mr. Coad also was elected treasurer of the Blue Shield (Nebraska Medical Service) at the annual meeting of the board in Omaha. **E. K. McDermott**, attorney, is secretary.

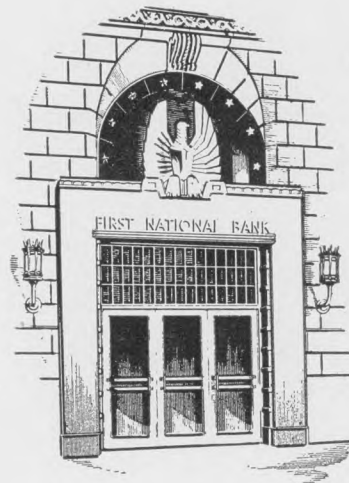
L. Dale Mathews, vice president and cashier, North Side Bank, Omaha, was elected treasurer of the North Omaha Commercial Club at the annual meeting. **Marvin G. Schmid** was elected president. Films of the World Series were shown by **Robert Hall**, former Omaha banker, who now has his own insurance firm.

Robert B. Vance, 61, manager of the Omaha National Bank Building, was found dead of burns recently at his home in Omaha. He had been ill and, when a phone call at his residence brought no response, bank officials in-

vestigated and found his body. Coroner George Sullivan said that the fire apparently was caused by a cigarette. Born at Crete, Nebraska, he had been building manager for 15 years.

Hayes Center Election

Following the annual meeting of directors of the First National Bank of Hayes Center, Nebraska, it was announced that H. M. Counce has been elected president. Mrs. Goldie Miller was elected vice president; John K. Miller was re-elected cashier, and Mrs. Shirley Leffler was renamed assistant cashier.



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SERVICE**

THE FIRST NATIONAL BANK OF LINCOLN

LINCOLN, NEBRASKA

1871

1949

Member Federal Deposit Insurance Corporation

Northwestern Banker, March, 1949

U. S. National of Omaha Elects Two Directors

John F. Merriam and Charles E. Peterson have been elected to the board of directors of the United States National Bank of Omaha. Mr. Merriam is executive vice president of the Northern Natural Gas Company and

played by Northern Natural Gas Company in 1930, was made assistant secretary in 1935, became vice president and treasurer in 1945, a director in 1946 and was appointed to his present position last year.

Mr. Peterson is a native of Omaha where he attended Central High

portion, a member of the board of the new Children's Memorial Hospital and is active in other civic affairs.

Mr. Merriam likewise serves as director of several business corporations and is very active in community work.

State Banks' Assets Up

The state banking department of Nebraska last month reported 283 state banks in Nebraska held assets of \$411,662,970 on December 31st.

Gains in assets since June 30, 1948, totaled \$21,980,805 according to the department.

Banking Director J. F. McLain said principal asset items reflecting this change were: cash and due from banks increased \$881,946; bonds declined \$8,530,535, and loans and discounts increased from \$76,145,948 to \$105,725,182.

Abbott Buys Gordon Bank

C. J. Abbott, president, Bank of Hyannis, Nebraska, purchased controlling interest in the Gordon State Bank of Gordon, from Fay C. Hill last month, and was elected president of the institution at a subsequent board meeting. Mr. Abbott has extensive banking and ranching interests throughout Nebraska and South Dakota. Mr. Hill has been president of the bank and will continue for a time as vice president, assisting the new management.

LeRoy Abbott, executive vice president of the Bank of Hyannis, was named to the same position in the Gordon bank. Frank Boyles continues as cashier, and Miss Blanche Parker as assistant cashier.



JOHN F. MERRIAM
Director, U. S. National, Omaha



CHARLES E. PETERSON
Director, U. S. National, Omaha

Mr. Peterson is president of Byron Reed Company, Inc.

Mr. Merriam, who was appointed to fill the vacancy created by the resignation of Roy Page, former executive manager of the Omaha Public Power District, is a graduate of the University of Chicago and the Chicago Kent College of Law. He was em-

School. He attended the University of Nebraska, served in World War I as an ensign in the Navy and for the past 29 years has been in real estate business. He was elected vice president of Byron Reed Company in 1934 and last year became the company's fourth president. He is president and director of the Farnam Realty Cor-

Retires from York Bank

George M. Spurlock has formally retired from his position as a director of the First National Bank of York, Nebraska, as well as from his active work as a member of the bar in that city.

F. E. Neeley

F. E. Neeley, 58, vice president and cashier of the Gering National Bank, died last month at his home in Gering, Nebraska.

Cedar Bluffs Cashier Retires

E. H. Anderson, cashier of the Commercial State Bank at Cedar Bluffs, Nebraska, retired from that position March 1st after more than 42 years in the banking business. His successor has not as yet been announced.



In Lincoln—The Continental—

For "First Class"
COLLECTION SERVICE
IN LINCOLN,
USE

The
**CONTINENTAL NATIONAL
BANK
of
LINCOLN**



Member Federal Deposit Insurance Corporation

Joint Arrangement

Burroughs Adding Machine Company of Detroit, Michigan, and Bell & Howell Company of Chicago, Illinois, have arranged to cooperate in a long-term joint manufacturing and distributing project.

Commencing immediately, Bell & Howell Company will sell to Bur-

roughs all production of its new microfilm recording apparatus and the initial order placed by Burroughs with Bell & Howell amounts to several million dollars. Burroughs will distribute and maintain this equipment as an added service to business throughout the world.

According to a joint statement by John S. Coleman, Burroughs president, and Charles H. Percy, Bell & Howell president, "The contract, which provides for Bell & Howell to develop, engineer and manufacture, and Burroughs to distribute and service, arose from complementary needs of both companies.

"For a long time Burroughs has been supplying business with a complete line of figuring equipment ranging from intricate bookkeeping and accounting machines to hand and electrically operated calculators and adding machines. Much of its work also has been in helping business organizations develop mechanized accounting systems which would reduce their costs and improve their efficiency, and

in this connection it had need for a high quality machine to rapidly photograph records in easily storable form. The new Bell & Howell microfilm equipment fulfills these requirements."

This agreement in no way affects Bell & Howell's manufacture and dis-

tribution of its wide line of motion picture and still camera equipment.

The microfilm equipment, which Burroughs will distribute, will carry the Bell & Howell name and will consist of a recorder and automatic feeder, a reader, and an automatic processor for volume users.



JOHN S. COLEMAN
Announces New Burroughs Project

BANK TO BANK

Remittance Letter

The easy, convenient method of remittance from bank to bank—honored and accepted.

CLEAN CARBON EVERY TIME

Labor-Saving

Clean, sharp carbons in 1/2 the time

Step up clerical efficiency . . . cut work in half. Change to the remittance letter system, accepted and honored by all banks. The remittance letter is complete. A new carbon attached to every letter eliminates danger of blurred, smudged copies and loss of time reinserting carbons. More rapid handling and clean, sharp carbons will reduce errors, increase office efficiency and make you money.

Time-Saving

NEBRASKA SALESBOOK
SINCE 1889
Company
LINCOLN, NEBRASKA

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.

FIRST NATIONAL BANK BUILDING • CHICAGO 3, ILLINOIS • STATE 2 4325

Scarborough & Company

Insurance Counselors



to Banks

Northwestern Banker, March, 1949



so I said: "lissen Mr. Karpf . . ."

. . . "do those boys in Transit have to work *all* the time? How do you expect us to keep the bank clean with them boys always in our way?" Then the President of the Bank hisself tells me to sit down in his big comfy chair and explains it. He says how it's important that clearance on collection items is fast. He even says there's times when as much as a day's time is saved for Live Stock National's correspondent banks on account of you boys working at night to give 24-hour service on transit items. Now, I can't exactly remember whut he says a transit item is . . . but I knows they is important and so you just go right on workin' sonny, and don't let me bother you none!

For fast, accurate handling of transit items—use the Live Stock National Bank's special 24-hour transit service envelopes. A free supply sent on request!

LIVE STOCK *National* BANK

OMAHA, NEBRASKA

The Bank of Friendly 24-Hour Service

Member of Federal Reserve and Federal Deposit Insurance Corporation



HARRY W. SCHALLER
President
Storm Lake

Iowa NEWS

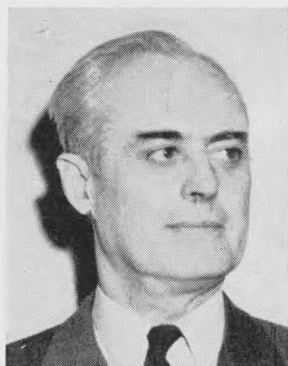


FRANK WARNER
Secretary
Des Moines

25th Anniversary

On the first of this month H. R. Jackson, deputy superintendent of the Iowa banking department, had been associated with that department twenty-five years. At a celebration in his office, the staff presented him with an electric clock.

A native of Iowa, born at Sigourney,



H. R. JACKSON
25 Years With Department

Mr. Jackson started his banking career as assistant cashier in the Farmers Savings Bank of Carlisle, in 1920. Four years later he was appointed a state bank examiner under Superintendent R. L. Leach. He assumed the office of deputy superintendent in 1945.

Returns from Florida

Mr. and Mrs. E. F. Sorg spent a few weeks' vacation in Florida and expected to return to Independence, Iowa, about the middle of March, where Mr. Sorg is president of the Farmers State Savings Bank.

Officers Promoted

Directors of the Page County State Bank, Clarinda, Iowa, advanced two officers and elected a new officer to the staff. Herman G. Meyer was elected vice president; D. O. Thompson was elected cashier to take Mr. Meyer's former position, and Charles C. Reynolds was named an assistant cashier to replace Mr. Thompson.

Stockholders at their meeting voted to increase the capital by 50 per cent by declaring a stock dividend. Capital

now is \$75,000, surplus is \$125,000 and undivided profits and reserves is \$42,000.

Mason City Visitors

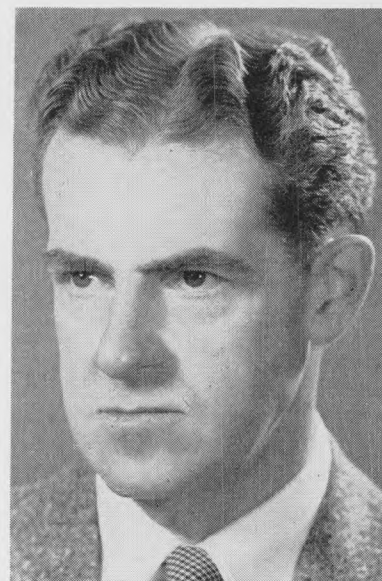
The First National Bank of Mason City, Iowa, entertained its correspondent banks last month in Mason City on Lincoln's birthday. Visiting bankers were taken on a tour of the Decker Packing Plant during the afternoon and were entertained at a dinner at the Hanford Hotel in the evening. Eighty-five were present at the banquet. This party is an annual affair.

Announces Candidacy

J. F. Kennedy, president of the First National Bank of New Hampton, Iowa, has announced his candidacy for the office of president of the Iowa Bankers Association. A committee of neighboring bankers and friends of Mr. Kennedy has been formed to endorse and promote his candidacy. The complete committee is made up of the following bankers:

F. C. Heneman, president, First National Bank, Mason City, chairman; J. P. Rigler, president, Security State Bank, New Hampton; M. J. Klaus, vice president, First Security Bank and Trust Company, Charles City, chairman Group 3; Joe Menges, cashier, Alta Vista State Bank, Alta Vista, chairman Group 4; W. E. Sheldon,

president, Home Trust and Savings Bank; Osage; M. A. Arneson, president, Clear Lake Bank and Trust Company, Clear Lake; Charles J. Spies, president, Iowa Trust and Savings Bank, Emmetsburg; J. A. Thom-



J. F. KENNEDY
Candidate for presidency of Iowa
Bankers Association

son, vice president, Cresco Union Savings Bank, Cresco; W. P. Ronan, vice president, Decorah State Bank, Decorah; C. H. Megorden, president, Waukon State Bank, Waukon, and D. D. Bramwell, president, First National Bank, Hampton.

Mr. Kennedy has been associated with the First National Bank in New Hampton for approximately 20 years. During that period he has been active in affairs of the American Bankers Association, and has devoted much time and effort to the work of the Iowa Bankers Association. His qualifications for the presidency of the state association are well recognized.

Iowa Group Meetings Schedule

Group	Date		Meeting Place
5	Tuesday,	May 10	Council Bluffs
6	Wednesday,	May 11	Grinnell
10	Thursday,	May 12	Ottumwa
8	Friday,	May 13	Tipton
2	Tuesday,	May 24	Templar Park (Spirit Lake)
3	Wednesday,	May 25	Mason City
4	Thursday,	May 26	New Hampton
7	Friday,	May 27	Waterloo

The hotel or country club in each town where meetings will be held, and the definite programs to be given have not been announced. When it becomes available it will be published in forthcoming issues of the NORTHWESTERN BANKER for your convenience.

Groups One and Eleven Meet in Sioux City and Burlington

Combined Registration of Nearly 1,000

Evidence of Unusual Interest in These Two Holiday Gatherings

GROUPS One and Eleven of the Iowa Bankers Association met as usual in February this year, Group One leading off in Sioux City on February 12, and Group Eleven in Burlington ten days later. Attendance in Sioux City was a little above 1948, with 630 registered. Burlington attendance fell off just a little, chalking up about 285. Regardless of attendance, enthusiasm and interest was at a high pitch at both meetings as Iowa bankers and their friends from neighboring states, and correspondent bank officers and representatives from all the large cities in the middle west and east launched the first of many meetings and conventions which will bring many of these people together at numerous times during 1949. A number of the participants at both meetings are pictured on the opposite and following pages.

Group officers in Iowa are elected for a two-year term—One and Eleven being odd numbered groups, they elected officers in this odd year of 1949.

H. J. Harms, who is president of three banks, LeMars Savings, Farmers State, Merrill, and First State, Brunswick, moved up from secretary to chairman of Group One, with Ray

Stevens, president of the Early Savings Bank, taking over the secretarial post.

Group Eleven also advanced its secretary, and Frank C. Crone, president of the National Bank of Washington, was elected chairman. The new secretary serving with him is Charles L. Bosier, executive vice president of the Burlington Bank and Trust Company.

A word of caution was voiced by Iowa Association President Harry Schaller, who addressed both meetings. He admonished his listeners to be watchful, to select their loans carefully, and to keep in as liquid condition as possible.

While deposits in Iowa state banks are down slightly, Iowa Superintendent Newt Black said the banks under his jurisdiction as a rule have been adding to their capital, reserve, and surplus and undivided profits, which indicated they are maintaining a sound condition. Mr. Black, too, urged banks to keep themselves in a strong position, since economic conditions can change rapidly. Both Groups went on record endorsing Mr. Black for re-appointment as Iowa banking superintendent.

The proposal that all government financial statements be couched in terms of cash receipts and expenditures, so that they can be readily interpreted, was made by John K. Langum, vice president of the Federal Reserve Bank of Chicago, who was a guest speaker at both meetings. He says the estimates which the government feeds to the public are entirely misleading as to the true picture of the Federal treasury.

If business holds level, or much at the same level as now, Mr. Langum feels that some of the public debt can be retired through regular channels. However, if business turns down, then he says refunding of the debt will be necessary.

At the Group One meeting Carl Bahmeier, Jr., secretary of the South Dakota Bankers Association, gave a stirring and forceful address urging bankers to be active in their endeavors to preserve their present banking system. Indifference and complacency never won any advantage anywhere, says Mr. Bahmeier—bankers must be on the offensive and fight for their rights if they are to continue to exist as free enterprise institutions.—The End.

At the Iowa February Group Meetings—→

(All names reading from left to right)

1—**Ray Stevens**, president Early Savings Bank, and secretary of Group One; and **H. J. Harms**, president Le Mars Savings Bank, Farmers State Bank, Merrill, and First State Bank, Brunswick, and president of Group One.

2—**Dale Kelley**, cashier Farmers & Merchants Savings Bank, Burlington, and immediate past president Group Eleven; **Richard Schaefer**, Henry County Savings Bank, Mt. Pleasant; **H. E. Elgar**, director Henry County Savings Bank; and **Vincent Cullen**, executive vice president National Bank of Burlington.

3—**Frank Warner**, secretary of the Iowa Bankers Association; and **W. H. Bangs**, First National Bank, Fairfield, Iowa.

4—**R. R. Schroeder**, executive vice president Iowa County Savings Bank, Marengo; **Charles C. Kuning**, vice president American National Bank, Chicago; **L. Nevin Lee**, vice president Bankers Trust Company, Des Moines; **William H. Whitman**, assistant vice president American National Bank, Chicago; and **Tom C. Cannon**, regional manager St. Paul Terminal Warehouse Co., Des Moines.

5—**E. E. Popp**, assistant cashier Security State Bank, Hartley; **Chester Sjoborg**, cashier Farmers National Bank, Aurelia; **John S. Haver**, assistant cashier Live Stock National Bank, Sioux City; and **Dwain Loyd**, cashier Climbing Hill Savings Bank.

6—**R. W. Brown**, cashier Security Savings Bank, Sioux City, and secretary Sioux City Clearinghouse Association; and **A. E. Muir**, president Onawa State Bank.

7—**Charles Nelson**, vice president and cashier Northern Trust Company, Chicago; and **Lee Holland**, vice president Washington State Bank.

8—**Marvin Selden**, vice president Merchants National Bank, Cedar Rapids; **Paul Hansen**, vice president Live Stock National Bank, Omaha; **H. A. Boehm**, vice president City State Bank, Ogden; and **Herb Echtermeyer**, vice president Live Stock National Bank, Omaha.

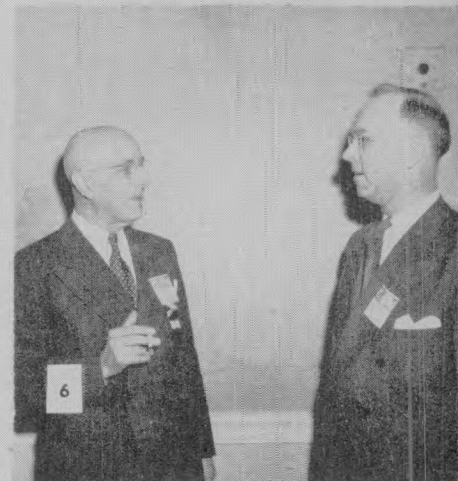
9—**Alden S. Bagnall**, vice president Live Stock National Bank, Chicago; and **Charles H. Griesa**, vice president Interstate National Bank, Kansas City.

10—**J. C. Blackford**, vice president Union Bank & Trust Company, Ottumwa; **R. A. Daedlow**, vice president Mediapolis Savings Bank; **B. J. Smith**, assistant cashier Iowa State Bank, Morning Sun; and **F. W. Allen**, cashier Muscatine Bank & Trust Company.

11—**A. T. Donhowe**, vice president Central National Bank, Des Moines; and **Randall Vance**, Mt. Pleasant Bank & Trust Company.

12—**Frank L. Kos**, cashier Washington State Bank; and **Jack Rigler**, Northern Trust Company, Chicago.

Northwestern Banker, March, 1949



At the Iowa February Group Meetings—→

(All names reading from left to right)

1—**George C. Swiler**, chairman of board Burlington Savings Bank; and **Frank C. Crone**, president National Bank of Burlington, and new chairman of Group Eleven.

2—**Kenneth Martin**, vice president First National Bank, Minneapolis; **William Whitman**, assistant vice president American National Bank, Chicago; **Frank Fuchs**, vice president First National Bank, St. Louis; and **George S. Henry**, assistant vice president First National Bank, Minneapolis.

3—**Elmer H. Warner**, secretary and manager Merchants Bonding Company, Des Moines; and **H. E. Qualheim**, president Crawford County Trust & Savings Bank, Denison.

4—**Conrad E. Aronson**, assistant cashier Toy National Bank, Sioux City; and **Lester L. Siems**, assistant manager bond department Northern Trust Company, Chicago.

5—**Henry Byers**, president Bankers Service Company, Des Moines.

6—**Jacque Frost**, assistant cashier Chase National Bank, New York; **Frank Warden**, vice president Central National Bank, Des Moines; **Hugh R. Kirkpatrick**, Chase National Bank, New York; **Roland White**, bond department Harris Trust & Savings

Bank, Chicago; **Joseph Snyder**, assistant secretary Manufacturers Trust Company, New York; **W. W. Summerwill**, vice president Iowa State Bank & Trust Company, Iowa City; and **Dale Smith**, assistant cashier Central National Bank, Des Moines.

7—**Everett Griffith**, vice president Iowa-Des Moines National Bank, Des Moines; **Austin L. Vickery**, vice president United States National Bank, Omaha; and **Robert F. Balsley**, assistant cashier Harris Trust & Savings Bank, Chicago.

8—**Phil Lister**, De Luxe Check Printers, Chicago; and **W. B. Griffin, Jr.**, cashier Iowa State Bank, Fairfield.

9—**Harry Schaller**, president Citizens First National Bank, Storm Lake, and president Iowa Bankers Association; and **Ernest J. Hultgren**, First National Bank, Chicago.

10—**Carl Bloom**, assistant cashier First National Bank, Omaha; **H. L. Brune**, vice president Nebraska State Bank, South Sioux City, Nebraska; and **John Lauritzen**, vice president First National Bank, Omaha.

11—**Horace Smith**, Scarborough & Company, Chicago.

12—**Fred D. Cummings**, assistant vice president Drovers National Bank, Chicago; and **Carl Fredricksen**, president Live Stock National Bank, Sioux City.

Hedrick Bank Sold

Floyd Whitmore, formerly of Coin, Iowa, but more recently of Lincoln, Nebraska, where he finished his course in business administration at the University of Nebraska, has purchased the Hedrick Savings Bank, Hedrick, Iowa, from the former owner, J. B. Thompson, whom he succeeds as president.

Before his three years of service in the Marine Corps, Mr. Whitmore was associated with the City National Bank of Shenandoah, Iowa. He was born and raised in Page county, Iowa.

The future plans of Mr. Thompson are indefinite. The contracting parties to this sale were represented by Charles E. Walters Company, bank stock merchants of Omaha, Nebraska.

Honor Indianola Banker

W. N. Grant, vice president of the Peoples Trust and Savings Bank, Indianola, Iowa, was honored at the annual stockholders' meeting for his 30 years of service with the bank. He was presented with a gold watch in appreciation of his fine work.

Myron S. Orr, Indianola furniture dealer, was elected to the board to replace J. H. Redman who resigned recently to become cashier of the First National Bank at Glidden.

Benjamin R. Leitch, vice president of the bank, has been a patient in Sacred Heart hospital at LeMars, Iowa, since December 24, 1948, when he was stricken with a severe heart ailment while he and Mrs. Leitch were visiting at the home of a daughter over the Christmas holidays. Officers of the bank have hopes that Mr. Leitch will be back at his desk within a few weeks.

Hold Open House on 50th Anniversary

Officers, directors and the staff of the Glenwood State Bank, Glenwood, Iowa, were hosts at "open house" to customers and other friends of that city and surrounding community last month in observance of the bank's 50th anniversary since founding. The opening date of business was February 27, 1899.

To familiarize the public with the Glenwood State Bank's history, a full



FIFTH AVENUE
SOUTH-226

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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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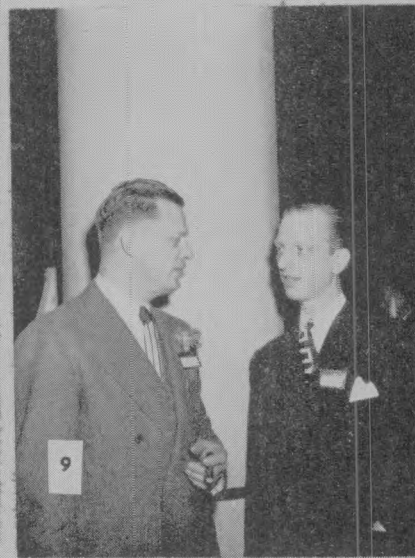
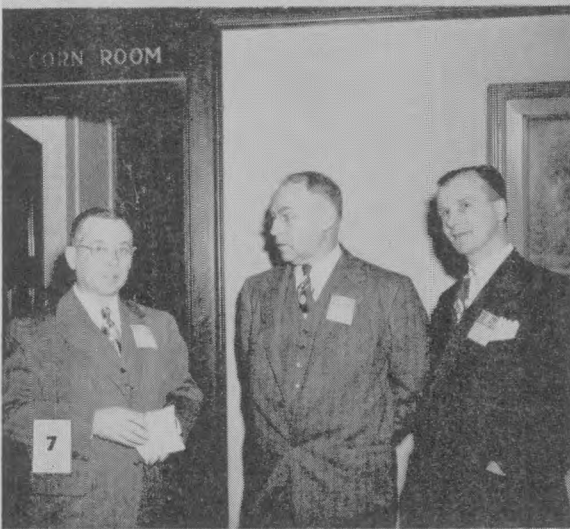
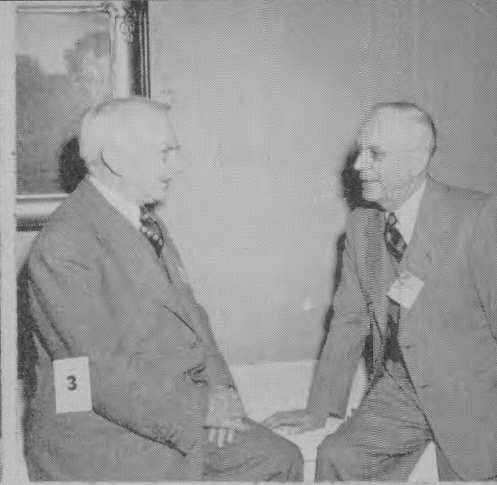
Northwestern Banker, March, 1949

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to Banks



Iowa City Bank Remodels



TELLING THE STORY EFFECTIVELY through the use of attractive display ads in the local paper, the Iowa State Bank and Trust Company of Iowa City last month invited its customers and other friends to visit the bank's newly-remodeled offices. The first three day's ads, occupying one-half to two-thirds page display space, carried pictures of different rooms in the bank and explained the banking operations taking place in each department pictured.

Each of the first three ads carried the message, "Watch for Our Second (Third, Fourth) Report Tomorrow," thus drawing vast reader interest. The fourth report was a report to the community on the condition of the bank, its services to customers and Iowa City and a report, with illustrations, of the financial condition of Iowa City itself. This ad was signed in the handwriting of Ben C. Summerwill, president.

Pictured above is the main banking room, showing new tellers' cages, excellent lighting and clean, streamlined appearance. Officers' desks are just to the left out of this picture. Another picture of the bank is below.



PRIVACY AND CONVENIENCE are available in the modernistic personal loan department shown in the above picture. The first installation of its kind in Iowa, this room also provides separate rooms for consultation.

page ad was run in the local paper, and later reprinted and distributed by mail, in which the growth of the bank was noted by the increases in capital accounts and deposits. Capital originally was \$25,000 total, whereas today it is \$215,296 for capital, surplus and undivided profits. Deposits have swelled from \$48,617 in 1899 to \$4,435,545 at the end of 1948.

Prominent in this broadside display was a unique slogan attracting attention, which read as follows: "Your Grandfather's Bank—Your Father's Bank—Your Bank."

R. C. Hopp is chairman of the board of Glenwood State Bank and Clyde Rhoads heads the officer staff as president.

Promotions at Fort Dodge

Harry T. Huff was elected executive vice president and A. A. Gerken was named cashier of the State Bank of Fort Dodge, Iowa, at the annual meeting of the bank's board of directors.

Mr. Huff was advanced to the executive vice presidency from the cashier's post which he has held for many years. Mr. Gerken was elected cashier after holding the position of assistant cashier for the past seven years.

Other officers of the bank were re-elected at the annual meeting. They are C. W. Gadd, chairman of the board; F. L. Loomis, president; Walter L. Casteel and Donald Vincent, vice presidents; and E. H. Moore, assistant cashier and trust officer.

Install New Deposit Boxes

Last month two representatives from the Diebold Safe & Lock Company of Canton, Ohio, completed the installation of 300 new safety deposit boxes at the Home Trust & Savings Bank in Osage, Iowa.

W. E. Sheldon, president of the bank, states that this is the third addition of an extra lot of safety deposit boxes to be added since the bank moved to its present location in 1937. The bank now has a total of 1200 such boxes.

With Iowa City Bank

H. Clark Houghton became associated with the First National Bank of Iowa City as assistant cashier March 1st, Frank D. Williams, president, has announced.

Mr. Houghton was graduated "with distinction" from the college of law of the University of Iowa last month and has been admitted to the bar of Iowa. He is a member of Phi Beta Kappa and A.F.I. For the last seven summers he has worked with the Houghton State Bank of Red Oak, where his father, H. C. Houghton, is president.



Almost as Busy as a Banker . . .

In today's fast-changing economic picture the banker is usually the busiest man in sight. New problems come up every day . . . old problems take new slants . . . whichever way things develop the banker must be ready with the right answer.

A good many of the answers have already been worked out at the Marquette . . . and our

Department of Banks and Bankers has the know-how and enthusiasm to be of real help to the independent banker in meeting new problems as they arise.

Call on the Marquette when you need help, we're as near as your telephone . . . or stop in for a visit the next time you're in Minneapolis.

RUSSELL L. STOTESBERY
President

CHARLES C. RIEGER
Vice President

LYNN FULLER
Executive Vice President

OTTO H. PREUS
Assistant Vice President

DEPARTMENT OF BANKS AND BANKERS

THE STRONG FRIEND OF THE INDEPENDENT BANKER

MARQUETTE *National* BANK

517 MARQUETTE AVENUE MINNEAPOLIS 2, MINNESOTA

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, March, 1949

Elect Officers

At the recent quarterly meeting of the Southwestern Iowa Bankers Association at Farragut, E. W. Burdick of Malvern was elected president for the coming year; Louis H. Boettcher of Villisca, vice president; Don Clayton of Hamburg, secretary, and DeLoss Quist of Essex, treasurer. Robert Henstorf, Jr., of Farragut, is the retiring president.

E. L. Walleser

E. L. Walleser, 59, president of the First Security Bank and Trust Company, Charles City, Iowa, died of a heart attack at his home last month. He had been at his office in the bank that same day.

He was born at Nashua and moved to Charles City in 1909. He had been connected with the bank since 1911 and was named president in 1946.

With Red Oak Bank

Frank Hamilton has accepted a position as cashier of the Montgomery County National Bank at Red Oak, Iowa.

Mr. Hamilton has been cashier at the Harlan National Bank since 1942, moving there from a bank at Malvern.

George W. Artherholt, 45, who had been president of the Montgomery County National Bank from 1937 until the annual meeting in January of this year, died at a Red Oak hospital recently. He entered the bank at Hartley with his father after graduation from the University of Minnesota and from 1933 to 1937, when he moved to Red Oak, was with the regional agricultural bank at Sioux City. He sold

his controlling interests in the Red Oak bank last November to Winfield S. Mayne, who was elected president in January.

Capital Increased

The capital stock of the Valley Bank and Trust Company, Des Moines, was increased last month from \$600,000 to \$1,000,000 at a special meeting



FREDERICK M. MORRISON
Announces Capital Stock Increase

of the bank's stockholders. The bank also has a surplus of \$200,000 and undivided profits in excess of \$200,000, according to President Frederick M. Morrison. The increase was made possible through the declaration of a stock dividend of two for three of the common stock.

The Valley Bank and Trust Company is one of Iowa's oldest banks dating back to 1872. It is this year entering its 77th year.

Present officers of the Valley Bank and Trust Company include Frederick M. Morrison, president; Winfield W. Scott, senior vice president; J. R. Astley, Edward P. Kautzky, Roy E. Huber and Ray Thompson, vice presidents; Frank M. Thompson, cashier, and Carl V. Altman, George W. Gill and James Morrison, assistant cashiers.

Henry E. Ritz

Henry E. Ritz, 75, vice president of the First National Bank at Eldon, Iowa, died at his home in Ottumwa last month after a brief illness. He had been associated with the First National of Eldon as an officer and director for 50 years, having served earlier as cashier. He retired from active service in the bank seven years ago.

New Assistant Cashier

V. L. Hall and S. A. Rustad have been elected assistant cashiers of the Peoples Savings Bank, Waterloo, Iowa.

Banking Department Announces Stock Increases

The Iowa Department of Banking announces the following changes in capital stock of Iowa state banks, all increases having been made by declaration of stock dividends. This list includes those not reported previously in the NORTHWESTERN BANKER or elsewhere in this issue:

Rowley Savings Bank, Rowley, increased capital stock from \$20,000 to \$30,000.

Farmers State Bank, Kanawha, increased capital stock from \$25,000 to \$50,000.

Security State Bank, Ireton, increased capital stock from \$15,000 to \$30,000.

Security State Bank, Independence, increased capital stock from \$50,000 to \$75,000.

Ankeny State Bank, Ankeny, increased capital stock from \$15,000 to \$30,000.

Commercial State Bank, Marshalltown, increased capital stock from \$50,000 to \$100,000.

Farmers Savings Bank, Garwin, increased capital stock from \$20,000 to \$25,000.

Primghar Savings Bank, Primghar, increased capital stock from \$30,000 to \$45,000.

Farmers & Merchants Savings Bank, Lone Tree, increased capital stock from \$30,000 to \$45,000.

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VALLEY BANK AND TRUST COMPANY
DES MOINES

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Manages Mallard Office

Alvah Jorgensen has accepted a position as manager of the branch office at Mallard of the Palo Alto County State Bank of Emmetsburg, Iowa.

Returns to Carroll

George B. Werdel has returned to the vice-presidency of the Carroll County State Bank, Carroll, Iowa, the same position he held at the time he and Mrs. Werdel left Carroll almost four years ago to live in Rochester, Minnesota. For a number of years previously Mr. Werdel was associated with the Carroll County State Bank. While living at Rochester, he was vice president of the Union National Bank.

Sanborn Bank's 50th Year

The Sanborn Savings Bank completed fifty years of service in Sanborn, Iowa, last month. For the occasion, officers of the Continental Illinois National Bank and Trust Company, of Chicago, sent a beautiful large plant to the bank, which has been doing business through that Chicago bank for their entire fifty years.

Present officers are: president, J. W. Cravens; vice president, E. W. Mayne; cashier, C. F. Watters; assist-

ant cashiers, Anna Bohan and James Cravens. Directors are Earl W. Mayne, Edw. R. Bohan, J. W. Cravens, C. F. Watters and James Cravens.

Elected Vice President

E. J. Hough was elected a vice president of the Security State Bank of Algona, Iowa, at the annual meeting to fill the vacancy left by the recent death of Frank Kohlhaas. W. W. Sullivan was elected to the board of directors to take Mr. Kohlhaas's place there. All other officers and directors, including President C. B. Murtagh, were re-elected.

Name New Directors

The Farmers & Merchants Savings Bank of Burlington, Iowa, last month re-elected all officers and board members and added three new directors.

Announced as new members of the board at the annual meeting were John Hodson, Bruce Werden and Dale Kelley.

Officers re-elected are H. R. Buctner, chairman of the board; Mark T. Blaul, president; C. H. Walsh, vice president; Mr. Kelley, cashier; H. A. Wittkamp and Cecil E. Orr, assistant cashiers.

State Banking Report

Assets of Iowa state chartered banks and bank offices increased \$27,919,779 in the second half of 1948, the Iowa superintendent of banking said last month.

Superintendent Newton P. Black reported the 558 state chartered banks and 162 bank offices had assets totaling \$1,598,442,788 as of December 31, 1948.

Although the assets increased from the total of June 30, 1948, Mr. Black said, they were \$95,621,836 below the total for December 31, 1947.

Mr. Black said the principal items reflecting the change were: cash decline of \$41,871,447; decline in United States government securities of \$18,358,402; decline in all other bonds and investments of \$435,701; increase in loans of \$110,692,975 and building and equipment increase of \$392,474.

Total deposits in state banks were up \$24,576,432 compared to the June 30th bank call, and totaled \$1,503,141,109. However, they were 6.47 per cent—or \$142,040,225—less than the December 31, 1947, total.

The 558 banks increased their capital \$1,497,500, and added \$4,340,300 to surplus and \$2,597,696 to undivided profits and reserves—a total of \$8,435,496. This was an increase of 9.87 per cent compared with December 31, 1947. Mr. Black said all capital accounts showed "meritorious gains."

He said he felt banks were "in much better condition at the present than they were at the same period following World War I."

60 Years As a Banker

William H. Rose, Fort Madison, Iowa's oldest banker, worked as usual last month on the 60th anniversary of his entry into the banking business.

When Mr. Rose started to work for the Fort Madison Savings Bank on February 1, 1889, he was an office boy. Since then he has held every position up to and including vice president, his present job with the Fort Madison Savings Bank.

The veteran banker has long been known as one of Fort Madison's leading bicycle enthusiasts. Whenever the weather is good, he rides his bicycle to work. In earlier days, he and his friends used to take bicycle trips as far as Peoria, Illinois.

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Monona County Election

Members of the Monona County Bankers Association met at Moorhead, Iowa, recently and elected new officers for the coming year.

A. H. Burning, cashier of the Mapleton Trust & Savings Bank, was chosen president succeeding E. W. Nun, cashier of the Ute State Bank.

Don Halverson assistant cashier, Soldier Valley Savings Bank, Soldier, was named vice president and James G. Whiting, assistant cashier of the Mapleton Trust & Savings Bank, was elected secretary and treasurer.

Waterloo Promotions

At the Waterloo Savings Bank J. J. Miller has been promoted from vice president and cashier to executive vice president and trust officer; V. Spalding Miller from assistant vice president to vice president and cashier; and Francis R. LaBarre from assistant vice president to vice president and assistant trust officer.

Heads Spencer Bank

J. W. Edge has been advanced to the post of president and Leon A. Witter takes over as chairman of the board of directors of the Farmers Trust and Savings Bank of Spencer, Iowa, as the result of an election held at a recent meeting of the stockholders of the bank. Mr. Witter will also occupy the post of executive vice president.

Other officers named are: R. M. Tuttle, vice president; K. R. Tuttle, cashier; A. J. Prechel, A. L. Chalmers, Leon Walker, Florence Erickson, Charlotte Glover and Kenneth Edge, assistant cashiers.

The board of directors, with Mr. Witter as chairman, will be composed of George A. Heikens, Otto Hummel, R. M. Tuttle, R. M. Cornwall, D. E. Cole and Mr. Edge.

Winterset Bank Changes

J. A. Ramsey was elected chairman of the board of directors of the Farmers and Merchants State Bank of Winterset, Iowa, at the annual meeting of stockholders.

Other officers elected were:

N. E. Kelley, former executive vice president, who succeeded Mr. Ramsey as president; I. K. Sayre and R. R. Gillespie, vice presidents; J. W. McKee, cashier; and C. D. Butterfield, assistant cashier.

Mr. Ramsey also will be executive vice president.

Perry Bank Changes

Several changes in executive positions and doubling of capital stock were announced last month following

meetings of stockholders and directors of the Perry State Bank, Perry, Iowa. Capital was increased from \$50,000 to \$100,000.

Officer changes are as follows:

Dr. W. A. Seidler, president, was named chairman of the board.

N. P. Black, cashier, who also is state superintendent of banking, was elected president.

George Armstrong, assistant cashier, was elected cashier.

James Haas, a teller at the bank the past two years, was elected an assistant cashier. There are now three assistant cashiers at the bank. The others are B. A. Raynor and P. T. Tierney.

Mr. Armstrong also was elected a member of the board, and all other board members were re-elected.

These are F. W. Bailey, Edward Kautzky, Sr., Hans Meier, Sr., Dr. Seidler and Mr. Black.

The latter four have been directors since the organization of the bank November 3, 1927.

E. P. Adler

E. P. Adler, 76, prominent Davenport, Iowa, publisher, and former president of the Davenport Bank and Trust Company, died in a hospital there earlier this month. He was a well-known and popular figure throughout Iowa and the middlewest

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J. T. Grant, Vice President

E. A. Johnson, Assistant Cashier

J. R. Graning, Cashier

H. H. Strifert, Assistant Cashier

W. L. Temple, Assistant Vice President

K. J. Shannon, Assistant Cashier

J. Ford Wheeler, Auditor



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for his leadership in the field of journalism and in the banking field when he was actively associated with the Davenport Bank and Trust Company.

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**OMAHA — DES MOINES
DAVENPORT**

How We Plan to Increase Our Bank Earnings in 1949

(Continued from page 19)

Harold G. Nicolaus, vice president, Wilton Savings Bank, Wilton Junction, Iowa: "The thought that occurs to me is that we as servants of the general public ought to stress how we may better serve its welfare, not how we might increase our profits.

"Do you not agree that the publicizing of new records of profits has been a thorn in the side of the laboring man, and an effective tool for the labor unions to wield against capital?

"If we better serve our customers in an intelligent fashion our profits will result therefrom.

Leo E. Ryan, cashier, Platte Valley State Bank, Kearney, Nebraska: "We plan to increase our earnings by increasing the number of customers that use our services.

"To gain the customers, we intend to radio and pamphlet advertise intensively, and keep our name before the public by judiciously passing out calendars, leather goods and novelties.

"Good will is the basis of our banking business, and that, coupled with proper advertising, should do the trick."

V. G. Schaffer, cashier, Farmers and Merchants State Bank, Balaton, Minnesota: "We have no plan for increasing our earnings in the coming year. We are much more concerned with running our bank on an 'ultra-conservative' basis in the light of super-inflated conditions.

"We feel a conservative investment policy is much more important than increasing our income. Any bank that endeavors to increase earnings through a more lenient loan policy, or a longer term security portfolio is, indeed, treading on dangerous ground.

"In our opinion, present conditions are breeding a lot of difficulty for any bank failing to keep in mind that present values are, generally speaking, 200 to 300 per cent higher than normal. Any loaning officer should consider this fact. The same uncertainty is true with the security picture."

Will A. Lane, president, Security Savings Bank, Marshalltown, Iowa: "Frankly we do not expect to increase our earnings in 1949. Our earnings for 1948 were about the same as in 1947. While the gross income for 1948

was considerably higher than that of 1947, expenses were likewise higher with the net about the same.

"Currently our investment position, as to total assets, is 21.3 per cent in loans, 58.4 per cent in bonds and 20.3 per cent in cash. We do not care to increase our loans beyond present levels unless for short term on assured maturity payment. We could increase our income by forcing an increase in our loans but involved in this would no doubt be the assumption of risk not compatible with sound banking practices.

"By lengthening the maturities in our bond account we could add materially to our income but with 50 per cent of our bonds due within one year and no maturity beyond the 2's of 1952/54 we feel well protected against deposit shrinkage.

"It is my opinion that bankers should give more attention to proper charges for their services, as a producer of income, rather than to force the loan or bond accounts to provide income not consistent with sound practices.

"I do not say this is the best formula in existence but we have done very well with it and do not look for much variation in 1949 unless it be a lower deposit level the latter half of the year. This will depend somewhat on the fiscal policies of the government."

Frank M. Pollard, vice president and cashier, Union Bank and Trust Company, Ottumwa, Iowa: "After having enjoyed one of the best years of our existence, it is quite difficult to gaze into the future and make definite policies concerning our future earning power. In this fast changing world of ours there are too many elements occurring daily which are bound to



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have an effect on current situations, and one change oftentimes stabilizes another change. An example is that during the past year some banks have raised their interest rates, and while the big gain in earnings should show in the future, there is an offset in that 'Regulation W' has been re-established, which will have a large effect on any bank with a large volume of this type of financing. So it is, all down the line.

"However, to me the most important item is that of a bank continually being on its toes to improve its 'Public Relations.' We are making a most decided effort along this line. All employees should be counseled to be courteous, cheerful, neat and efficient with customers. Make calls on all new arrivals in the community, acquaint them with your town and try to make them glad they moved there. Call on all the mothers of new babies in your community and present them with a 'Baby Savings Bank.' Enter into the activities of the 4-H clubs. Here is a great field. Don't forget the old quotation—'The children of today are the customers of tomorrow.' Above all, remember the bank belongs to the customers. Always strive to do your best by them, and they in turn will do their best by you."

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E. H. WARNER
Secretary and Manager
W. W. WARNER
Assistant Secretary

"We hope to increase our earnings in 1949 through improved personal service to customers and better customer relations. Thus we will gain more customers, and at the same time increase our loan volume. We will cooperate with all local worthy projects. This sometimes means a lot of extra work, but it pays dividends."

H. R. LEXVOLD, Vice Pres. and Cashier,
First National Bank,
Lake Wilson, Minnesota.

A. H. Haakenson, vice president and cashier, Austin State Bank, Austin, Minnesota: "Perhaps first in our thoughts about making increased profits in 1949 is aggressive but intelligent effort in developing consumer loans both of the direct type or discounts purchased from dealers. We have already had experience through a better than average volume of consumer business, to be assured the extra work and cost of handling is well worth while.

"The advantages of the consumer loan to us are manifold. The wide spread of borrowers as against concentrations . . . the rapid turnover of funds . . . the substantially increased revenue made possible by finance rates are some of the more commonly recognized advantages.

"Still more important, however, is the tapping as prospective new customers of a surprisingly large element of people who for one reason or another have rarely if ever been in contact with services afforded by a bank. We have had some of our most pleasant experiences as a result of contract purchases. The resultant introduction to services offered by our bank has frequently been the start of a happy and mutually profitable contact.

"One of the common reactions, no doubt expressed to many bankers, is the surprise shown by the borrowers when they discover bank financing costs less. This surely reflects favorably on bank lending since consumer loans carry our highest rates.

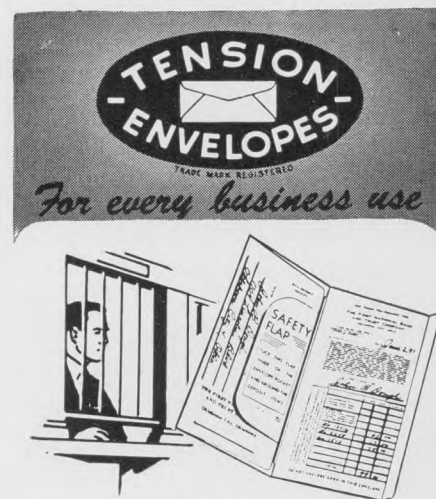
"While extolling the desirable features of this lending we must at the same time be aware of increased hazards involved. First of all, production of goods is now rapidly catching up with supply. Our loans must therefore be well screened at inception. Indirect paper should be purchased only from reliable and responsible dealers whether with or without recourse. Lenders must protect themselves against borrowers over extending themselves on payments. Delinquencies must be watched more closely.

"After weighing the factors on both sides, we are convinced 'there is gold'

in them than consumer loans.' One of our objectives for 1949 is to provide a well trained staff to help mine it out. Personnel with understanding of basic credit principles and ability to win the confidence of our consumer customers will, we hope, contribute substantially to our earnings in 1949. By the same token, ready availability of this type of credit is also a service to the community.

"Other projects of a specific nature for bettering our 1949 earnings include adoption of revised service charges, installation of time saving bookkeeping and teller operations, stressing of auction sale service, and expansion of draft and money order business.

"In a more general way we hope to increase revenue by appealing to our



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staff to show more sincere appreciation for business given us by customers—old and new. This warmth of feeling costs nothing to generate and pays tremendous dividends if put out with sincerity. The customer whose business is acknowledged and appreciated will likely bring another. It is our hope and desire that our entire staff will reflect this policy."

H. E. Iverson, cashier, Farmers State Bank, Canton, South Dakota: "Our thoughts will be along the following lines:

New business solicitation of people residing in our territory who are not customers of our bank.

"Lending our support to farm programs of soil conservation and weed control. We feel much can be accomplished along these lines to increase earnings of our farm patrons, which will make them better customers of our bank.

"Encouraging a program of modernization of farm buildings to make them more attractive for the young people growing up on the farms.

"Counseling with farmers on their problems and encouraging them to be alert to changing conditions affecting farm economy.

"Lending our efforts to modern trends of education in rural, as well as city schools to better fit the boys and girls for the future.

"Encouraging a program of systematic saving through purchases of government bonds and savings accounts in banks and other savings institutions.

"We feel that people should now be building up a back log to provide necessities and improvements which will be available in the future. We encourage a program of saving rather than going in debt for these things."

Heads Fairfield C. of C.

Glenn A. Sherman, cashier at the First National Bank, Fairfield, Iowa, was elected president of the Fairfield Chamber of Commerce recently when the board held its reorganization meeting.

LEGAL QUESTIONS

(Continued from page 22)

new lease is intended to be executed in the case of a renewal, no such instrument is necessary and the lessee continues to hold under the original document. Iowa, Tennessee, and Arkansas are among the states that follow this rule. A distinction is made in some jurisdictions, but they are in the minority.

"Ferdinand" Makes a Hit

Ferdinand, a 950 pound Hereford steer, was sold at auction in the lobby of the Midland National Bank, Minne-

CONVENTIONS

March 20-22, Annual Convention, Independent Bankers Association, Biloxi, Mississippi, Buena Vista Hotel.

April 18-22, Group Meetings, Nebraska Bankers Association.

April 23, Federal Reserve Bank Conference, Minneapolis, Hotel Nicolet.

April 24-26, A.B.A. Executive Council, French Lick, Indiana, French Lick Springs Hotel.

April 27-28, Annual Meeting, Central States Conference, French Lick, Indiana, French Lick Springs Hotel.

May 6-7, Annual Convention, South Dakota Bankers Association, Aberdeen, Alonzo Ward Hotel.

May 9-11, Annual Meeting, Missouri Bankers Association, Kansas City, Hotel Muehlebach.

May 10-13, and May 24-27, Group Meetings Iowa Bankers Association.

May 18-20, Annual Meeting, Kansas Bankers Association, Kansas City, Missouri.

May 30-June 3, A.I.B. Annual Meeting, Portland, Oregon, Hotel Multnomah.

June 8-9, Annual Convention, Minnesota Bankers Association, St. Paul, Hotel St. Paul.

June 13-17, 47th Annual Convention, American Institute of Banking, Portland, Oregon.

June 17-18, Annual Convention, North Dakota Bankers Association, Minot, Clarence Parker Hotel.

June 20-22, 53rd Annual Convention, Wisconsin Bankers Association, Milwaukee, Schroeder Hotel.

June 20-July 7, Graduate School of Banking, Rutgers University.

August 22-September 23, Central States School of Banking, University of Wisconsin, Madison.

October 11-12, Annual Convention, Nebraska Bankers Association, Lincoln, Hotel Cornhusker.

October 17, 18, 19, 63rd Annual Convention, Iowa Bankers Association, Des Moines, Hotel Fort Des Moines.

October 19-22, Annual Convention, Financial Public Relations Association, Chicago, Edgewater Beach Hotel.

October 23-26, 25th Convention, National Association of Bank Auditors and Comptrollers.

October 30-November 2, 75th Annual Convention, American Bankers Association, San Francisco. (Convention headquarters to be announced later.)

apolis, last month. Ferdinand was walked into the lobby at 10 a. m. where he nonchalantly ate alfalfa until 2:15, at which time he was auctioned off.

The Midland Bank has had displays in its lobby regularly for the past two years, but Ferdinand was the first living exhibit.

The display was put on for the purpose of aiding the Minnesota Heart Association with their \$50,000 fund drive.

Some three hundred people gathered in the Midland Bank lobby to witness the real honest-to-goodness auctioneers with their rapid-fire chatter sell Ferdinand for \$1.50 a pound, and some \$1,400 was added to the Heart Fund. A radio transcription of the auction wash made by Station WTCN which was broadcast over the airways about an hour later.

Dinner Speaker

A. M. Strong, vice president, American National Bank and Trust Company of Chicago, addressed a dinner meeting in Omaha, Nebraska, on March 1st, sponsored by the University of Omaha and the Omaha Chamber of Commerce. His topic was "Development of Foreign Trade in Inland Areas."

New Film Reader

A new motor-driven microfilm reader, with constant focus at three speeds and variable magnification of 24 to 35 diameters, is announced by Recordak Corporation, subsidiary of the Eastman Kodak Company.

Named the Recordak Transcription



New Recordak Transcription Reader for viewing microfilm records has a turret top which rotates through 360 degrees. Operator can turn the screen directly into her line of vision for maximum reading efficiency. Magnification of images can be varied from 24 to 35 diameters.

Reader, the new machine is designed especially for retail stores, insurance companies, government offices, title in-

surance companies, and other business organizations which refer to 16 mm. film records frequently and continually throughout the working day. Accessory parts will be made available for converting the reader to accommodate 35 mm. film.

Resembling a two-drawer letter file in height and appearance, the new reader stands on the floor alongside an office desk, within convenient reach. An operator can load film and operate the machine easily from a sitting position.

The turret top screen rotates through a full 360 degrees. Operators can turn the screen directly into their line of vision for maximum reading comfort and efficiency. Placed between adjacent desks, the reader serves two clerks alternately. At adjustment windows in retail stores, clerks settling complaints can locate individual statements on the film without revealing the purchases of other customers.

Change Bank Name

Shareholders of the Empire National Bank and Trust Company of St. Paul voted recently to change the bank name to "Empire National Bank of St. Paul." The change was effective the first day of February.

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In the DIRECTOR'S ROOM



Turn on the Fan

He: You're Mae West, aren't you?

She: I should say not. I'm June West—30 days warmer than Mae.

Just Learning

Policeman (to man coming down street at 4:00 a. m. wearing a barrel): Say, what's the idea? You a poker player?

Man: No, but I spent the night with some guys who are!

Time

A surveyor walking around an army post on the edge of a western town became acquainted with the soldier who fired the cannon for retreat each evening. "Do you fire this cannon at the same time each evening?" he asked.

"Yes," the soldier replied. "At six o'clock on the dot, and I time it carefully with this watch. I check it every day by the jeweler's clock, about two blocks from here."

Several days later the surveyor entered the jeweler's shop, and engaged the jeweler in conversation. "That's a mighty fine looking clock you have there," indicating the prominent timepiece in the window.

"Yes, it is a good clock; it keeps perfect time," answered the jeweler. "In fact, that clock hasn't varied a second in two years."

"That's really marvelous," exclaimed the surveyor.

"True, and we have a perfect check on it, too," elaborated the jeweler. "Every evening at exactly six o'clock they fire a cannon over at the fort, and this clock is always right on the dot!"

Good Will

First Salesman: Gee, I had a marvelous day; made lots of friends for the company.

Second Same: Me, too. I didn't sell anything either.

Trustful

One business partner (to the other, on fishing trip): Gosh, we forgot to close the safe!

What's the difference? We're both here, ain't we?

Choice

An American woman visiting in Paris before the war went to a bureau which provided American men as escorts. When informed that she could engage either a Northerner or a Southerner, she asked the difference, and was told that the Southerners were gallant and debonair, while the Northerners were smooth talkers and romantic.

"Well, then," she said, "I'll take a Southerner from as far north as possible!"

Substitute

Mrs. Smith was sitting in the breakfast nook shelling peas when she heard a knock at the back door. Thinking it was her young son, she called, "Here I am, darling."

Silence. Then a deep voice boomed, "This is not the regular iceman, ma'am."

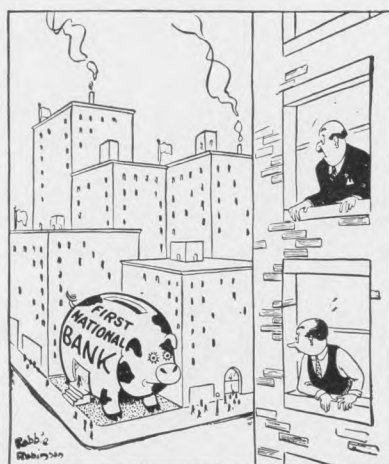
Identification

Hunter. Now, tell me, how do you detect an elephant?

Guide: Well, there's always a faint odor of peanuts on his breath.

Orphan

Lonely baby chick (looking around incubator at unhatched eggs): Well, it looks as if I'm to be an only child. Mother's blown a fuse.



I understand its President was quite thrifty as a child.

New Meaning

The teacher was explaining to the class that a number of sheep is called a flock and a number of quail is called a bevy.

"Now," she said, "what is a number of camels called?"

The nine-year-old ad reader had a quick answer, "A carton."

He Voted Right

Smith (meeting Jones after many years): Yes, our old friend Brown has gone to his everlasting rest.

Jones: What? Did he get that government job after all?

He Reads the Papers

Teacher: Willie, what is it when I say, "I love you, you love me, he loves me?"

Willie: That's one of those triangles where somebody gets shot.

I Doubt It

What with the human life span increasing steadily, the time may come eventually when a person may live long enough to reach the age of discretion.

Mourning Section

Woman (who had just sung "My Old Kentucky Home" to a man with tears in his eyes): Oh, are you from Kentucky?

Man: No, I'm a musician.

He's Spoke For, Bub!

Poll Taker: Does your husband belong to any party, lady?

Lady: Take a good look at me, mister. I'm the party he belongs to.

Same Old Guy

"Has he changed much in the years he's been away?"

"No, but he thinks he has."

"How come?"

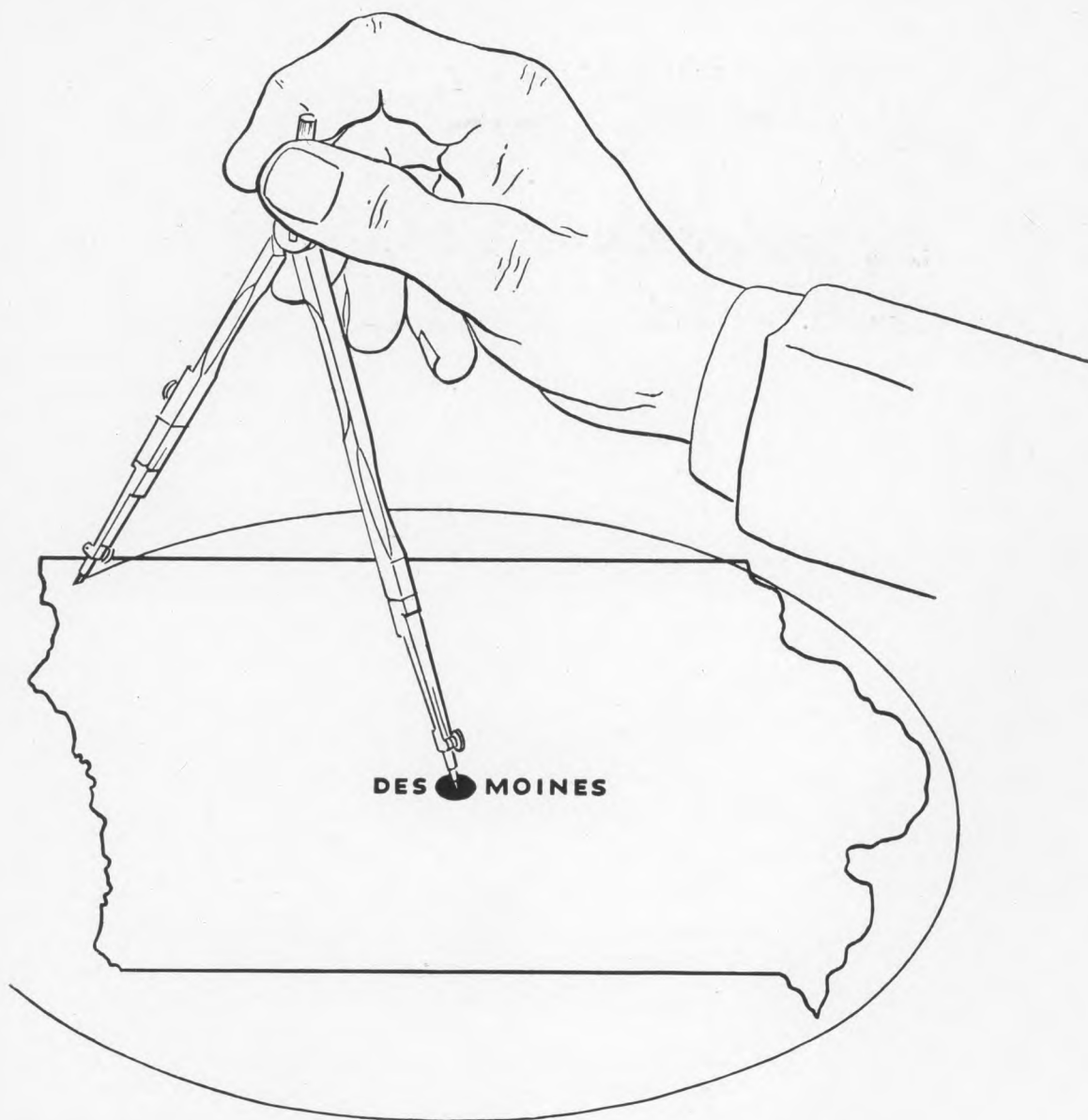
"He keeps saying, 'Oh, what a fool I used to be.'"

Page Mr. Webster

He: I wish I could revise the alphabet.

She: What would you do?

He: I'd put "U" and "I" closer together.



SERVICE ON THE DOT

Service to correspondent banks rendered by The Bankers Trust of Des Moines is truly "Service—on the dot!"

It's "on the dot" for speed in handling transactions of every banking nature; "on the dot" for credit information; and "on the dot" for desired contacts.

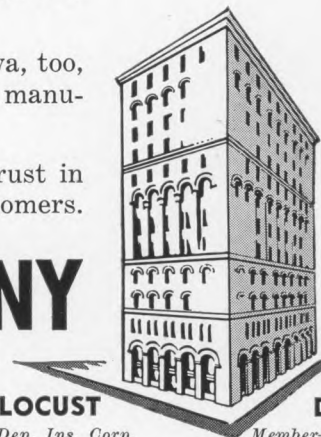
And Des Moines is "on the dot" as the distributing center of Iowa, too, besides being logical headquarters for factory branch offices and manufacturers' representatives covering the state.

Naturally, Iowa bankers find that a connection with Bankers Trust in Des Moines helps them give "on the dot" service to their own customers.

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FOR *Your* CUSTOMERS . . .

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Service!



★ Regardless of size or location, Iowa Banks insure complete, up-to-the-minute service for customers by making full use of the correspondent facilities provided by Iowa's Largest Bank.

★ Correspondent services include:

★ Co-operation in meeting the needs of your customers who require larger lines of credit than you can extend locally.

★ Fast transit service for the collection of checks and drafts.

★ The transfer of funds.

★ Safe-keeping of securities for your Bank and your customers.

★ Credit information.

★ Depository for reserves.

★ Government and Municipal Bonds for investment; orders executed for the purchase or sale of other securities.

★ Complete Trust Department service.

★ Assistance with operations problems, installation of equipment and efficient handling of items.

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