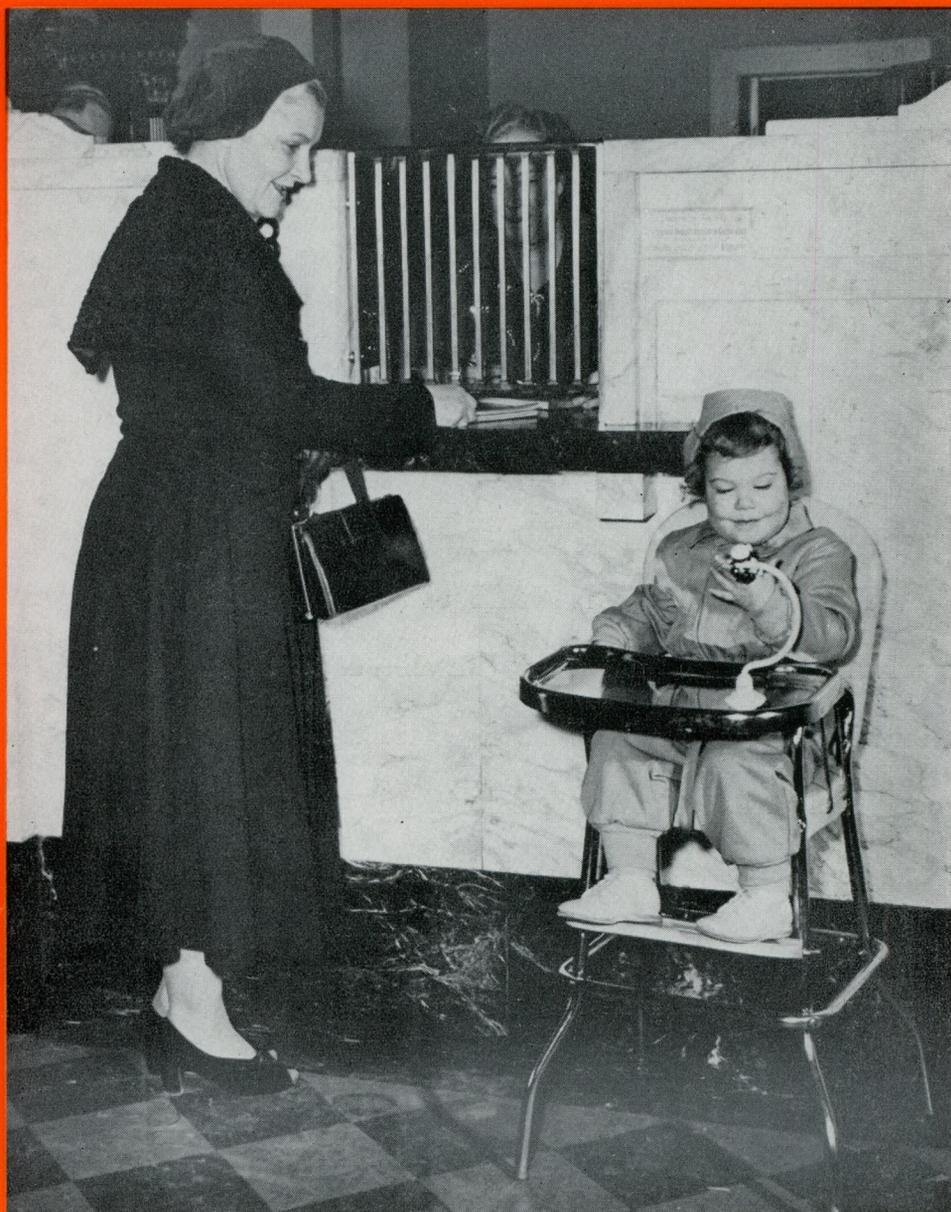


NORTHWESTERN *Banker*

APRIL
1951



**How We Finance
Home Improvements**

—Page 16

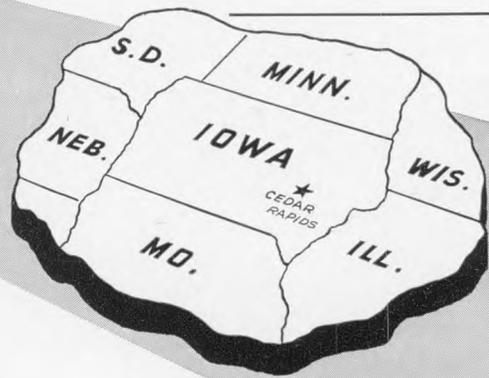
NEW BANK SERVICE IN ACTION—See Page 17

YOU ARE INVITED to hear The Merchants National Hour over WMT, 9 to 10 each Sunday evening . . . an outstanding production used to promote banking in Iowa.



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We are proud to Serve as the

BANKERS' CHOICE

TODAY, MORE THAN HALF of the banks in Iowa are correspondents of The Merchants National. This "network" contributes to the business health of the Midwest by providing nationwide service for local bank customers. Our "network" of local banks is a network of "roots" that faithfully nourish community enterprise with unexcelled banking service. You are cordially invited to utilize our facilities for friendly, reliable correspondent service. Merchants National service is strengthened by 70 years of experience and by our high regard for the paramount contribution local banks make to the American economic system.

THE Merchants National BANK

C E D A R R A P I D S , I O W A

Member Federal Deposit Insurance Corporation

No. 765. Northwestern Banker, published monthly by the Northwestern Banker Company, at 527 Seventh Street, Des Moines, Iowa. Subscription, 35c per copy, \$3.00 per year. Entered as Second Class Matter January 1, 1895, at the Post Office at Des Moines, Iowa, under Act of March 3, 1879.

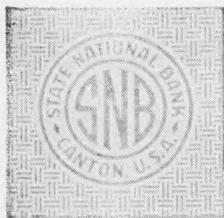


. . . first check I ever wrote

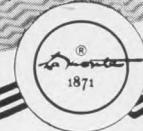
"It means a lot to me . . . and it goes a long way back!" » » An old check, and like many others dated well before the turn of the century, it enjoyed the protection offered by La Monte Safety Paper. For this famous line has been in continuous production since 1871, the year in which George La Monte perfected the original safety paper for checks. » » Today La Monte Safety Papers are used in huge volume by quality-conscious banks and corporations everywhere. Your lithographer will gladly show you samples or you may write us direct.

A Check Paper All Your Own

Thousands of banks and many of the larger corporations use La Monte Safety Papers with their own trade-mark or design made in the paper itself. Such INDIVIDUALIZED check paper provides maximum protection against both alteration and counterfeiting—makes identification positive.



La Monte
SAFETY PAPER FOR CHECKS
 GEORGE LA MONTE & SON, NUTLEY, NEW JERSEY



THE WAVY LINES ® ARE A LAMONTE TRADE-MARK

Northwestern Banker, April, 1951

With **RAPID ROUTER** — your important sendings can
 be on their way **WITHIN 30 MINUTES**



of the time they reach **THE FIRST!**

That's the kind of service your "special attention" items get when you address them to our Lock Box R R (Rapid Router). And here's why:

1. The post office sorts mail to Lock Box R R *separate* from our regular mail.
2. We collect from our "Rapid Router" box at frequent intervals — from early morning to late evening — *seven days a week*.
3. Items are delivered immediately to experienced personnel at our Rapid Router desk who select and put into effect the fastest means of making presentation.
4. They are immediately microfilmed and sent on their way — often within thirty minutes of the time we receive them.

If you would like your important sendings to receive this kind of service — and we are sure you

would — mail them with a separate letter of transmittal to:

**LOCK BOX R R
 CHICAGO 90
 ILLINOIS**

Upon request, we will send you a supply of printed envelopes that will have your return address on the corner card.

We will be glad to handle your important sendings via Rapid Router, whether or not you have established a correspondent relationship with us.

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The First National Bank of Chicago



Dearborn, Monroe and Clark Streets
 Building With Chicago Since 1863

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

A very broad and very human view of the many services performed by American banks is shown in this advertisement, which will appear in the April 23 issue of LIFE. In publishing it, Mosler feels it is performing even greater service to the public than to the banks of the nation.

Can you find your Bank in each of these pictures?



1. LOOK CLOSELY . . . your bank is behind the proud look in the eyes of these parents. For wasn't it *at the bank* that their savings accounts grew to make this day possible? Over 65,000,000 savings accounts in American banks provide a safe place for security to find reality, for dreams to come true.



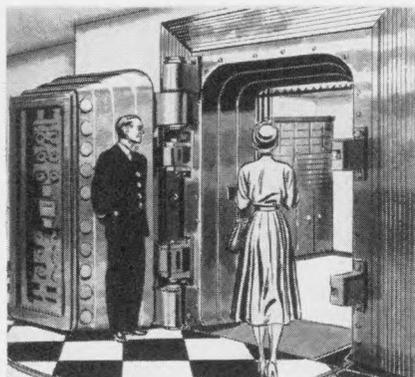
2. BEHIND THAT COMBINE you'll find your bank again . . . working with the farmer to help him produce more for others and better his own living. He depends on your bank (and his) to help him purchase new, labor-saving equipment . . . buy cattle, sheep and hogs for fattening and resale to the market.



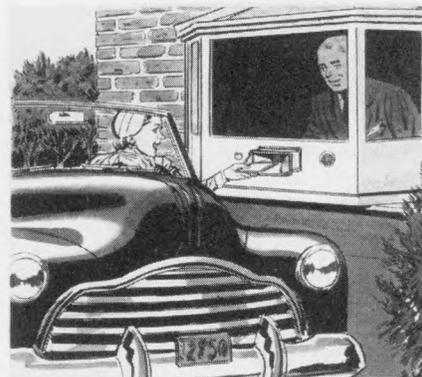
3. THE REAL "FOUNDATION" for this new plant is the sound commercial bank loan that took it off the blueprints and made it a reality. Your bank is a partner in your community's growth. Not only in helping finance expanded facilities but also in the daily and seasonal operation of businesses.



4. YES, YOUR BANK is responsible for making that smile just a little wider on this happy father's face. For your bank is ready to ease the load of doctor and hospital bills, as well as other emergency expenses, with a personal loan at low-cost bank rates . . . which can be repaid in small payments.



5. AND, YOU RECOGNIZE the one safe place to keep your Government Bonds—your bank's safe deposit vault (very likely built by Mosler). A safe deposit box is the place to keep *all* of your securities, insurance policies, wills, birth certificates . . . any papers or treasures that you can't risk losing.



6. AND NOW . . . even drive-in banking! Swing in and complete your banking transaction without getting out of your car. Mosler drive-in bank installations make it as *safe* as it is convenient. Could there be any more convincing evidence of the modern, progressive spirit of today's banks?

EVERY AMERICAN with a bank deposit or even one share of bank stock has an important stake in American banking. Here are just a few of the vitally important services your banking system offers in return: Checking Accounts • Corporate and Private Trusts • Payroll Accounts • Agency Accounts • Stock Registration and Transfer Services • Collections and Drafts • Pension Plans • Night Depositories • Information Services, and many others.

Over 70% of the nation's banks (and leading businesses) rely on Mosler vaults, record safes, and other protective equipment. For no Mosler Bank Vault has ever failed to give complete protection.

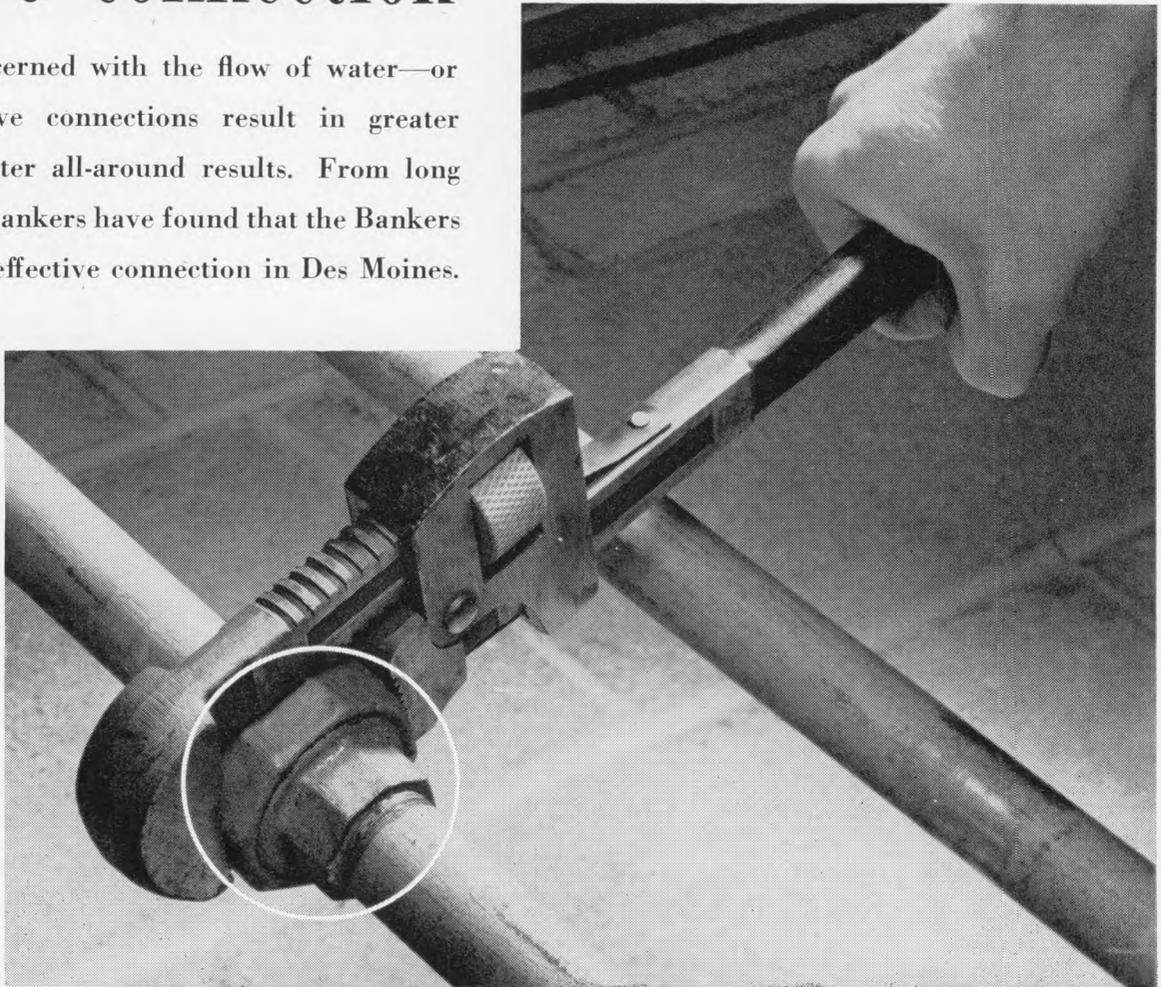
Reprints of this advertisement are available on request. Address The Mosler Safe Company, Dept. L4, Hamilton, Ohio.

The Mosler Safe Company • *World's Largest Builders of Safes and Vaults*
SINCE 1848

Northwestern Banker, April, 1951

IT PAYS TO HAVE AN effective connection

When you're concerned with the flow of water—or of credit—effective connections result in greater efficiency and better all-around results. From long experience, Iowa bankers have found that the Bankers Trust is a highly effective connection in Des Moines.



Bankers Trust Company

6th & LOCUST

DES MOINES

Member Federal Reserve System • Member Federal Deposit Insurance Corporation

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Northwestern Banker, April, 1951

Dear Editor



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

"Created a Sensation"

"I can't tell you how much we appreciate the wonderful news story you gave us in the February issue of the NORTHWESTERN BANKER. Our president, Mr. Reynolds, Jr., was really thrilled on seeing it and especially since our bank was featured on the cover of your magazine. No doubt about it, it created quite a sensation around the bank."

R. E. Conn, Vice President,
First National Bank, Palm Beach, Florida.

"Resolution Adopted"

"At a recent Jackson County Bankers Association meeting the following resolution was adopted:

"Whereas, there are many Mutual Savings and Loan Associations, Mutual Savings Banks, Federal and State Chartered Credit Unions, Production Credit Associations, National Farm Loan Associations and various government corporations organized to provide government capital, as well as many other forms of cooperatives now exempt from the payment of federal income taxes, which situation results in unfair advantages over non-exempt taxpaying bodies:

"And whereas, the Congress of the United States is now searching for new fields of revenue to finance the increased defense spending on a pay-as-you-go basis,

"Now, therefore, be it resolved, that the Jackson County Bankers Association go on record as being opposed to the tax-exempt status of said cooperative ventures, and hereby recommends to the Congress of the United States that such exemptions be abolished, thereby aiding our free enterprise system as well as obtaining new sources of untouched revenue."

"I believe that if every county association in the state would adopt some such resolution, contact their congressmen, then contact other states it might help push this thing along."

Eber V. Flint, Cashier, Andrew Savings Bank, Andrew, Iowa.

"Behind the Scenes"

"Quite often very interesting incidents happen behind the scenes at any important convention. I was toastmaster at the large banquet at the last Iowa bankers convention (Turn to page 8, please)

NORTHWESTERN Banker

DES MOINES

Oldest Financial Journal West of the Mississippi • 56th Year • No. 765

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NORTHWESTERN BANKER

527 Seventh St., Des Moines 9, Iowa, Telephone 4-8163

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Frank P. Syms, Vice President, 505 Fifth Ave., Suite 1806 MURRAY HILL 2-0326

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

FIGURES OF SIGNIFICANCE

On the theory that the more customers we sell the healthier our business will be, we attach great significance to the average number of banks billed each month. Below are the figures for the past ten years.

1941 — 4,153
 1942 — 4,297
 1943 — 5,049
 1944 — 5,225
 1945 — 5,883
 1946 — 6,606
 1947 — 7,101
 1948 — 7,418
 1949 — 7,629
 1950 — 8,104

At some time during 1950 we made some checks for 10,767 banks. Our more cautious people feel that the law of diminishing returns will soon make itself felt, while our more optimistic eager beavers point out that there still are 4,008 banks that do not enjoy DeLuxe service. This writer is no prognosticator but recognizes in such current figures certain comparisons which make powerful advertising ammunition.



Manufacturing Plants at:

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

Your Lawrence man offers you this Inventory Survey



Next time inventory figures in a loan application, call in your Lawrence man. He's as near as your telephone.

From his experience with inventories in many lines, he can determine for you if a given business lends itself to field warehousing.

Why not call on his experience?

LAWRENCE SYSTEM

Nationwide Field Warehousing

FACILITATES LOANS AGAINST INVENTORY

SAN FRANCISCO

CHICAGO

NEW YORK

37 DRUMM ST.

100 N. LA SALLE ST.

72 WALL ST.

Offices In All Principal Cities

DEAR EDITOR

(Continued from page 7)

and there were about 1,000 present with Secretary of the Treasury John Snyder as the speaker.

"As the program was about to begin, the head man of the secret service men guarding the secretary sent word to me to ask those present to remain seated at the close of the banquet until Mr. Snyder had withdrawn. I showed this request to Mr. Snyder and he smiled and said, 'Forget it, I'm just one of you folks.' I thought this was an interesting sidelight."

L. A. Andrew, 1600 Hinman Avenue, Evanston, Illinois.

"Excellent Story"

"The March issue of the NORTHWESTERN BANKER contains an excellent story on our Bank Tour Program. I hope that many Kansas bankers have the opportunity of seeing this story.

"Although we attempted to complete the tours during the fall, most of the local Bank Tour managers prefer to wait until March and April. We are now receiving five or six reports of completed tours every day."

Carl A. Bowman, Secretary, Kansas Bankers Association, Topeka, Kansas.

(Turn to page 10, please)

CONVENTIONS

April 9-10, Annual Convention, Independent Bankers Association, Mobile, Alabama.

April 22-24, Spring Meeting ABA Executive Council, French Lick Springs Hotel, French Lick, Ind.

May 6-9, Assn. Reserve City Bankers, The Greenbrier, White Sulphur Springs, West Virginia.

May 7-9, Annual Convention Missouri Bankers Assn., Kansas City, Hotel Muehlebach.

May 11-12, Annual Convention South Dakota Bankers Assn., Sioux Falls, Cataract Hotel.

May 25-26, Annual Convention North Dakota Bankers Assn., Fargo.

June 4-8, American Institute of Banking, Pittsburgh.

June 12-14, Annual Convention Illinois Bankers Assn., St. Louis, Hotel Jefferson.

June 13-14, Annual Convention Minnesota Bankers Assn., Minneapolis, Hotel Radisson.

June 18-20, Annual Convention Wisconsin Bankers Assn., Milwaukee, Hotel Schroeder.

September 30-October 3, Annual Convention American Bankers Assn., Chicago, Stevens Hotel.

October 11-12, Annual Convention Nebraska Bankers Assn., Omaha, Hotel Fontenelle.

October 21-24, Annual Convention Iowa Bankers Association, Des Moines, Hotel Fort Des Moines.

November 12-15, Annual Convention Financial Public Relations Assn., Hollywood Beach Hotel, Hollywood, Florida.

the Redeemed captive

He "passed through great tribulation"

Almost every house was burned, many townspeople were slain, many others taken captive in the Deerfield massacre of 1704. Rushing forward, stopping, then rushing on again so that the sound of their feet on the snow might simulate gusts of wind, French and Indian marauders had approached the sleeping town. Then climbing on snowdrifts, they leaped over the stockade. Taken by surprise, the citizens were overwhelmed. Next morning more than a hundred captives were marched off through the icy wilderness to Canada.

Among those who suffered greatly was Deerfield's pastor, the Reverend John Williams. He and his family were dragged from their beds and taken captive, his home burned, two of his infant children killed outright. On the first day's journey his wife was slain as were others of the weak and aged. In Canada, Williams and his surviving children were separated. After two years he was ransomed and later described his ordeal in a book, "The Redeemed Captive."



Rejecting calls from other towns, Williams returned to Deerfield where his parishioners built him the above home to replace the one that was destroyed. Possibly because of his past bitter experiences it is said Williams insisted that a secret passage be built around the chimney, running from cellar to attic.

Williams' eight-year-old daughter Eunice who was adopted by Indians on arrival in Canada refused to be ransomed and eventually married into the tribe. Though she paid brief visits to Deerfield in later years, she could not be persuaded to abandon Indian customs, preferring squaw attire to other clothing and showing a partiality for sleeping on the floor instead of in a bed.

Parson Williams' house, where he lived from 1707 to his death in 1729, is now owned by Deerfield Academy. It is one of twenty pre-Revolutionary homes in Deerfield—all sturdy reminders of the courageous Massachusetts colonists.



Tomahawk-pierced 3" oak door of Sheldon's tavern may still be seen in Deerfield.

The Home, through its agents and brokers, is America's leading insurance protector of American homes and the homes of American industry.

★ THE HOME ★
Insurance Company

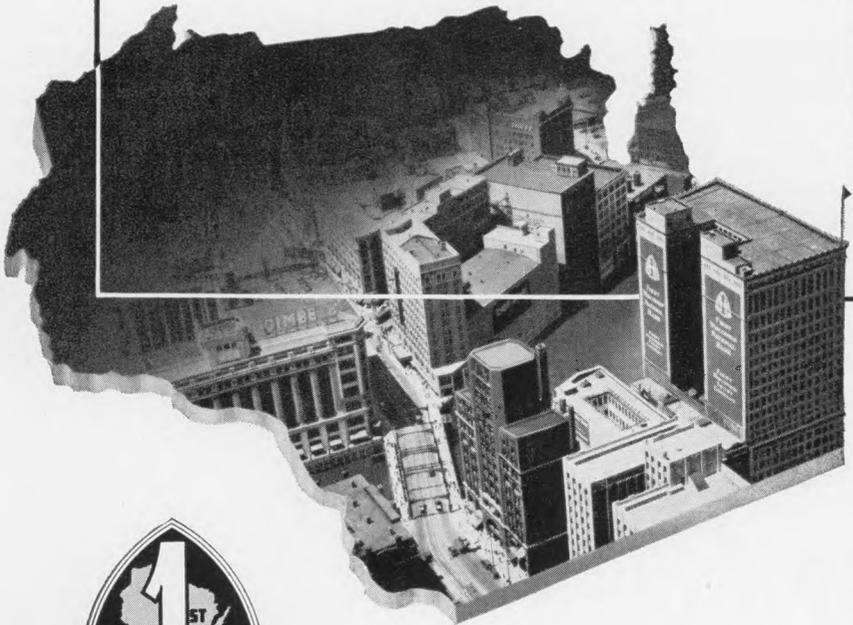
Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds
Copyright 1951. The Home Insurance Company

Uniquely Qualified

to meet your special needs



Qualified by experience . . . since 1853. Qualified in size . . . largest bank in Wisconsin; long high on the list of the hundred largest from coast to coast. Qualified by complete facilities and unparalleled statewide contacts . . . uniquely qualified for complete and helpful service that often goes far beyond the ordinary limits of mere routine efficiency.

BANKS AND BANKERS DIVISION

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First Wisconsin National Bank

OF MILWAUKEE

CHARTER No. 64 / *Established 1853*

Member of the Federal Deposit Insurance Corporation

Addresses Bankers



Nearly 200 bankers of Kansas City, Missouri, and Kansas City, Kansas, attended a meeting of the Bankers Club of Kansas City last month to hear **Dwight Michener**, director of research, Chase National Bank, New York City. Mr. Michener's appearance was sponsored by the City National Bank and Trust Company of Kansas City. He discussed the present trend of inflation in view of the nation's armament program.

Mr. Michener is shown at right in the above picture visiting with **James F. McPherson**, vice president of the City National Bank and president of the Bankers Club of Kansas City.

DEAR EDITOR

(Continued from page 8)

"Set Out Facts"

"Your letter to 'Dear Philip Murray,'
 Set out facts that give all some worry,
 For when classes organize,
 Unless they are wise,
 Their demands might raise all costs in a hurry.

"Arbitrary power is a dangerous thing,
 It is the 'music' Mr. Stalin does sing.
 But laborers, our friends,
 Can make some amends,
 And let all unfairness take the wing.

"Your letter, a clear statement of fact,
 Should go out to all, and counteract,
 By the strength of the masses,
 The organized classes
 That selfishly plan a dangerous pact."

W. O. Reed, 498 Kensington Place, Pasadena 3, California.

(EDITOR'S NOTE: Mr. Reed is referring to Publisher Clifford De Puy's editorial, "Dear Philip Murray," which appeared on page 8, February, 1951, NORTHWESTERN BANKER.)

Dividend

The board of directors of Guaranty Trust Company of New York has declared a quarterly dividend of \$3 per share on the capital stock of the company for the quarter ending March 31, 1951, payable on April 16, 1951, to stockholders of record at the close of business March 15, 1951.



Around the World...
Around the Clock

Every hour of the day the facilities of the Chase are being employed in the service of correspondent banks. Through branches, representatives and overseas correspondents Chase provides service of world-wide scope.

Chase is a banker's bank, with the personnel experience, and equipment to serve correspondents *around the world . . . around the clock.*

**THE CHASE NATIONAL BANK
 OF THE CITY OF NEW YORK**

Member Federal Deposit Insurance Corporation

**SERVICE TO
 CORRESPONDENTS**

Credit information

*Around the clock mail
 pick-up*

Quick collection of items

*Participation in
 local loans with
 correspondent banks*

*Dealers in State and
 Municipal Bonds*

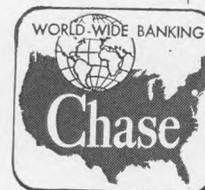
*Execution of security
 orders*

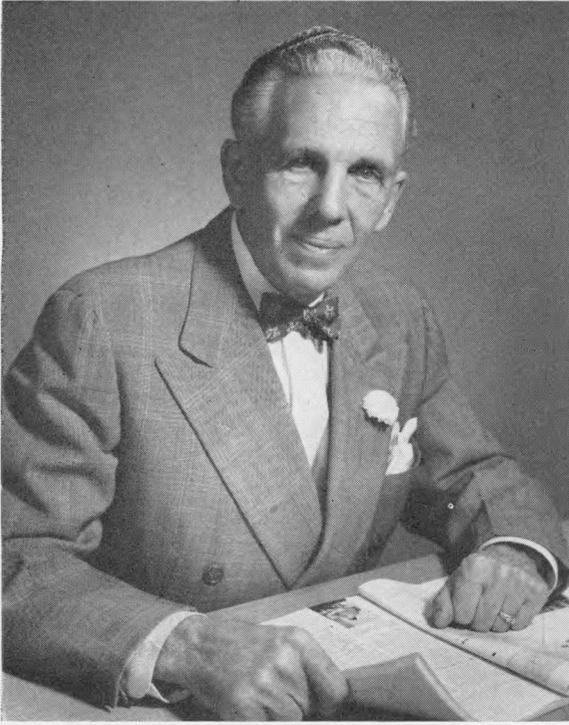
*Analyses of investment
 portfolios*

Safeguarding of securities

Full foreign services

Many personal services





Across the Desk From the Publisher

Dear J. William Fulbright:

United States Senator of Arkansas.

Your committee investigating the Reconstruction Finance Corporation has brought to "light" some very interesting "deals" and "inside manipulations" to secure loans from this government agency.

But the NORTHWESTERN BANKER asks the question **Why should the R.F.C. be continued? Why should the R.F.C. be allowed to make further loans? Why shouldn't the R.F.C. be liquidated at once?**

The R.F.C. was created at the suggestion of Herbert Hoover during the depression, to help banks, railroads, utilities and other worthy enterprises, which needed financial help, that only the R.F.C. through government assistance could furnish. Incidentally, the banks were the first group to pay back their borrowings which consisted primarily of preferred stock in their own institutions.

The R.F.C. was an emergency piece of legislation—and there is no reason why it should be continued at this time—it should be dissolved at the earliest possible moment.

Any legitimate loan can now be made through the banks of the nation—and if the loan won't pass the loaning committee of a bank or a group of banks, then the loan should not be accepted by the R.F.C.

Why should the R.F.C. be made the "dumping ground" for loans that banks believe are unsound or are unnecessary?

Why should the taxpayers' money be poured down a financial rat hole for loans which are no good and non-liquidating?

Senator Paul Douglas, Democrat of Illinois, said sometime ago that the only requisite for an R.F.C. loan seemed to be that it should be "**big and bad.**"

Why should \$37,500,000 have been loaned to the Lustron Corporation when the president of that firm himself invested only \$1,000?

Why should the Texmass Company have been loaned \$10,000,000 only to go into receivership a few weeks later?

Why should the Kaiser-Frazer Corporation, the Waltham Watch Company, the Harrington & Richardson Arms Company and dozens of others have been granted loans by the R.F.C.?

These firms represented no group upon which our national welfare depended—and if they did, and if they were asking for **sound** loans, then they could get them from the banks, and if the loans were **unsound** then they should not have been granted at all.

On top of all of this, Senator Fulbright, the wire pulling and inside politics going on in Washington to get R.F.C. loans approved, makes it all the more imperative that the R.F.C. be put out of business—be liquidated and cease to operate. Any other plan under the circumstances is ASININE.

Dear Ray J. Miller:

Vice President, First National Bank in St. Louis.

In the February issue of the NORTHWESTERN BANKER there was an article on "Why Our Bank Is Closed on Saturday Afternoons" by T. F. Jacobson who lives in a town of 1,600 population.

In your bank, Mr. Miller, you started all day Saturday closings about four and a half years ago, and as you recently pointed out—"**Instead of being criticized for closing Saturdays, customers congratulated us for extending to our employes the same privileges enjoyed by others.**"

"From the very start we have operated a crew in our mail and transit departments on Saturdays for the purpose of picking up all incoming mail and dispatching the out-of-town items for collection the same day.

"Strangely enough, we are now handling in 5 working days a heavier volume of business than we formerly handled in 6. Of course, the Saturday crew alleviates the situation to a great extent. But the fact remains that the employes who are working 5 days are accomplishing more than they did before Saturday closing. Saturday

closing has enabled the bank to retain the services of employees who would otherwise have resigned, and this has undoubtedly resulted in the bank attracting applicants of a higher type."

It is the belief of the NORTHWESTERN BANKER that the 5-day week in the cities and at least the 5½-day week in the smaller towns is a definite trend in the modern streamlined banking of today. Customers are satisfied, and are transacting just as much business, if not more, without depending on Saturday openings in the cities.

Employees of banks appreciate the shorter work week which is enjoyed by most industrial companies in their own cities. Also with the improvement in modern labor saving machines for banks, more work can be done quicker.

So the NORTHWESTERN BANKER believes, Mr. Miller, that many banks both large and small, will continue to follow the example set by your bank, and by other similar institutions. It is the trend of the times.

Dear Edward F. Lyle:

Vice President of City National Bank and Trust Company, Kansas City, Missouri.

Time saving devices for banks are more important today than ever before, because of a need for greater speed in bank transactions, as well as the problem of a shortage of help resulting from the war situation.

The motion picture which you have prepared showing the operating methods in smaller banks, should do much to educate bankers on how they can improve their internal operations by using up-to-date labor saving machines in their banks.

In your film you show among others the following transactions:

1. An elementary proof system adaptable to any bank handling 1,000 items or more per day.
2. Single posting bookkeeping with special emphasis on good sorting methods and stop payment systems.
3. The time saving of service analysis resulting from the use of posting machines.
4. A simplified general bookkeeping system in which the trial balance, daily statement, general journal and note journal are combined into one record with each journal keyed to the trial balance, and daily statement by line numbers in order to facilitate the training of a new general bookkeeper.
5. Another time saving device which is a wide carriage typewriter with a front feed platen for use in issuing official checks of a bank. This machine enables a bank to combine all

of its draft and cashier's check registers into one columnized register which is prepared as a carbon copy of the check itself.

6. The validation of deposit tickets with a window teller machine, which shows that if a bank had a central proof system, and had educated its customers to prepare their own deposit tickets, an average of 20 per cent additional saving in time could be effected by the use of window teller machines for validating deposits.

Here is a film which should be shown at group and regional bank meetings as well as state conventions, and the NORTHWESTERN BANKER congratulates you, Mr. Lyle, on the fine work you have done in preparing this helpful picture of bank operations for small banks.

Dear Local Bankers:

"Selling banking to the ladies."

This might well be the slogan for the bankers today who are conducting forums, luncheons, teas and lecture panels to which they have invited the women of their communities.

The idea is an excellent one, and the NORTHWESTERN BANKER has published numerous articles on these various "Women's Finance Forums" held by banks throughout the country.

Women are the beneficiaries of the estates, of the life insurance and the stocks and bonds owned by their husbands, and are large holders of common stock in many of our big and little corporations.

Women are eager for more financial information as indicated by the tremendous attendance at all of these forums.

It is a good sign.

When the lectures are over, comments are not only favorable but enthusiastic, according to your reports, Mr. Banker, and from the standpoints of tangible business results, long-range good-will endeavor, and widespread interest created, the venture is thoroughly worthwhile.

So the NORTHWESTERN BANKER suggests that "Selling banking to the ladies" will "pay dividends" in more ways than one—and besides, the ladies, "God bless 'em," rule the men, and run the nation anyway, even if only by "remote control."

Clifford DePuy



*Keeping constantly on the
"LOOKOUT" for the good of
our correspondent customers
keeps the "OUTLOOK"
of our correspondent
business good.*

CENTRAL NATIONAL BANK
and Trust Company
Des Moines, Iowa

Member Federal Deposit Insurance Corporation



Spring Hues

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

Northwestern Banker, April, 1951



JOHN O. ELMER
"1000 loans for \$600,000 a month"

How We Finance Home Improvements

What It Costs to Make FHA Loans

By JOHN O. ELMER
Assistant Vice President
American Trust Company
San Francisco

loan? We have done some work on it and offer these figures only as approximations and not as definite and final conclusions.

We believe it costs about \$16 to place a dealer-originated FHA loan on the books and carry it for one year. This is exclusive of the cost of insurance. The per month cost of the account beyond that is about 60 cents, so the 18-month cost figure is \$19.60, and the 24-month figure, \$23.20.

Assuming these figures to be right, and using a net figure of 4¼ per cent discount, we then arrive at these break-even points:

For a 12-month loan—\$376

For an 18-month loan—\$307

For a 24-month loan—\$273

Now, if there is anything wrong with these figures, it is that they are too low, because they are based on a cost study made more than a year ago. Our efficiency has increased since then, but so has our basic salary cost; for the purpose of this discussion, we can assume that these two factors offset. There is also room for considerable

variance in costs from bank to bank, and it is probable that a moderate sized, self-contained unit is able to operate more cheaply than we can in our branch system.

Whether you agree with these figures or not, they at least provide evidence that it takes a fair sized Title I loan to pay its way and return its reasonable share of the profits you expect from your department.

We find that about 48 per cent of our business is under \$250 and 78 per cent is under \$500. This means that a very high proportion of our loan volume is so small that we either take it at a loss or realize a very small profit.

Low-profit Business

In seeking a solution as to what to do with this low profit business, we can choose between eliminating the small size loans, raising the rate, substituting a bank plan with a sliding rate adjusted according to the size of the loan, or simply depending on a high enough average loan to produce an over-all profit.

(Turn to page 27, please)

WHILE my bank does not do a large volume business in Title I, our experience has extended over a considerable period of time. We began making FHA Title I loans soon after the initial legislation was passed in 1934, and since then have made about 115,000 loans for slightly over \$50,000,000. Presently, we put on our books about 1,000 loans for \$600,000 a month.

Title I loans have a value to us out of all proportion to their relative share of our total volume. They were the key to our entry into the installment loan field, and they provided us with a means for learning some of the rudiments of the consumer credit business without parting with our shirt.

Home improvement loans will always have an important place in the consumer credit department of banks. The degree of importance in the case of any single bank will depend on a fundamental policy decision as to whether or not the bank is willing to campaign aggressively for business and also to encourage a dealer program. If the bank is unwilling to make both of these decisions, then any hope of substantial volume must be forgotten, because an aggressive dealer program will produce three or four times the volume that can be obtained under the best conditions from over-the-counter transactions.

What are the relative advantages of a modernization program based on FHA Title I as compared to a bank program that is not insured? In our bank, we have tried both and presently are almost exclusively on a Title I basis.

What does it cost to make an FHA



"THERE IS nothing more constructive than a modernization loan," says John O. Elmer, author of this article. "None is of such direct and lasting benefit to the community as well as the borrower." A typical home improvement is pictured above, which shows an extra upstairs room in the process of construction.

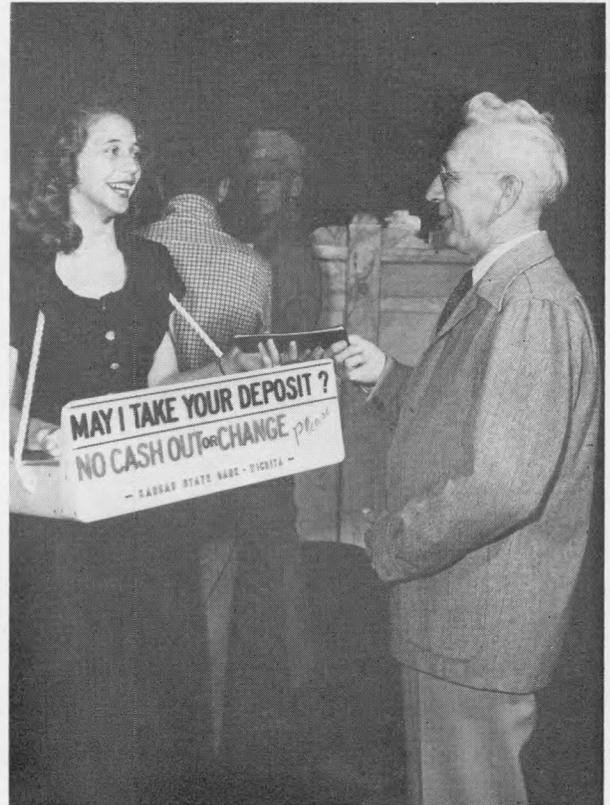
■ **CONVENIENT**—On Saturdays, or on other days when numerous pay-checks are cashed, the regular customer is a little resentful that he, too, must stand in line to make a deposit. So the Kansas State Bank established a roving teller system to accept deposits only, which has resulted in much faster service. →

Lobby Services Our Customers Like

**Highchairs for Children, and Lobby
Tellers for the Depositor Who Is in a Hurry**

Written Especially for The NORTHWESTERN BANKER

**By K. E. JOHNSON, Assistant Cashier
The Kansas State Bank, Wichita**



THE service we most recently inaugurated is a high chair service. We have placed high chairs between our teller's windows in order that mothers who so desire may place their child in the chair while transacting their business. (See cover photo.)

Another service which we have had in operation for several years is our roving teller. After studying our lobby traffic problem we found that many people desired only to deposit their pay check. By using our roving teller we are able to take the teller to these people, thus giving them faster service and the customers who must get to the teller's window can do so in a shorter length of time. We use this service particularly on Saturdays and when the lobby becomes congested. Our roving teller has taken as high as 300 deposits on a Saturday morning.

We also have in operation a weekly employes' meeting. At these meetings we discuss problems or ideas anyone may have. Instruction is given on customer courtesy, as well as information about the bank and its objectives so our employes will be better informed and feel they are part of a team. Occasionally, we have outside speakers at these meetings, training films of a public relations nature, and

from time to time our own employes conduct the meetings.

Free coffee and breakfast rolls are provided for our employes at these meetings, as well as every morning between the hours of 8:00 and 10:00, supervised by a maid. This has an indirect selling effect, in that it helps build the morale of our employes. They become better acquainted during these brief periods over a cup of coffee and this has a tendency to create more harmonious operations within the bank.

One of our employes recently suggested that because our tellers cash pay roll checks for a number of non-

customers, they have an opportunity to observe those who feel would be good customers. As a follow-through on this suggestion, we are sending letters to the people designated by the tellers, inviting them to open an account with us.

The following is how the letter reads:

Hello, Mr.:

"I cannot resist the impulse to write you this letter, because after you left the bank the other day, I suddenly realized how very nice it would be to have you as a Kansas State Bank customer.

"A complete individualized service awaits you at Kansas State, and I believe you will be especially interested in our 'bank by mail' service during the present time when you are no doubt working long hours.

"You may open your account by mail if you so desire, or when you come to the bank, hand the enclosed card to one of our 'new accounts' officers. This will serve to inform them I personally invited you to join us."

The card enclosed with the letter is the average sized business card, with the bank insignia centered in the card dimensions. The teller writing the letter merely signs his or her name in ink in the lower right-hand corner.—The End.

ON THE COVER

MRS. S. P. MCKINNEY, wife of the vice president of the Kansas State Bank of Wichita, is shown with their daughter, Margaret, demonstrating one of the new high chairs placed in the bank's lobby. The chairs are to aid mothers who visit the bank to transact business. The chairs have a toy attached to entertain the youngsters while their mothers complete their banking business for the family.



■ **CLINIC SPEAKERS**—The host and four speakers who addressed the Farm Clinic sponsored in Tekamah, Nebraska, last month by the First National Bank of Tekamah are pictured (left) as they visit informally before starting the afternoon session. Left to right are: **Robert I. Stout**, president of the First National of Tekamah; **Dr. L. E. Hanson**, professor of animal husbandry, college of agriculture, University of Minnesota, Minneapolis; **E. H. Dunaway** (standing), field service office manager, Social Security Administration, Omaha; **Dr. Randall T. Klemme**, vice president, Oklahoma A. & M., Stillwater, Oklahoma, and **Howard J. Gramlich**, general agricultural agent, Chicago and Northwestern Railway System, Chicago.

“Farm Clinic” Sponsorship Is a Good Investment for Banks

First National of Tekamah, Nebraska, Is Host at Farm Meeting for More Than 600 Farmers

By **BEN HALLER, JR.**
Associate Editor
The Northwestern Banker

IF THERE are any bankers still wondering about the value of bank-sponsored farm meetings, then the experience of Robert I. Stout, president of the First National Bank in Tekamah, Nebraska, should help convince them that such an undertaking is well worth while.

Last month more than 600 farmers thronged into Tekamah's new city auditorium for an all-day meeting to hear experts report the latest developments in farming and farm operation. For the staff of the First National Bank it was the climax of several months of planning. For the speakers it was an opportunity to have direct contact with the producers of America's greatest wealth. And for the farmers of Burt county it was the first opportunity they have had for such a get-together to discuss problems affecting their daily operations.

County Seat

Noting the success with which other banks had met in sponsoring a “Farm Clinic,” Mr. Stout determined last fall to bring a similar program to Tekamah, the county seat, since no other meeting of this type was available for his customers and other farm operators.

He lined up four speakers on important subjects, contracted for use of the new city auditorium, made ar-

rangements to have a hot meal served at noon, then sent out 900 to 1,000 invitations. A sunny, dry day brought out a crowd of more than 600 persons.

Needless to say, Mr. Stout and his associates were well pleased with the response and to the reception given the speakers. The program started on time, at 10:15 a. m., and ran exactly on schedule from then until completion of the meeting at 3:30 p. m.

Farm Social Security

The first speaker on the program was E. H. Dunaway, manager of the Omaha field office for the Social Security Administration. Mr. Dunaway explained the new Social Security law, which now includes farm employees. He pointed out that to be covered under the new provisions of the act, farm employees must work for a 90-day “qualifying quarter” for the same employer. Income during this period is not taxable, but at the end of the second quarter (90-day period) the farm owner must deduct 1½ per cent of wages paid, provided the salary was \$50 a month or more, then match it with another 1½ per cent from his own funds, the same procedure followed by other employers.

The points emphasized in Mr. Dunaway's talk are outlined in a pamphlet identified as “Circular A, January, 1951” and entitled “Agricultural

Employer's Social Security Tax Guide.” This is issued by the Bureau of Internal Revenue of the United States Treasury Department and is an excellent and handy guide for bankers with farm customers.

Farm Outlook Good

The “Immediate and Long-Run Outlook for Agriculture” was discussed by Dr. Randall T. Klemme, vice president of Oklahoma A. & M., Stillwater, Oklahoma. Dr. Klemme said the short-term outlook for farm income is excellent, based on a high level of employment which gives more people an opportunity to buy farm products.

Regarding the long-term outlook, Dr. Klemme prefaced his remarks by pointing out that in the past 20 years there has been a shift in dietary habits of people from heavy consumption of pork to a greater consumption now of beef; in addition, the production of cattle (including dairy cattle and beef of all kinds) is not keeping pace with the human birth rate, consequently there won't be any surplus of beef during the next 30 years or more, even for our own population. The ratio today is about .6 of one cow unit per 100 people in the U. S., which is almost the lowest point in the past 40 years.

In view of the above facts, Dr. (Turn to page 53, please)

Public Service Projects Pave Way for Regular Bank Promotion

**Two Current Programs Gaining
County and Statewide Good Will**

*Written Especially for
The NORTHWESTERN BANKER*
By JAMES C. SHELOR
Vice President
The Fulton National Bank
Atlanta, Georgia

IN AN effort to bring the services of the Fulton National Bank to the attention of people in Atlanta and Fulton county, we strive continuously to use those mediums which have human interest appeal and are of benefit to the public. We feel that our bank receives an abundance of good will from this type of promotion, which creates a ready receptiveness by the public to our carefully planned campaigns conducted on behalf of our various banking departments.

The two main programs we are promoting at the present time are the "Pine Tree Planting Program" and "High School Savings Banks," and typical of the advertising campaigns to sell a specific bank service is our "Life Insured Savings Plan."

1. PINE TREE PLANTING PROGRAM. This reforestation project began under the leadership of Erle Cocke, president of the Fulton National, who enlisted the cooperation of forestry leaders, railroad officials and Georgia banks in increasing the state's forestry production. The object of this five-year program is to increase the planting of pine seedlings from the present 35 million a year to more than 100 million annually.

To initiate the program, the Fulton National Bank sponsored a luncheon meeting for all interested forestry and railroad leaders. The response was enthusiastic. Fulton National officers, in conjunction with representatives of the State Forestry Commission, The University Extension Service, The U. S. Forestry Service, the Soil Conservation Agency and the railroads, contacted more than 240 banks throughout Georgia which have endorsed this program and purchased tree planting machines for free use by farmers in their communities.

About 157 tree planters have been bought by community banks in Georgia, some jointly, and these are loaned to farmers without charge. Results

have brought forth commendation from hundreds of Georgia's business and agricultural leaders, as well as scores of others throughout the nation. The railroads have given splendid cooperation on this project and many friends have been made over Georgia for the Fulton, both among the railroads and the banks.

2. HIGH SCHOOL SAVINGS BANKS. Last year the Fulton National opened six high school sav-

ings banks, which are operated as a student-owned enterprise. Our bank volunteered to help each school charter its own bank and this plan has proved so successful that a total of 18 banks are now in operation in the high schools of Atlanta and Fulton county.

Each bank is open one day a week at the school and is operated by three students who are paid from the earnings (Turn to page 38, please)

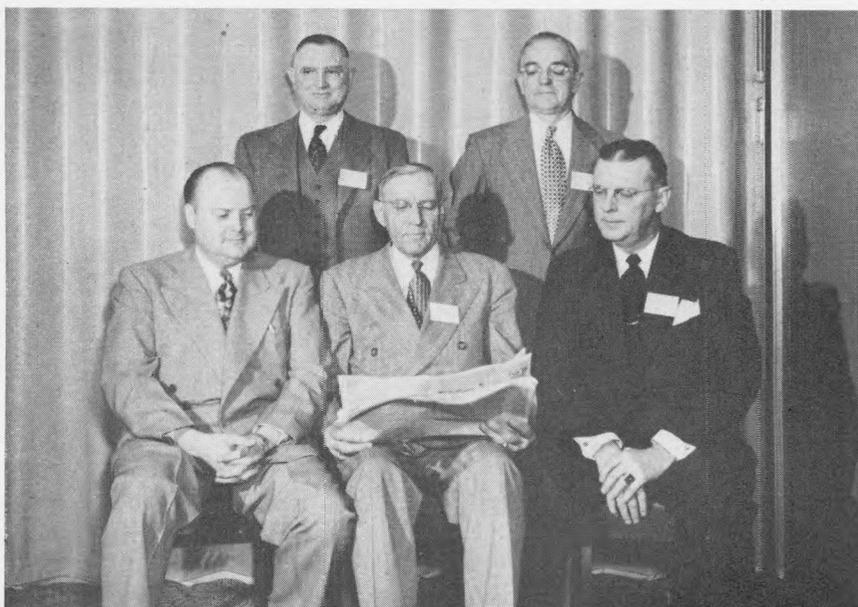


PLANTING of pine tree seedlings is a statewide civic project initiated in Georgia by the Fulton National Bank of Atlanta. In the above picture **Erle Cocke** (left), president, and **J. C. Shelor** (center), vice president, both of the Fulton National, are given a demonstration of the tree planting machine which their bank purchased for free use by the farmers of Fulton County.

Northwestern Banker, April, 1951

Bankers Convene to Discuss Agriculture and Association Affairs

**Central States Conference and A. B. A. Agricultural Commission
Hold Annual Meetings in Des Moines**



CENTRAL STATES CONFERENCE—These men attended the Central States Conference in Des Moines. From left to right they are, seated, **Carl E. Bahmeier, Jr.**, executive secretary and treasurer of the South Dakota Bankers Association, Huron; **J. H. Pullman**, president of the Iowa Bankers Association, and vice president of the Fremont County Savings Bank, Sidney, Iowa, and **William H. Mitten**, vice president of the Nebraska Bankers Association, and president of the Stephens National Bank, Fremont, Nebraska.

Standing, **Earl H. Wilkins**, president of the Nebraska Bankers Association and president, Geneva State Bank, Geneva, and **Carl G. Swanson**, secretary of the Nebraska Bankers Association, Omaha, and the newly elected first vice president of the Central States Conference.



AGRICULTURAL COMMISSION—Here are members of the American Bankers Association Agricultural Commission, and their guests, suspending their discussion for a moment while they have their picture taken. Seated at the head of the table, facing the camera, lower right, is **W. W. Campbell**, chairman of the commission, and president of the National Bank of Eastern Arkansas, Forrest City.

TWO bankers' meetings of national importance were held in Des Moines late last month, the annual executive session of the Agricultural Commission of the American Bankers Association and the 40th annual meeting of the Central States Conference, which includes officers of state bankers' associations from 16 midwest states.

Central States Conference

With the organization founded in 1912 and its area, including what is termed the north central Mississippi Valley states, states represented in the Central States Conference are Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, and Wisconsin.

While all officers of associations of the states named above are members, the Central States Conference elects its official staff from secretaries of these states. New officers of the Conference named at the Des Moines meeting are James C. Scarboro, Colorado, president; Carl Swanson, Nebraska, first vice president; Robert E. Pye, Minnesota, second vice president, and Jeff Burnett, Arkansas, secretary and treasurer.

Agricultural Commission

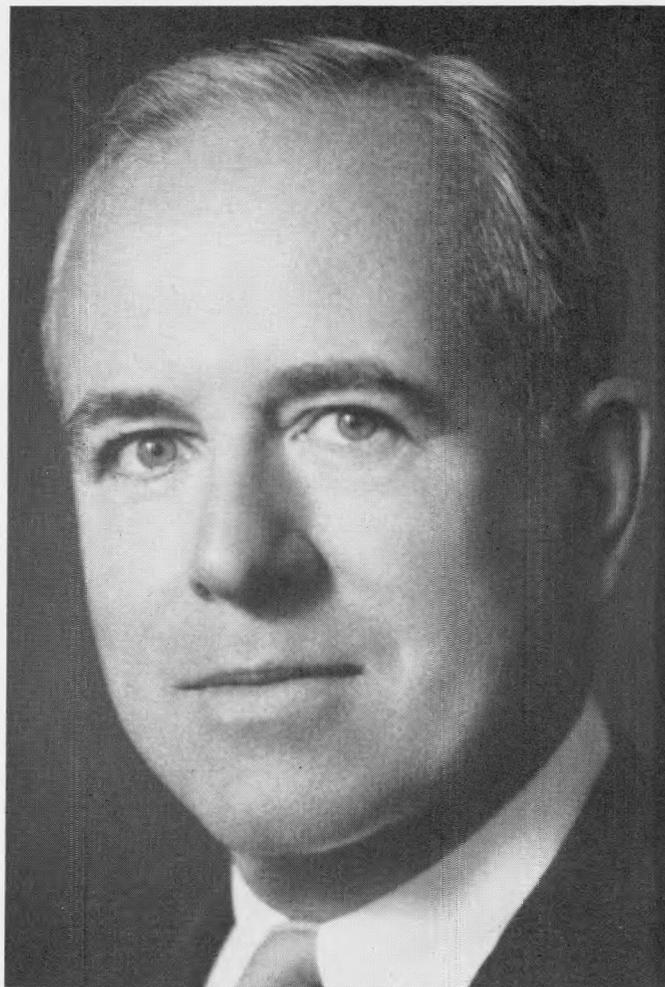
The Agricultural Commission of the American Bankers Association is one of the association's working groups, and this year is headed by W. W. Campbell, president, National Bank Eastern Arkansas, Forrest City, as chairman. It is composed of representative bankers and educators covering every part of the United States. Its work is the promotion of constructive relationships between banking and agriculture to advance the welfare of farm communities.

Members of the Agricultural Commission at the meeting included: W. W. Campbell, president of the National Bank of Eastern Arkansas, Forrest City, Arkansas, chairman; J. H. Bloedorn, president, Farmers State Bank, Fort Morgan, Colorado; Hubert P. Burdette, president, First National Bank, Mount Airy, Maryland; Frank H. Coward, executive vice president, (Turn to page 26, please)

Bankers You Know

Calvin W. Aurand

President
Iowa-Des Moines National Bank
Des Moines, Iowa



... an extraordinary combination of talents

WHEN Calvin W. Aurand assumed the presidency of the Iowa-Des Moines National Bank in January of this year, he brought with him an extraordinary combination of talents—a detailed knowledge of every banking operation, an understanding and appreciation of human relationships, and a rare amount of executive ability.

Among his associates and wide acquaintanceship of banker friends, Mr. Aurand is recognized as a real banker's banker. Upon graduation from college at the age of 21, he selected the field of banking as his vocation and wasted no time in starting to learn all he could about the business. At the age of 46, just 25 years later, his never-ceasing energy, tireless ambition and splendid record of accomplishment resulted in his election as president of Iowa's largest bank, the Iowa-Des Moines National, which has deposits in excess of \$122,000,000.

Mr. Aurand is celebrating his 47th birthday this month. He was born April 15, 1904, in Minneapolis. He received all his formal education in that city, graduating from the University of Minnesota in 1925 with a

Bachelor of Arts degree. While at Minnesota he joined Alpha Delta Phi fraternity.

In September of that year he started work with the Midland National Bank of Minneapolis in the credit department. He worked in various divisions of the bank and was elected assistant cashier in 1933. He became a vice president in 1938, then in 1941 was selected as vice president and treasurer of the Northwest Bancorporation of Minneapolis, with which Midland National and the Iowa-Des Moines National are affiliated.

His election as a Bancorporation officer was in recognition of his extensive knowledge of detailed operations in the various bank departments. In addition, his capacity for mutual understanding with employes and customers filled another essential requirement of his new job. His four years with the Bancorporation afforded him an unusual opportunity for close association with the activities of a large number of banks of all sizes. This experience gave him a much broader grasp of bank management and problems at all levels and provided a good polish to his fine executive ability.

In 1945 he returned to the Midland National as a vice president and director. He remained with that bank until becoming president of the Iowa-Des Moines National early this year, succeeding Herbert L. Horton, who continues in an active capacity as chairman of the board of directors.

Mr. Aurand has been active for many years in Minneapolis Community Chest campaigns, serving as co-general chairman one year. He is a past president of the Minneapolis Health Action Committee, a voluntary organization of citizens interested in public health. He was also a director of Associated Industries, Incorporated, an organization which represents employers, and on many occasions handles wage negotiations for members.

Mr. Aurand was married September 8, 1928, to Eleanor Kingman. They have three children, Calvin W., Jr., 21, Elizabeth K., 18, and Benjamin K., 10.

When Mr. Aurand finds time for a little relaxation he has three hobbies to enjoy—hunting, tennis or gardening. His political affiliation is Republican.

Northwestern Banker, April, 1951

News and Views

OF THE BANKING WORLD

By BEN HALLER, JR., Associate Editor

AT LONG last we've discovered the origin of the 40-hour week. **Howard Gramlich** of Chicago, general agricultural agent for the Chicago and Northwestern, says, "It all started with **Robinson Crusoe**. He had all his work done by **Friday!**"

* * *

The **NORTHWESTERN BANKER** passes along to the banking world the challenge of the **Farmers Bank of Clatonia**,



Mrs. Louise Steinmeyer poses patiently for the cameraman before cutting the cake on her 100th birthday anniversary. The little fellow with admiring eyes is **Martin Laurence**, a great grandson.

Nebraska. **E. J. Chittenden**, cashier, sent us a picture of **Mrs. Louise Steinmeyer**, who is shown cutting a cake on her 100th birthday. Mrs. Steinmeyer is a director of the **Farmers Bank** and is the widow of **William Steinmeyer**, who helped organize the bank 55 years ago, in 1896.

Mr. Chittenden believes Mrs. Steinmeyer is the oldest living bank director in the United States, possibly the world. Her son, **C. William Steinmeyer**, is president of the bank.

Mrs. Steinmeyer has lived in Clatonia since she was 17 years old. She assumed her husband's position as bank director when he died in 1911 and still has a very keen memory, stating that she "can remember when gold coins were common and when there were no white pennies to annoy bankers making change."

* * *

Hang out the flag department: In his annual report on 1950 operations of the **Midland Bank Limited**, **The Most Hon. The Marquess of Linlith-**

gow, K.G., K.T., who is bank chairman, penned a verbal hat-doffing to the United States in which he said: "The speed and extent of the progress recorded thus far must be ascribed very largely to the immense contribution made, directly or indirectly, by the United States of America. It has indeed been a political miracle of modern times that the United States, reversing her long-standing policy, has accepted with astonishing promptitude, and expressed in munificent and decisive action, the responsibilities of leadership in world affairs. Let us look for a moment at the variety and scale of the material contribution made by the United States to economic recovery, particularly in the war-ravaged countries of western Europe."

This literary "moment" took up quite a little space, naturally, then Chairman **Linlithgow** said Britishers can't expect such aid indefinitely for it "would be to cultivate an enervating and chronically unhealthy habit of mind." But he inserts a hedge clause by adding, "Equally, however, to presume the sudden cessation of American aid would be to envisage the risk of collapse of the painfully rebuilt structure of economic and financial relations."

The **Midland Bank** report shows net profit for 1950 amounted to 1,987,320 pounds (\$5,564,496) of which 1,333,958 pounds (\$3,735,082) were paid in dividends at the rate of 16 per cent for the year.

* * *

The **Lincoln Telephone and Telegraph Company** claimed recently that shortly after the new "Time of Day" service started at the **National Bank of Commerce** in Lincoln, Nebraska (page 33, February **NORTHWESTERN BANKER**), it was noted one night that one of the lines into the **Audichron** machine had been busy for a half hour. A Lincoln switchman plugged his "goat" into the line and heard a slightly inebriated gentleman trying to make a date with the recorded female voice giving the correct time.

* * *

Many bankers, doctors, businessmen and other groups of Americans have heard **Dr. Ralph J. Gampell** deliver his talk, "Socialized Medicine As I Saw It in England." In this talk Dr. Gampell, who finally left England and moved to the U. S., states, "The **British Health Service** scheme came into oper-

ation as the result of one of the most elegant pieces of economic blackmail that it will ever be my fortune to suffer." Dr. Gampell says he had 3,200 patients assigned to him, for which the British government paid him \$3.40 per year. The maximum number is 4,000, which sets a doctor's maximum salary as general practitioner at \$13,600. He reports that it is now known as "three-minute medicine," for that's about all the time that can be devoted to each patient.

* * *

They've finally identified "The Thing" It's an Alaska King Crab sent to **Joseph Ashley**, assistant manager of the **Mosler Safe Company** wholesale division, by **A. R. Burchandt** of The Arctic Office Machine Company in Anchorage, Alaska.

When Mr. Ashley said perplexedly, "Now that I've got it, how do I cook it?" he was not greeted with a "Get out of here with that boom, boom, boom" by his wife, as the song lyrics state. On the contrary, it happens that Mrs. Ashley is an old hand at cooking Alaska King Crabs, reports it a real delicacy and wonderful as a salad.

The Alaska King Crab is a tough



Mosler Safe Company's **Joseph Ashley** measures "The Thing"—an Alaska King Crab.

nut to crack, but its shell at least can be broken. Which is more than can be said about Mosler safes—they couldn't even be broken open when they were atom-bombed at Hiroshima!

* * *

Clarence Rye, former Northwood, Iowa banker, and for the past several (Turn to page 36, please)

Meet
Our
New
Transit
Manager

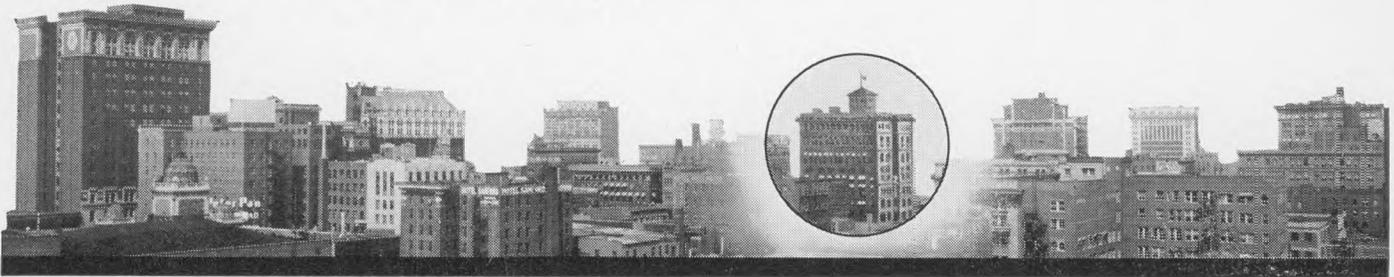


Robert W. Priborsky

We'd like you all to know Bob Priborsky, our Transit Manager.

He looks young, but on the day this picture was taken he was celebrating his 19th anniversary with the bank.

He's doing a fine job, and we're proud of him. We're proud of the Transit Department, too. Speed, accuracy, direct sending—those are our trademarks. We'd like you to meet Bob and visit the Transit Department the next time you're in Omaha.



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

The Omaha National Bank

FARNAM AT SEVENTEENTH

Northwestern Banker, April, 1951

Women Attend Financial Forum of Central National Bank in Des Moines

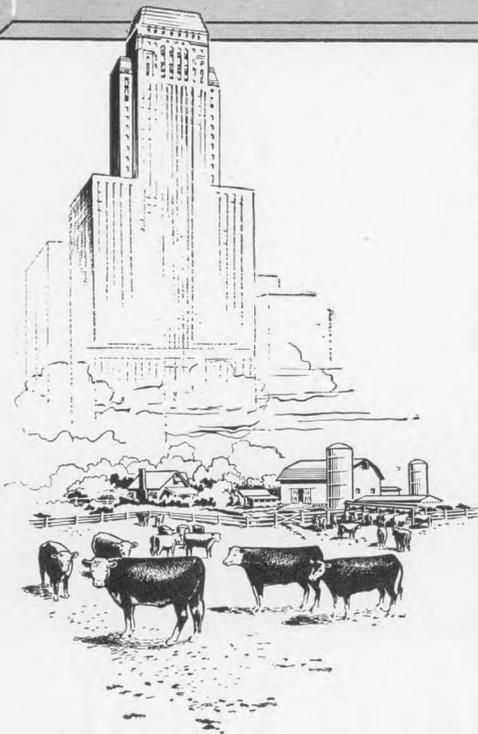


WOMEN'S FORUM—Pictured above are the 250 women who attended the first session of a series of Women's Forum meetings sponsored by the **Central National Bank & Trust Company**, of Des Moines. With a morning and evening session scheduled for one day a week, for a six-weeks period, more than 400 women

are registered for the financial planning program. The response to the first meeting was very enthusiastic.

Noel T. Robinson, vice president and trust officer of the Central National Bank, and **Walter L. Stewart**, vice chairman of the board, presided at this first session.

Farm BUSINESS . . . IS GOOD Bank BUSINESS



Financing farm customers is sound business for your *bank* . . . and for the *nation*. When you provide farm banking services, you are helping to create farm income and to maintain the production of essential foodstuffs and materials.

American National officers are experienced in helping agricultural banks. They are prepared to render prompt decisions on participations in livestock, dairy herd and crop loans. They can be of constructive assistance to you in getting and keeping a profitable volume of agricultural business.

You may gain by talking with us about this service. Come in or write us at any time.

**American National Bank
and Trust Company of Chicago**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

LA SALLE STREET AT WASHINGTON, CHICAGO 90





Local industries are calling upon their banks for help in solving an ever-widening variety of financing problems.

How to keep abreast of the needs of your customers

• Today, your customers are confronting an ever-increasing number of problems . . . and many of these problems challenge *you* as never before. For as banks are called upon to counsel and serve in new and widening fields, they must equip themselves to do so.

Supplementing their own experience and facilities, many banks find Irving Trust's specialized knowledge in various industries

and its complete range of correspondent services of exceptional value today. Helping correspondent banks to build more income-producing business is one of Irving Trust's important jobs.

No doubt you have heard the saying, "You can *always* bank on Irving service." We are confident that any Irving correspondent will tell you that.

IRVING TRUST COMPANY

ONE WALL STREET • NEW YORK 15, N. Y.

WILLIAM N. ENSTROM, *Chairman of the Board* RICHARD H. WEST, *President*
Domestic Banking Division, NOLAN HARRIGAN, *Senior Vice President in Charge*

WILLIAM FEICK, *Vice President*

Serving the West

H. MILLER LAWDER, *Assistant Vice President*

Capital Funds over \$118,000,000



Total Resources over \$1,200,000,000

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

MEMBER OF THE NEW COAST-TO-COAST "BANK WIRE" SYSTEM

Northwestern Banker, April, 1951



BEN DuBOIS
President, First State Bank
Sank Centre, Minnesota
Secretary, Independent Bankers Ass'n



CHARLES C. RIEGER
Vice president
Marquette National, Minneapolis
Treasurer, Independent Bankers Ass'n

Independent Bankers to Meet at Mobile, Alabama

**Members Will Convene at Admiral Semmes Hotel
As 17th National Convention Gets Underway**

MONDAY, APRIL 9

9:00 Registration

Mezzanine Floor

12:00 Luncheon for the ladies of the convention party at Battle House

Ball Room

- 2:00 General Meeting of the Convention—C. R. Bell, president, Independent Bankers Association
- 2:15 Address of Welcome—Ernest M. Megginson, Mayor, Mobile, Alabama
- 2:30 Address—C. R. Bell, president, IBA
- 3:00 "Alabama"—James B. Allen, Lieutenant Governor of Alabama
- 3:30 "Let's Take a Straight Look at the Future"—John Nuveen, John Nuveen & Company, Investment Bankers
- 4:15 "Independent Bankers' Responsibility"—J. Leonard Townsend, solicitor, Federal Reserve Board
- 5:00 Social Hour
- 6:30 Buffet Dinner
- 9:00 Dancing

TUESDAY, APRIL 10

Ball Room

- 10:00 "Integrity, Are You Protecting This Risk Asset?"—Dr. Edison H. Cramer, Division of Research and Statistics, Federal Deposit Insurance Corporation
- 10:45 "Independent Banking"—James S. Peters, president, Bank of Manchester, Georgia, and Member Executive Council IBA
- 11:15 General Discussion of Association Affairs
- 12:30 Luncheon for the ladies at Mobile Country Club
- 2:00 Report of Committees, Election of Officers
- 5:00 Social Hour
- 6:00 Banquet—C. R. Bell, Toastmaster
Address—John W. Snyder, Secretary of the Treasury

BANKERS CONVENE

(Continued from page 20)

Lapeer Savings Bank, Lapeer, Michigan; Frank H. Jenne, vice president and trust officer, Hunterdon County National Bank, Flemington, New Jersey; V. S. Marett, president, Gonzales State Bank, Gonzales, Texas; Frank R. McGeoy, Jr., president, Bank of Greenwood, Greenwood, Mississippi; Burr S. Swezey, president, Lafayette National Bank, Lafayette, Indiana; Jesse W. Tapp, vice president, Bank of America N.T. & S.A., San Francisco, California; John N. Thomson, president, Bank of Centerville, Centerville, South Dakota, and George G. Ware, president, First National Bank, Leesburg, Florida.—The End.

CANADA'S FIRST BANK

Coast-to-Coast

BANK OF MONTREAL



New York -- 64 Wall Street Chicago -- 27 S. La Salle Street San Francisco -- 333 California Street

550 Branches Across Canada • Resources Exceed \$2 Billion

Financing Home Improvements

(Continued from page 16)

The latter course is the line of least resistance, but the proper solution probably lies either in discouraging the smaller loans or in adopting a bank plan with adjusted rates. I have heard that some institutions use their own plan on loans up to \$500 and use Title I over that to accomplish the dual purpose of better yield on smaller loans and better protection against credit losses on larger items. However, we have never tried this approach; and it would seem to me that it could result in some confusion and customer dissatisfaction.

It is unfortunate that the Federal Housing Administration cannot work out a more equitable rate basis by setting a higher rate on the smaller loans and a lower rate on larger loans. However, in view of the opinions expressed in Congress prior to the renewal of Title I, there is obviously little hope that anything can be done in this direction. The large loan will have to keep on paying its own way plus the way of the little ones.

Finance Charges

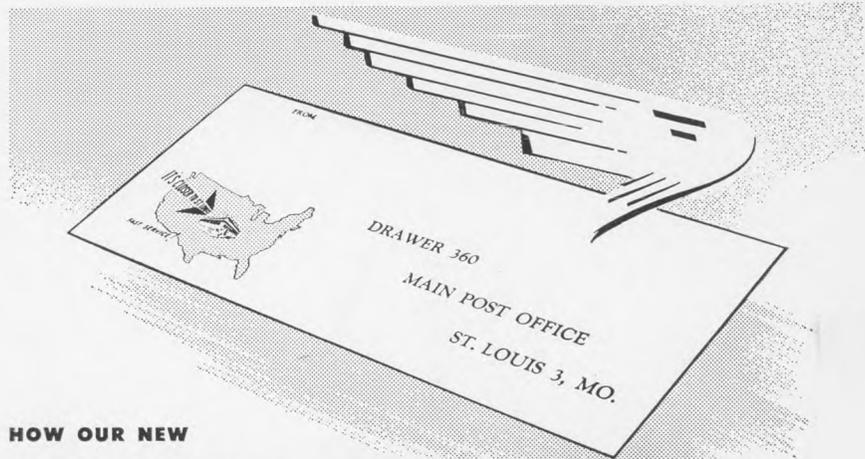
What finance charges do we need to make a bank plan work? Although there would be some economies in reduced accounting costs, the basic costs,

except for insurance charges, are nearly the same as for FHA loans. To this cost we must add a figure sufficient to create ample reserves for credit losses. It is not easy to determine what this should be. On the face of it, net losses on this business (after recoveries resulting from legal action and the foreclosure of security) should not exceed the rate of losses on personal loans. With us that has been .301 per cent of volume over a 16-year period. But this relationship

will not stand up because of the much longer maturities of modernization loans. Unlike purchase obligations on automobiles, default is nearly as frequent in the latter stages of these loans as in early stages.

Neither can your provision for losses be related to your Title I claim ratio. This is a gross figure and the FHA has consistently effected 50 per cent or better in recoveries on claims.

Because we operate in an area in which there has been great instability and growth of population in recent years, we would want about 1½ per cent per annum for a reserve for



HOW OUR NEW

"FAST SERVICE"

Assures Even More Rapid Collection of Your Important Sendings

With some 300 mail trains and planes arriving and departing daily, plus frequent mail pick-ups, Mercantile-Commerce's day and night, seven days a week transit and collection service has always been fast. Now we offer even better, faster service for your important collections, large or unusual items, bill of lading drafts, railroad drafts, grain drafts, etc.

These items addressed to our special P. O. Drawer 360, are received separately from our bulk mail, get special attention, handling and routing by our trained personnel at our "Fast Service" desk and are speeded on their way.

Just address a separate cash or collection letter and send it to P. O. Drawer 360, Main Post Office, St. Louis. Special preprinted "Fast Service" envelopes, regular or Air Mail, will gladly be sent you upon request. Let us know today how many you require.

Whether you are a correspondent or not, it will pay you to try "Fast Service," another example of the many advantages of doing business with Mercantile-Commerce in St. Louis.

An Intimate Personalized Correspondent Bank Service

**Based on a Policy
of Cooperation
—not Competition**

Under the direction of officials with years of service in this field, assuring a knowledge of requirements and valuable assistance.

The
**Public National
BANK AND TRUST**
COMPANY OF NEW YORK

Established 1908
MAIN OFFICE: 37 Broad St.
Member: New York Clearing House
Association, Federal Deposit
Insurance Corporation

MERCANTILE **COMMERCE**
Bank and Trust Company
ST. LOUIS 1 MISSOURI



MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

S06

Northwestern Banker, April, 1951

losses. We would prefer to put this amount, plus a 1 per cent flat hold-back, into a reserve account for each dealer to give him an incentive for properly screening and servicing the paper he sells to us.

Beginning then with a basic cost of \$16, which was the FHA figure, plus 1½ per cent for a reserve for losses, we need a rate of 17½ per cent for a one-year loan of \$100. At \$250, however, 7½ per cent is enough, and at \$350, 6 per cent covers these costs. But we cannot charge a \$100 loan \$17 even though we can justify it as a cost. So here is a suggested schedule of charges per \$100:

1. \$8 discount loans to \$250.

2. \$7 discount on loans between \$250 and \$500.

3. \$6 discount on loans between \$500 and \$1,000.

4. \$5 discount on loans between \$1,000 and \$2,000.

5. A \$10 minimum charge wherever the discount rate or term of the loan produces less than that amount.

You may challenge the necessity for the provision of 1½ per cent per annum for credit losses. It is true that the FHA with a premium rate of ¾ per cent per annum has been able to pay all claims and administrative expenses and to show a profit as well.

But if you intend to handle a large volume of unsecured dealer paper

without the power and prestige of the Federal government behind you, both as a deterrent to fraud and as an effective collection force, then you should have this much reserve. Good experience may later prove it feasible to reduce this charge.

Dealer Program

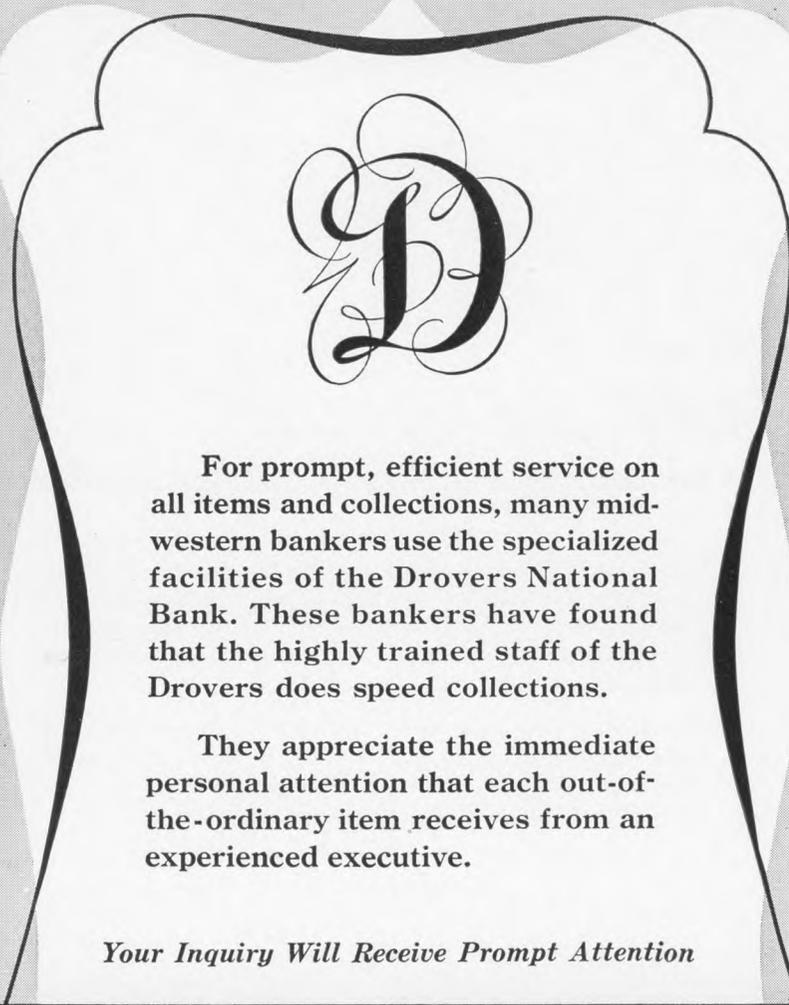
Within the last three years we experimented with two dealers on a bank modernization plan. Both produced volume approximating \$500,000. In each instance we had a considerable proportion of business in areas beyond that covered by our branch system, thus making collections more difficult. With one dealer, losses were well within a figure that would be covered by a ¾ per cent reserve. On the other, the evidence is that we will need the full 1½ per cent per annum to finally liquidate the account. This is not a broad enough experience to be conclusive, but the variation does lead me to my next point.

If you have determined to build volume through a dealer program, whether by Title I or by a bank plan, you must exercise great care in the selection of your dealers. Unfortunately, a modernization loan program is very susceptible to abuse by unscrupulous dealers, and the frequency of such abuses is much too high. The FHA seeks constantly to reduce this bad experience by various dealer guides and other publications, by the black listing of dealers and salesmen and by the activities of their fieldmen. But the real responsibility for bad dealer practices still rests with us.

We can reduce bad dealer experience by thorough investigation of each new dealer. The investigation must cover his business history, his financial responsibility, and his professional ability. This, plus routine spot checks of job performance, are, of course, required by FHA.

At the first sign of trouble in the form of complaints from borrowers about jobs poorly done, we must get the facts about the case. If it reveals poor workmanship, overcharging, unkept promises, or any of the bonus or model home dodges that are so frequently tried, we should make every effort to stop the practices or correct them, even though it means losing the account in the process. Is this a realistic attitude to take? If you don't, you become a party to future abuses, and you can't escape that conclusion. In most states the control of bad practices, where they fall short of obvious fraud, is beyond the regulatory power of any public official.

Personal calls by you or your field representatives are necessary to ac-



For prompt, efficient service on all items and collections, many mid-western bankers use the specialized facilities of the Drovers National Bank. These bankers have found that the highly trained staff of the Drovers does speed collections.

They appreciate the immediate personal attention that each out-of-the-ordinary item receives from an experienced executive.

Your Inquiry Will Receive Prompt Attention

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

Members, Federal Deposit Insurance Corporation

quire the dealer accounts which you need for a volume of business. I know of no other way to get this business and no form of advertising that will do it for you the easy way.

Efficient and speedy clearance of credit applications is fundamental to holding such business as you acquire. We appreciate what our competitors have taught us in this respect. I can assure you it's an important part of the program.

In conclusion, I would like to make a bad pun and say there is nothing more constructive than a modernization loan. Of all the types of consumer credit loans which we usually make, none is of such direct and lasting benefit to the community as well as the borrower.

It is easy to recognize that these loans make direct contributions, beyond those of other loan types, to the prosperity of the local community in the form of wages for labor, in profit for the sale of goods, and in betterment of the value of real property.

For this reason we should develop our modernization loan program fully when world conditions once again permit us to do so.—The End.

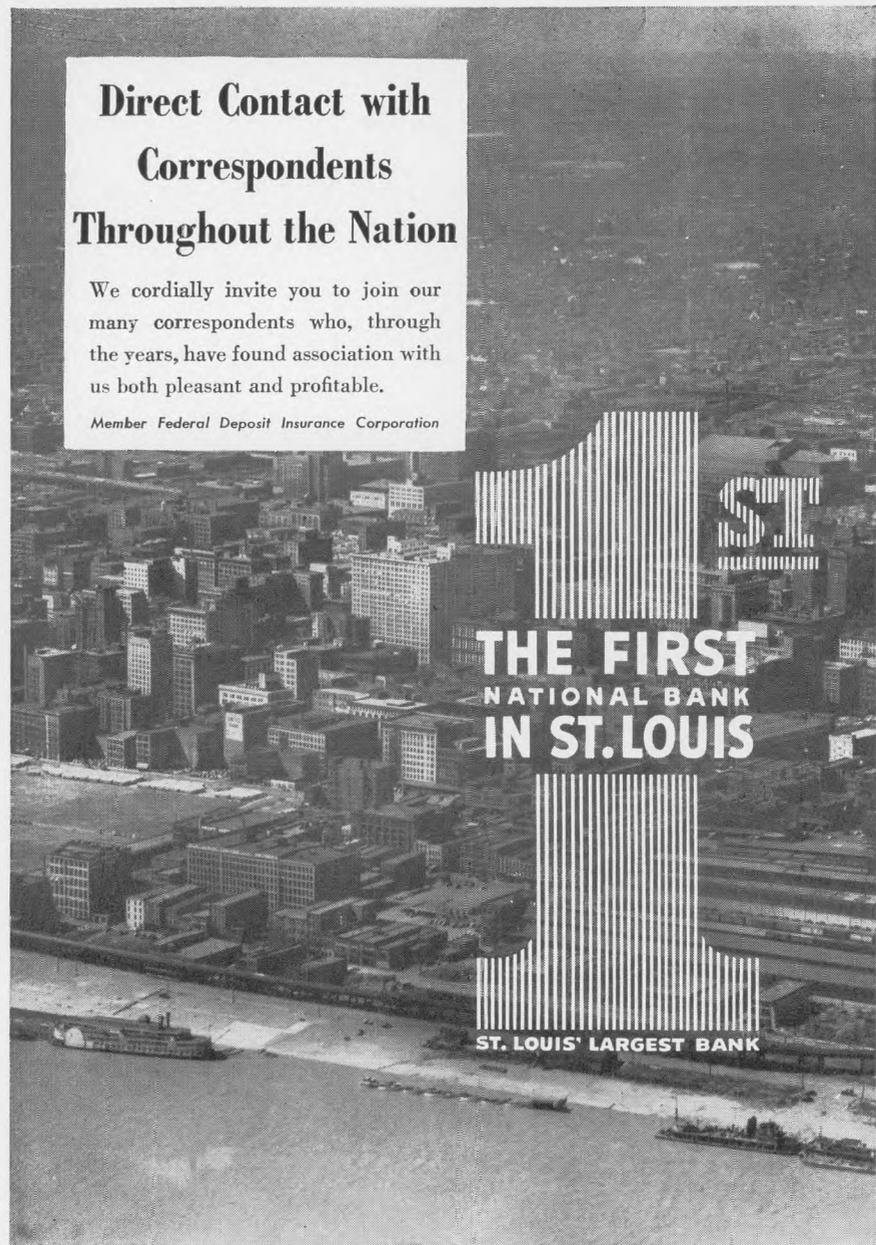
Direct Subway Entrance

The First National Bank of Chicago, coincident with the completion of the Milwaukee - Dearborn - Congress subway, has finished construction work on a direct entrance to the subway from the bank at Monroe Street and Dearborn. This new subway entrance, a part of the First's continuing program of improvement, will be open from 7:30 a. m. to 7:00 p. m. for the convenience of the public, the bank building tenants, the bank's customers and employees.

Direct Contact with Correspondents Throughout the Nation

We cordially invite you to join our many correspondents who, through the years, have found association with us both pleasant and profitable.

Member Federal Deposit Insurance Corporation



LEADERSHIP



*Assuring Efficient
Handling of Your
Southwestern Business*



Capital Funds Over \$36,000,000

★ *Largest in the South* ★

REPUBLIC NATIONAL BANK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

of Dallas

Bank Women Division Meeting

FINAL arrangements are now being made for the joint conference of the Lake and Midwest Divisions of the Association of Bank Women, to be held in Minneapolis, Minnesota, at the Hotel Radisson on April 27th, 28th and 29th. Members will come from twelve states: Illinois, Indiana, Michigan, Ohio, Wisconsin, Iowa, Kansas, Minnesota, Missouri, Nebraska, North and South Dakota.

For delegates arriving on Friday, a "get-acquainted supper" will be served

in the Gold Room of the Radisson at 6:30 p. m.

On Saturday morning, Miss Catherine Cleary, regional vice president of the Lake Division and trust officer of the First Wisconsin Trust Company, Milwaukee, Wisconsin, will act as moderator during the panel discussions, to be given by ABW members on mortgage loans, trusts, personnel problems, and public relations. The four panel speakers are: Miss Katherine C. LaCaille, assistant cashier,

Traders National Bank, Kansas City, Missouri; Miss Regina Timmer, assistant trust officer, Marine National Exchange Bank, Milwaukee, Wisconsin; Miss Ann M. Goehler, Mississippi Valley Trust Company, St. Louis, Missouri; Miss Emma M. Steinke, assistant cashier and manager, women's department, First National Bank, Oshkosh, Wisconsin.

Miss Virginia A. Rehme, regional vice president, Midwest Division, and assistant cashier, Southern Commercial and Savings Bank, St. Louis, Missouri, will act as chairman of the luncheon to be given at the Curtis Hotel.

Miss Marion Mattson, national president of the association and assistant cashier of the Northwestern National Bank of Minneapolis, will preside at the banquet to be given in the Gold Room of the Hotel Radisson, Saturday evening, April 28th. The guest speaker will be John deLaittre, vice president of the Farmers & Mechanics Savings Bank of Minneapolis, who will stress public relations and thrift in our present economy.

The conference will close with a Sunday morning breakfast in the Windsor Room of the St. Paul Hotel, St. Paul, Minnesota. Miss Dorothy McMillen, Midland National Bank of Minneapolis, conference chairman, will lead the group discussion of association activities and progress.—The End.

1882 \$9,000,000,000 1951

IN THE 69 YEARS since this organization was founded, as N. W. Harris & Co., we have supplied thousands of conservative investors—insurance companies, corporations, financial institutions, estates and individuals—with conservative securities totalling more than *nine billion dollars*.

Pioneering the development of such securities... continuously following the rule of "*security of principal as the first requisite*"... and offering to investors "*issues in which we are willing to invest our own funds*"... our Investment Department has been privileged to serve many investors and their families through four generations.



INVESTMENT DEPARTMENT
Harris Trust and Savings Bank
 Organized as N. W. Harris & Co. 1882 • Incorporated 1907
 115 WEST MONROE STREET, CHICAGO 90
 Member Federal Reserve System • Member Federal Deposit Insurance Corporation

Two Vice Presidents

Election of Forrest W. Denning and Emmert H. Sink to vice presidents of California Bank has been announced by Frank L. King, president, following a recent meeting of the board of directors. E. R. Quigley was named assistant auditor and William L. Abernathy was promoted to assistant manager of the bank's Los Angeles Sixth and Western Office.

New Commissioner

Iowa Governor William S. Beardsley last month appointed Charles R. Fischer of Onawa as insurance commissioner for the state of Iowa. Mr. Fischer's name was sent to the state senate for confirmation to the four-year term commencing July 1, 1951, at an annual salary of \$6,500. The insurance department also has securities supervision under its jurisdiction.

Mr. Fischer was Governor Beardsley's 1948 campaign manager and has been a strong supporter of the present administration. He has held the position of insurance commissioner under two former governors.

He will succeed Sterling Alexander of Mason City as insurance commissioner.

Turbulence of March Did This:

1. **Produced Long-Term 2³/₄s.**
2. **Removed Fed's Price Pegging.**
3. **Restored Fed As Stabilizer.**
4. **Restored Supply and Demand.**

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

ON TWO major counts, the Washington authorities contributed unnecessarily to the confusion and uncertainty surrounding the government bond market in the early days of March. The details in connection with a proposed offer of "long-term 2³/₄s" for outstanding 2¹/₂s of June and December of '72/'67 were withheld, although a promise was made that they would be revealed on March 19th. Actually, the Treasury was panicked into a gun-jumping announcement on March 8th.

The other key problem was whether or not the Federal Reserve was to continue pegging prices. This subject was delicately avoided and no formal statement has ever appeared. Worse, for a few days—till March 8th—the Federal did support the market in its usual style, only to pull the pegs abruptly. The question was asked, but not answered: Why support a market for three days, while buying hundreds of millions of offerings, if non-support was in the cards and became the fact after so brief a period?

Appraisal of 2³/₄s

However, the blunders of officialdom are water over the dam. An appraisal of the new 29-year 2³/₄s may be attempted. Their merits are of little direct importance to commercial banks, of course, since these investors held only \$432,000,000 of the some \$19 billion outstanding at last report. But the indirect implications are great. On the face of it, there is no apparent reason why almost all of the present holders of the exchangeable 2¹/₂s shouldn't jump at the chance to turn them in for 2³/₄s. The decision of U. S. Agencies and Federal Reserve Banks, owners of almost \$3.7 billion of 2¹/₂s on November 30, 1950, is unpredictable since the Federal Reserve, at any rate, may wish to hold on to its 2¹/₂s in order to be in a position to influ-



ence the market later on with offerings, should that seem to be required.

On the other hand, the owners of some \$15 billion of 2¹/₂s, insurance companies, savings banks and "other" investors, might logically be expected to accept the exchange offer. "Other" investors probably contain a large amount of pension fund money and the like. The obligations of these funds are fairly remote in the main and easily calculable. Since these investors were content with long-term 2¹/₂s, even though they were marketable, they ought not to balk at long-term 2³/₄s, even though marketability may be required only at a presumed penalty by way of a switch into a five-year 1¹/₂ per cent note and sale of it, presumably at a discount of perhaps 2-3 points.

In any case, prominent spokesmen for the insurance and savings bank segments have blessed the new offering. Thus, Henry Bruere, chairman of the Committee of the National Association of Mutual Savings on Govern-

ment Bonds and the Public Debt, asserted that it was a constructive step both for investors and as a means of checking inflation. Strongly implying satisfaction, he continued, "the offering of a higher yielding government security should make it possible for savings institutions to increase their efforts to induce a greater rate of savings among more wage earners."

Urge Insurance Support

And, Carrol M. Shanks, president of Prudential Insurance Company and chairman of the Joint Committee on Inflation Control of the Life Insurance Association of America and the American Life Convention, offered, "The Joint Committee strongly urges all life insurance companies to support the exchange offering to the maximum possible extent. The Joint Committee believes that the new Treasury program is a significant step in the right direction in the fight against inflation and thinks that it will prove but the first measure, growing out of the accord, in a continued vigorous program by Treasury and Federal Reserve authorities to prevent a further expansion of the money supply."

As this is written, since the books may be held open on the new exchange till well into April, the final extent of acceptance is not known, but it is hard to see anything like a cool, or tepid response. In any case, as earlier intimated, the fate of this exchange offer is of little direct significance to commercial banks, although a dismal failure would create confusion worse confounded and unquestionably be reflected in all segments of the investment market.

Assuming, though, that the exchange is largely accepted by holders of 2¹/₂s, there remain major aspects of the whole financial policy of the Washington authorities to be considered. In the first place, if some \$19 billion

of long-term governments are, in effect, taken off the market, the task of the Reserve in maintaining orderly government markets will have been made immeasurably simpler. At the same time, it will be presented with a challenge, not new, but in abeyance for a decade or so, of maintaining an orderly, as against a rigid, market. This shouldn't be hard to do and it was one of the major original concepts when the Reserve System was first created.

Flexibility for Reserve

Having in mind that the new unmarketables may be marketed by first exchanging them for five-year notes and selling the latter, it is clear that the extent to which the owners of

the new 2½s turn them into cash—"monetize" the debt—will be largely governed by the penalty involved. The long-term government yield may be said to be anchored to the price of five-year 1½s and this has been criticized as one of the most ingenious ways by which the authorities could further fog the outlook. But, it is also an easy and most effective way by which the Reserve can induce or deter credit expansion. It obviously provides a much wanted degree of flexibility to the operations of the Reserve.

Unless there should develop some wholly unlikely combination of circumstances, the government bond market is in a new phase and will

remain so for an indefinite period. That is, the era of pegs, or rigid price patterns, has passed and the Reserve is to be given an opportunity to function as a stabilizing element rather than a bottomless pit into which a limitless amount of governments may be dropped and inflationary credit lifted.

The only sufferers from the new policy—and most of their pains, however severe, are over—are those who were coasting along with long governments on the assumption that they could always be dumped onto the Federal Reserve and thus were, for practical purposes, short-term holdings yielding long-term income.

Markets Hold Up

Before an outline of what may be ahead is attempted, it may be worth a paragraph or so to touch upon some of the highlights of the markets in high-grade securities immediately following the "accord" of the Treasury and the Federal Reserve. They are a noteworthy tribute to all who participated—the issuers, the underwriters and the investors. Oversimplified, the markets took the news in stride; not perhaps without shortening stride, but certainly without faltering. An example was \$60,000,000 of Borden Company debentures. The yield was some 15 basis points more than might have been expected before the Treasury's new 2½s were known, but the financing went through on schedule. Similarly, almost \$10,000,000 of Massachusetts bonds—long-term tax-exempts—encountered keen bidding by dealers and good investor-reception; again at better yields—but the fact remains that issuers, underwriters and investors had not retired to sulk, but merely adjusted their price notions to a new set of conditions.

These price "adjustments," of course, were most widely publicized in connection with governments, which fell under par without, however, disabling the financial machinery. Markets were maintained and they were fairly orderly. In passing, volumes traded during the transitional period were not large and, particularly, only a handful of government bonds were sold on the New York Stock Exchange whereas, on one day, September 6, 1939, a total of \$72,317,000 par value of governments were traded on the Exchange. Since those days, a bigger, broader and less costly market has developed over-the-counter.

Fed Policy the Key

As to the future: Assuming that the Federal Reserve has been restored to its proper place as the arbiter of credit and high-grade security prices, the key is to be found in the probable

MUTUAL FUND SHARES For Your Bank Customers

When your customers inquire about stocks and bonds, we suggest that you recommend their investigation of mutual fund shares, so that they may obtain adequate diversification. We will gladly furnish prospectuses on all Mutual Funds whose management we can recommend, and which may be sold in the State of Iowa.

Different funds are suitable for different investment objectives. We have statistical information on all mutual funds. Write or telephone at our expense.

Your inquiry will be referred only to one of the members of our firm who has been in the investment business twenty years or more.

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CHICAGO, ILLINOIS

policy of this body. So far as can be seen, and deduced from the record, a realistic attitude will govern.

The Federal Reserve, in all likelihood, will be influenced by conditions as it finds them. There is no one level, or pattern of interest rates preferred above another. Credit and business conditions will be taken into account.

Although it is now nearly two years old, the historic statement of the Open Market Committee of the Federal Reserve may still be taken as indicative of present reasoning. There has been no modification or retreat since June, 1949. At that time the committee

said, "Maintenance of a relatively fixed pattern of rates has the undesirable effect of absorbing reserves from the market at a time when the availability of credit should be increased." To implement this policy, the Reserve abandoned its policy of a ceiling on bond prices and let them rise in order that cheaper money rates might stimulate demand for credit. A year later, the policy was reversed as business conditions and credit demands seemed to indicate. There wasn't much of a problem involved when it was a matter of letting interest rates drop and bond prices rise. Now, under the new dispensation, there shouldn't be

Our banking friends...

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

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AND TRUST COMPANY of Chicago
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INVESTORS MUTUAL
INVESTORS SELECTIVE FUND
INVESTORS STOCK FUND

Prospectus on request from Principal Underwriter

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 ESTABLISHED 1894 AS INVESTORS SYNDICATE
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*We offer
 for sale
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Akron, Ohio
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- S. W. Coe & Company**
Springfield, Illinois
- Colonial Finance Company**
Lima, Ohio
- Commercial Discount Corporation**
Chicago
- Consolidated Finance Corp.**
Indianapolis, Ind.
- Contract Purchase Corporation**
Detroit
- Interstate Finance Corporation**
Dubuque, Iowa
- Interstate Securities Company**
Kansas City, Mo.
- Mercantile Acceptance Corporation**
San Francisco
- Mercantile Discount Corporation**
Chicago
- Merchants Acceptance Co.**
Chicago
- National Discount Corporation**
South Bend
- North American Acceptance Corporation**
Chicago
- Northern Illinois Corporation**
De Kalb, Ill.
- Securities Acceptance Corporation**
Omaha
- Winter & Hirsch, Incorporated**
Chicago

ASHWELL & COMPANY
 176 WEST ADAMS STREET
 CHICAGO, ILL.

Commercial Paper Collateral Loans

NATIONAL SURETY CORPORATION



FINANCIAL STATEMENT

December 31st, 1950

ASSETS

Cash in Banks	\$ 4,087,447.94	
Marketable Securities:		
Bonds of United States		
Government	\$15,488,171.48	
Bonds of States and Political		
Sub-Divisions	7,010,305.56	
Bonds of Dominion of Canada	748,900.07	
Preferred Stocks	4,848,020.00	
Common Stocks	12,425,560.00	40,520,957.11
Capital Stock of National Surety Marine Insurance Corporation, a wholly owned subsidiary		2,253,013.19
Premiums in Course of Collection, Not Over 90 days due		2,350,967.21
Accrued Interest		82,564.90
Reinsurance and Other Accounts Receivable		253,430.20
Home Office Building		450,000.00
TOTAL ADMITTED ASSETS	\$49,998,380.55	

LIABILITIES, CAPITAL AND SURPLUS

Reserve for Losses and Loss Adjustment Expenses	\$ 8,561,429.06
Reserve for Unearned Premiums	14,420,570.00
Reserve for Commissions, Expenses and Taxes	1,571,605.50
Capital Stock	\$ 7,500,000.00
Surplus	17,944,775.99
Surplus to Policyholders	25,444,775.99
TOTAL	\$49,998,380.55

Marketable securities 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 marketable securities, including those of National Surety Marine Insurance Corporation, a wholly owned subsidiary, were carried at the December 31, 1950 market quotations, total assets and surplus would be decreased by \$247,363.22.

Bonds carried at \$1,181,716.39 are deposited as required by law.

much of a problem when lower prices and higher interest rates appear in order. The Reserve is free to throw its weight about on both sides of the market.

This newly restored freedom to perform its ordained functions should work out well. If commercial bank lending continues to expand, restrictive measures may be expected. If, on the other hand, a shortage of investments suitable for institutions develops later this year, cheaper money may follow in order to encourage borrowing. There will be wider fluctuations in the money market under the new conditions, but this will be more than compensated by the restoration of the effectiveness of supply and demand—factors which can be weighed and used as guides.

If governments should sell several points under par, there will be no cause for special alarm. After World War I, Liberty bonds sold down close to 80 and no one doubted that they would be paid off at par, as they were. Meantime, discount prices for governments deter institutions from selling bonds for the purpose of lending the proceeds to borrowers who will use the funds for inflationary purposes. At the same time, discount prices are an added inducement to purchases by serious investors, concerned mainly with income. It may come to pass that all the turbulence of March, 1951, will some day be looked upon as a briefly painful but ultimately beneficial period of transition.—The End.

Another indication of Arizona's growing economic importance is reflected in our year-end loan totals of \$124,500,000 — 61% of all Arizona bank loans — an all-time high for us.

ARIZONA'S STATE-WIDE BANK
VALLEY NATIONAL BANK
RESOURCES \$268 MILLION
 Home Office — Phoenix, Arizona

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Selling Ideas for Banker Agents

Sell Office Burglary Policies

A TYPICAL instance describing the good opportunities for selling office burglary and robbery insurance is told in *Pointers* by the Ohio Casualty Company. You can benefit from this, too:

An incident that happened in our home town prompted the writing of this lead article.

It was nearing five o'clock on a Saturday afternoon, and the eight floors of the First National Bank Building were practically deserted. Ralph "Cotton" Bonar, who runs a barber shop on the fourth floor, decided to lay aside his scissors and call it a week. As he stepped out of his door he saw a man crouching in front of the door of an office at the other end of the corridor.

Instinctively, Ralph ran down the corridor, but the intruder heard him coming and scampered down the stairs. The chase resulted in a victory for the pursued, who reached the ground floor ahead of the pursuer and disappeared in the Saturday afternoon shopping crowd.

Ralph located the building custodian and returned with him to the fourth floor. Five other offices, all with limited locks, had been ransacked, and in one of them was found a bag containing loot. In a dentist's office a cash drawer had been broken open and emptied of its cash. In an insurance office, mail had been rifled and cash and checks stolen.

This true story illustrates only one of the hazards to which business and professional offices are exposed. There are many other ways in which the contents of offices are exposed to loss. Here's one common example: offices are opened in the evening for cleaning; thieves secrete themselves during a temporary absence of the charwoman and loot the office at their leisure after she has completed her duties and left.

The office burglary and robbery policy is a "package" policy with seven insuring agreements. For a thorough understanding of the coverage, we suggest that you study carefully the analysis of the policy.

Don't think of this policy as one for tenants of big office buildings only. There's a good market for it in small towns as well as in big cities. Offices in small buildings, over stores or in residences, are subject to even greater

own office with an office burglary and robbery policy—records show that a high percentage of insurance agents do. It's good business for you, for more than one reason. Any sales talk is made much more effective when the agent can say, "I carry this policy myself; wouldn't be without it."



Every office building offers you an opportunity

hazards. Agents in small towns have many opportunities to sell this coverage to doctors, dentists, etc.

One final suggestion: protect your

See Policyowners

The BMA Bulletin, published by the Business Men's Assurance Company, suggests the possibility of calling back on old policyowners who arranged their insurance on an income basis and selling them an additional cash sum for last expenses:

A great many men feel that in leaving insurance for their wives, it is best to arrange the proceeds on an income basis. This relieves the wife of investment problems and avoids the unpleasant possibility that someone may persuade her to make an unwise investment of large sums of cash.

This is often a wise procedure, but adequate emergency cash in a lump sum for immediate needs should also

Hold Agents School



AGENCY SCHOOL—Agents of the **Employers Mutual Casualty Company** from all over the country were in Des Moines last month to attend an agency school sponsored by the home office. The five half-day sessions closed with a luncheon at which **Dr. George H. Haskell**, educational director of the American Mutual Alliance, Chicago, was the guest speaker.

Pictured above with Dr. Haskell are officers of Employers Mutual Casualty. From left to right they are **M. J. Wilkinson**, vice president and superintendent of agencies; **Dr. Haskell**; **John W. Gunn**, chairman and treasurer, and **John F. Hynes**, president of the company.

Open House in St. Paul



OPEN HOUSE—More than 4,000 people were guests of the **St. Paul Companies**—The St. Paul Fire & Marine, St. Paul-Mercury Indemnity, and Mercury Insurance Company—at an open house at their home offices in St. Paul, Minnesota. The occasion was the completion of a new five-story building as an addition to the former quarters, and the over-all renovation and decoration of the old building. The picture above shows the new and modern appearance of one section of the interior.

More than 2,000 employes and their families, stockholders and directors also visited the home office, including all of the various departments. Each department had set up exhibits explaining its exact operation and organization.

NEWS AND VIEWS

(Continued from page 22)

years located in Miami, Florida, as vice president of the Little River Bank & Trust Company, was a visitor at the **NORTHWESTERN BANKER** office last month. He had just returned from California, where he had gone to bring back to Iowa for burial the body of his brother, **Arne Rye**. At one time the latter had also been a banker in Northwood.

A nephew, **Arthur C. Rye**, is associated with Clarence in the bank in Miami.

* * *

A banker recently returned from a European trip outlines the following difference between "optimists" and "pessimists" in Berlin:

The **optimist** is learning how to speak English.

The **pessimist** is learning how to speak Russian.

* * *

Recently we received a copy of the "Annual Report and Financial Statements" of the **Reconstruction Finance Corporation and Subsidiary** (Federal National Mortgage Association) for the fiscal year ended June 30, 1950. The report is dated December 4, 1950, and signed by **W. Elmer Harber**, chairman. The 60-page report is replete with statistics, charts and financial statements, but even by reading between the lines we can't find any mention of "mink coats," "pressure politics" or "payoff jobs."

Since the annual report goes to the President, the President of the Senate, and the Speaker of the House of Representatives, it was undoubtedly decided that these busy executives should not be bothered with such trivial events.

* * *

At the recent annual meeting of the Chicago Association of Commerce, **Guy E. Reed**, executive vice president of the Harris Trust and Savings Bank, was installed as president of the association. In his inaugural address he declared that it is essential for busi-

be provided in order not to leave the wife temporarily in a bad financial situation immediately following her husband's death.

It should be remembered that if the contract is set up on a lump sum basis, the beneficiary can, if she prefers, elect an optional income settlement instead. On the other hand, if the contract is set up on an income basis, the income payments must be

made as directed and she cannot take any part of the money in cash. Where benefits are planned on an income basis, it may be that the policyowner has not provided sufficient cash to pay off his debts and also take care of other expenses immediately following death. It may also be that the cash sum that was planned five or ten years ago would be totally inadequate today.—The End.

HIGH SPOTS IN HISTORY

7: VERMONT



VERMONT CLAIMED BY FRANCE

Back in 1609 Samuel de Champlain, a French explorer, together with members of two Indian tribes, led a raid against the Iroquois Indians. In so doing they discovered the lake which now bears Champlain's name. He claimed the land for the French.



FORT TICONDEROGA CAPTURED

Famous in history are the Green Mountain Boys. They were organized in 1771. They reached the peak of their fame by capturing Fort Ticonderoga. In 1775, commanded by Ethan Allen, they forced the fort's garrison to surrender.

ALSO A HIGH SPOT . . .

. . . in any insurance agent's career is when he joins Hawkeye-Security & Industrial's great team. He knows that these two companies are working constantly to build more sales for him . . . prompt, equitable settlements, plus skilled field representatives to work closely with him, help build sales. That's why the trend is to Hawkeye-Security & Industrial.

HAWKEYE-SECURITY INSURANCE CO.
INDUSTRIAL INSURANCE CO.

Des Moines, Iowa



DES MOINES BUILDING-LOAN & SAVINGS ASSOCIATION

Oldest in Des Moines

210 6th Ave. Dial 2-8303

ELMER E. MILLER **HUBERT E. JAMES**
Pres. and Secy. Secy.

FOR YOUR ENJOYMENT . . .

Listen to the
"WORLD OF MUSIC"

KRNT, 1350 KC 1 to 1:30 p.m., Sundays

Northwestern Banker, April, 1951

ness to exercise self-sacrifice and self-restraint in meeting the double burden of civilian and military production, if America is to avoid "unbridled inflation" and preserve its liberties.

"We are conscious," he said, "that in the battles ahead we can win the battle of production, and lose for future generations the opportunities and way of life with which we have been blessed. We must preserve the atmosphere of freedom so that the enterprise of free men will have full play."

Mr. Reed has long been associated with the work of the Chicago Association of Commerce, as a vice president and a director. He is also chairman of the Chicago Crime Commission and chairman of the American Library Association Endowment Trustees.

* * *

The "sport" of name calling and public accusations, most of it irresponsible and wild, has developed into a national pastime. Many times each person has wished he knew the persons involved so he could establish in his own mind the validity or falsity of the statements made, for too often the accused does not have the facilities to proclaim his innocence as publicly as the one who finds it so easy to make the charge.

A case like this occurred last month when Iowa Democratic Chairman **Jake More** issued a formal press release charging the **Merchants Mutual Bonding Company** of Des Moines was in collusion with the governor's office in regard to applications of notaries public for new commissions or else there was a leak in the governor's office. A letter from the governor's office was mailed on a Monday morning, advising notaries to send in \$5 for renewal of their commission. On Wednesday of that same week, **Elmer Warner**, secretary-treasurer of the Merchants Mutual, sent a copy of the letter to notaries bonded by his firm (2,500 in Iowa), suggesting they transmit the renewal fee and the \$3 bonding fee to his office and as a service his firm would take care of their renewal.

Mr. More thought this highly irregular and made his accusation publicly. He thought Mr. Warner's letter couldn't have gone out so quickly without advance notice of the governor's action.

For the information of NORTHWESTERN BANKER readers who saw the news story carrying Mr. More's ridiculous charge to the detriment of Mr. Warner's character in the eyes of people who don't know him, let these facts be reported:

1. It is only good business to anticipate an insurance premium

renewal, a contract letting, or scheduled renewal of any kind of business.

2. Governor Wm. Beardsley is a veteran Republican.

3. Mr. Warner is a staunch Democrat—his original home is Vermont.

4. From personal contact, we know Mr. Warner's ethics and morals to be of the highest type—morals and ethics that are so badly needed today throughout our government and in many places in both political parties.

Let's hope we have no "More" of these stupid charges!—The End.

New Branch

A new branch of the Chase National Bank was opened last month in Santurce, a suburb of San Juan, Puerto Rico, bringing to four the number of new branches the Chase has added to its operations in the Caribbean area during the past few months. David Rockefeller and Otto T. Kreuser, vice president at the Chase head office in New York, flew to Puerto Rico to be present at the opening ceremonies.

The Santurce Branch will be managed by Fred M. Ahles, under the supervision of Carl B. Brunner, second vice president, who is in charge of all Chase operations in Puerto Rico.

FINANCIAL STATEMENT

DECEMBER 31, 1950

ASSETS

CASH ON HAND AND IN BANKS.....	\$ 4,196,558.13
BONDS: U. S. Government.....	34,596,600.09
Other Bonds.....	36,372,787.92
CASH AND BONDS.....	\$ 75,165,946.14
FIRST MORTGAGE LOANS ON REAL ESTATE.....	35,608,147.08
F. H. A. LOANS.....	46,778,269.00
LOANS GUARANTEED BY VETERANS' ADMINISTRATION.....	6,672,634.57
HOME OFFICE BUILDING.....	758,400.00
REAL ESTATE SALES CONTRACTS.....	10,008.68
STOCKS.....	34,505.00
INTEREST AND RENTS ON INVESTMENTS ACCRUED BUT NOT YET DUE.....	985,863.50
INTEREST AND RENTS DUE ON INVESTMENTS (None of which is past due more than 90 days).....	114,957.74
OTHER ASSETS, PRINCIPALLY NET PREMIUMS IN COURSE OF COLLECTION.....	3,460,027.08
LOANS TO POLICYHOLDERS.....	13,096,408.60
TOTAL ASSETS.....	\$182,685,167.39

LIABILITIES

POLICY RESERVES.....	\$165,780,199.43
PREMIUMS AND INTEREST PAID IN ADVANCE.....	1,289,279.45
RESERVE FOR TAXES.....	2,267,962.31
ESCROW FUNDS (Deposited by mortgagors for payment of taxes and expenses).....	730,739.50
RESERVE FOR ACCOUNTS NOT YET DUE.....	902,339.96
POLICYHOLDERS' DIVIDENDS.....	2,547,948.35
MASS HAZARD RESERVE FOR GROUP INSURANCE.....	2,122,201.00
RESERVE FOR FLUCTUATION IN ASSET VALUES AND IN MORTALITY.....	1,948,718.00
TOTAL.....	\$177,589,388.00
PORTION OF CURRENT YEAR'S EARNINGS AVAILABLE FOR FUTURE DIVIDEND DECLARATION TO PARTICIPATING POLICYHOLDERS.....	309,550.00
SURPLUS.....	4,786,229.39
TOTAL LIABILITIES.....	\$182,685,167.39



SAINT LOUIS

Public Service Projects Pave Way for Regular Bank Promotion

(Continued from page 19)

ings of the bank. Each bank is incorporated separately and a charter is granted by Junior Achievement, Inc. Each bank has stockholders, directors and a board; a president, a vice president and a secretary. The latter are elected by the students. Special deposit books were printed for the students.

The Fulton National employs three people who devote their full time to supervising and helping these banks, which runs into a big job, for one student out of three has a savings account. High school students are encouraged to save small amounts regularly with a definite goal in mind.

The accounts of each bank are audited regularly by the Fulton National auditor. Besides encouraging the habit of thrift, these banks teach the students the functions of a mod-

ern business operation. Our three full-time Fulton employees visit a different bank each day of the week and help the students organize their bank work and assist them generally.

3. LIFE INSURED SAVINGS PLAN. In late 1950 the Fulton National worked out a life insured savings plan which guarantees a savings goal fixed by the individual. Each customer sets his or her own savings goal—\$100, \$250, \$500 or \$1,000—and makes 50 regular monthly deposits in amounts of \$2, \$5, \$10 or \$20 to cover the plan selected. In addition, the customer deposits 2 cents, 5 cents, 10 cents or 20 cents with each monthly deposit for life insurance protection. The account draws interest at the regular savings rates.

Under the Fulton plan, any one from age three months to 56 years, in good health, can open such an account, without medical examination, merely by signing a "good health" statement.

The full amount of the savings goal is protected, with the difference between the balance in the account and the goal set by the customer being paid. The 60-year-old Life Insurance Company of Georgia is underwriter of the plan.

These first two promotional plans geared to the "public benefit" idea, and other types of public relations brought our bank a total of 600 inches of newspaper publicity in 1950. As mentioned before, we are continuing also our regular advertising schedules on behalf of our general banking, trust and correspondent departments, as well as the special features illustrated by our Life Insured Savings Plan. We use newspapers, direct mail, posters and trade publications, but always follow up each of these with personal calls by officers from the bank.

We find that our promotion of civic ideas like the "Pine Tree Planting Program" and the "High School Savings Banks" opens the minds of Atlanta and Fulton county citizens to our willingness to serve them. Then when we go out to sell our own bank services we find we have already broken down the barriers and have friends waiting for us.—The End.

Elected Treasurer

Announcement was made by Earl E. Crabb, chairman and president of Investors Diversified Services, Inc., Minneapolis, of the election of Harry C. Thompson as treasurer of I.D.S., to serve as the company's chief financial officer. It is contemplated that he will be elected a director of the firm, the largest single factor in the nation's investment company field, at the annual I.D.S. board meeting on April 24th.

Mr. Thompson is a director of the Chesapeake & Ohio Railway Company

MERCHANTS MUTUAL BONDING COMPANY

Incorporated 1933

Home Office
2100 GRAND AVENUE
Des Moines, Iowa

This is Iowa's oldest surety company.

A progressive company with experienced, conservative management.

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

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

E. H. WARNER
Secretary and Manager

W. W. WARNER
Assistant Secretary



IOWA LITHOGRAPHING COMPANY
FOUNDED BY GEORGE H. RAGSDALE • EDWIN G. RAGSDALE • SECRETARY
515 TWENTY EIGHTH STREET
DES MOINES
QUALITY • EXPERIENCE • SERVICE

See Your Allied Mutual Agent For

- Workmen's Compensation
- Public Liability
- Full Coverage Automobile

Write us for the names of nearby agents

ALLIED MUTUAL CASUALTY COMPANY

Harold S. Evans, President

4th and Park Streets

Des Moines 9, Iowa



Scarborough's Chattel Mortgage Non-Filing Insurance gives you the same protection afforded by actual filing or recording—plus a very material saving of time, money, and worry.



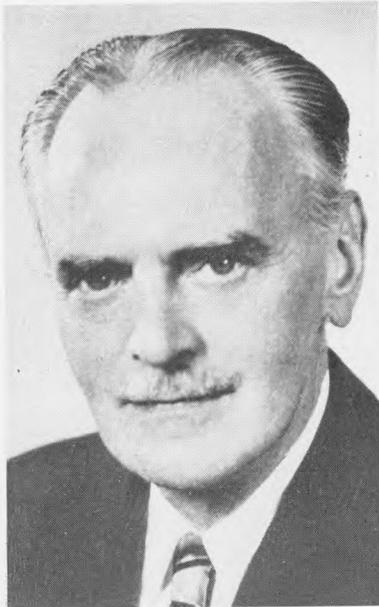
Scarborough & Company

Insurance Counselors to Banks

FIRST NATIONAL BANK BUILDING • CHICAGO 3, ILLINOIS • STate 2-4325

and a member of the C & O finance committee and chairman of its retirement committee.

A former vice president of the



HARRY C. THOMPSON
Elected treasurer of
Investors Diversified Services, Inc.

Chemical Bank & Trust Company of New York, he has long been prominently identified with New York banking circles. Throughout his banking career he has specialized in trust fund management and administration.

St. Paul Terminal Annual Report

In its annual report based on operations at the close of business in 1950, the St. Paul Terminal Warehouse Company shows total current assets of \$968,184, comprising cash of \$246,196, bonds and other securities of \$505,733, and trade receivables of \$216,255. Capital stock and surplus of the

company is listed at \$1,302,922, and total assets at \$1,739,715.

In addition to the company's financial responsibility as reflected in its balance sheet, holders of warehouse receipts are insured up to \$2,000,000 against any loss in excess of \$15,000 for which the company or its subsidiary may be legally liable, with a limit of \$1,000,000 at any one warehouse location, automatically reinstated in case of loss.

The field warehousing service of St. Paul Terminal Warehouse Company has made it possible for hundreds of banks to extend accommodations to valued customers in excess of open-line limits to mutual advantage.

First Edition of "Bank Costs"

The widening interest in bank costs today points to a strong demand for the first edition of "Bank Costs," now being printed by The National Association of Bank Auditors and Comptrollers.

"Bank Costs" will be eight and one-half by eleven inches and will contain 360 pages, including 160 tables, showing actual applications of a cost accounting procedure. It is being prepared in loose-leaf form to facilitate the insertion of new or revised material, and is particularly adapted to the heavy-duty, expandable "NABAC Service Binder" now available at the Chicago office.

**H
A
L
T**



Yes, halt in your busy work day and check the kind of insurance you are able to offer to your clients. They look to you to protect their investments, and their most cherished possessions—their homes. Can you offer them a complete line of insurance geared to their 1951 needs? It is our sincere hope that you can answer this in the affirmative.

We stand ready here at Western Mutual to give you the signal to "GO" with a complete line of

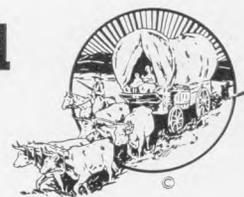
Fire — Automobile ★ Plate Glass ★ and
Personal Liability Insurance

A letter or phone call will bring an interested response

Western Mutual Insurance Co.

Ninth and Grand

Des Moines 8, Iowa



Printers
AND
BOOKBINDERS
PHONE
4-4224
KOCH
BROTHERS
FOURTH and GRAND
DES MOINES

"Our collection items? We've used Bankers Trust for about 20 years, Harry. Did you know they microfilm all transit items payable outside of New York for their correspondents' protection?"



HIGH-SPEED collection service through Bankers Trust

Where collections are concerned, it's accuracy, speed and dependability that count.

When your bank sends its checks, notes, drafts, trade acceptances and bills of exchange to us for collection, you receive prompt and dependable service—*twenty-four hours a day*. All transit items payable outside of New York are *microfilmed for your protection*.

Modern, high-speed equipment, plus careful work by *experienced personnel*, insure that your bank obtains the proceeds of its collection items with maximum speed.

To further minimize delay, you are invited to write us with a view to securing full benefit from mail and express schedules—both rail and air.

In addition, our experienced Collection Department receives millions of coupons and bonds for collection every year. No matter how great our volume may be, particular attention is given to items that require *special handling*. Coupons and bonds are

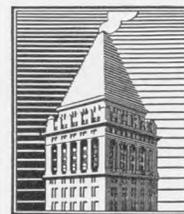
examined to expedite presentation and minimize "returns."

Through our experienced Foreign Division, we can also give you fast collection service on your foreign items.

For full information on the collection service in which you are interested, please write Banking Department, Bankers Trust Company, 16 Wall St., New York 15.

BANKERS TRUST COMPANY NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION





WILLIS A. PUTMAN
President
Duluth

Minnesota NEWS



ROBERT E. PYE
Secretary
Minneapolis

New Credit Officer

Appointment of Joseph R. Eikenberry to direct operations of the Time-pay Bank Credit plan at the Freeborn County National Bank of Albert Lea, Minnesota, has been announced by E. T. Sletten, president.

Mr. Eikenberry goes to Albert Lea from Minneapolis, where he has been associated with the Community Credit and Finance Company. Previously, he was with the Universal C. I. T. Corporation at Grand Forks, North Dakota, and with the Commercial Credit Corporation in St. Paul and Sioux Falls, South Dakota.

A native of Faribault, Minnesota, Mr. Eikenberry went to high school there and in Minneapolis and later attended the University of Minnesota.

Elect New Cashier

R. B. Johnson, assistant cashier with the State Bank of Clarks Grove in Clarks Grove, Minnesota, for over 20 years, has been elected cashier to succeed A. J. Lageson. After more than 30 years' service with the State Bank, Mr. Lageson resigned as cashier recently and left for Texas where he plans to go into business.

C. C. Cavanaugh, formerly assistant cashier of the Citizens State Bank at Belle Plaine, Iowa, is the new assistant cashier of the Clarks Grove bank, as reported previously in the NORTHWESTERN BANKER.

Resigns at New Ulm

Walter J. Gareis, assistant cashier of the State Bank of New Ulm, Minnesota, has resigned to take up another business connection.

Heads Wilmont Bank

E. L. Meyer has been elected chairman of the board and president of the First National Bank of Wilmont, Minnesota. He fills the vacancy created by the death several weeks ago of C. W. Becker, 80, who had been president for 32 years. Mr. Meyer formerly was vice president and cashier.

W. C. Meyer has been elected vice president and O. C. Kuhl was advanced from assistant cashier to cashier.

E. L. Meyer moved to Wilmont from Fairmont in 1940. Mr. Kuhl started with the First National of Wilmont in 1939 as a bookkeeper, serving in the Armed Forces from 1941 to 1945.

Returns to Worthington

Elvin Thue, former agriculture instructor in Worthington, Minnesota, high school, will return to Worthington some time between the middle of April and May 1st to take over the post of farm service officer with the Worthington National Bank.

75th Anniversary

The 75th anniversary of the Citizens State Bank of New Ulm, Minnesota, was observed last month by officers and personnel of the bank, business houses in New Ulm and a number of neighboring and Twin City banks. Founded December 13, 1875, the bank opened early in 1876 for business, became a private bank in 1883, then was reconverted to a state bank in 1908.

Officers of the bank are: Frank H. Retzlaff, president; Adolph G. Meile, vice president; H. H. Prahl, executive vice president; W. F. Huevelmann, cashier, and W. E. Cornick and D. J. Gollnast, assistant cashiers.

Kanabec Bank Remodeled

Completion of a three months' remodeling program at the Kanabec State Bank in Mora, Minnesota, was announced recently by Frank P. Powers, president. An entirely new and modern appearance now is presented in the interior, featured mainly by low type counters in front of tellers' windows.

Much new equipment has been purchased, including a complete Recordak system. A huge neon sign about four feet high and 15 feet long has been erected on the front of the bank.

Elect New Directors

Stockholders of the First National Bank in Good Thunder, Minnesota, recently elected two new directors. They are A. L. Prange and Viola Pautsch, cashier. H. E. Glaeser continues as president and Harry Barnard as vice president.

Moves to Blue Earth

Roger B. Kleven, formerly cashier of the Freeborn County National Bank at Albert Lea, Minnesota, has been elected cashier of the First and Farmers National Bank at Blue Earth.

Mr. Kleven started his banking career at Brainerd in 1934 with the First National Bank, where he worked until joining the navy during World War II. After returning from the navy, he went with the Freeborn County National at Albert Lea. All of these banks are affiliated with the First Bank Stock Corporation of Minneapolis.

Install Depository

B. B. Kotilinek, president of the International State Bank, International Falls, Minnesota, has announced the installation of a night depository for use by customers. It is the first system used in that city.

Surplus Increased

Surplus of the First National Bank of Albert Lea, Minnesota, was increased recently by transfer of \$50,000 from undivided profits. R. W. Delany, president, reports that capital now is \$100,000 and surplus is \$150,000.

With Anoka Bank

D. H. Gregerson has been elected vice president of the First National Bank of Anoka, Minnesota. He has moved to Anoka from Hudson, Minnesota, where he held a similar position with the First National Bank.

Mr. Gregerson is a native of Wisconsin and is a graduate of the School of Banking at the University of Wisconsin. He is married and has three children, one girl and two boys.

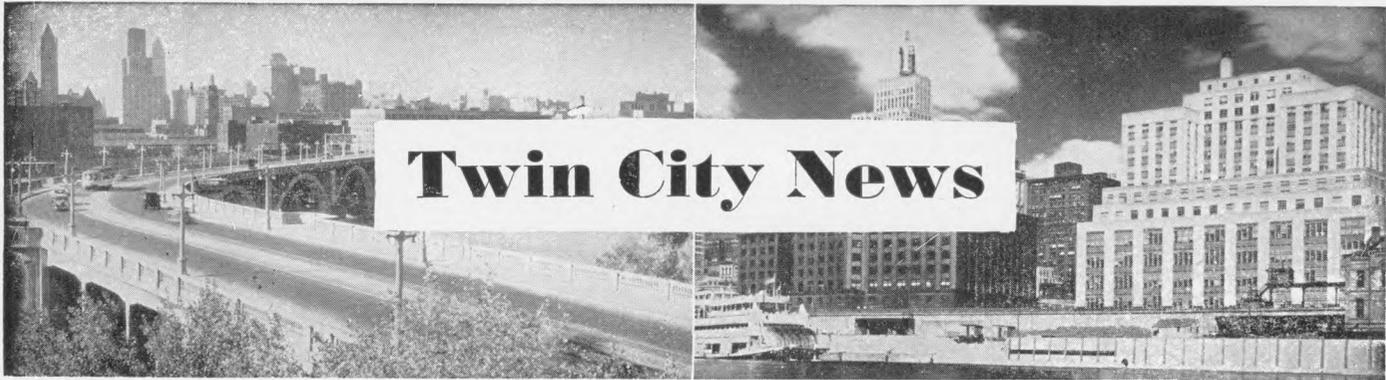
Joseph Underleak

Joseph Underleak, 96, veteran banker, lawyer and pioneer resident of Chatfield, Minnesota, died at his home recently following an illness of several weeks.

Mr. Underleak was born March 13, 1854, in Czechoslovakia and was brought to the United States by his parents when he was eight weeks old, first settling near Racine, Wisconsin, and moving to Chatfield in 1856. He aided in organization of Chatfield's first bank and was president of the First National Bank there for 34 years, retiring five years ago at the age of 91.

Bank Remodeled

The interior of the Rock County Bank at Luverne, Minnesota, has been remodeled and redecorated. The changes made have enlarged the banking lobby and office space.



Twin City News

EUGENE J. McNEELY, president of the Northwestern Bell Telephone Company, Omaha, Nebraska, was elected a member of the board of directors of the Northwest Bancorporation at the annual meeting in Minneapolis.

All other directors were re-elected. They are: **James F. Bell**, **Harry A. Bullis**, **John Crosby**, **Thomas L. Daniels**, **Donald C. Dayton**, **John B. Faegre**, **Frank T. Heffelfinger**, **Clarence E. Hill**, **John S. Pillsbury**, **Joseph F. Ringland**, **Augustus L. Searle**, **Harold W. Sweatt**, **Valentine Wurtele** and **J. Cameron Thomson**, all of Minneapolis; **Wilfred E. Rumble** and **Walter G. Seeger**, St. Paul; **Robert Congdon**, Duluth; **Edward B. Cosgrove**, LeSueur; **Ward Lucas**, Winona; **Fred Bohlen**, Des Moines, and **J. Morrell Foster**, Otumwa.

Mr. Thomson, president of the Bancorporation, said the percentage of votes cast at the meeting was the largest in the corporation's history.

He told stockholders that in spite of higher operating expenses and much higher income taxes, results for 1950 were the best in the corporation's history.

"During the last year," he said, "the stock of the American Exchange National Bank of Virginia, Minnesota, was offered to us and was purchased. Deposits of this bank were assumed by our affiliate, the State Bank of Virginia. The American Exchange National Bank subsequently was liquidated. We have no present plans for

expansion that would involve substantial expenditure of corporate funds."

* * *

Stockholders of the Produce Exchange Bank of St. Paul have approved a directors' recommendation for a stock dividend distribution on the basis of one new share for each held by a stockholder of record January 9th.

Santo Speranza, bank president, who announced the dividend, said the new issue will bring the total shares outstanding to 1,000, and increase the bank's capitalization from \$50,000 to \$100,000.

Directors also transferred \$50,000 from undivided profits to surplus accounts, to raise the bank's surplus to \$100,000.

* * *

Henry T. Rutledge, vice president of the Northwestern National Bank of Minneapolis, has been elected a director of the Minneapolis Chamber of Commerce.

* * *

Customers at the First National Bank of St. Paul now can get curb service. **Curb tellers**, called "snorkels" in banking circles after the periscope-like breathing devices on submarines, have been placed in a number of eastern banks in recent years.

The St. Paul bank's curb teller is located on the Fourth Street side. The device is operated by a bank teller in a vault beneath the sidewalk. Teller and customer see each other in mir-

rors and communicate through a microphone arrangement. Deposits and passbooks are exchanged by means of an electric elevator controlled by the teller.

* * *

Two St. Paul bankers have been elected to three-year terms as members of the board of directors of the St. Paul Association of Commerce. They are **Rollin O. Bishop**, president of the American National Bank of St. Paul, and **Arthur L. Peters**, vice president of the First National Bank of St. Paul.

* * *

Reuben C. Stoeckmann, St. Paul banker, died in St. Paul recently at the age of 50, following a heart attack. He had been engaged in the banking business in St. Paul many years, and at the time of his death was vice president and cashier of the Northwestern State Bank of St. Paul. He was assistant cashier of the Dayton's Bluff State Bank of St. Paul prior to joining the staff of the Northwestern State Bank in July, 1933. He was a member of the American Institute of Banking.

* * *

"Thrifty '50" is the title of the annual statement of the Farmers & Mechanics Savings Bank of Minneapolis. Printed in booklet form, it contains numerous cartoon drawings picturing functions of the bank and its growth during the year. The idea came from "The Marshall Plan and You" booklet published in Holland, **John de Laittre**, vice president, said.

The bank last year reached an all-time deposit high of \$167,191,655. Depositors total 192,432. The bank made a total of \$21,889,271 in mortgage loans.

* * *

Harry Yaeger, retired vice president of the Federal Reserve Bank of Minneapolis, died recently in Clearwater, Florida, at the age of 78. Funeral services were held in Clearwater.

A native of Montana, Mr. Yaeger joined the federal reserve bank in 1919. He became vice president in

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Choice of \$4.00, \$8.00 or \$12.00 Per Day for Hospital.

Choice of \$75, \$100 or \$125 Surgical Schedule.

Fee of \$4.00 Pays for \$8.00 a Day Hospital Policy to September 15, 1951.

Minnesota Commercial Men's Association

2550 Pillsbury Ave. So.

Minneapolis 4, Minnesota

1936 and retired the following year. Before coming to Minneapolis he was executive vice president of the Great Falls, Montana, National Bank.

* * *

Joseph J. Manchak has been elected an assistant cashier of the First Edina State Bank, according to a recent announcement by **Malcolm B. McDonald**, president of the bank. Mr. Manchak joined the First National Bank of Minneapolis in 1929 and has served on staffs of various other banks in the First group.

* * *

Bankers from 19 western Wisconsin counties recently attended the 47th annual meeting of Group One of the Wisconsin Bankers Association at Hotel Lowry, St. Paul. Among the visiting delegation were **Millard Barlow**, Bloomer, group president; **Oscar Lindholm**, Hayward, group vice president; **Ralph Gilbert**, Eau Claire, secretary-treasurer, and **W. F. Kirchner**, Alma, past president. **Lloyd Leider** served as chairman of the host committee, representing St. Paul clearing house banks.

* * *

Mrs. Evangeline Mae Dwight, wife of **Floyd L. Dwight**, vice president of the First National Bank of Minneapolis, died in Rochester, Minnesota, recently at the age of 44 after a long illness.

* * *

George M. Rockwell, assistant cashier of the Federal Reserve Bank of Minneapolis, reviewed provisions of Regulation W at a luncheon meeting of the Minneapolis Electric Appliance Dealers Association.

* * *

Gilbert R. Falk, assistant secretary and manager of the credit department of the Northwest Bancorporation, has been elected assistant vice president of the Midland National Bank of Minneapolis. **Arnulf Ueland**, president, announced recently.

Mr. Falk, 39 years old, entered the employ of the Northwestern National Bank of Minneapolis in 1925 as an office boy and was employed by the Northwestern Bancorporation in 1941 as credit analyst. He was promoted to assistant secretary and manager in 1947.

A native of Newton, Iowa, he was educated in the public schools and the University of Minnesota, and has

taken American Institute of Banking courses in banking.

* * *

General Harold Palmer Howard, former custodian of the Federal Reserve Bank of Minneapolis, died recently at his home in Minneapolis at the age of 84. Funeral services were conducted in Minneapolis.

* * *

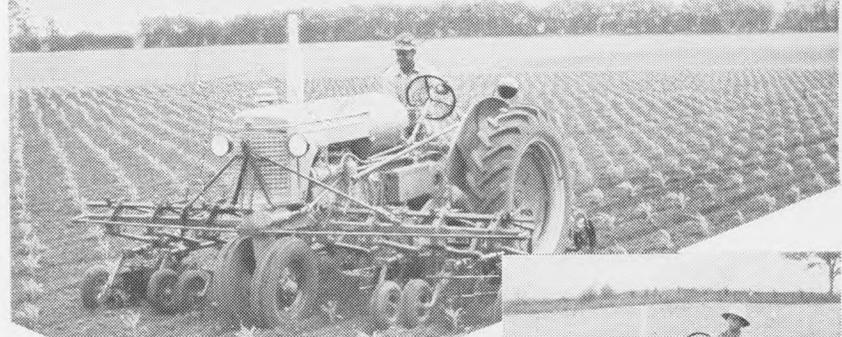
George S. Henry, vice president, First National Bank, and chairman of the general convention committee for the Minnesota Bankers Association, announces membership of five committees for the convention which will be June 13th and 14th at Hotel Radisson, Minneapolis. The committees are as follows:

Entertainment—Chairman, **Kenneth T. Martin**, vice president, First National; **L. P. Grisvold**, vice president, Northwestern National; **Silas Olson**, assistant cashier, Midland National, and **Otto Preus**, assistant vice president, Marquette National.

Banquet—Chairman, **E. Walter Engstrom**, assistant vice president, Midland National; **L. M. Broom**, assistant cashier, Northwestern National; **George Coonrod**, vice president, Marquette National, and **R. O. Weyrauch**, assistant cashier, First National.

Ladies Entertainment—Chairman, **Miss Genevieve Howe**, Marquette National; **Miss Carmen Behmer**, First National; **Miss Elaine Endres**, Midland National, and **Miss Burdella Peters**.

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Northwestern National.

Golf—Chairman, **Keith M. Barnett**, assistant cashier, Northwestern National; **A. W. Gray**, vice president, Midland National; **Ronald B. Harrison**, cashier, Marquette National, and **Stryk R. Omlie**, assistant cashier, First National.

Registration — Chairman, **Signor R. Silverness**, assistant vice president, Marquette National; **Charles E. Corchran**, vice president, First National, and **George C. Magnuson**, assistant cashier, Midland National.

* * *

Promotion of three officers and election of three others were announced

by **Joseph F. Ringland**, president, following a meeting of the board of directors of the Northwestern National Bank of Minneapolis.

Raymond Clausen was promoted from assistant vice president to vice president. **C. T. McGarraugh**, a commercial loan officer, was promoted from assistant cashier to assistant vice president. **Winston L. Molander** was promoted from assistant secretary to assistant vice president. **Paul W. Noreen** was elected assistant cashier in the bank's commercial division. **Malcolm G. Pfunder** and **Thomas R. Connors** were elected trust officers.

Mr. Clausen joined the bank in 1934,

was made a trust officer in 1945 and assistant vice president in 1948. Since last October he has been concerned principally with administration of commercial accounts.

Mr. McGarraugh joined the bank's credit department in 1941, served in the navy during the war and was elected an assistant cashier in 1948.

Mr. Molander started with the bank in 1936 and currently assists in management of the bank's bond portfolio and mortgage department. He has lectured at the University of Wisconsin and University of Minnesota schools of banking and is a member of the governmental securities committee of the Investment Bankers Association.

* * *

Plans to increase vault facilities at the Marquette National Bank of Minneapolis were announced recently by **Russell L. Stotesbery**, president. Six new air conditioned coupon booths and a large private room, suitable for corporate coupon groups, were to be ready in April. The 1,600 additional square feet of basement floor space needed for the remodeling was obtained from Thorpe Brothers, Marquette's neighbor.

* * *

Alex Highland, active in northwest banking circles for more than 30 years before his retirement in 1942, died recently in Tucson, Arizona, at the age of 67.

When he retired because of ill health, he was president of the Empire National Bank and Trust Company of St. Paul. At one time he was executive vice president of the First National Bank & Trust Company of San Diego, California.

He started his career in 1905 as a messenger for the Aberdeen National Bank of Aberdeen, South Dakota; had been successively half owner of the First National Bank of Groton, Groton, South Dakota; president of the Stockyards National Bank of South St. Paul and its affiliated companies, and vice president and treasurer of the Northwest Bancorporation of Minneapolis.

John N. Peyton, president of the Federal Reserve Bank of Minneapolis, offers three guides for monetary and fiscal policies to halt inflation threatening the American economy.

Writing in the bank's annual report, Mr. Peyton urged that government expenditures for military and other purposes be met to the greatest possible extent by taxation; if securities are to be issued to finance a treasury deficit, they should be sold exclusively, if possible, to non-bank investors; total amount of credit should be re-

(Turn to page 47, please)

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*Total number of dining cars in the United States—1,802. Source: Association of American Railroads' Statistical Summary, October, 1950.

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Northwestern Banker, April, 1951



South Dakota NEWS

L. A. HOLLENBECK
President
Iroquois

CARL E. BAHMEIER, JR.
Secretary
Huron



Air Base Bank

A little over one year ago the air base branch of the First National Bank of the Black Hills, Rapid City, South Dakota, was opened. Now the branch, under the management of Miles S. Wilson, is anticipating a move to new and larger quarters to more efficiently handle the volume of banking which has grown by leaps and bounds.

The bank has been located in outmoded quarters directly opposite the base theatre.

Land Bank Meeting

Nile C. Kinnick, association service director of the Federal Land Bank of Omaha, was the principal speaker at the Roberts county National Farm Loan Association's annual meeting at Sisseton, South Dakota.

Invitations were sent to association members and their families.

Leaves Dupree

After being connected with the Farmers State Bank in Dupree, South Dakota, for about 15 years, Wm. Krikac severed his connection with the bank recently and left for his new home in Sturgis. Mr. Krikac still has both land and cattle interests in Ziebach county.

Remodeling

The First National Bank in Britton, South Dakota, is having a remodeling job done on the accounting room in the rear of the building. The stairway is being torn out and acoustical wallboard is to be installed to cut down the noise from accounting machines.

Harold A. Vipond

Harold A. Vipond, secretary-treasurer and managing director of the First Federal Savings and Loan Association

of Rapid City, South Dakota, died of a heart attack while leaving a sectional basketball tournament.

The well-known business man, who also was treasurer of the school board and president of the Cosmopolitan Club, died at the wheel of his car as he and his young son were returning home from the high school gymnasium.

He suffered the attack while driving. The car went out of control, sideswiping three parked cars before colliding with a fourth.

Bank Bond Sales

F. G. Grosz, executive vice president and cashier of Bowdle State Bank, Bowdle, South Dakota, was curious to know the face value of Series E, F and G U. S. bonds the bank sold since December, 1941, when it first started to sell bonds. Bowdle is a city of about 900 population, surrounded by a good farming and livestock community.

Here are the results:

Sold Face Value Series E.....	\$801,350
Sold Face Value Series G.....	299,600
Sold Face Value Series F.....	168,175

Total\$1,269,125

This does not include any bonds sold by post office or National Farm Loan Association outlets.

J. K. Kurle

J. K. Kurle, director and chairman of the board of directors of the Bowdle State Bank, Bowdle, South Dakota, died last month of a heart failure.

Mr. Kurle was a former mayor of the city of Bowdle and a member and chairman of the board of education. He had been engaged in the farm implement and lumber business in Bowdle for over 40 years. He was also very active in all civic affairs and was regarded as one of the most valuable men in Bowdle.

Sioux Falls News

W. W. BAKER, president of the First National Bank & Trust Company, was elected a director of the Queen City Fire Insurance Company.

* * *

C. A. Christopherson, chairman of the board of the Union Savings Bank, spoke on "Signs of the Times" at a meeting of the Shrine Club.

* * *

Local bank clearings rose from \$21,662,392.97 in February, 1950, to \$25,779,623.60 in February of this year. The increase amounted to 19 per cent.

* * *

Ralph M. Watson, president of the Northwest Security National Bank, announced the election of **Carl E. Voigt** as vice president and director of the institution. Mr. Voigt, who had been vice president of Northwest Bancorporation in Minneapolis since 1947, moved to Sioux Falls April 1st.

Also as a result of a recent directors' meeting, **Paul Batcheller** was elected a director of the bank. He is a well known feed and farm supply dealer here, president of the Community Chest and a past president of the South Dakota Feed Manufacturing Association.

Adolph Lodmell was advanced in the bank from vice president and assistant trust officer to vice president and trust officer.

Charles D. Gregg was named assistant trust officer.

John P. McQuillen resigned as vice president, trust officer and director of the Northwest Security to open his own law office in the bank building. He practiced law in Sioux Falls from 1931 to 1942, and had been with the bank since July 1, 1946, shortly after his discharge from the armed forces.

Mr. Voigt, a veteran of World War I and a native of James, South Dakota, was assistant cashier of the James Valley Bank at Huron from 1919 to 1924. In 1924 he was named assistant cashier of the National Bank of Huron, where in the following year he became cashier. He became manager of that bank when it was made a branch of the Northwest Security National Bank in 1935.

* * *

Tony Westra, agricultural and livestock representative of the Northwest Security National Bank, was a speaker

THE NATIONAL BANK OF SOUTH DAKOTA

Huron

Sioux Falls

Vermillion

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at a public forum meeting in the high school auditorium at Lennox, South Dakota. The meeting was jointly sponsored by the adult evening farm class and two veterans' on-the-farm training classes.

* * *

Ross Hunt, vice president of the National Bank of South Dakota, was appointed South Dakota district governor of the Exchange Club. He is a past president of the Sioux Falls Exchange Club.

* * *

The Northwest Security National Bank was successful bidder on a \$72,000 bond issue of the South Sioux Falls board of education. The bid

was at the rate of 1.75 per cent with \$51 premium. Three other local banks also entered bids.

The bond issue was authorized last fall for construction of an addition to the school building. The addition is well started and is expected to be ready for opening of the new term next fall.

* * *

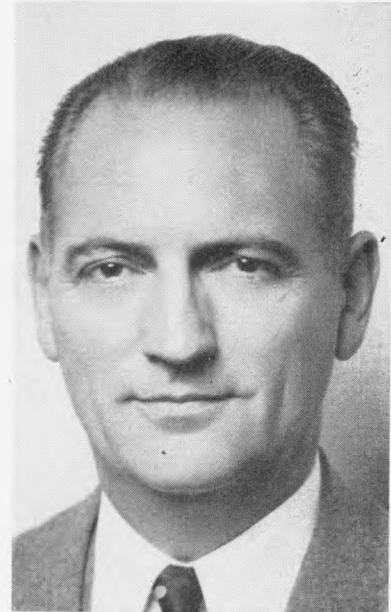
Carl Taylor, director and member of the executive committee of the Northern Bank of Milwaukee, which he helped organize, addressed the Sioux Falls Knife & Fork Club, speaking on "Our Priceless Heritage." Recently Mr. Taylor organized the Waukesha, Wisconsin, State Bank, becoming its

first president. His dairy and livestock farm near Waukesha is said to be one of the finest in Wisconsin.

Senior Vice President

Ransom M. Cook has been named a senior vice president of American Trust Company, San Francisco, according to an announcement by James K. Lochead, president.

Mr. Cook began his banking career



RANSOM M. COOK
Named senior vice president
American Trust Company

at Portland, Oregon, and joined the foreign department of American Trust Company in 1921, where he later specialized in the marketing of bankers acceptances. After several years of experience in all phases of banking he was appointed vice president and manager of one of the bank's country branch offices.

In 1934 Mr. Cook established American Trust Company's office at Sacramento.

Mr. Cook moved to San Francisco in 1940 as vice president and during the last war he handled the bank's extensive V-Loan program. Since that time he has been identified with the bank's commercial loan activities. In his new capacity, he will also supervise the foreign banking department. Having done considerable traveling in the bank's interest, Mr. Cook has a wide acquaintance among bankers.

STATEMENT OF CONDITION	
NORTHWEST SECURITY NATIONAL BANK	
of Sioux Falls, South Dakota <i>South Dakota's Leading Bank</i>	
December 30, 1950	
RESOURCES	
Cash on Hand, in Federal Reserve Bank, and	
Due from Banks and Bankers.....	\$11,617,624.26
U. S. Government Obligations.....	18,339,054.08
State and Municipal Bonds.....	1,171,433.04
Other Bonds and Securities.....	1,634,232.73
	\$32,762,344.11
Stock in Federal Reserve Bank in Minneapolis.....	45,000.00
Overdrafts.....	4,666.06
Loans and Discounts.....	13,874,174.72
Commodity Credit Corp., Grain Loans.....	321,866.15
Banking Houses, Furniture and Fixtures.....	422,396.30
Includes Banking Houses at Sioux Falls, Brookings, Chamberlain, Dell Rapids, Gregory, Huron and Madison, all clear of encumbrance.	
Interest Earned but Not Collected.....	201,231.88
TOTAL	\$47,631,679.22
LIABILITIES	
Capital Stock—Common.....	\$ 500,000.00
Surplus.....	1,000,000.00
Undivided Profits and General Reserves.....	542,225.95
	\$ 2,042,225.95
Reserve for Interest, Taxes, and Other Expenses.....	216,457.07
Interest Collected but Not Earned.....	134,547.46
Deposits:	
Time.....	\$ 7,505,259.19
Demand.....	37,074,688.38
U. S. War Loan.....	658,051.17
	\$45,238,448.74
TOTAL	\$47,631,679.22
BRANCHES AT	
BROOKINGS, CHAMBERLAIN, DELL RAPIDS, GREGORY, HURON, MADISON	
Affiliated with Northwest Bancorporation Member Federal Deposit Insurance Corporation	

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North Dakota NEWS

G. A. KLEFSTAD
President
Forman



C. C. WATTAM
Secretary
Fargo

Convention Coming

Plans are going forward for another tip top convention of the North Dakota Bankers Association, to be held in Fargo on May 25th and 26th. As usual, headquarters will be at the Hotel Gardner.

The hotel reservation committee consists of W. R. Braseth, chairman, Fargo National Bank; H. L. Johnson, Dakota National Bank; George W. Johnson, First National Bank, and R. C. Harrington, Merchants National Bank.

It is suggested that hotel reservations be made as soon as possible.

H. D. Crosby, president of the First National Bank, is general chairman for the convention.

Soil Conservation

The handbook containing the rules and regulations of the 1951 Soil Conservation Achievement program for county committees has been sent to the members of the state and county committees of this program. Each Greater North Dakota Association county director is the chairman of his own county soil conservation achievement program committee which includes besides himself, members appointed by the North Dakota Bankers Association, the North Dakota Press Association, the local county agent, the district conservationist or work unit conservationist appointed by him and the chairmen of the county soil conservation districts in the county. County meetings will be held at the call of the county director and reported to headquarters. This action on the part of county committees insures an early start on the 1951 program.

Test Seed

A warning to farmers to test germination qualities of grains, and especially wheats, is voiced by a number of agencies, governmental and private.

There are two explanations for poor germination—frost injury and seed being binned last fall with high moisture content. There is no way of determining germination qualities except by actual test, it is reported.

In addition to testing for germination, such agencies as the North Dakota Agricultural College extension service and the experiment station urge use of fungicides before planting, not only for cereal seeds, but also for grass seeds, alfalfa, sweet clover and soybeans. Fungicides, controlling disease and decay, aid in germination.

Germination tests can be made on the farm or lots of grain can be sent to the State Seed Department, Fargo.

Special reasons for giving extra care in selection and preparation of seeds include the national emergency, the continuing good market for grains, and the drought losses suffered by grain farmers in the south central part of the country.

TWIN CITY NEWS

(Continued from page 44)

stricted in order that future income cannot be used to purchase goods when demand is already inordinately high.

These measures, he said, would help withdraw from circulation the income earned in production of defense goods and would hold down the spending stream to the limited supply of civilian goods available.

* * *

Emmett J. Erickson, assistant treasurer of the Farmers & Mechanics Savings Bank of Minneapolis, has been nominated for a position on the national executive council of the American Institute of Banking by the Minneapolis chapter. The election will be held at the annual convention of the AIB in Pittsburgh in June. Mr. Erickson was president of the Minneapolis chapter in 1942 and served on the board of governors from 1939 to 1944.

* * *

Speakers at the conference of the Financial Public Relations Association in Minneapolis recently included **Hugh J. Bernard**, Houston, Texas, association president, and **S. G. Gale**, vice president and advertising director of General Mills, Inc. Mr. Bernard is vice president of the Second National Bank of Houston.

Other speakers were **L. L. Mat-**

thews, president of the American Trust Company, South Bend, Indiana; **William O. Heath**, vice president of the Harris Trust & Savings Bank of Chicago; **William D. Hall**, vice president of the Detroit Bank, Detroit, and **S. H. Chelsted**, vice president of the People's First National Bank & Trust Company of Pittsburgh.

* * *

J. Cameron Thomson, president of the Northwest Bancorporation, served as general chairman of the 1951 Farm Forum sponsored by the Minneapolis Chamber of Commerce.

* * *

Louis S. Headley, recently retired president of The First Trust Company of St. Paul, St. Paul, Minnesota, has been named head of the trust faculty of The Graduate School of Banking by **Dr. Harold Stonier**, director of the School. The announcement was made at the annual spring meeting of the School's faculty, held in the Hotel Biltmore in New York last month.

Mr. Headley, long a close associate of **Gilbert T. Stephenson**, succeeds to the post as head of the G.S.B. trust faculty held by Mr. Stephenson since the inception of the school in 1935.

Elects Maxwell Silver

E. Chester Gersten, president of The Public National Bank and Trust Company of New York, has announced that Maxwell Silver of the public re-



MAXWELL SILVER
New vice president of
Public National Bank

lations staff has been advanced from assistant vice president to vice president. Also that Harold C. Beppler of the credit department at the main office has been advanced to assistant cashier.

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National BANK of Omaha
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EARL H. WILKINS
President
Geneva

Nebraska NEWS



CARL G. SWANSON
Secretary
Omaha

Honor 4-H Leaders

One hundred and twenty-five persons attended the recent 4th Annual Dinner honoring 4-H Leaders in Blair, Nebraska, sponsored by the Washington County Bank of Blair. This is triple the attendance at the first meeting and is evidence of the growing interest in the young men and women who assume the responsibility for direction of local 4-H activities.

George T. Hedelund, vice president of the Washington County Bank, organized the annual dinners so these leaders could be given deserved recognition. Awards are presented at the meeting to those with several years of service and also for special accomplishments. It used to be difficult to get men and women to take on the job of leader, says Mr. Hedelund, but now there is a waiting list. The recognition afforded by these annual banquets is undoubtedly an incentive, he believes.

Two leaders received 4-H gold buttons for 15-year service, one was honored for 10 years of service, and 27 others recognized for two or five years of service.

Mr. Hedelund presided over the meeting, which included the awards presentations, a talk by Mal Hansen, farm service director of Station WOW in Omaha, and local entertainment.

The Washington County Bank also furnishes the 4-H magazine free to all 4-H leaders in Washington county.

Change at Palisade

Mrs. A. J. Baxter was elected vice president of the Frenchman Valley Bank, Palisade, Nebraska, to fill the vacancy in this position, following the purchase of full interest in the bank last February by its officers, who are now as follows: A. J. Baxter, president; Margaret E. Baxter, vice president; Viron E. Baxter, cashier, and

Richard L. Baxter and Elsie E. Schipman, assistant cashiers.

Cozad

Following a change in officers of the Cozad State Bank, Cozad, Nebraska, the bank is staffed as follows:

C. T. Young, president; W. E. Young, vice president; C. H. Richey, promoted from assistant cashier to cashier, and Robert W. Bredwell, promoted to assistant cashier.

Remodeling Completed

With the installation of the office furniture the Citizens State Bank of Pawnee City, Nebraska, has completed the redecorating and remodeling of the bank building.

Walls and woodwork of the bank have been painted, an asphalt tile floor laid, a new ceiling put on and fluorescent lights installed.

Office fixtures, counter and teller windows are all of walnut, as is the office furniture.

One of the changes made from the former arrangement is a small area partitioned off in the southwest corner of the main room that provides patrons a private place to open and use their safe deposit boxes.

Receives Award

Retiring Beatrice, Nebraska, Chamber of Commerce President Harold Deitemeyer recently received the Beatrice Junior Chamber Outstanding award for 1950.

The award was announced at the annual dinner meeting of the Chamber of Commerce, an event attended by upward of 400 citizens.

Mr. Deitemeyer, vice president and cashier of the First National Bank, is a member of St. John's Lutheran Church, retiring Chamber president, chairman of the bank management committee of the Nebraska Bankers Association, a director of the Y.M.C.A., and a World War II veteran.

Meet in Hastings

Irrigation and livestock were the topics for a farm meeting in Hastings, Nebraska, March 28th.

Sponsoring the clinic were the City National Bank of Hastings, the Adams County Bank of Kenesaw and the Roseland State Bank.

The meeting was held in the city auditorium. Besides irrigation and livestock, other subjects of interest to farmers were discussed by agricultural specialists, including improved pastures through a livestock program, fertilizers, farm leases, grass and seed production, pasture management and watershed treatment.

Closing the meeting was a panel discussion by farmers.

All farmers in the area were invited to attend the meeting, which was presented in cooperation with the extension service of the College of Agriculture.

Host banks served a free lunch at noon.

Nebraska Group Meetings Schedule

Here are the dates and meeting places for the 1951 Group Meetings of the Nebraska Bankers Association. The Group Meeting Special Train will leave the Union Pacific station in Omaha at 8:35 a. m. on Monday, April 23rd, and will return to Omaha the evening of Friday, April 27th.

Group	Date	Meeting Place
2	Monday, April 23	Columbus
3	Monday, April 23	Norfolk
5	Tuesday, April 24	Lexington
6	Wednesday, April 25	Alliance
4	Thursday, April 26	Holdrege
1	Friday, April 27	Lincoln

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Omaha News

A LOW bid of 1.1 per cent interest on \$555,000 worth of municipal bonds was accepted recently by the Omaha City Council.

The bid was submitted jointly by the **First National Bank** of Chicago and the **City National Bank and Trust Company** of Kansas City, Missouri.

Nine bids were received.

There are three separate bond issues in the total:

Fire equipment bonds, \$100,000.

Sewer bonds, \$250,000.

City auditorium bonds, \$205,000.

The low bid was one-tenth of one per cent below the low bid accepted last year on the arterial highway bond issue.

The other eight bidders on the current issues all quoted the same interest rate, 1.2 per cent.

* * *

Chris J. Abbott, Hyannis, Nebraska, banker and rancher, has been re-

-elected a director of the Mutual Benefit Health and Accident Association of Omaha, one of the companion companies. **W. A. Patterson**, president of United Airlines, was another director renamed.

The companion United Benefit Life Insurance Company re-elected to its board **James P. Lee**, Omaha & Council Bluffs Street Railway Company executive and former Omaha banker.

* * *

Harold Sears of the National Company of Omaha has been elected president of the Nebraska Investment Bankers Association. He succeeded **Ferdinand Smola**.

Other new officers include **Cecil Slocum**, first vice president; **Warren Chiles**, second vice president; **John Redelfs**, third vice president; **Bert Reed**, fourth vice president; **Marshall Barlow**, secretary, and **Harold Helme**, treasurer.

At the annual meeting in Omaha the association heard a talk by **Don Pettis** on "Tax Trends."

* * *

The Treasurer of the United States, **Mrs. Georgia Neese Clark**, and **Lieut. Gen. Curtis E. LeMay**, Commanding General of the Strategic Air Command at Offutt Air Force Base near Omaha, both had a prominent part in the formal opening of the new Bank of Bellevue at Bellevue in the Omaha suburban area, March 17th, St. Patrick's Day.

Under construction since last summer, the bank gives Bellevue, Nebraska's first territorial capital, its first banking institution since the 1850's.

Distinguished guests invited included **Governor Val Peterson** of Nebraska, United States Senator **Hugh Butler** of Nebraska, whose home is at Omaha; **J. F. McLain**, Nebraska banking commissioner, and **Kenneth G. Harvey**, president of the Omaha Chamber of Commerce. Mr. Harvey also is president of the Douglas County Bank of Benson in the Benson area of Omaha.

Mrs. Clark cut a green ribbon opening the doors of the bank at 10:00 a. m. Before that ceremony, the honor guests were welcomed at a program in a theatre adjoining the new bank building.

Bellevue business men wore green ties in honor of the occasion and to mark St. Patrick's Day. Stores were decorated in green.

The bank was to hold open house during the entire day, according to **Hugh W. Campbell**, vice president. Special tours of Bellevue historic spots, including the first Presbyterian Church building in Nebraska, were also planned. Souvenirs were to be given all visitors.

Charles S. Reed, Omaha attorney, heads the bank and was instrumental in its organization.

* * *

Omaha banks increased their business done by check during the first two months of the year by 49 per cent over a year ago, the Tenth Federal Reserve District reported.

Average increase for 40 banks included in the tabulation was 30 per cent.

* * *

The Northwestern Bell Telephone Company has increased its authorized capital stock from \$175,000,000 to \$225,000,000.

The action was taken by stockholders at their annual meeting in Des Moines.

* * *

At a victory dinner to celebrate the enrollment of 17,344 members of Ak-Sar-Ben, Omaha civic organization, the
(Turn to page 52, please)



ADVERTISING AWARD—**Karl Joens**, left, of the Allen & Reynolds advertising agency of Omaha; **Tom Devancy**, center, Omaha World-Herald, and **Ellsworth Moser**, president of the **United States National Bank**, Omaha, are all happy about the first place award from the Midwest Newspaper Advertising Executives Association, based on the "Most Usable Advertising Idea," which in this case was a series of advertisements of the **United States National Bank**, prepared by the Allen & Reynolds Agency. Three hundred campaigns from 32 newspapers in seven states were submitted to the judges.

Northwestern Banker, April, 1951

**“IF IT PERTAINS TO LIVESTOCK...
WE CAN SERVE YOU”**



Stock Yards National Bank
Omaha, Nebraska
 MEMBER OF FEDERAL DEPOSIT INSURANCE CORPORATION

(Continued from page 50)
 largest membership in its history, guests included the Queen of Ak-Sar-Ben, **Miss Gertrude Stewart**, and **J. F. McDermott**, senior vice president of the First National Bank of Omaha and long-time worker for Ak-Sar-Ben. Mr. McDermott recently returned to his desk after a major operation. Miss Stewart is the daughter of **J. T. Stewart, III**, also senior vice president of the First National Bank of Omaha.

In the ranking of teams, the one led by Ak-Sar-Ben Governor **W. B. Millard** and **Willard Hosford, Jr.**, ranked seventh, with 1,355 members.

* * *

Herbert J. Young of the trust department of the First National Bank

of Omaha spoke recently before the Omaha Cosmopolitan Club at the Castle Hotel.

* * *

Mrs. James Gleason has been named advertising manager of The Omaha National Bank. Mrs. Gleason has been associated with the public relations department of the bank since 1947 and



MRS. JAMES GLEASON
 Named advertising manager of
 Omaha National Bank

is editor of the employe magazine, "Around the Bank."

After her graduation from college, she had three years of postgraduate work at the Sorbonne in Paris and took her Master's Degree at the University of Chicago. She has a wide acquaintance in local advertising circles.

* * *

Alvin E. Nelson, 57, assistant cashier in the personal loan department of the Stock Yards National Bank, died recently at an Omaha hospital. He had been associated with the bank for 38 years. He was a member of the Masonic Lodge.

* * *

Harry E. Rogers, assistant vice president of the United States National

Bank of Omaha, retired recently under the bank's pension program.

Mr. Rogers headed the bank's installment loan department for 13 of its 15 years.

President Ellsworth Moser of the bank announced that **Elmer A. Wenberg** and **Kurt J. Buck** will be co-managers of the department. Mr. Rogers was associated with the bank for 40 years. He had been assistant vice president since 1940.

* * *

Arthur R. Larsen, an employe of the Stock Yards National Bank of Omaha for 22 years, has been elected assistant cashier.

Mr. Larsen began with the bank as a messenger boy.

His election to the assistant cashier post was announced by **W. A. Sawtell**, president of the bank.

* * *

Mr. and Mrs. Guy C. Kiddoo of Winnetka, Illinois, former Omahans, spent several days at the Blackstone Hotel recently. Mr. Kiddoo is a former Omaha bank executive.

* * *

At a banquet recently in Omaha's Fontenelle Hotel, when **W. O. Swanson**, Omaha clothing store head, was honored by the National Conference of Christians and Jews for "actively fostering brotherhood and human understanding," the citation was presented to him by **Dale Clark**, chairman of the board of the Omaha National Bank. Mr. Swanson is co-chairman of the Omaha Chapter of the National Conference.

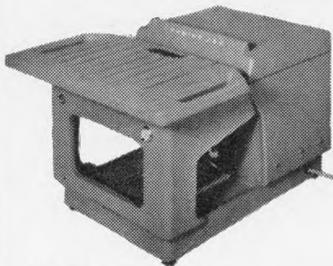
* * *

An Omaha woman, as a gesture of appreciation for "courtesy at the counter," sent a five-pound box of candy recently to eight girls employed in the savings department of the **United States National Bank** of Omaha.

* * *

Mrs. Bulah Meile, 71, wife of **B. H. Meile**, former vice president of the Omaha National Bank and mother of **Herbert Meile**, vice president of the Douglas County Bank of Omaha, died

**CUMMINS ELECTRIC
 CHECK ENDORSER**



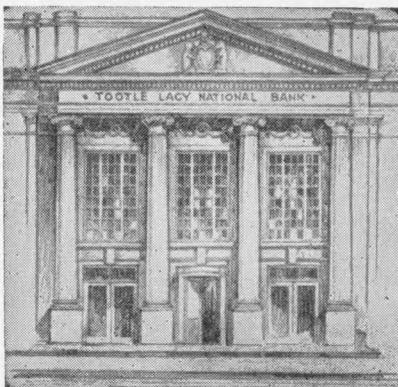
List and
 Endorse
 in one
 operation.

**CUMMINS
 ELECTRIC
 CHECK
 CANCELLER**



Desk Model
 Trouble Proof—
 Fast—No
 Operator Fatigue!

M. I. (Bud) GREENSPAN
BUSINESS MACHINES & EQUIP. CO.
 MINNEAPOLIS: 2728 Second Ave. South
 OMAHA: 208 Patterson Bldg.



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

TOOTLE-LACY

MILTON TOOTLE
 PRESIDENT

FRED T. BURRI
 CASHIER

R. E. WALES
 VICE PRESIDENT

GRAHAM G. LACY
 CH. OF THE BOARD

recently at Parker, Colorado. Three other sons and a daughter also survive.

* * *

A veteran of more than 25 years of social welfare work, **Daniel J. Monen**, was chosen president of the United Community Services of Omaha at the recent annual directors' meeting. Mr. Monen is vice president of the Omaha National Bank. He is a graduate of Creighton University Law School.

Edward W. Lyman, vice president of the United States National Bank of Omaha, was named vice president of the United Community Services.

Among those elected to the board of directors were Mr. Lyman and **John F. Davis**, senior vice president of the First National Bank of Omaha, three-year terms, and Mr. Monen and **Edward F. Pettis**, former Omaha banker, two-year terms.

Gift to Scouts

A tract of four and a fraction acres in size on a farm owned by H. P. Haessler, cashier of the Leshara State Bank, Leshara, Nebraska, has been given by him to the Trinity Lutheran Church scout troop. The tract is a timber land. Mr. Haessler is a member of the congregation.

5th Anniversary

The Springfield, Nebraska, State Bank marked its fifth anniversary recently.

Deposits have increased from \$193,000 on the first day to \$763,000 reported a short time ago. The capital structure has advanced from \$35,000 to its present figure of over \$48,000.

Taylor Jarman is president, Otto Nielsen is vice president, and C. R. Caley is cashier.

"FARM CLINIC" A SUCCESS

(Continued from page 18)

Klemme stated, "That's why I am definitely 'bullish' about the long run outlook."

Dr. L. E. Hanson, professor of animal husbandry at the University of

Minnesota, told the audience "What's New in Swine Feeding and How Can I Use It." A native Minnesotan, Dr. Hanson, was on the animal husbandry staff for 10 years at Nebraska after studying swine feeding methods in Europe, particularly in Denmark. He is a recognized authority in this field and provided his audience with much technical data and feeding formulas to produce hogs most efficiently.

Eating Habits Changed

The windup speaker on the program was Howard J. Gramlich, general agricultural agent for the Chicago and Northwestern Railway System, who lives in Chicago. Mr. Gramlich spiced his "Current Cattle Comment" talk with numerous and humorous stories that ended the meeting in a light vein. Mr. Gramlich also referred to the change in the public's eating habits. He said a quick visit to any hotel, restaurant, railroad dining car or private residence would confirm his state-

ment that more people today want lean meat, and fat is being thrown out with the waste.

He said his advice would be the same as the policy followed by range ranchers who won't sell cattle as a rule until fall so they can put on weight quickly by grass feeding. Since people want meat the year around, stated Mr. Gramlich, the corn farmer has a ready market for his cattle at his own convenience. He also urged farmers to make their own silage, which can be done cheaply with the farm machinery they now own.

Mr. Gramlich's talk completed a day of extreme interest on the part of the hundreds of farmers in attendance. At the conclusion of the meeting there were many favorable comments.

Mr. Stout said he felt it was the finest public relations work his bank had ever undertaken and is one that could be beneficial in any locality to the bank and its customers alike.—The End.



In Lincoln—The Continental—

Headquarters for
quick and efficient service
in Lincoln

The
**CONTINENTAL NATIONAL
BANK**
of
LINCOLN

Member Federal Deposit Insurance Corporation

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

NATIONAL BANK ST. JOSEPH, MO.

E. H. SCHOPP
ASST. VICE PRES.

E. L. CRUME
ASST. VICE PRES.

MILTON TOOTLE, JR.
ASST. CASHIER

GILBERT TOOTLE
ASST. CASHIER

A. E. LA BOUFF
AUDITOR

Member Federal Deposit
Insurance Corporation

Lincoln News



INCOLN bank clearings for the month of February totaled \$32,250,- 582.22. This compares with \$25,481,-

899.07 for the same month last year. January-February totals for this year showed an increase of \$15,711,-

090.38 over a similar period for last year. The two-month total for 1951 is \$70,621,220.70 as compared with \$54,910,130.31 for 1950.

February clearings for each year were less than for January, but gained this year over 1950. The January total for 1951 of \$38,370,638.48 compares with \$29,428,231.24 for the same month in 1950.

* * *

Recently the **National Bank of Commerce, Lincoln**, had its First Annual Correspondent Bank Forum. Invitations were sent to all the correspondents of the bank and three hundred bankers throughout Nebraska accepted the invitation. It was a one-day forum, with registration from 9:00 to 10:00 in the morning. The program started at 10:00 and was packed full of down to earth information on every-day problems in a bank. Each speaker was given 30 minutes to deliver his talk and an additional 15 minutes for a question and answer period.

John W. Johnson of the wage and hour division at Kansas City, Missouri, started off the program with a talk on "Wage and Hour." He also got into the discussion of the new wage hour freeze.

Albert A. Held, executive vice president, National Bank of Commerce, talked on making loans on life insurance policies.

D. W. Woolley, vice president, Federal Reserve Bank, Kansas City, talked on "Regulation 'W' and Regulation 'X' "

After lunch **Carl D. Ganz**, vice president, National Bank of Commerce, talked on "Chattel Mortgages" and started a lively discussion afterwards.

The next speaker was **Melvin Todd**, first vice president of the Cornbelt Live Stock Feeders Association, who discussed with the group live stock feeding and the impending legislation on agriculture.

The next speaker, **L. M. Schwartz**, executive vice president, Citizens State Bank, Paola, Kansas, talked on "Customer Relations." After this, **Byron Dunn**, president of the National Bank of Commerce, summed up the day's proceedings and conducted a question hour.

At 5:30 the delegates attended a social hour and at 6:30 a dinner. After dinner **William E. Phiefer, Jr., D.D.**, of the Central Presbyterian Church of Kansas City, Missouri, gave a very entertaining and inspiring talk entitled "The Man for Tomorrow."

80th Anniversary Year



We Are Looking Forward to
Seeing You at the Group
Meetings of the
Nebraska Bankers Association

THE FIRST NATIONAL BANK OF LINCOLN

LINCOLN, NEBRASKA

Member Federal Deposit Insurance Corporation

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

De Maio Appointed

John J. L. Dennen, pioneer in the field of foreign remittance, has retired from his position as assistant vice president of American Express Company and the American Express Company, Inc., Ralph T. Reed, president, has announced. As his successor, Mr. Reed appointed Vincent De Maio to the position of assistant vice president. Mr. De Maio formerly was manager of the service division of the American Express foreign remittance and exchange department.

Mr. Dennen, who began his career with American Express in 1900 as a sorting clerk in the waybill department, was the originator of the foreign money order, for the transmission of funds to foreign countries by mail and cable. The business he had pioneered weathered two world wars and a world-wide depression and today continues as a major activity of American Express.



FORUM—A view of a part of the delegates attending the National Bank of Commerce First Annual Correspondent Bank Forum in Lincoln.

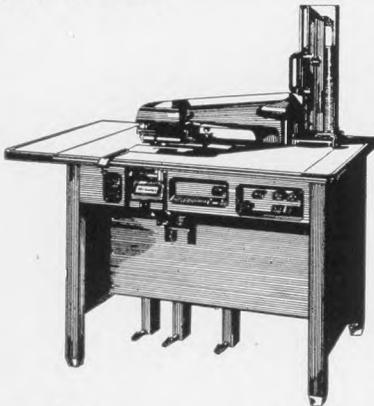
W. W. Woolley, vice president, Federal Reserve Bank, Kansas City, is addressing the group on Regulations X and W.

Investigate

Addressograph

Savings

Addressing by hand or typewriter method costs 10 times as much as the modern Addressograph method.



Addressograph

TRADE MARK REG US PAT OFF

**OMAHA — DES MOINES
DAVENPORT**

BANKS Bought and Sold

Confidentially and with becoming dignity
BANK EMPLOYEES PLACED
46 Years Satisfactory Service
CHARLES E. WALTERS CO.
OMAHA, NEBRASKA

Attend

the Nebraska Group Meeting

April 23 to April 27

See our representatives

Carl Ganz, Vice President

Glenn Yaussi, Vice President

NATIONAL BANK of COMMERCE

LINCOLN, NEBRASKA

49 Years at 13th and O Streets

Home of Complete Banking Service

Organized Aug. 4, 1902

Member Federal Deposit Insurance Corporation

Gering National Is Sold

A. N. Mathers, who has piloted the Gering National Bank, Gering, Nebraska, for 41 years, last month sold the controlling stock to former Nebraska Governor Dwight Griswold, who became president and active manager.

Approximately a quarter of a million dollars was involved in the sale. J. G. Elliott, Scottsbluff insurance man, and Brigadier General Warren Wood of Gering, assistant commander of the 34th Division of the Nebraska National Guard and publisher of the Gering *Courier*, are associated with Mr. Griswold in the purchase. Mr. Mathers retained some stock and will continue as chairman of the board of directors. The sale was negotiated by Bankers Service Company, with offices at Des Moines, Iowa, and Colorado Springs, Colorado.

In announcing the sale Mr. Mathers, who is nearing his 70th birthday, said 40 years at his desk had sapped his strength and his health had been impaired during recent months. Through the years he has been dominant in the policies which have made the bank an outstanding success but he also found time to engage in other activities. He was the first mayor of Gering, a leader in the development

of irrigation and past president of the State Irrigation Association, past president of the Valley Chamber of Commerce, former representative and



DWIGHT P. GRISWOLD
Now controls
Gering National Bank

speaker of the house in the Nebraska legislature, and in 1930 was president of the Nebraska Bankers Association.

His advice and counsel will be valuable to the new owner.

Dwight P. Griswold was governor of Nebraska from January, 1941, through 1946. He is well versed in the banking business. His father, D. H. Griswold, homesteaded near Harrison in Sioux county, Nebraska, before the railroad arrived and operated the first bank in Harrison from 1890 to 1900. Later the elder Griswold moved to Gordon, Nebraska, and was president of the First National Bank until his death in 1928. Dwight Griswold kept books in the bank during summer vacations while attending school, later became assistant cashier and after two years of service in World War I was made cashier, serving in that capacity for eight years. He then purchased the Gordon *Journal* and served as its editor and publisher while remaining as chairman of the board of directors of the bank, the largest on the Northwestern Railroad west of Norfolk and about the same size as the Gering National, whose last published statement showed total assets in excess of five million dollars.

Governor Griswold is past president of the Nebraska Press Association, a past state commander of the American Legion and was appointed by President Truman to head the American mission for aid to Greece following the end of World War II. He moved to Scottsbluff about a year ago.

OFFICERS

- G. E. Porter
Chairman of the Board
- J. A. Greenfield
President
- T. J. McCullough
Vice President
- M. E. Blanchard
Cashier
- H. H. Broadhead, Jr.
Assistant Vice President
- L. J. Komer
Assistant Cashier

Our Special Background

Through the long experience of our officers in the livestock industry, this bank is especially adapted to help you and your customers in the production and marketing of live stock. Any bank located in the St. Joseph market area can make valuable use of our facilities. We invite you to use them.



"ONLY BANK IN THE YARDS"

Member Federal Deposit Insurance Corporation

Assistant Sales Manager

Otis A. Kendall has been appointed assistant sales manager for tabulating machines, management controls division, Remington Rand, Inc., it was announced by H. W. Millang, accounting-tabulating sales manager.

District Manager

The St. Paul Terminal Warehouse Company has appointed George V. Mickelsen as district manager in its Des Moines office, according to an announcement by R. C. Schall, vice president of the company. Mr. Mickelsen will represent the company in Iowa, northern Missouri, and western Illinois.

Mr. Mickelsen, a native of Northfield, Minnesota, served four and one-half years with the 34th Division in the

BANK POSITIONS

For Qualified Men and Women, Beginners to Top Executives. No Charge to Applicants. All Correspondence Confidential. Write for Application.

HENRY H. BYERS, President

BANKERS SERVICE CO., INC.
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European Theater, and became associated with the St. Paul Terminal Warehouse Company in 1948, following his graduation from the Univer-



GEORGE V. MICKELSEN
New District Manager, St. Paul Terminal Warehouse, Des Moines

sity of Minnesota with a bachelor of science degree from the college of education.

With St. Paul Terminal, Mr. Mickelsen has been servicing accounts in Minnesota, North Dakota, Upper Michigan and Missouri. He is married and has one daughter.

Guard Against Attack

An intensified program of branch plant expansion and decentralization, aimed at safeguarding its customers' sources of supply against possible enemy attack, has been announced by the Todd Company, Rochester, New York, manufacturer of protected, insured checks.

The program gained new impetus on April 1st, when the company occu-

piated new and enlarged facilities in Chicago. More than \$600,000 is invested in the total program to date, according to A. Richard Todd, executive vice president in charge of manufacturing.

"Aim of the decentralization plan, which has been greatly accelerated since heightened international tension has raised the possibility of enemy attacks, is to provide Todd check customers in any part of the country with

ten independent sources of supply," Mr. Todd said.

Until recently the nine Todd branch plants have been limited in the kinds of printing they could do and the types of check they could manufacture. When the expansion and decentralization program is completed, each branch will duplicate as closely as possible facilities of the main plant in Rochester, so that each branch can operate independently.

PAYC

Pay-As-You-Check

**the Simplified
No Minimum
Balance
Check Plan**

UNITED STATES CHECK BOOK COMPANY
1311 HOWARD ST. OMAHA

THE IOWA GROUP

IOWA MUTUAL INSURANCE COMPANY

Since 1900

IOWA MUTUAL CASUALTY COMPANY

DeWitt, Iowa

Multiple Lines — Non-Assessable Policies

Agency Companies

First National Bank of Omaha

Oldest National Bank From Omaha West

Member Federal Deposit Insurance Corporation

Our 24 HOUR
 TRANSIT SERVICE
 KEEPS YOUR TRANSIT ITEMS
IN-TRANSIT!

LIVE STOCK *National* BANK
 O M A H A , N E B R A S K A
 THE BANK OF FRIENDLY 24-HOUR SERVICE
 Member of Federal Reserve and Federal Deposit Insurance Corporation



J. H. PULLMAN
President
Sidney

Iowa NEWS



FRANK WARNER
Secretary
Des Moines

Joins Mt. Ayr Bank

Ray Jayne, formerly vice president, Decatur County State Bank of Leon, Iowa, from which position he resigned January 1, 1951, was made cashier of the Security State Bank, Mount Ayr, Iowa, at the last regular board meeting, according to H. M. Ross, president of Security State.

New Officers

R. M. Whitehead has been elected executive vice president and cashier of the Ainsworth State Bank, Ainsworth, Iowa. Other promotions were those of Cleo Orris and Virgil Hering as assistant cashiers.

With Alton Bank

E. S. Kiernan, cashier of the Alton Savings Bank at Alton, Iowa, reports a new addition to the bank staff, Miss Adele Jungers, who is in the book-keeping department. Miss Jungers is a recent graduate of St. Mary's high school at Alton.

Riverside Bank Sold

Last month Iven H. Cummings, president of the Peoples Trust & Savings Bank of Riverside, Iowa, sold his stock in the bank, together with his home in Riverside and his insurance business to G. B. Kirchner of Britt, Iowa. Mr. Kirchner assumed Mr. Cummings' position as president and his son, Don F. Kirchner, was elected to the position of cashier.

State Bank Changes

The following changes have taken place in the status of Iowa chartered banks, according to Newton P. Black, superintendent of the Iowa Department of Banking:

Guaranty Bank & Trust Company, Cedar Rapids, increased capital from \$200,000 to \$400,000 by a stock dividend.

Delhi Savings Bank, Delhi, increased capital from \$20,000 to \$30,000 by sale of new stock.

Buffalo Savings Bank, Buffalo, increased capital from \$15,000 to \$30,000 by a stock dividend.

Central State Bank, State Center, increased capital from \$60,000 to \$75,000.

Preferred stock of \$30,000 was retired. Common stock was increased \$45,000 by a stock dividend.

Miles Savings Bank, Miles, increased capital from \$30,000 to \$60,000 by a stock dividend.

25th Anniversary

The Jefferson State Bank of Jefferson, Iowa, celebrated its 25th anniversary last month with an open house for its customers and friends. Despite inclement weather, 3,000 people passed through all departments of the bank and during rush periods a line was formed outside the bank waiting entrance. Great interest was shown in a 25-inch birthday candle, with all visitors contesting over the length of time the candle would burn. Many visitors examined carefully displays of United Nations currencies and early Iowa bank notes furnished by Chase National Bank of New York for the occasion, and also a display of counterfeit bills furnished by the FBI.

At a dinner in the evening, R. H. Maloney, executive vice president; Thelma I. McClure, assistant cashier, and Albert J. Robertson, director, were honored for their 25 years of service to the bank with appropriate gifts. W. H. Brenton, president and director, and G. C. Kelly, vice president and director, also completed 25 years with the bank.

Elected President

Leo O'Brien has been elected president of the Security State Bank at Independence, Iowa, to succeed his brother, R. J. O'Brien, who passed away last fall. Howard D. Rawson and Clyde Elliott were elected as new directors to fill the vacancies caused by the death of R. J. O'Brien and the resignation of Roger L. Wheeland, who is now associated with the Newton National Bank.

Arthur A. Satterlee is vice president and John Corcoran, Jr., is cashier.

George F. Schilling

George F. Schilling, 87, died at Municipal Hospital, Tampa, Florida, recently. He had been spending the winter in Florida as usual in past years.

He helped organize Central State Bank, State Center, Iowa, which opened January 2, 1902, was elected a director and served continuously for nearly 50 years since its organization.

He was in the hardware and machinery business in State Center for many years, in partnership with his brother, E. H. Schilling.

Mr. Schilling was a Mason and a member of Za-Ga-Zig Temple, Des Moines.

Make Improvements

Some attractive improvements have been made in the office of the Citizens State Bank in Donnellson, Iowa.

Improvements include removal of the high cages around the counters, lowering of the ceiling and installation of acoustic tile material in place of the former metal panel ceiling, rewiring the entire bank building, installation of fluorescent lighting and redecorating the interior of the banking offices.

A new National Cash Register book-

Iowa Group Meetings Schedule

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 this information becomes available it will be published in forthcoming issues of the NORTHWESTERN BANKER for your convenience.

Group	Date	Meeting Place
5	Tuesday, May 8	Council Bluffs
10	Wednesday, May 9	Chariton
8	Thursday, May 10	Muscatine
7	Friday, May 11	Iowa City
4	Tuesday, May 22	Decorah
3	Wednesday, May 23	Iowa Falls
2	Thursday, May 24	Emmetsburg
6	Friday, May 25	Boone

keeping machine has been added to the office equipment.

Southwest Iowa Meeting

James Pullman, Jr., was elected president of the Southwest Iowa Bankers Association at a dinner meeting in Essex. He is cashier of the Fremont County Savings Bank at Sidney.

Other officers are Orville Thompson, cashier, Page County State Bank, Clarinda, vice president; Lester Anderson, assistant cashier, Houghton State Bank, Red Oak, treasurer, and Mrs. Joe Zdychne, assistant cashier, Randolph State Bank, secretary.

Louis R. Boettcher, cashier, Nodaway Valley National Bank, Villisca, was the retiring president. About 125 bank officers and employees were there.

Three Promotions

The board of directors of the First Trust and Savings Bank, Davenport, Iowa, recently announced three promotions.

W. C. Siddle, vice president and trust officer, has been given the additional title of cashier. G. W. Thompson, assistant cashier, has been promoted to assistant vice president. E. A. Meisenbach has been promoted to assistant cashier.

Moves to Tama

A. H. Hochberger has resigned as cashier of the First State Bank of Audubon, Iowa, to accept a position with the Tama State Bank at Tama. Before joining the Audubon bank in 1949, Mr. Hochberger was associated with the Cresco Union Savings Bank in Cresco.

Wells Spencer Short

Wells Spencer Short, 85, chairman of the board of the Northwestern State Bank at Orange City, Iowa, died last month after an illness of two weeks. He is survived by his widow and one sister.

Mr. Short had been associated with the Northwestern State Bank for 60 years, first as a bookkeeper in 1884, then in 1904 he bought controlling interest in the bank and was chairman of the board from that time until his death. He retired as president in 1945.

New Chariton Cashier

Oliver Hagglund has been elected cashier of the National Bank and Trust Company in Chariton, Iowa, it was announced recently by A. R. Hass, president. Mr. Hagglund has been a Chariton resident for a number of years. He served in various capacities for the FHA, then from 1945 to 1950 owned and operated a machinery store in Chariton, after which he returned to FHA supervisory work.

60th Anniversary

The Henry County Savings Bank of Mt. Pleasant, Iowa, recently passed its 60th year since founding. Capital at the time of organization in 1891 was \$36,000, while today capital is \$100,000 and surplus is \$150,000.

New Director

Francis L. Cudahy, attorney, was elected to the board of directors of the Home State Bank of Jefferson, Iowa, at the annual meeting recently.

With Northwood Bank

Paul G. Kruggel, formerly of Mason City, is the new assistant cashier of the Northwood State Bank, Northwood, Iowa, where he took over his duties recently.

Bank Examiner

Carleton Groszkruger has accepted a position as assistant bank examiner

Headquarters
FOR
**NORTHEASTERN IOWA
BANKERS**

☆ More and more bankers are relying on the complete facilities of the National Bank of Waterloo. You also will find it to YOUR advantage to use the prompt, efficient service of this bank.

THE
NATIONAL
BANK
OF
WATERLOO

MEMBER . . . FEDERAL DEPOSIT INSURANCE CORPORATION, FEDERAL RESERVE SYSTEM

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

Government Securities and your Bank

THE management of the portfolio of United States Government securities is a major job in every bank today. To aid our correspondent banks in this task, we send them a weekly quotation sheet, buy and sell government securities for them as agent without fee and if desired hold the securities in safekeeping without charge.

This is only one of many services we have been rendering banks and bankers throughout the Middle West for over three-quarters of a century. We shall be pleased to explain these services in more detail.

The
LIVE STOCK
National BANK of Chicago

ESTABLISHED 1868

UNION STOCK YARDS



Member Federal Deposit Insurance Corporation

Northwestern Banker, April, 1951

for the Federal Reserve Bank of Minneapolis, Minnesota. He assumed his new duties March 1st.

Mr. Groszkruger will spend a considerable amount of his time examining banks in Montana, South Dakota, North Dakota, Minnesota, Wisconsin and northern Michigan.

He worked in the bank at Collins, Iowa, for eight months and then accepted a position in the Citizens State

Bank in Belle Plaine, where he has been for the past three and a half years, more recently as assistant cashier.

Kenneth Fidler will succeed Mr. Groszkruger as assistant cashier.

Jonas B. Buser

Jonas B. Buser, 84, of Conesville, Iowa, died last month of a heart attack at his home. He was president

of the Louisa County National Bank at Columbus Junction. He was a former state senator from Louisa and Muscatine counties.

Frank Williams Dies

Frank D. Williams, president of the First National Bank of Iowa City, died last month after a long illness. Mr. Williams was a native of Hampton, Iowa, and attended both Grinnell College and the University of Iowa, graduating from the State University.

He was a director of the Federal Reserve Bank of Chicago for 10 years and was active in the affairs of the Iowa Bankers Association.

Jeffers Promoted

Walter W. Jeffers, who has represented The National City Bank of New York in its mid-west territory, last month was appointed assistant



WALTER W. JEFFERS
Now assistant vice president of National City Bank

vice president of the bank. He was previously an assistant cashier. Mr. Jeffers graduated from Harvard University in 1936 with an A.B. degree.

★ ★ ★
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Our forefathers tell of the interesting practice of leaving the latchstring hanging outside the cabin door. While we can't actually leave our key hanging outside for 24 hours daily, the "latchstring" idea is still an important policy in this bank. As our correspondent, you are welcome any time, and we are truly at your service, night or day.

You will find a most satisfactory correspondent relationship here at the First National Bank in Sioux City.



J. T. Grant, *President*

H. V. Bull, *Vice President*

W. L. Temple, *Vice President*

J. R. Graning, *Cashier*

E. A. Johnson, *Assistant Cashier*

H. H. Strifert, *Assistant Cashier*

K. J. Shannon, *Assistant Cashier*

E. E. Snell, *Assistant Cashier*

E. V. Hoffman, *Assistant Cashier*



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RELATIONSHIP

VALLEY BANK AND TRUST COMPANY
DES MOINES

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, April, 1951



A LARGE contingent of Des Moines bankers attended the National Installment Credit Conference in Chicago last month, including the following:

Robert K. Popple, assistant cashier, and **Hugh Van Hoese**n, installment credit department, Bankers Trust Company.

Warren Ferguson, assistant cashier, Capital City State Bank.

Arthur T. Donhowe, vice president, and **D. D. Keller** and **G. W. Bartmess, Jr.**, assistant cashiers, Central National Bank and Trust Company.

Gerald O. Nelson, vice president, Iowa-Des Moines National Bank.

Carl K. Frederickson, cashier, State Bank of Des Moines.

Ray Thompson, vice president, and **George W. Gill**, assistant cashier, Valley Bank and Trust Company.

* * *

The **First Federal State Bank** has lengthened its banking hours on Fridays so that patrons now find the bank open from 9:00 a. m. to 8:00 p. m. The added hours were for the convenience of customers, since the bank is closed all day Saturdays.

* * *

A would-be fast check artist was snagged at the **Bankers Trust Company** last month before he could get away with his plan to withdraw \$1,000 in cash. The man opened an account with Bankers Trust one morning for \$50. That same day he deposited a check for \$1,300, drawn on the Dysart National Bank. Bankers Trust employes and officers became suspicious and phoned the Dysart National, learning that the man was unknown to the Dysart bank and had no account there.

The following morning the "new

customer" returned to Bankers Trust and made out a check for \$1,000 cash, to be withdrawn from the account to which he had deposited the \$1,300. Trouble began to happen for him at that time. He signed the wrong name, writing "Patterson" instead of "Peter-son" as he had opened the account, then local police officials stepped in and arrested him. Since the check had not been actually cashed, he was taken to court, tried and convicted on the lesser charge of impersonating a police officer. He had stated when opening the account that he was an officer. He was sent to jail for 30 days.

* * *

The Valley Bank and Trust Company last month inaugurated a new type of employe training program when all members of the staff, excluding officers, attended a dinner meeting at the Des Moines Club. **Bob McGee**, note teller, is moderator of the program and was speaker at the first meeting. He discussed "Iowa Banking History," a subject which was the theme of his thesis submitted at the Wharton School of Finance.

The dinner meetings will be held once each month, at which time a department head or officer will explain the functions of every job in the bank, so that each employe can visualize the over-all operations of the bank and how his own job fits into the pattern of bank activity. Each talk will be followed by a discussion period to bring out specific points not covered by the speaker.

The meetings are for employes and officers are invited to the meetings only as the speaker of the evening.

* * *

L. Nevin Lee, vice president of

Bankers Trust Company, reported last month that Polk county had exceeded its goal of \$175,130 for the American Red Cross, with a total of \$178,188. Mr. Lee was chairman of the 1951 Fund Campaign for Polk county. Following over-subscription of the county goal, he received this wire from **David Sarnoff**, national chairman of the Red Cross 1951 Fund Campaign:

"Congratulations to you and all your associates on an excellent performance. I understand Polk county is the second Red Cross chapter of its size to report success in the 1951 Fund Campaign. This is a fine tribute to the generous and patriotic support of your community."

* * *

Marilyn Jean Framness and **Clark A. Colby** were married in Des Moines last month. The bride is the daughter of **Mrs. B. Framness**, veteran teller at the First Federal State Bank.

* * *

Two well-known veteran employes of the Iowa-Des Moines National Bank, one of them retired, died last month. **James Burson**, 69, former assistant cashier, who retired last year after 46 years' service with the bank, died at Iowa Lutheran Hospital in Des Moines after illness forced him to return from a vacation in Atlanta, Georgia. He is survived by his widow, Irma; three daughters, a brother, a sister and five grandchildren.

William Frank Howell, 57, assistant cashier at the Iowa-Des Moines National, died of a heart attack at his home. He was also treasurer of the Iowa Building and Loan Association. He is survived by his widow, two brothers and one sister.

* * *

John B. Monahan, assistant cashier, Bankers Trust Company, was listed last month as one of Iowa's all-time basketball greats. His record of being selected three successive seasons as a player on the All-Missouri Valley team was the basis of his nomination for the Iowa Hall of Fame. Mr. Monahan played for Drake University in Des Moines.

* * *

Edward A. Slininger, 71, former Des Moines banker, died in Los Angeles last month after a lengthy illness. Mr. Slininger was vice president of the Peoples Savings Bank in Des Moines until it was consolidated with Bankers Trust Company in 1928.—The End.

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In the DIRECTOR'S ROOM



Lost Cause

A Washington matron once boasted she could make President Coolidge talk. Cornering him at a dinner, she sought to make good her boast.

"Oh, Mr. President," she said, trying to disarm him with frankness, "I have made a bet that I can make you say at least three words."

"You lose," Coolidge replied.

Mystery

A man was discovered by his wife one night standing over his baby's crib. Silently she watched him. As he stood looking down at the sleeping infant, she saw in his face a mixture of emotions—rapture, doubt, admiration, despair, ecstasy, incredulity. Touched and wondering alike at this unusual parental attitude, the wife with eyes glistening arose and slipped her arms around him.

"A penny for your thoughts," she said, in a tremulous voice. He blurted them out:

"For the life of me, I can't see how anybody can make a crib like that for \$3.49!"

Behind the News

A traveler one night found himself obliged to remain in a small town on account of a landslide on the railway, caused by heavy rain which was still falling in torrents. The traveler turned to the waitress with: "This certainly looks like the flood."

"The what?"

"The flood. You've read about the flood, and the ark landing on Mount Ararat, surely."

"Mister," she returned, "I haven't seen a paper for three days."

Equal

A woman with a dog in tow was preparing to board a train.

"I suppose," she said to the train conductor, "if I pay fare for my dog he will be treated the same as other passengers and be allowed to occupy a seat?"

"Of course, madam," the conductor replied, politely, "he will be treated the same as other passengers, and can occupy a seat, provided he does not put his feet on it."

Gentleman of the Jury

A young lawyer was presenting his first case in court. It was a simple damage suit of a farmer against a railroad company whose train had killed 24 of his hogs, but the youngster was trying to dramatize it.

"Just think of it, gentlemen, 24 hogs," he stated impressively, "Twenty-four! That's twice the number there are on the jury!"

A Plurality

If more than one mouse is mice and more than one louse is lice, then you'll agree that more than one spouse is spice.

Gentle Hint

A customer sat down at a table in a smart restaurant and tied a napkin around his neck. The scandalized manager called a waiter and instructed him, "Try to make him understand, as tactfully as possible, that that's not done."

Said the thoughtful waiter to the customer: "Pardon me, sir, shave or haircut, sir?"

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LEGAL

Is Faulty Filing of Tax Return Always Evidence of Fraud?

Q. Kerr, a banker, filed a federal income tax return which contained various deficiencies. Subsequently these were paid by him. The revenue people sought to collect, in addition, a penalty of 50 per cent under the law which runs to the effect that such a charge is in order if any part of a deficiency is due to fraud. The deficiencies were not the result of bad faith, intentional wrong doing, and sinister motives on Kerr's part, although the revenue men suspected that they were. Could the penalty charges be collected?

No. The responsibility for filing a correct federal income tax return is that of the taxpayer, but a failure to file a correct return does not necessarily constitute fraud. Fraud implies bad faith, intentional wrong doing, and a sinister motive. It is never imputed or presumed and the courts should not sustain findings of fraud upon circumstances which at the most create only suspicion.

Q. Suppose that, in the preceding question, Kerr had actually been guilty of fraud in making his income tax return and that this had been discovered and that the 50 per cent penalty had been assessed. Suppose further that Kerr had died before the penalty had been collected. Would his estate have been liable for it?

Yes. In the early cases on the subject liability for additions for fraud to deficiencies in federal income taxes was not considered to survive the taxpayer's death. The rule now, however, is that such liability survives the death and is enforceable against the taxpayer's estate.

Q. Buckley, a banker, became interested in horseback riding as an incident to keeping in top flight physical condition. In hiring a horse from a riding academy the owner, without saying anything about it, assigned to him an animal that was unsuitable



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

and dangerous. Because of those propensities Buckley became involved in a spill and was seriously hurt. Could he recover from the owner for his damages?

Yes. The relationship between a liveryman and his customer is that of a bailor and bailee for hire, and the bailor assumes the liability which a contract of bailment imposes. He owes a duty to furnish a horse which is reasonably fit and suitable for the purpose for which it is let. If he knows, or in the exercise of reasonable care should know, that a horse is unsuitable or dangerous, he is liable for injuries resulting from any vicious propensities of the animal. Iowa, Wisconsin, Indiana and Kentucky are among the jurisdictions so holding.

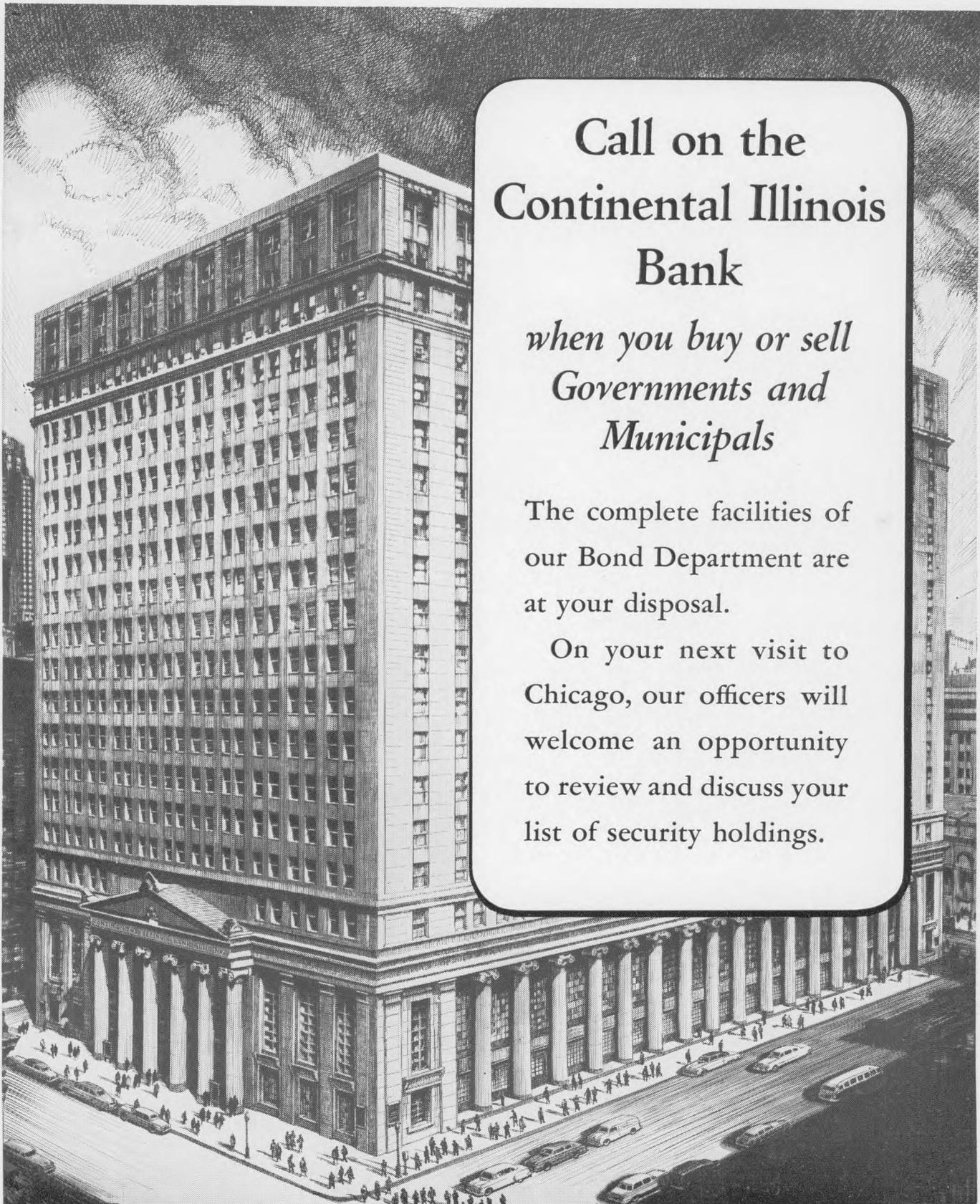
Q. Suppose that a trust company is appointed guardian of the estate of an insane person and that the insane person subsequently gets hold of a re-

volver and shoots and injures another. Can the injured person recover compensatory damages from the insane person and his estate under the general rules of law applicable to such situations?

Yes. By the great weight of authority an insane person is civilly liable for his torts. A person who is damaged should be compensated for his damages. The fact that an insane person, theoretically, is not capable of having an intent to injure, will not permit him to escape liability because intent is not a necessary element of a cause of action in a civil case of this type.

Q. Franco, a banker, was also in the business of installing refrigeration equipment. He hired a salesman on a commission basis to solicit installations. The salesman secured a job which was duly installed. The purchaser paid all but part of the purchase price. Franco, without the knowledge of the salesman, voluntarily released any claim for a lien he might have. Franco did not, however, pay the salesman his commission. It was understood between Franco and the salesman at the time of his employment that Franco would make any collections and would not pay to him his commissions until he, Franco, was paid for the jobs that were obtained. Was Franco, nevertheless, liable for the commission?

Yes. The action of Franco in releasing the lien without the salesman's knowledge placed Franco in a position where he could not validly withhold the payment of his salesman's commission until he, Franco, was paid in full. To put the matter another way, Franco should not be permitted to voluntarily do an act that would make collection of the unpaid balance more difficult or impossible, and then plead non-payment thereof as a defense in an action against him for commissions due.



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Iowa is widely regarded as a great agricultural State. Not generally recognized is the fact that industry has firmly established itself in Iowa. In 1950 the estimated value of manufactured products was \$2,500,000,000 compared to the cash farm income estimated at \$2,000,000,000. This wholesome balance between industry and agriculture benefits all Iowa.

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