

NORTHWESTERN *Banker*

NOVEMBER
1952



The Outlook for Cattle Feeder Loans

—Survey, Pages 14, 15

Nebraska Bankers Convention—Page 63

WILL ROGERS, JR., AND NATIONAL CITY'S ROWLAND HUGHES—Page 5

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National Hour over
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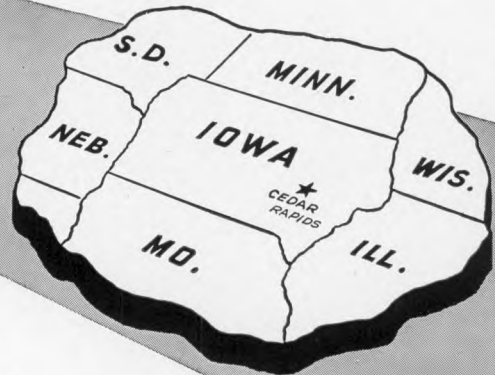
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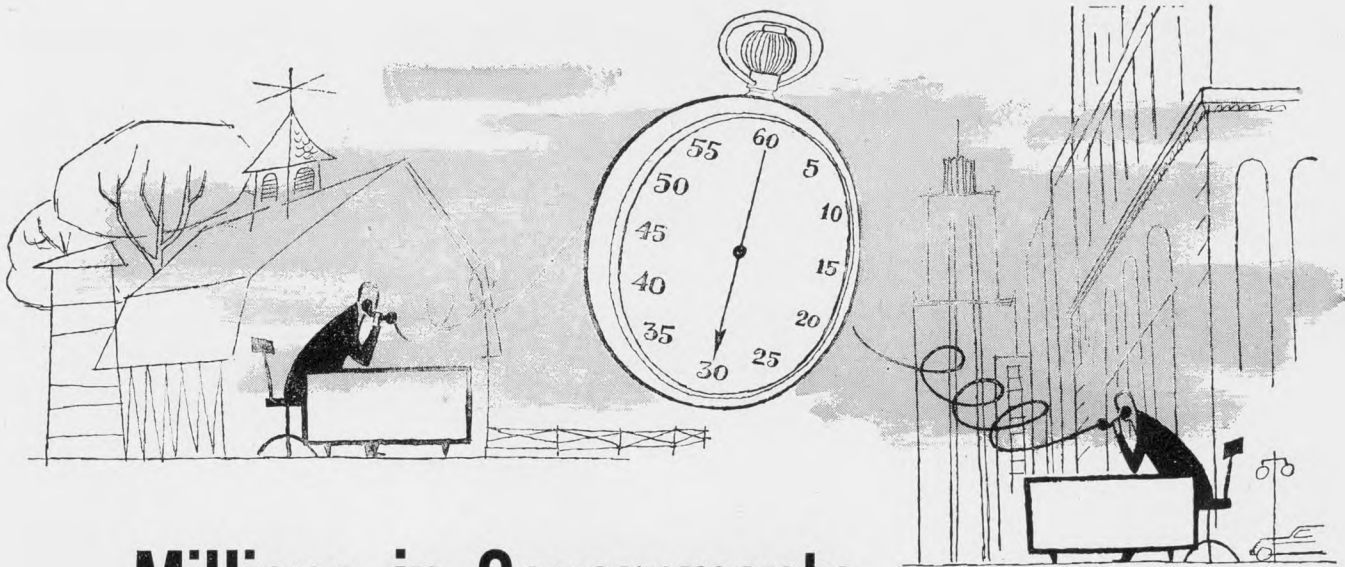
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Northwestern Banker, November, 1952



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Northwestern Banker, November, 1952

Dear Editor



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

"Real Progress"

"Our resources have increased about 12 per cent since January 1, 1952, and now stand at \$8,500,000. Work is progressing favorably on our new building, it now being about half completed and should be ready for us soon after January 1, 1953. It will provide more than twice the space we now have and is in a more accessible location, where we will provide off-street parking for about 40 cars. Our new facilities will permit the handling of considerable more volume in all departments."

B. F. McGee, Vice President and Cashier, Northwest Bank and Trust Company, Davenport, Iowa.

"Vacation Report"

"Here's some information from our bank. Clyde R. Crawford, a local young man, is on our staff as teller and bookkeeper.

"I have just returned from a short vacation through southern Illinois, Kentucky, Tennessee and the Smokies. Also, I toured Rock City atop Lookout Mountain. It is (Turn to page 6, please)

ON THE COVER

The 66th annual convention of the Iowa Bankers Association brought many distinguished personalities to Des Moines and two of them are shown in the exclusive picture appearing on the cover of this issue of the NORTHWESTERN BANKER.

At the left, in the cover photo, is Will Rogers, Jr., publisher of the Beverly Hills Citizen, Beverly Hills, California, and son of America's most celebrated humorist, Will Rogers. At the right is Rowland R. Hughes, vice president of the National City Bank of New York. Mr. Hughes is renowned in banking and business circles as one of the foremost authorities on federal taxes, especially the excess profits tax as it applies to banks. He is chairman of the A.B.A.'s "Special Committee on Excess Profits Tax."

For complete convention report and pictures, see page 77.

NORTHWESTERN Banker

DES MOINES

Oldest Financial Journal West of the Mississippi • 57th Year • No. 784

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NORTHWESTERN BANKER

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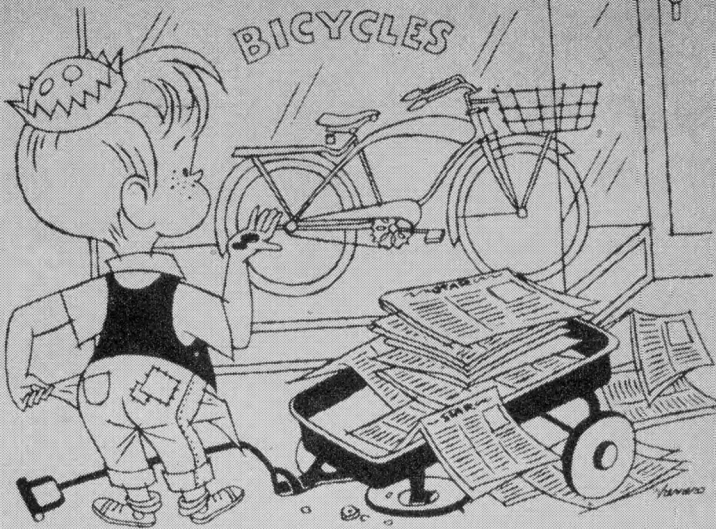
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Is YOUR business suffering from lack of working capital?

These days, many business headaches are due to the conditions beyond management's control. Increased taxes and high operating

MEMO
FROM THE DESK OF THE PRESIDENT

To: Dan - Please make sure that everyone in the loan department sees this Lawrence ad. It's good business to keep in touch with these people

W.P.B.

• Consult your banker about an inventory loan . . . secured by a Lawrence System Warehouse Receipt . . . if your business is suffering from a lack of working capital.



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OFFICES IN PRINCIPAL CITIES

DEAR EDITOR

(Continued from page 5)

rather dry through this section of the United States."

J. E. Henson, Executive Vice President and Cashier, The Louisa County National Bank, Columbus Junction, Iowa.

"Greatly Interested"

"I was greatly interested in the loan cases which were described in the October issue of the NORTHWESTERN BANKER. I believe you have something there that will capture the interest of every banker who reads your magazine.

"Why don't you make this a monthly feature of the NORTHWESTERN BANKER?"

C. L. Kimberly, Cashier, Exchange State Bank, Collins, Iowa.

"Excellent Article"

"I want to compliment you on the excellent article on loan applications in the October NORTHWESTERN BANKER. I think you handled the application writeups in an impressive manner.

"Please send me three additional copies of this issue. Thanks."

William G. Murray, Head of Department of Agriculture and Mechanic Arts, Iowa State College, Ames, Iowa.

To Travel Iowa

Gilbert J. McEwen, who has been associated with Harris Trust and Savings Bank, Chicago, since 1936, on November 1 became associated with the

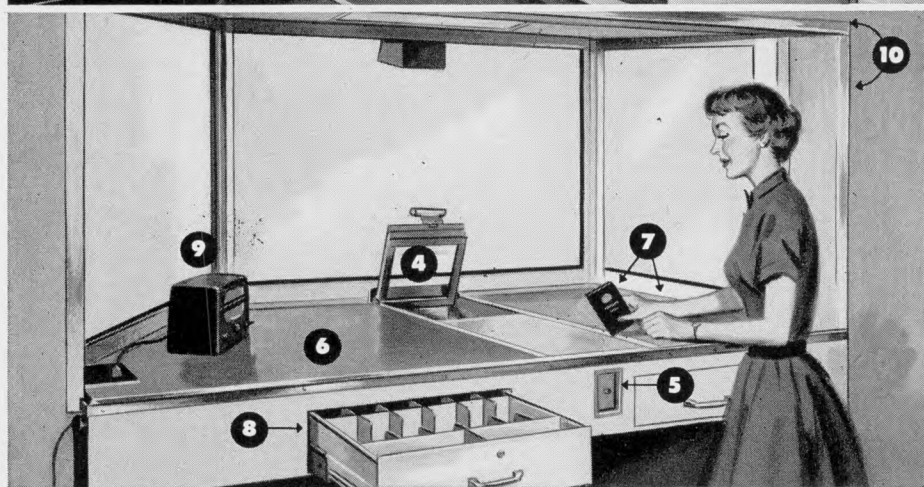
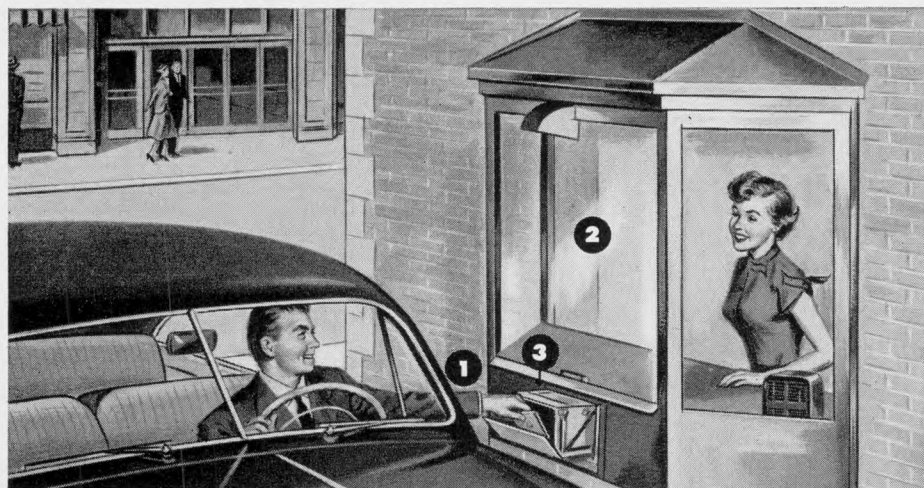
Joint Celebration



R. L. Thornton, left, chairman of the board, and Milton Brown, president of the Mercantile National Bank at Dallas, can look back with smiles on the bank's history as they celebrate its thirty-sixth anniversary. Mr. Thornton was a member of the original firm of Stiles, Thornton, and Lund, which opened its doors October 14, 1916. Mr. Brown joined the organization just a year later as assistant cashier. They are shown above looking at an early statement of condition, dating back to the bank's first decade.

New practical concept of Drive-in Banking

gives faster service, attracts new accounts!



Here are just a few of the advantages you get with the new Mosler Electric Drive-in Window at no extra cost!

- 1 New "easy-reach" convenience for customers.
- 2 Full vision for teller and customer.
- 3 New fully automatic "Shuttle" for faster transactions.
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- 5 Push-button operates "Shuttle" which retracts automatically after 15 seconds. Operates manually in case of power failure.
- 6 New flush counter gives greater working space and provides practical working area under counter.
- 7 Ventilating ducts for warm or cool air make unit comfortable . . . prevent frosting.
- 8 Convenient right or left-hand cash drawers.
- 9 New trouble-free speaker which is movable to suit convenience of operator.
- 10 Easier and less expensive to install.



Mosler Flush Type Drive-in Window, No. 950. Gives you all the advantages of the new Bay Type Window, shown at left. Designed for installation where bay projection is not desired.

Electric push-button revolutionizes operation and at no extra cost.

You're looking at the newest, most advanced electrical drive-in window ever designed. Examine it closely. From the *outside* first—the way a *customer* sees this new Mosler unit. Notice the new bullet-proof window that enables full vision of all transactions . . . the outside speaker . . . and the new push-button-controlled "Shuttle" that slides out and in, completing transactions with new speed and safety—at driver's arm-level.

Then, take a look *inside*. Notice the simple control which works at the merest touch of your teller's finger . . . the wide, work-easy counter . . . movable speaker . . . and handy cash drawers. See how all this adds up to faster, more efficient service for *your* bank.

It's easy to understand, isn't it, how this new Mosler unit can give you all the proved advantages of drive-in banking—and a lot

more? For such *convenience* builds even more good will, attracts more new accounts. And such *transaction speed* gives you even greater relief from congestion inside the bank . . . even more help in solving traffic and parking problems.

Why wait any longer for that drive-in window *you've* been considering? The new Mosler unit can be installed with *less* expense and *more* speed than ever before. Get full details! Mail the coupon, today!

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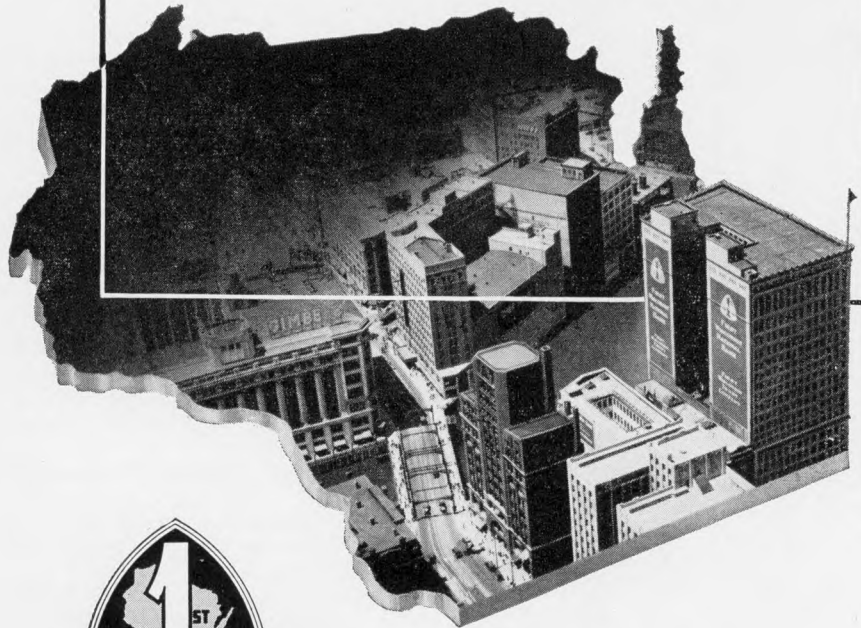
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Northwestern Banker, November, 1952

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*to meet your
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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
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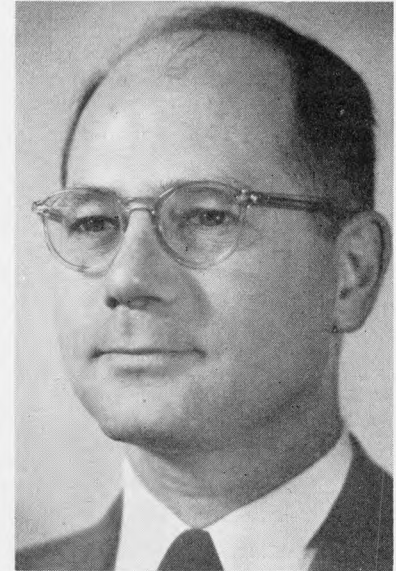
First Wisconsin National Bank

OF MILWAUKEE

CHARTER No. 64 / *Established 1853*

Member of the Federal Deposit Insurance Corporation

bank's correspondent bank division. He will assist in serving the Iowa correspondents of Harris Trust and will travel in this territory in the development of additional business. A 1952 graduate of the School of Financial Public Relations at Northwestern Uni-



GILBERT J. McEWEN
In correspondent bank division

versity, Mr. McEwen for the past year and a half has served as manager of his bank's business development department.

Tulsa Promotion

The board of directors of the First National Bank and Trust Company of Tulsa, have advanced J. Lesley Baker, assistant vice president, and comptroller to the position of vice president in charge of operations.

Mr. Baker will fill a vacancy caused by the recent death of Frank L. Alban.

For the past twenty-four years, Mr. Baker has been associated with the First of Tulsa, chiefly performing audit and control duties. He is past president of the Oklahoma Association of Auditors and Comptrollers, and a member of the Comptrollers Institute of America.

Old-Timers Meet

More than 825 old-timers and pensioners of the Continental Illinois National Bank and Trust Company of Chicago last month attended the 15th annual dinner of the bank's 25-Year Club. It was the club's largest turnout. Of the 215 pensioners who came to the party, John J. Brugman, living in Medford, Oregon, traveled the greatest distance to be present.

Walter J. Cummings, the bank's board chairman, welcomed the group and Louis H. Hammerstrom, a vice president of the bank, served as toastmaster.

Blown out by Mr. Edison and friends!

Read why the miracle of universal electric light could not have happened without America's Banks

ONE IDEA made the kerosene lamp obsolete.

But it has taken billions of dollars to replace it. America's banks put up many millions, and the story goes like this.

After Mr. Edison and his private backers proved the new incandescent lamp practical, progressive men all over the country got the notion that electric light could be sold cheaply to all the people.

From the first, the job was too big—too costly—for any individual to tackle. So groups of citizens (capitalists, if you will) got together and formed *light and power companies*.

Basically private capital has always backed any promising venture. But as the industry expanded even the most prosperous companies lacked enough hard cash for generating more power, stringing up miles of new wire and delivering current to millions of new consumers. So they went to the nation's banks for short-term loans.

They got their money. In less than 50 years, American ingenuity—teamed up with money supplied by the general public, commercial banks, and other financial institutions—put the kerosene lamp on the same museum shelf with the tallow candle.

Exceptional?

No. You can see the same pattern in just about every U. S. industry.

From the beginning, U. S. citizens have put money in banks. All together this money amounts to quite a sum in any bank, and it's the bank's job to put it to work.

Usually, progress means profits, so banks have always competed with one another to put money to work in growing industries.

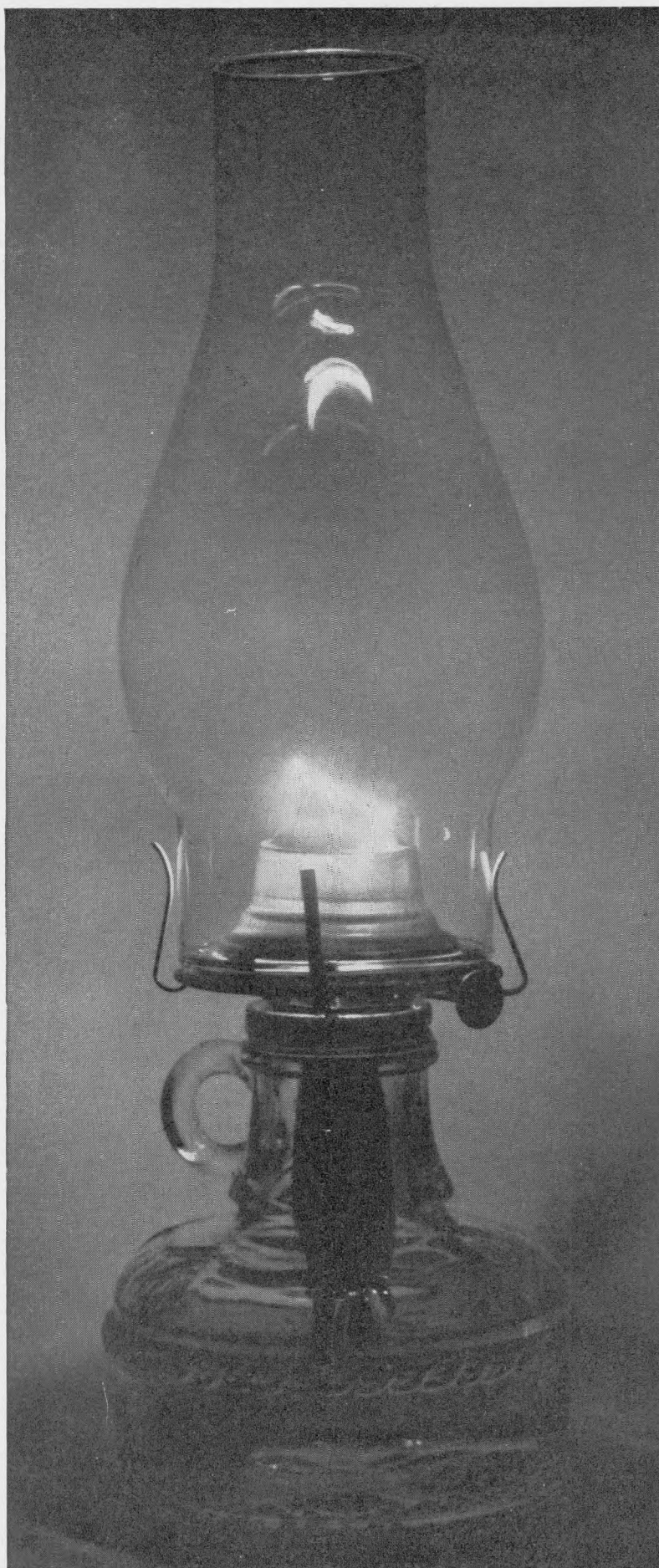
As long as competitive banking and free enterprise live under the same laws, the results will continue to be more men and women at work, profits for both manufacturer and investor and better living for every man, woman and child in the nation.

Mr. Edison's light is a good example. There are many others, and there will be many more.

Chase National Bank is proud of the part it is playing in American progress.

THE
CHASE
NATIONAL BANK
OF THE CITY OF NEW YORK

(Member Federal Deposit Insurance Corporation)



One of a series of advertisements being published in New York City newspapers and national business magazines

Northwestern Banker, November, 1952



Across the Desk From the Publisher

Dear H. Earl Cook:

*Director, Federal Deposit Insurance Corporation,
Washington, D. C.*

In a recent discussion of the low capital ratio of banks, you emphasized that from a selfish standpoint of the stockholders, they should be interested in providing adequate bank capital, since in any financial difficulty in which a bank may become involved, it is the stockholders who "must bear the initial losses."

The NORTHWESTERN BANKER certainly believes in strong and sound banks, but it does not agree, Mr. Cook, with some of the methods used by your representatives in telling bankers what they should, and should not, do about running their banks or where the buildings should be placed.

We believe that the Federal Deposit Insurance Corporation is doing a good job in its over-all picture, but some of your men have not been the kind to "win friends and influence people."

In discussing the question of adequate bank capital, you said, "The growth in bank assets and deposits in the last decade has brought the capital ratio to a dangerously low level. From 1934 to 1951 the ratio of capital accounts to total assets declined from 13.2% to 6.7%, meaning the equity of bankers in their banks is only about half what it was 18 years ago.

"Sound banking requires that the capital structure of banks be strengthened as assets, and par-

ticularly risk assets, are increased. Complacency with respect to the present capital structure plays into the hands of those who would like to see our entire banking industry brought under one central control. Ownership and control go hand in hand; it is sobering to realize that no other industry operates on such a thin margin of owner equity as does the banking industry. It is my firm conviction that the only way to preserve the dual system of free enterprise banking is to make our banks so strong that the advocates of Government operation and control will find few supporters.

"The position of the Federal Deposit Insurance Corporation with respect to a bank's capital needs has sometimes been misunderstood. Our persistent concern with strengthening the capital structure of banks has not been motivated by selfish reasons. Entirely aside from any consideration of the safety of the deposit insurance fund, it is our opinion that stockholders would find it to their own interest to work toward a stronger capital position. This conviction is reinforced by the consideration that whenever a bank becomes involved in financial difficulties, for whatever reason, it is the stockholders who must bear the initial losses."

The NORTHWESTERN BANKER agrees wholeheartedly with your statement that we must do everything we can to preserve the dual system of banking, and make our banks so strong that there will be no need nor desire, nor supporters of the idea of government operation and control of banking.

In the meantime, Mr. Cook, the F.D.I.C. must not become so arbitrary that it in turn assumes more powers than it is rightly entitled to, over the member banks of the nation.

Dear Rodney M. Leland:

*President, Northborough National Bank,
Northborough, Massachusetts*

In discussing the lending policies for country banks, you expressed the opinion that, "It would seem as though there were times when the lending policy of individual banks just grows like Topsy and not as the result of any definite plan."

There must be, Mr. Leland, a definite plan and a sound lending policy for country banks or for any other banks if they are to stay in business, and render the greatest possible service.

Liquidity, as you have mentioned, "must be Number One on our list of elements in a sound lending policy." Then, of course, the stockholders are entitled to a reasonable return of dividends and a gradual increase in the value of their holdings.

Another point on which we thoroughly agree is that a bank should set aside a proper propor-

tion of its assets, so that borrowing customers may obtain various types of loans "and at reasonable rates and not be forced to patronize federal or private high rate lending agencies." Every bank is a semi-public institution, and we further agree with you, Mr. Leland, when you say, "**A banking institution, regardless of size, should not exist for the solely selfish reasons of serving depositors, stockholders, borrowers or management alone. It should serve them all, but only as a means of playing a part in the social and economic development of our democratic society as a whole.**"

In the lending policies for country banks, liquidity must always be the first test for sound banking, plus the fact that all loans, which are sound and worthy of consideration, should be made by banks rather than by some government agency. If loans are sound, the banks can make them; if they are unsound, no one should make them, not even the Reconstruction Finance Corporation.

Dear Allan B. Kline:

*President, American Farm Bureau Federation,
Washington, D. C.*

As both political parties debate the ever-present "farm question," it is interesting to realize how legislation enacted during a depression to help a particular group of citizens—in this case, the farmers—tends to become permanent even though the depression period has passed.

From 1938 to 1952, the parity percentage has increased from 52% to 90% and during the current political campaign, there have been those who are advocating 100% of parity.

The original parity price was computed on the formula based on pre-World War I relationship of prices farmers received for what they pay.

Congress has already extended the general wartime 90% of parity price supports through the 1954-1955 crop season.

As one economist says, "**Once more is repeated an old story of how the seed of price raising legislation once planted takes root, flourishes and spreads its branches. What started out as an emergency program to cushion the collapse of farm prices during the depression, has been gradually transformed into a permanent program of price supports with a constant upward bias.**"

Here are the parity figures for recent years—

1928— 52% to 75% parity
1941— 85% of parity
1942— 90% of parity
1952—100% of parity??

The question, Mr. Kline, is whether we should allow farm products like other products to be subject to the law of supply and demand, or whether as you put it, "Americans are to be put

into a strait-jacket of economic control.

It is your belief that, "We have had enough experience with 90% of parity price supports to know that rigid price supports at this level can cause serious difficulties except in years of short crops or high demands. The last two years have seen an aggressive campaign on the part of the Federal Government to put Americans into a strait-jacket of economic controls. Price controls are one of the major aspects of this plan. They would substitute ration coupons for free choice on the part of consumers. **They would substitute subsidies in lieu of prices, and all sorts of controls by federal agencies over individual citizens for access to markets and freedom to produce for those markets.**"

With our parity program continued into 1955, there will be no change unless new legislation is passed by our next Congress.

Do the farmers of America want to continue to have the encroachment of the management of their business increased or decreased by the Federal Government, or do they want to follow the law of supply and demand in the open markets of America?

Dear Doctor Harlan Hatcher:

*President, University of Michigan,
Ann Arbor*

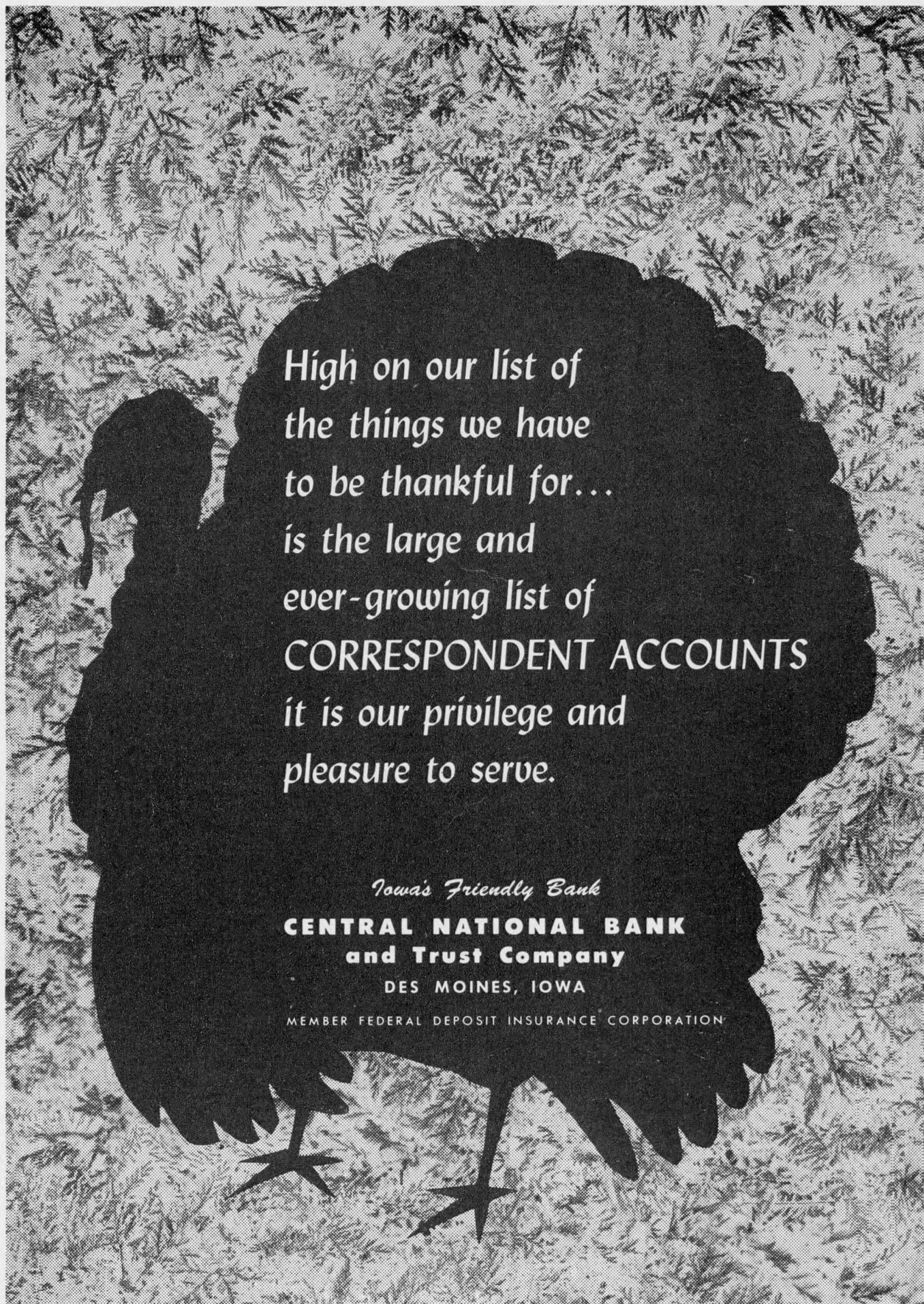
When you spoke before the School of Banking at the University of Wisconsin, you emphasized the many problems facing America today, and how universities and business institutions, and in this case banking, were trying through increased studies about economics, government, business, and world trade, to make better bankers who in turn are facing the complex problems of today.

You put it very succinctly when you said, "Can we continue our growth and carry the heavy burdens? The odds are on our side. Your enterprise is one of the good signs. We live in a tightly meshed, interconnecting society. If one part is changed, all are affected. We must have experts in each of the thousand specialties, but these experts must have a mature understanding of the whole."

Change is a part of everyday life, and certainly there has been a great change in banking in the past 20 years. Changes in the future will be met more intelligently, and more effectively, by those bankers who give time and thought to their own problems by attending the sessions held each year by the School of Banking at the University of Wisconsin and at Rutgers and other similar schools. It is a healthy and significant trend towards better banking in America.

Clifford DePuy

Northwestern Banker, November, 1952



High on our list of
the things we have
to be thankful for...
is the large and
ever-growing list of
CORRESPONDENT ACCOUNTS
it is our privilege and
pleasure to serve.

Iowa's Friendly Bank

**CENTRAL NATIONAL BANK
and Trust Company**

DES MOINES, IOWA

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, November, 1952



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, November, 1952

HUNTER'S DREAM

The Outlook for Cattle Feeder Loans

Bankers Tell About the Results They Think Their Farmer-Borrowers Will Obtain from Livestock Feeding Operations

WHILE during the past week or two the cattle market has gone somewhat soft, compared to a month or so ago, cattle feeding operations will be in full swing this fall and winter, and bankers and farmers will work together as they always have to give the nation its beef.

This information was brought out in answers to a survey just completed by the NORTHWESTERN BANKER among bankers in cattle-feeding areas in Nebraska, North and South Dakota, Minnesota and Iowa, with bankers giving

their opinion on the question: "What do you think about the outlook for cattle feeder loans this fall?" Because of a few losses experienced here and there a year ago, it is felt farmers will be a little more cautious this year, but with the price of feeders at a lower level and a big corn crop of excellent quality available, feed lots are beginning to fill up.

Opinions expressed in this survey are based on market and crop conditions as of approximately October 15th. The comment reads as follows:



CENTRAL MARKET—Arrival at a destination similar to the above stockyards scene completes the marketing cycle so far as the cattle feeder is concerned. Upon the price obtained here depends a great share of the profit, although as one banker says, the feeder has little to say about how much his fat cattle bring, but he can control how much he pays for his feeders at the start—good feeders bought at a low price are pretty good profit insurance.

Northwestern Banker, November, 1952

A
NORTHWESTERN BANKER
SURVEY

Nebraska

H. L. BRUNE
Vice President
Nebraska State Bank
South Sioux City, Nebraska

Demand for feeder loans in our area is about as it was in 1948 and 1949. However, more care is being exercised in acquisition costs than in previous years. Feeder operators are very conscious of high production costs, and a number that fed in 1951 are going to sit this one out.

Our area has one of its best corn crops, of excellent quality, and with a good sealing price it tends to discourage some farmers to feed in a declining market. Our regular good, efficient feeders will be in, but have been in no great hurry, up to this time.

IVAN C. RILEY
President
The First National Bank
Fairbury, Nebraska

Cattle feeding as it is carried on in the eastern part of Nebraska has never been a major farm operation. Since the dry years of the 30's when all cattle operations were severely curtailed, the first class of stock purchased for replacement was the cheaper, common to medium grades. These cattle were grown primarily on roughages—grass and hay. Generally, the returns were satisfactory and in more recent years very good. Many of our farmers could not see the advantage in taking the feeder's risk when they did well by just "growing" the stock.

We have encouraged a few of our customers during the past five or six years to feed a few head each year, 12 to 50 head, depending on the individual's circumstances and ability. In most cases they have made good profits. This year our pastures dried up earlier by several weeks than we have been accustomed to. Here, like in many other areas, there is forced selling due to a shortage of winter roughage. While we have a good corn crop the rapid decline in stock and feeder prices has dampened any optimism of farmers who occasionally feed out a few head.

Early last spring it appeared to us that there would be many cattle coming to market this fall. We encouraged our customers to make a special effort to store more hay, silage and other roughage than usual, thus providing feed insurance even if we had short pastures next year. At the present time it looks like our pastures will be poor next year, due to dry weather.

It is our feeling that if a farmer can get 350-450 pounds gain on a 400 pound calf from one fall to the end of pasture season the next year, he will have as relatively few dollars in the animal as a 750-850 pound feeder. Ordinarily we have a good supply of pasture and hay, and this system provides a good market for it. Then if our corn crop is good the farmer can use it to finish out his cattle to their grade.

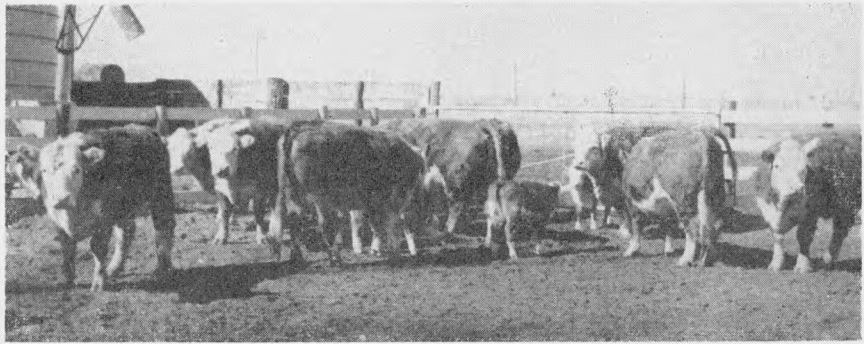
This year we encouraged our customers who had cattle in pastures to get them on feed early, either on grass or bring them in to a dry lot. Then get them on an early market. It seems to us that short feds will run into trouble particularly as the marketing season for these cattle progresses. Right now the depressing effect of grass fed cattle on the market is being eased as numbers of these cattle are declining. If the market strengthens our customers will be ready to come in just before the short feds come in.

In view of fall employment throughout the country, it seems only logical that demand for beef will be good. Since feeders can be purchased for considerably less than present fat cattle prices, the margin for up grading is good. A good demand for beef should keep fat cattle prices from skidding.

We believe the feeders of long experience and ability have seen this opportunity and have already started their program a month or two months ago. As the season progresses the buyer should be thinking more in terms of gain rather than margin in making his purchases. Our demand for loan funds for feeding purposes has been about the same as in other years.

GEORGE T. HEDELUND
Vice President
Washington County Bank
Blair, Nebraska

Last year our corn was of such poor quality that most farmers felt they had to buy cattle in order to get anything out of their corn and, as a consequence, there were days when there were more buyers on the rail than there were cattle in the pens. The law of supply and demand went into action and as a result most of them paid too much for the cattle they did



FUTURE BEEFSTEAKS—Here are just a few of the many purebred Hereford cows and calves on the Kuhlman Ranch, at North Platte, Nebraska. The constant development and improvement in the quality of beef cattle has helped to make cattle feeding the profitable operation it is today.

get and, outside of the manure they got for fertilizer, could have been farther ahead, financially, had they left the corn in the field.

This year we have the best corn crop, both yield and quality, our county has ever raised, and with a loan price of \$1.57 per bushel the boys who didn't do so well feeding last year are inclined to take the \$1.57 for their corn and play it safe.

The ones who feed every year will be in again, and I think that about half of them have already bought cattle, and at prices from \$10 to \$15 a hundred weight under last year's prices. Bankers in general have had something to do with this lowered price, because we have all been of the same mind and same approach to the cattle-feeder loans. Where the bank was putting out the money, they insisted that cattle be bought right before they would o.k. a loan on them.

As far as prospects for profitable feeding, it looks to me like they should be good for anything fed for market in the next nine or 10 months. We certainly are not discouraging anyone from feeding, but would like to see them get in at a price that leaves them at least a 50-50 chance to make something. And, after all, the only time the feeder has anything to say about the price of his cattle is when he buys them. When they go to market, he is the seller and the buyer sets the price.

W. L. BOETTCHER
Vice President and Cashier
Central National Bank
Columbus, Nebraska

As we all know, cattle feeders this fall are buying their cattle from \$8 to \$15 per hundred weight cheaper than a year ago. A year ago good feeders were selling within a dollar or two of what fat cattle were bringing, and the calves were considerably higher. This year the feeder is buying his cattle all the way from \$5 to \$10 per hundred weight less than the fat

cattle price on yearlings, and choice calves can be purchased for less price than what fat cattle are bringing. I feel definitely that it is a better year to feed cattle than a year ago.

I feel, however, that any cattle purchased for feeding should be bought with the thought in mind that fat cattle next spring and summer may be as low as \$30 per hundred weight for the best kind. If fat cattle should decline to that point or even a dollar or two lower, those who are buying feeders now for \$25 or \$26 would still be able to make a profit. Another thing in favor of the feeder this year is that the corn has matured properly and should have double the feeding value of a year ago.

I don't believe that there will be so many farmers in our immediate territory who will feed cattle this year, because last year, due to the soft corn, almost everyone fed a few head and in most cases losses were sustained. Everybody wanted to feed last year, due to the soft corn situation.

Taking all things into consideration, a feeder this year certainly is in a much better position than a year ago.

B. M. DELAY
Cashier

The DeLay National Bank
Norfolk, Nebraska

It is our opinion that the safest buy on cattle would be calves and yearlings to be roughed through the winter and then put on feed in the early spring. It is our further opinion that heavier cattle bought at this time, for a 60- or 90-day feed, would present a rather hazardous operation. The cattle feeders in our particular area have within the last two weeks started to buy their cattle and we look forward to an increased demand in the next three weeks. It seemingly is apparent, in analyzing the present feeder cattle market, that the present time would be the most logical period in which to purchase light feeders.

(Turn to page 26, please)



STUDENTS at the Agricultural Short Course sponsored by North Dakota Bankers Association last year. In front row, in addition to three students at left are (left to right): **Bill Guy**, instructor; **Peter Nystuen**, director of Short Course; **Dean Walster**, director of the Experiment Station; **C. C. Wattam**, secretary, North Dakota Bankers Association, and **Harris Sorensen**, 1952 Short Course state chairman for North Dakota Bankers Association.

What North Dakota Bankers Are Doing for Young Farmers

Funds Raised to Send 50 Men to Agricultural Short Course

*Written Especially for
The Northwestern Banker*

By HARRIS SORENSEN
Field Representative

The Merchants National Bank & Trust Co.
Fargo, North Dakota

BANKERS throughout North Dakota for the second consecutive year are lending their support to the Agricultural Short Course program. Last year they actively participated in the establishment of this school at the North Dakota Agricultural College at Fargo, North Dakota. In attendance will be persons who are interested in obtaining further training in the field of Agriculture and who cannot avail themselves of the regular college curriculum.

This year's program has as its state chairman, Edward Olson, cashier of the First National Bank of Grand Forks. North Dakota Bankers Association Secretary C. C. Wattam is again directing the policy with the help of Franklin Page, cashier of the Bank of Hamilton, and now president of the North Dakota Bankers Association. Last year A. R. Weinhandl, who was then the Association's president, helped to originate the program under his administration.

Within the state, ten district chairmen have been appointed to carry out the program within their respective areas. They in turn appoint county chairmen to contact banks and obtain scholarships. Often county meetings are called by the bankers to discuss their pledges. Total expense of one term is \$175, of which the sponsors pay \$125. Many banks pledge one or more scholarships indi-

vidually, while others prefer to join together in the sponsorship. This is often determined by the number of banks in the county and their size.

Recipients of the awards will be selected by the local county committee consisting of county agents, vocational agricultural teachers, and other community leaders who are familiar with the applicants. Usually the county agent serves as the chairman of this committee. Bankers are now reminding prospective students to apply either to their county agent or to their local bank. By acting immediately they will be sure to have an opportunity to qualify for a scholarship.

The decision of whether to sponsor the same student for consecutive terms is left to the discretion of the sponsoring banks. However, it is deemed advisable to select a new student if possible in order that more future farmers have an opportunity to attend and see for themselves what the course has to offer.

January 5, 1953, will be the date to register on the campus for the next term, according to Peter Nystuen, director of short course at the North Dakota Agricultural College. This term concludes on February 28th. Application forms and circulars have been sent to all banks for their use. Only one term is being taught this year, although there are a total of

four terms in the complete course.

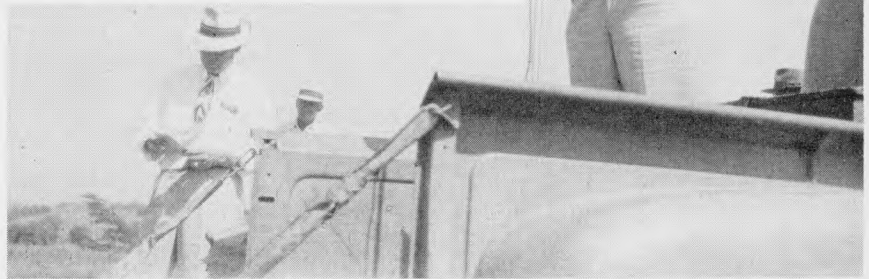
When this program was originated last year, the findings of the Kellogg Foundation of Battle Creek, Michigan, served as a stimulant. During the ten year period of the Foundation Plan, 1,675 rural youths took advantage of the scholarship, and from the records it was found that 85 per cent of those who attended remained on the farm.

Several basic purposes convinced the North Dakota Bankers Association executive committee to go ahead with the plan. As an educational event it had a sound foundation. Young farmers would be encouraged to remain on the farm, their interest in farming as a career would be developed, and the subjects taught would equip them with the proper practical and scientific information. Support would also be given to the members of the 4-H and FFA because in many cases outstanding youths from these groups would be selected to receive the scholarships.

When 100 students registered at the college for the first term, all concerned felt that the program was a definite success and that the purposes had been fulfilled. During the year the banks had contributed \$6,250 in funds that paid the major expenses of 50 students. Sixty-one banks in the state joined in this activity. One of
(Turn to page 20, please)

"Community Prosperity Depends on Good Land Use By You Farmers"

Written Especially for
The Northwestern Banker
By B. J. STEINAUER
President, Bank of Steinauer
Steinauer, Nebraska



WELCOMING guests at the Conservation Field Day sponsored by The Bank of Steinauer on the Robert Pfister farm near Steinauer, Nebraska, is **B. J. Steinauer**, president of the bank.

BEING in a strictly farming community our bank has long realized that to survive we would have to have prosperous farmers around us. We have watched the picture of rising costs reducing the returns of the marginal and inefficient operators. We saw these poor operators being squeezed out and the land falling into the hands of large holders.

Usually these large holders were people whose methods were not conducive to community progress. Meaning that with the loss of a farm family the farmstead was allowed to stand idle while the buildings were either sold off or to fall by their own weight in a few years. The loss is great to the immediate community, the schools, the county, and we think even to the state and nation.

Knowing that to prosper ourselves we should try to keep the community populated with small and prosperous producing units (families); we also thought that to survive as a nation the food production capacity of our land must be maintained. So there was no question about the soundness of the idea. Then, too, we have watched the experience of our customers and borrowers carefully. Frankly, we were amazed at the wide spread in financial progress between the operators whose methods are correct (small percentage-wise) and who are inefficient. All these considerations prompted us to do something about it.

With the able assistance of Earl J. Cook, Work Unit Conservationist, SCS,

at Pawnee City, Nebraska, and the cooperation of the Nebraska Conservation Foundation, Omaha, Nebraska, we set up the Conservation Field Day. Our mission was simply to expose as many farmers as we could to some wholesome ideas about good land use.

The farm of Robert Pfister, Steinauer, Nebraska, was selected because this gentleman's farm is a striking example of just what can be done with a really "steep" farm. By following methods recommended by Soil Conservation Service he has every slope on his farm controlled. When rains fall in a deluge the water is collected in terraces, and walked down grassed "water-ways" to farm ponds or other



WATERMELON furnished by the Bank of Steinauer is enjoyed by guests at the Conservation Field Day. (Photos on this page courtesy of USDA Soil Conservation Service.)

safe outlets. Overflow of the ponds is used constructively for livestock water supply and garden irrigation.

Planning began about 60 days before the event. Leaflets were printed by the Nebraska Conservation Foundation and were distributed individually to all our customers and to other nearby bankers and business men. News releases and advertisements were carried in all newspapers in the locality, and free refreshments were offered to everyone. The expense to our bank was not great.

On hand for the Field Day were the best "experts" available to talk about control of soil erosion, grasses, legumes, fertilizers and all allied matters. Mr. Pfister was interviewed and told about his introduction to soil conservation and his experience through the years. Mr. Pfister's manner was one of humility and simplicity with no bragging or "tall" statements. The 140 men in attendance were genuinely interested, questions were invited and there were many asked.

In all, we are satisfied that the Conservation Field Day "paid off" in both public relations and, more importantly for the long pull, in more and better farmers in our community. Of course, it is our intention to promote wherever and whenever we can the best in farming and feeding methods; also, to attempt to cause those engaged in agriculture to take advantage of the vast scientific findings made in the past few years to improve their methods of grain and meat production.—The End.

How to Make an Oil Loan

Written Especially for
The Northwestern Banker
By **D. CLAYTON ARNOLD**
Vice President
National Bank of Tulsa
Tulsa, Oklahoma

Part 2

(This is the second and concluding installment of an article written especially for our readers by Mr. Arnold. Part I appeared in the October issue and covered the economic background of oil financing, fundamentals of the oil loan, modern trend in oil loans, qualities of a sound oil loan and essential information required for these loans.)

FROM the viewpoint of the bank one of the first considerations is answered by the questions:

"Will retirement of the loan be fully independent of the salvage value of equipment, or through forced sale? Further, is there sufficient cushion under the loan to absorb a drop in the price of crude oil, or other contingencies? Are there 'speculative risks' involved that would jeopardize the loan?"

Provided these questions are satisfactorily resolved it is good banking to explain general policies, some of which are:

1. No bonuses or commissions are charged in obtaining an oil loan; that the bank bears all the expenses of preparing valuation reports, drawing of loan papers, and of having a field representative check the property and test the wells.
2. That the bank will expect reimbursement for out-of-pocket expenses, such as mortgage tax and filing and recording fees.
3. The cost of title opinion is usually arranged by the borrower with his attorney, and it is therefore a direct obligation of the borrower.

4. The oil loan must be predicated on present production only, not on undeveloped acreage.

5. Oil loans are seldom predicated on a one-well security as hazards incident to a one-well loan could cause a complete loss of such security.

6. Although well and well equipment are included under the mortgage, whatever salvage value the equipment may have is excluded in the valuation for oil loan purposes.

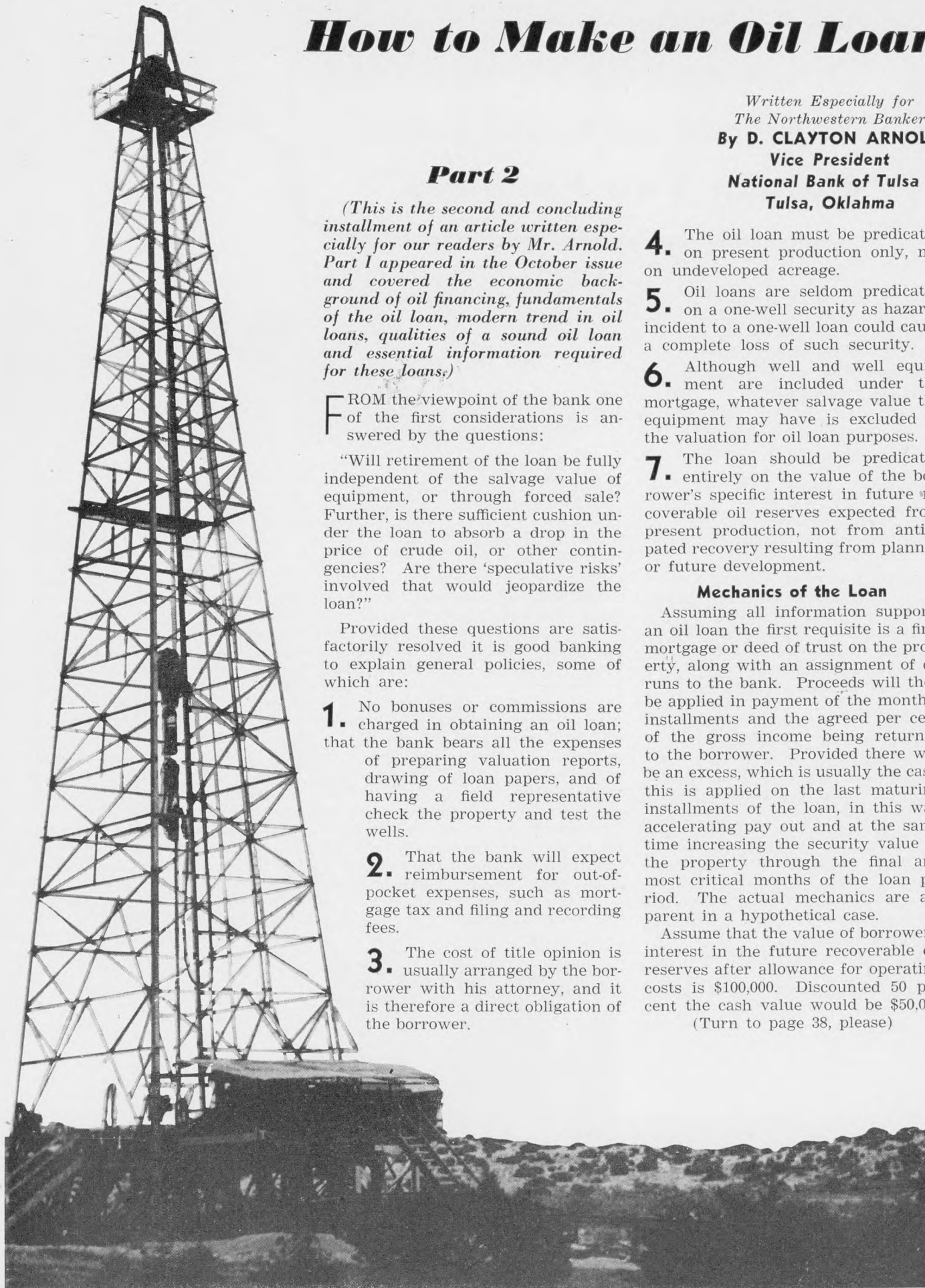
7. The loan should be predicated entirely on the value of the borrower's specific interest in future recoverable oil reserves expected from present production, not from anticipated recovery resulting from planned or future development.

Mechanics of the Loan

Assuming all information supports an oil loan the first requisite is a first mortgage or deed of trust on the property, along with an assignment of oil runs to the bank. Proceeds will then be applied in payment of the monthly installments and the agreed per cent of the gross income being returned to the borrower. Provided there will be an excess, which is usually the case, this is applied on the last maturing installments of the loan, in this way accelerating pay out and at the same time increasing the security value of the property through the final and most critical months of the loan period. The actual mechanics are apparent in a hypothetical case.

Assume that the value of borrower's interest in the future recoverable oil reserves after allowance for operating costs is \$100,000. Discounted 50 per cent the cash value would be \$50,000

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IN THE CORONADO GARDEN are the new officers of F.P.R.A., left to right, **L. L. Matthews**, first vice president, and president of American Trust Company, South Bend, Indiana; **Lucy V. David**, secretary, Chicago; **Carl A. Bimson**, third vice president and executive vice president of Valley National Bank, Phoenix, Arizona; **William H. Hall**, president, and vice president of The Detroit Bank, Detroit, Michigan; **Rod Maclean**, second vice president, and assistant vice president of the Union Bank



& Trust Co., Los Angeles; and **Preston E. Reed**, executive vice president of F.P.R.A.

SHOPPING AT TIA JUANA, MEXICO, just before the jai alai games during the Financial Advertisers convention at Coronado are, left to right, **Lester B. Johnson**, American Trust Company, San Francisco; **Miss Alice L. Foss**, Farmers and Mechanics Bank, Minneapolis; and **Lyman C. Taylor**, Jones & Taylor and Associates, South Bend, Indiana.

Financial Ad Men Meet

By **CLIFFORD DE PUY**
Publisher

The NORTHWESTERN BANKER

MEETING in "sunny" California, where it was "foggy" every morning for a week, the 37th annual convention of the financial experts of America was held last month at Hotel Del Coronado at Coronado, California.

About 600 delegates and their wives attended the meeting. The 1953 convention will be held October 11 to 15 in Detroit, Michigan, with headquarters at the Sheraton-Cadillac Hotel.

Officers and directors of the Financial Public Relations Association elected for 1952-1953 are as follows:

President, **William B. Hall**, vice president, the Detroit Bank, Detroit.

First Vice President, **L. L. Matthews**, president, American Trust Company, South Bend, Indiana.

Second Vice President, **Rod Maclean**, assistant vice president, Union Bank & Trust Company, Los Angeles.

Treasurer, **Harold W. Lewis**, vice president, First National Bank, Chicago.

New Directors

Jordan J. Crouch, vice president, First National Bank, Reno.

Miss Daphne Dailey, director public relations, Bank of Virginia, Richmond.

Arthur J. Howell, vice president, Manufacturers National Bank, Detroit.

John M. Patton, president, Mitchell National Bank, Mitchell, South Dakota.

George M. Wasem, assistant vice president, Commercial National Bank, Peoria, Illinois.



THE JAI ALAI (Hi-Li) players and associates at Tia Juana, Mexico. The "associates" are distinguished members of the F.P.R.A. and are the "civilians" standing in the back row and include (left) **Rod Maclean**, Union Bank & Trust Co. of Los Angeles, (center) **Michael Donnelly**, California Bank of Los Angeles, and (right) **Harry E. Petersen**, Citizens National Trust & Savings Bank of Los Angeles.

In case you are interested, the "scoop shovels" held by the players are called the "cesta", which is the wicker claw-shaped basket strapped to the right hand. The cesta is used to serve the ball to the front wall, and to catch and then hurl the ball during the game. The skill of the game lies in catching the difficult shots, and in throwing shots that will be hard or impossible for the opponent to retrieve and return.

The cesta is made to the individual measurements of each player. Each cesta can be used for about two weeks of play. The ball or "pelota" has a core of virgin rubber over which rubber strips are hand wound. Over the rubber is a covering of yarn and atop that a wrapping of twine. There are two covers of goat skin.

John M. Zuber, assistant vice president and trust officer, American National Bank, Indianapolis.

The retiring president, **S. H. Clestad**, becomes a member of the board of directors.

Seen at the ABA Convention

AT THE recent American Bankers Association Convention in Atlantic City, the larger banks of the country were hosts on numerous occasions, either at their own headquarters hotel rooms or at some other spot along the boardwalk. The pictures on these two pages were taken at some of these entertainment functions. Reading from left to right, those appearing are:

1—Robert H. Matson, vice president; George C. Scott, vice president, and Granville Carrel, assistant vice president; all of the National City Bank of New York.

2—Fred M. Naber, vice president, Continental-Illinois National Bank, Chicago; John Snyder, secretary of the United States Treasury, and James Hickock, executive vice president, First National Bank, St. Louis.

3—W. E. Irvin, vice president, Idaho First National Bank, Boise; Mrs. W. E. Irvin, and Louis E. Friese, vice president, Security-First National Bank, Los Angeles.

4—M. F. Hartnett, assistant vice president; A. J. Burke, assistant vice president; J. J. Farrel, senior vice president; R. J.

WHAT NORTH DAKOTA BANKERS ARE DOING FOR YOUNG FARMERS

(Continued from page 16)

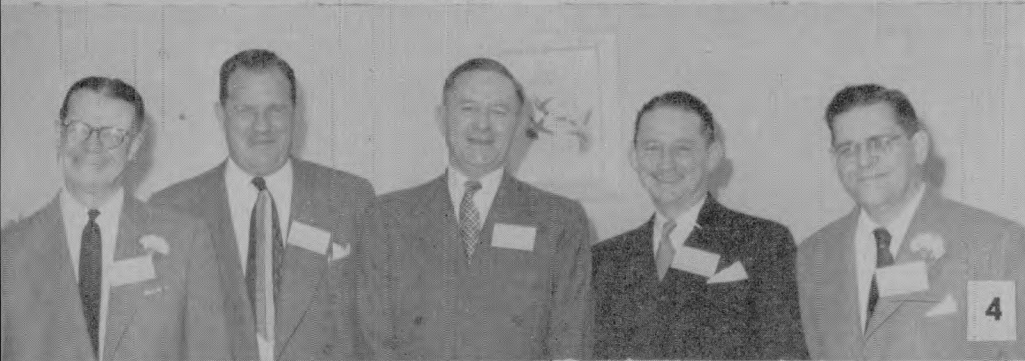
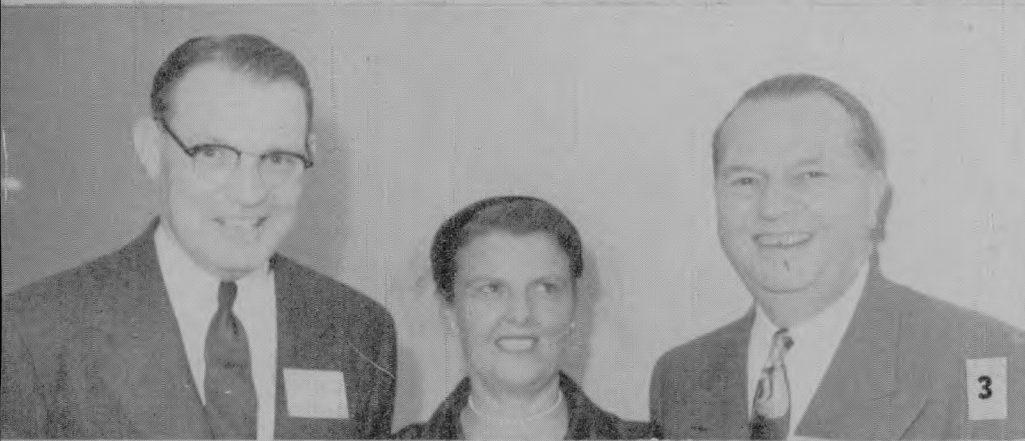
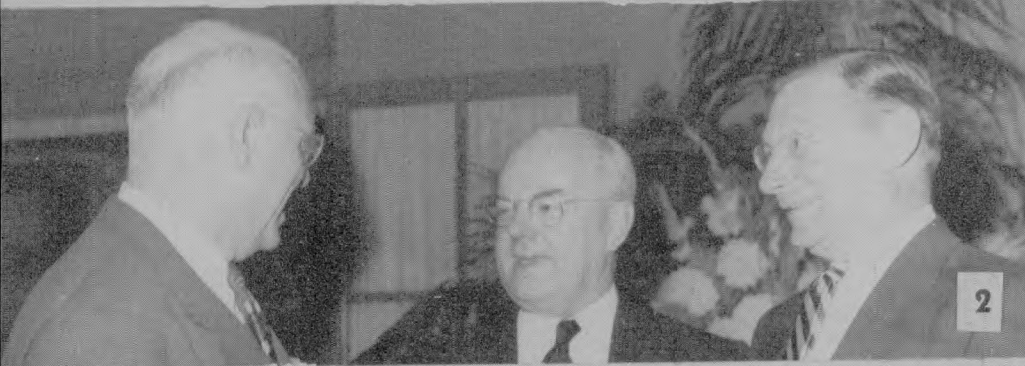
the scholarships was contributed by the Minot Implement Dealers and one by the Minot Creameries who, as well as the other organizations, were invited to join in this program. Of the 53 counties in the state, 35 had representatives at the course.

Age did not prevent attendance as the oldest student was 53 years old. He was a farmer named Severt Overbo from Garske, North Dakota. Most of the entrants, however, were young men in their twenties.

College officials were well pleased with the performance and scholastic record made by this group of young student farmers. The men themselves have been verbose in their favorable comments regarding the course and their intentions to return for the second term this winter.

The coming term will feature advanced courses in Farm Management Practices, Farm Machinery, Farm Tractors, Feed Crops, Livestock Selection, Dairying, Horticultural Crops, Livestock Health, Reading for Enjoyment, and Sports.

Whatever time is not spent in constructive classroom work will be well utilized as extra-curricular activities are numerous and students have the same general privileges on campus as



Clark, vice president, and E. H. Worthington, assistant vice president; all of the Public National Bank, New York City.

5—These four gentlemen of the Merchants National Bank, Cedar Rapids, Iowa, were hosts at a luncheon party: Marvin R. Selden, vice president; John T. Hamilton, II, president; Reginald B. Figge, vice president, and S. E. Coquillette, chairman of the board.

6—John S. Hejinian, assistant cashier, and Jackson D. Breaks, vice president, both of the Chase National Bank, New York City.

7—Officers of the Commerce Trust Company, Kansas City, were hosts at a breakfast held in the Traymore Hotel in Atlantic City. The four officers of the bank pictured here are Joseph C. Williams, president; James M. Kemper, chairman of the board; Tom C. Cannon, assistant cashier, and P. V. Miller, assistant vice president.

8—Three officers of the Manufacturers Trust Company, New York City: Thomas S. Olsen, Joseph Snyder, and Harry A. Walsh. They are all assistant vice presidents of the company.

9—Mrs. Henry Scarborough and Henry Scarborough, president of Scarborough & Company, Chicago.

10—Milo B. Hopkins, vice president, and R. E. McNeill, Jr., president, both of The Hanover Bank, New York City.

11—William F. Doyle and H. M. Lawder, both vice presidents of the Irving Trust Company, New York City.



other students. When not reading, or listening to lectures, or completing laboratory work they will be attending convocations, seminars, movies of their choice, banquets, collegiate sports, or taking part in activities such as showing stock in the Little International Livestock Show.

Many banks have already pledged their continued assistance for this year, and the executive committee is confident that North Dakota bankers will again join in the support of their Association's program.—The End.

Investment Bankers Meeting

The forty-first annual convention of the Investment Bankers Association of America will be held November 30 to December 5 at the Hollywood Beach Hotel, Hollywood, Florida.

In addition to the opening address by Joseph T. Johnson, The Milwaukee Company, Milwaukee, president of the Association, and the reports by chairmen of the national I.A.B. committees, the following guest speakers will participate in the program:

William McC. Martin, Jr., Chairman Board of Governors, Federal Reserve System; William A. Patterson, President, United Air Lines; Carrol M. Shanks, President, Prudential Insurance Company of America.

On November 30, in the afternoon, there will be an open meeting of the Municipal Securities Committee.

News and Views

OF THE BANKING WORLD

By BEN HALLER, JR., Managing Editor

ANNIVERSARIES in the banking world are plentiful these days, and all of them are important to the institutions and individuals concerned. However, here are three unusual anniversaries worthy of note—the anniversary of the oldest bank in the nation, the anniversary of one of the oldest (if not the oldest) continual banking relationships in the nation, and the anniversary of the dean of Cleveland bankers.

* * *

The first bank chartered by the fledgling Continental Congress to do business was the **Bank of North America of Philadelphia**. This was 171 years ago last month, the charter date being 1781. Unofficially, the "Pennsylvania Bank" was operated during the trying days of the Revolutionary war by patriotic Pennsylvanians for the purpose of supplying food to Washington's forces out of their own private fortunes.

The official chartering of the Bank of North America of Philadelphia took place when **Robert Morris**, a Pennsylvanian, was appointed superintendent of finances in 1781. The same men who controlled the "Pennsylvania Bank" answered the call to manage

the new bank. It operated under the same name until 1923 when mergers changed the name to Bank of North America & Trust Company, which later merged with the oldest trust company in the nation, the Pennsylvania Company for Insurance on Lives and Granting Annuities. The resulting institution still operates under the name of **Pennsylvania Company for Banking and Trusts**.

* * *

Possibly the oldest continual bank-customer relationship in the country is that which exists between the **Hanover Bank** of New York City and the **Board of National Missions, Presbyterian Church, U.S.A.** Recently 100 prominent Presbyterians from all parts of the nation were guests of the Hanover Bank at a testimonial luncheon in the bank's board room, commemorating the 113 years of banking relations between the two organizations.

William A. Eldridge, Hanover vice chairman, observed that the bank had loaned "literally millions of dollars to the board pending collection of benevolences from churches," and that "no officer of the bank had lost a wink of sleep by reason of these loans."

An engrossed testimonial marking the 113 years and also the Board of National Missions' sesquicentennial was presented to the Missions' board by **Herbert J. Osborne**, vice president of Hanover Bank.

* * *

In Cleveland, the "dean" of bankers in that city, **John C. McHannan**, was the guest of honor at a dinner sponsored in his behalf by the board of directors of the Central National Bank of Cleveland. Mr. McHannan is chairman of the bank.

The dinner honored "Dean" McHannan's 60th anniversary as a Cleveland banker, and also served as a birthday party in advance, for Mr. McHannan became 80 years old on October 31st.

His four-score years do not interfere with his daily routine of arriving promptly at his desk early each morning a good example he has always set for his "boys and girls" as he fondly refers to his 1,000 associates and employes of the bank. Many of the staff refer to him affectionately as "Uncle John."

* * *

Uncle Sam is using 81 tons of precision-tooled, steel vault doors to protect cash, securities and other valuables in the new Federal Reserve Bank building in Jacksonville, Florida. According to **John Mosler**, vice president of Mosler Safe Company, which made the installation, three modern vaults each have a 27-ton door.

For security reasons, Mr. Mosler would reveal nothing about the vaults other than to say they have every modern safeguard built into them.

Sad news for burglars is that each combination lock on the vaults is capable of 100 million changes, which would keep any burglar busy 186 years if he worked a new combination every minute night and day.

* * *

For a brief, but interesting reading trip through India, get a copy of "India—New Republic Bridging the East and West," from the **National City Bank of New York**. This informative story of India's business, industry and cultural progress will open the eyes of most Americans who have little idea of life in that important nation. As usual, excellent pictures tell more than a thousand words.

The National City Bank maintains branches in Calcutta and Bombay.—The End.

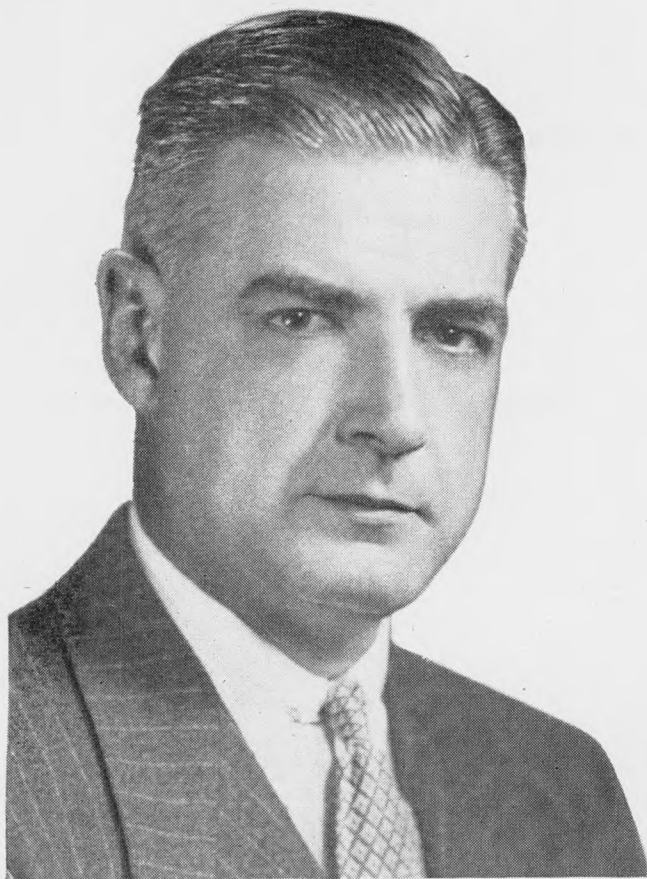
New Building in Rawlins



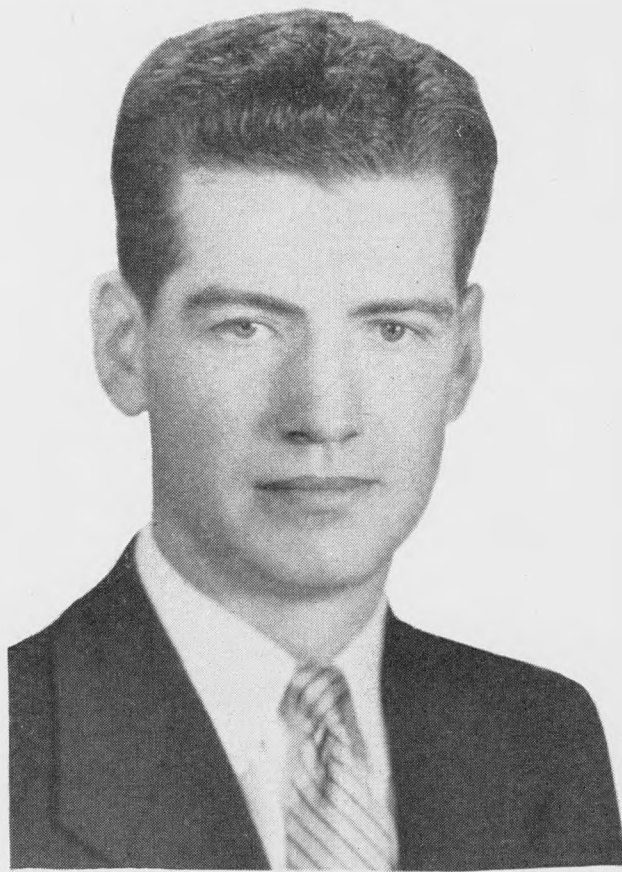
NEW CUSTOMERS—Since the Rawlins National Bank, of Rawlins, Wyoming, moved into its new building about a year ago, new customers have increased around 12 per cent, according to **John W. France**, president. Mr. France is the son of **Homer A. France**, who was president of the bank until 1944, the time of his death. The new building is pictured above.

Latest statement figures for the Rawlins National Bank show deposits of \$5,278,049, a considerable increase in recent months. In addition to Mr. France, officers of the bank are **Harold M. Johnson** and **Ed A. Smyth**, vice presidents; **L. G. Kolsen**, cashier, and **Elmer A. Erickson**, assistant cashier.

Northwestern Banker, November, 1952



BRUCE H. THOMAS
Vice President



CLARENCE C. JONES
Assistant Cashier

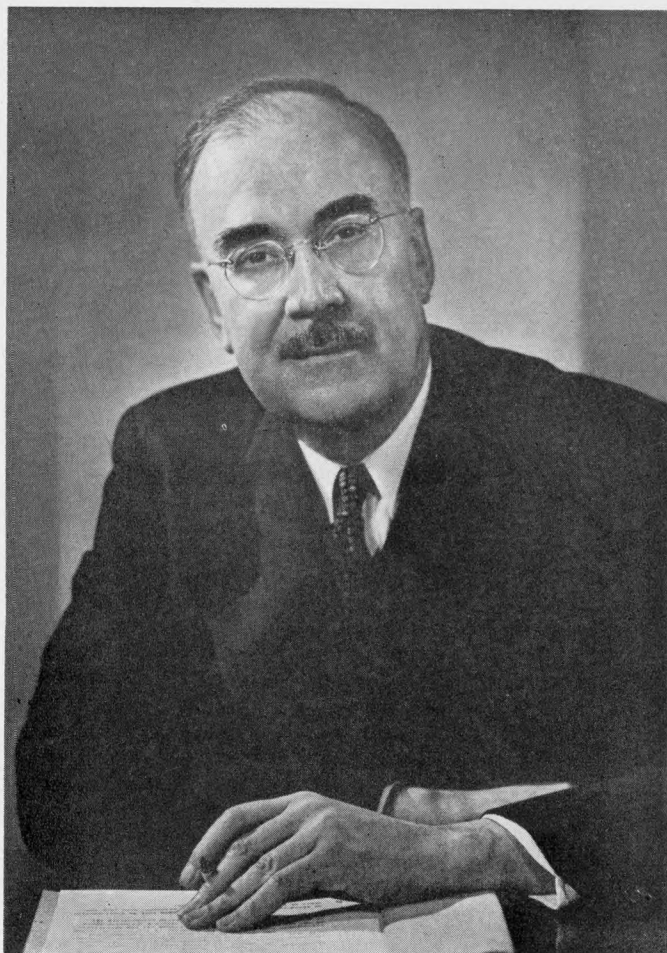
**They work for you
—but they're on
our payroll!**

These officers will be among the many Omaha National people attending the Nebraska State Bankers Convention in Lincoln this month. They'll be looking for you there.

The Omaha National Bank

Member Federal Deposit Insurance Corporation

Northwestern Banker, November, 1952



Bankers You Know

Iredell K. Johnston

President
Imperial Bank of Canada
Toronto, Canada

"... (his) career is a fine example of the opportunities which await a young man with ambition."

IREDELL K. JOHNSTON, president and chief executive officer of Imperial Bank of Canada, was born at Jarvis, Ontario, on June 16, 1888. His family resided in North Carolina from the early days of the 18th century, and the family name of Iredell remains as the link with this North Carolina association.

Mr. Johnston embarked upon his career as a banker at the age of fifteen when he joined Imperial Bank of Canada as a junior on the staff of the Welland branch, Ontario. He quickly climbed the lower rungs of the banking ladder and at the age of twenty-five he was given his first branch to manage at Preston, Ontario.

Successively he was manager of a number of branches of Imperial Bank of Canada until he was appointed a supervisor at the head office of the bank in Toronto in March, 1931. In this capacity he was responsible for supervising credits for the group of branches under his supervision and served in this capacity until he was appointed general supervisor in January, 1938.

In July, 1943, Mr. Johnston was promoted to assistant general manager and general manager of Imperial Bank of Canada in April, 1949. He was elected a director of the bank in November of the same year. In January, 1950, he succeeded W. G. More as president and chief executive officer when Mr. More retired from the presidency through ill health.

His success can be attributed to the fact that he has an analytical and a keen business brain, and also because he is intensely interested in people. He has been popular with both customers and staff of Imperial Bank of Canada and his ready wit makes him a most enjoyable after-dinner speaker. His address at the annual dinner following the annual meeting is always looked forward to with keen anticipation by the senior members of the staff who comprise his audience on these occasions.

Imperial Bank of Canada has been a pioneer bank since its formative days in 1875 and has done much to assist the development of Western

Canada and the mining areas in the provinces of Ontario and Quebec. As president of the Imperial Bank of Canada Mr. Johnston heads two hundred and thirty branches across Canada from Halifax in the east to Victoria in the west and during his 48 years with the bank, Mr. Johnston has not only seen immense business expansion throughout Canada but he has watched Imperial Bank of Canada grow from a young organization to a great and internationally known corporation, with deposits well in excess of \$500 million.

Mr. Johnston's career is a fine example of the opportunities which await a young man with ambition, as during the past 48 years he has progressed successfully from the lowest of junior positions to that of the chief executive officer of one of Canada's leading banks.

Mr. Johnston is married, and has two daughters. He enjoys a number of hobbies including lawn tennis, a game he played regularly in his younger years, although fishing now occupies more of his spare time.



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IRVING TRUST COMPANY

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RICHARD H. WEST, President

Domestic Banking Division, NOLAN HARRIGAN, Senior Vice President in Charge

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, November, 1952

The Outlook for Feeder Loans

(Continued from page 15)

The local cattle market has shown a decided price drop in the past two weeks and probably will continue until early November because of the large numbers yet to be sold. It further is apparent to us the cattle market will continue to be lower on a graduated scale for many months. Because of this factor it is important for all feeders to weigh carefully in their minds the purchase price against what they might receive on the fat cattle market.

CLARENCE CASTNER
Cashier

Farmers & Merchants National Bank
Ashland, Nebraska

The cattle loan demand here has been about normal. The same feeders that put cattle in last year are putting cattle in again this fall. The feeders have a better feeling about it this year, as they feel prices are about what they should be and do not think they will go much lower.

Corn is very good and of a good quality, so feed will be plentiful.

South Dakota

W. M. WILLY
President
Security Bank
Madison, South Dakota

The demand for money to buy feeder cattle is small compared to requests for such money last fall.

That about sums up the situation. The quality of our corn is excellent. Yields are quite satisfactory. Prices are good. Consequently, many of our farm customers will sell or seal corn (at \$1.50 per bushel) rather than gamble on the future price of fat cattle.

Some feeding will, of course, be done. More feeders will be tempted into feeding programs if and as feeder prices decline. However, regardless of the price of feeder cattle, we do not look for a rush to get into the feeder business this fall. These remarks apply to both cattle and sheep. Last fall we had a sellers' market. This fall it is very definitely a buyers' feeder market.

Personally, I think it is a much better time to buy feeder cattle than last year. We discouraged our customers from feeding in 1951. We are encouraging them to feed this year, but our advice in many, many cases will not be heeded. Cash income from the corn crop is too tempting.

TONY L. WESTRA
Assistant Vice President
Northwest Security National Bank
Sioux Falls, South Dakota

Total number of cattle on feed in this area should be slightly higher in terms of numbers than a year ago, although there will be fewer men actually feeding. Last year was a case of sorting out the right feeder from the marginal operator. We find that we have a good feed supply, an excellent corn crop, and cattle are being purchased at a much more reasonable figure than last year. Good white-faced heifer calves sold as low as 22 cents on the Sioux Falls market October 16th. Steer calves, 400 pounds, sold for 24½ to 25 cents. Looks like most of the feeders are going to put their cattle into the feed lots at around 25 cents. This should leave a good margin and should also be a profitable feeding year, barring any unforeseen changes in the national economy.

Lamb feeding, of course, is and has been in the doldrums the past couple of years in this area, but some interest has been aroused again and, with a margin of \$2 to \$3, lamb feeders should do all right this year.

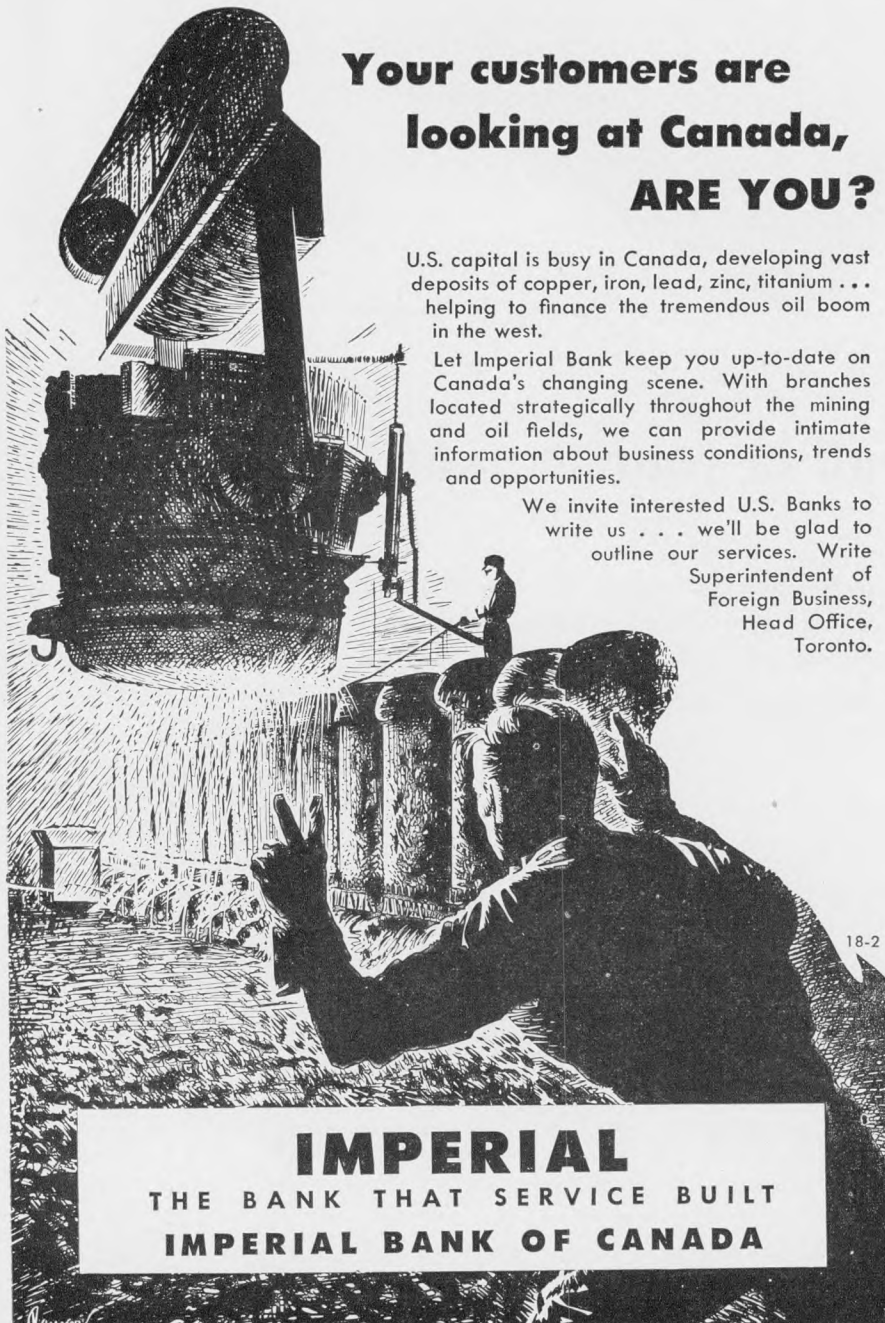
There has been a noticeable increase

Your customers are looking at Canada, ARE YOU?

U.S. capital is busy in Canada, developing vast deposits of copper, iron, lead, zinc, titanium . . . helping to finance the tremendous oil boom in the west.

Let Imperial Bank keep you up-to-date on Canada's changing scene. With branches located strategically throughout the mining and oil fields, we can provide intimate information about business conditions, trends and opportunities.

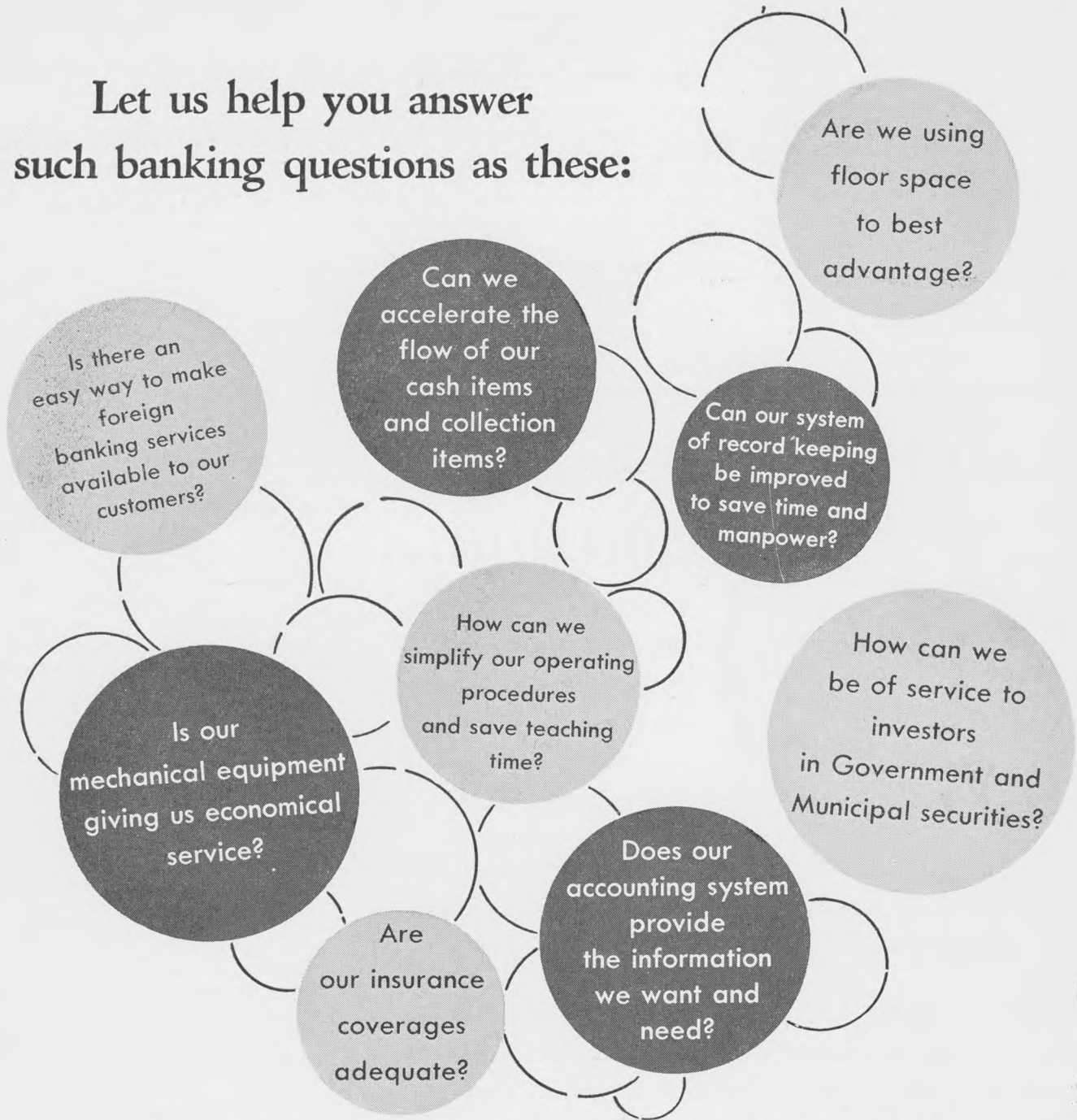
We invite interested U.S. Banks to write us . . . we'll be glad to outline our services. Write Superintendent of Foreign Business, Head Office, Toronto.



IMPERIAL

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IMPERIAL BANK OF CANADA

Let us help you answer such banking questions as these:



These questions and many, many more are asked of us almost daily in our relationships with correspondent banks. Should you feel that our background of experience can be helpful we will be glad to work with you on any banking problem you may have.

Sometimes this can be done by letter, telephone, or wire. Or perhaps a personal visit may be better—either here at our bank or by one of us calling on you.

We will welcome an opportunity to work with you in whatever way will best fit your needs.

Continental Illinois National Bank and Trust Company of Chicago

La Salle, Jackson, Clark and Quincy Streets
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the past week in cattle moving from the range area. Prior to this time there has been a feeling of holding back by the range operator for higher prices. One thing that several of our larger feeders are thinking about is, if the hold-off should continue and snowstorms and sleet storms develop in the range area, there could be a heavy movement of cattle which, of course, would further depress the feeder market. Many small feeders are not going in this year but are sealing their corn for \$1.49 and cleaning up their obligations.

E. M. DEAN
President
Farmers State Bank
Canton, South Dakota

Feeders in the Canton locality are slow in taking on cattle this year, and we do not expect to have as large a feeding operations as last year, but cattle bought at this time are at prices eight to ten cents below last year; common grades at even more of a drop.

We have a very good corn crop, well matured, which we can seal at around \$1.50 per bushel, which will induce more sealing and less feeding.

According to reports, it looks as if there would be a better spread between stockers and fat cattle, which would be most agreeable.

North Dakota

S. H. MURRAY
President
The Citizens National Bank
Wahpeton, North Dakota

We do not anticipate any big demand for cattle feeders this fall. The farmers hesitate to buy at the present market, for they are afraid of a further break in prices.

We have made a number of feeder loans, but they are small as a general rule. We have also made a couple of large sheep and lamb loans, but most of the farmers have stayed away from sheep the past five years. The market has been high and they have been looking for a break.

G. H. MAY
Vice President
First National Bank & Trust Co.
Fargo, North Dakota

The demand for feeder loans is down from last year. Most all of our lamb feeders lost money last year and, as a result, they have been buying in smaller amounts. Some have decided against feeding entirely. A few of our large feeders are taking lambs on a contract for gain basis to eliminate any risk for themselves.

The cattle feeders so far have bought in lesser quantities, even though the market ratio is more in their favor than at this time last year. Recently there has been more activity; some feeders had been holding back for a lower price, and now have started to fill their yards. There has been a decided trend toward calves and light yearlings. Ample feed and roughage, as well as a smaller initial investment, seems the attractive package to this date.

J. C. HOFFERT
President
Foster County State Bank
Carrington, North Dakota

In the past we have not had many feeder loans. However, with lower cattle prices and more feed locally than most sections of the state, I am rather encouraging our better farmers to feed out their own cattle. There will be very few instances where cattle will be bought as feeders.

FRED D. McCARTNEY
President
First National Bank
Oakes, North Dakota

This territory in a normal crop year feeds very few cattle other than a month or two warm-up of cattle held over the summer. This year nearly all our corn has been cut for silage

When CHICAGO Was a City of

500,000...



this small advertisement of N. W. Harris & Co., now the Harris Trust and Savings Bank, appeared in Chicago newspapers.

Since that day in 1882, "BONDS—Government, County, City, Town; Water and School..." have always been an important part of our investment business.

Pioneering for 70 years in bonds which "we own and recommend for sound investment," we have supplied customers with more than \$9,000,000,000 of such securities. Upon our policy, experience and record, we have served many conservative investors and their families *through four generations.*

INVESTMENT DEPARTMENT
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Organized as N. W. Harris & Co. 1882 • Incorporated 1907
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MODERN AIR MAIL DISPATCH

often makes funds available days earlier

**AMERICAN
TRUST
COMPANY**

BANKING
Since 1854

Many correspondents save valuable time by routing *all* western items to American Trust Company. Our Day-and-Night Transit operation assures swift service. Our many offices and west-wide relationships offer exceptional facilities for collection.

Air mail your West Coast items to
AMERICAN TRUST COMPANY
San Francisco

Statement of Condition

September 30, 1952

RESOURCES

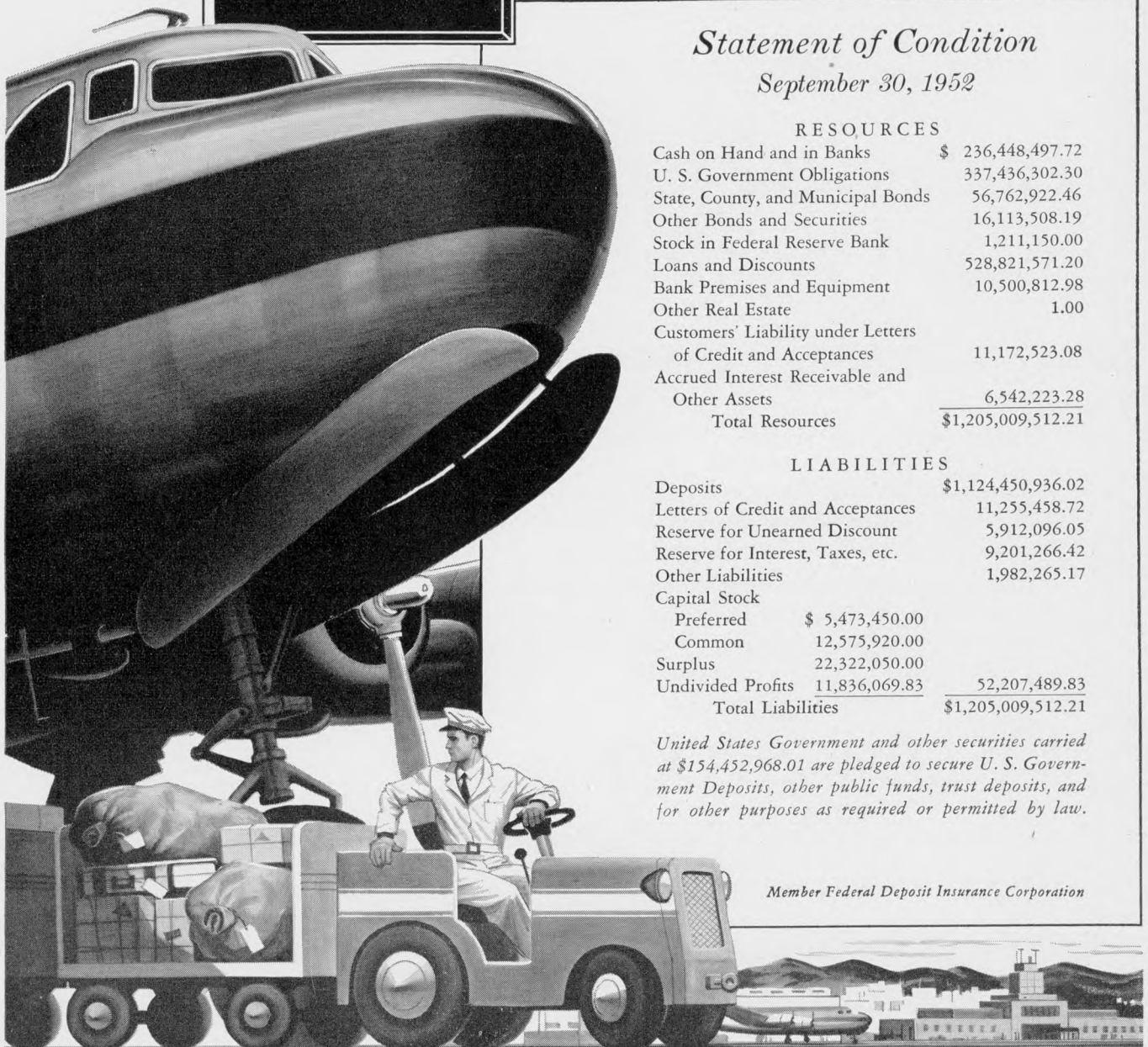
Cash on Hand and in Banks	\$ 236,448,497.72
U. S. Government Obligations	337,436,302.30
State, County, and Municipal Bonds	56,762,922.46
Other Bonds and Securities	16,113,508.19
Stock in Federal Reserve Bank	1,211,150.00
Loans and Discounts	528,821,571.20
Bank Premises and Equipment	10,500,812.98
Other Real Estate	1.00
Customers' Liability under Letters of Credit and Acceptances	11,172,523.08
Accrued Interest Receivable and Other Assets	6,542,223.28
Total Resources	\$1,205,009,512.21

LIABILITIES

Deposits	\$1,124,450,936.02
Letters of Credit and Acceptances	11,255,458.72
Reserve for Unearned Discount	5,912,096.05
Reserve for Interest, Taxes, etc.	9,201,266.42
Other Liabilities	1,982,265.17
Capital Stock	
Preferred	\$ 5,473,450.00
Common	12,575,920.00
Surplus	22,322,050.00
Undivided Profits	11,836,069.83
Total Liabilities	\$1,205,009,512.21

United States Government and other securities carried at \$154,452,968.01 are pledged to secure U. S. Government Deposits, other public funds, trust deposits, and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation



and there is no surplus of other feed grain, due to a very light crop. In the last 10 years there have been very few feeder loans available here.

R. M. HOUGEN
President

American National Bank
Valley City, North Dakota

I don't look for many requests for feeder loans, due to the poor crop in our area.

Minnesota

J. F. HAECKEL
President

Fairmont National Bank
Fairmont, Minnesota

Will say, as bankers, we were not at all satisfied with the prices paid by some of our customers that had grass going to waste; \$28 to \$30 per hundred was paid for just fair cattle, some-

times steers and heifers mixed. This went on from about July 15th to September 15th. We told them they were paying too much, that better cattle would be bought for less money a little later on, but they were good borrowers, had their farms paid for and we loaned them the money to buy the cattle.

About September 15th better cattle were being put in, all steers, from \$25.50 to \$27 per hundred weight from 550 to 800 pounds; steer calves from \$28 to \$32; practically no 1,000 pound steers are being fed here. The past two weeks \$24 to \$25.50 is buying the above steers and \$25 to \$30 the steer calves.

Most of our cattle loans have been made. These feeders and calves may go lower, but the weather is good to move cattle. We, as bankers, are encouraging our feeder customers to put

in their feeders now. We have not looked with favor on any number increases. The in and out feeders, I think, are going to seal their corn in most instances.

Our cattle paper volume may be a little less, our interest charge a little higher.

E. J. FELDMAN
President

First National Bank
Pipestone, Minnesota

Regarding the outlook for cattle feeder loans in this territory, it is our judgment that there will be considerable less cattle feeding than there was a year ago. We do not think there will be more than 70 per cent of the cattle fed in this territory than there was for the average the last two or three years. The good quality of corn and high sealing price for corn contributes to the lesser number of feeders.

JOHN CARLANDER
President

State Bank of Faribault
Faribault, Minnesota

It would appear that feeders are more cautious than a year ago and are taking a second look at the prospects of a profitable operation. Last year's feeding operation did not prove to be very profitable.

There is a definite switch in this territory from dairy cattle to beef cattle, primarily for the reason that it is difficult to secure farm help. Some dairy farmers, because of the labor situation, are now feeding out small numbers of beef cattle.

Yearling steers are selling from 10 to 15 cents a pound less than a year ago and with the increase in the beef cattle population, feeders are concerned as to the price the steers will bring when ready for market. In view of the present support prices, many feeders might decide to sell their feed rather than process it through a feeding operation.

We have an abundance of feed and the experienced feeder will continue his operation on a somewhat smaller basis than in previous years and will need only limited financial assistance.

We expect no material increase in feeder loans as compared with previous years.

N. H. TALLAKSON
President

Bank of Willmar
Willmar, Minnesota

It is not expected that there will be the demand for loans to purchase feeder cattle, such as there was during the fall of 1950 and especially in 1951. The corn crop in our territory is very good and there is going to be a tendency for many farmers to seal

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.

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Products Corporation*

HENRY C. VON ELM
Honorary Chairman

MANUFACTURERS TRUST COMPANY

Condensed Statement of Condition September 30, 1952

RESOURCES

Cash and Due from Banks	\$ 742,139,252.32
U. S. Government Securities	836,373,260.14
U. S. Government Insured F. H. A. Mortgages	79,152,779.43
State, Municipal and Public Securities	101,812,908.45
Stock of Federal Reserve Bank	4,511,700.00
Other Securities	30,748,891.17
Loans, Bills Purchased and Bankers' Acceptances	840,491,896.12
Mortgages	11,771,263.35
Banking Houses	13,580,214.42
Customers' Liability for Acceptances	15,392,769.83
Accrued Interest and Other Resources	6,629,770.08
	<u>\$2,682,604,705.31</u>

LIABILITIES

Capital	\$ 50,390,000.00
Surplus	100,000,000.00
Undivided Profits	18,469,202.57
Reserves for Taxes, Unearned Discount, Interest, etc.	19,656,262.66
Dividend Payable October 15, 1952	1,637,675.00
Outstanding Acceptances	16,223,127.40
Liability as Endorser on Acceptances and Foreign Bills	8,240,736.88
Other Liabilities	2,333,021.56
Deposits	2,465,654,679.24
	<u>\$2,682,604,705.31</u>

United States Government and other Securities carried at \$154,742,665.30 are pledged to secure public funds and trust deposits and for other purposes as required or permitted by law.

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DEFENSE IS YOUR JOB TOO—BUY U. S. DEFENSE BONDS

Northwestern Banker, November, 1952

the corn, than to feed it. In the years of 1950 and 1951, our corn crop was poor and consequently the farmers felt it was better to buy feeding cattle and feed the corn, rather than to seal it and get a low price, in as much as we had poor corn crops those two years.

We have already financed a large number of feeding cattle this fall. We have farmers in our vicinity who will want to feed cattle each year, even though the corn prices may be attractive, but they are equipped to handle feeding cattle and it has be-

come part of their farm operating procedure.

This fall the prices are considerably lower than they were last year and that is somewhat attractive and even though they feed better corn this year, they will get better results. With present prices, it seems the farmers could make some money on feeding cattle. Many of those feeding cattle last year, when prices were high, made very little more than a fair price for their feed. Even so, they were able to feed more of their corn crop that would have otherwise

spoiled. It appears that the lighter calves are the more attractive but some are buying cows that they intend to sell later in the fall or winter when they have eaten up what remains in the corn field after picking, and other rough feed.

T. E. SPREITER
President
Western State Bank
Marshall, Minnesota

The corn crop in this area is of good quality—readily marketable at good prices—consequently cattle feeder loan volume less than a year ago. Feeders that regularly feed year in and year out have about the same number in their lots.

R. P. HAYES
President
The First National Bank
Red Wing, Minnesota

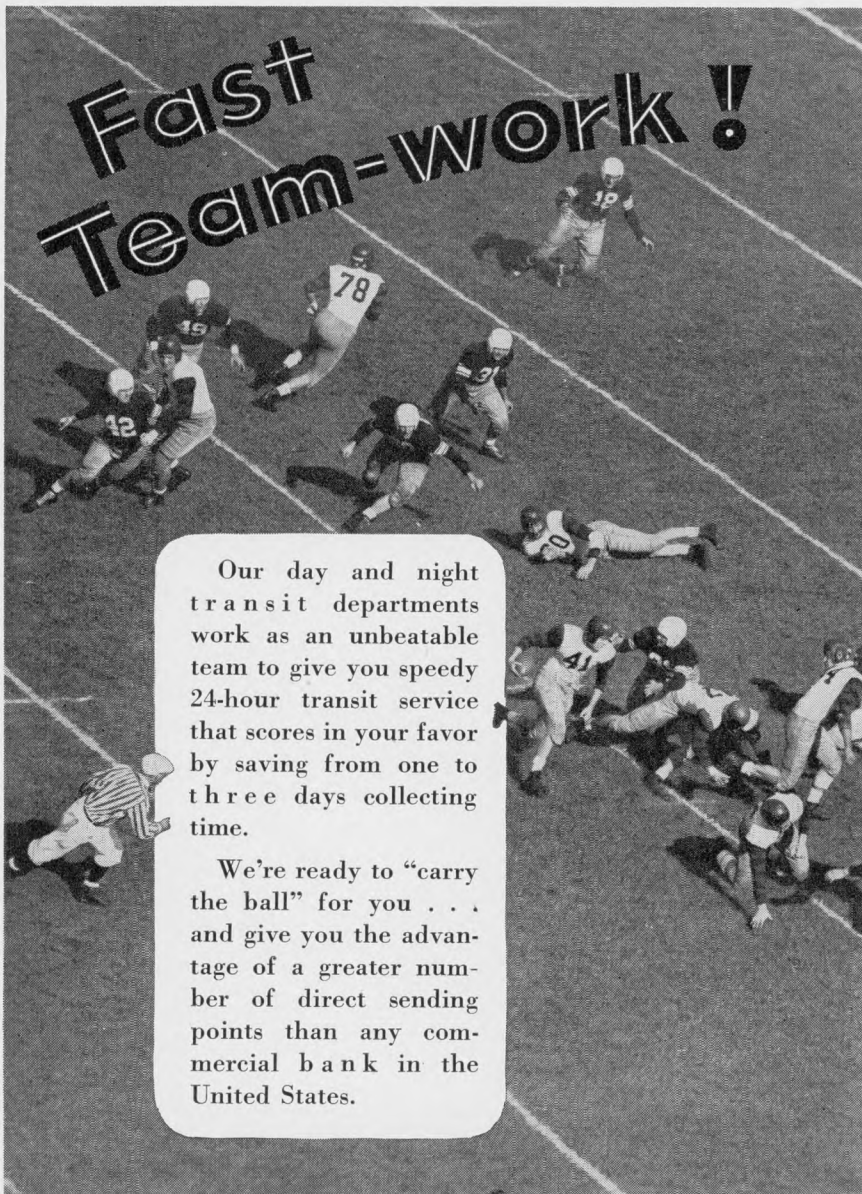
The situation seems to be that more will be on feed in this area than previously. Due to the abundance of feed most farmers are feeding a few more head than usual. This area is predominantly a dairy country but it seems that each farmer is feeding a few head due to large supplies of roughage and corn. The corn crop has matured well, however, it still contains quite a bit of moisture. Heavy frosts during the past ten days has done a lot to kill any growth and hasten maturity.

Due to the fact that we do not have any large feeders in this area, I do not look for any sizable demand for feeder loans. This is not unusual, however, as we are primarily a dairy country.

Iowa

T. C. AARESTAD
President
First National Bank
Denison, Iowa

While we have been making a few feeder loans since this season started, our people had generally been in a "wait and see" mood, feeling sure that the feeder prices would be driven lower by the lack of demand in cattle feeding areas and the eventual large number of cattle that should go to the feeder markets. Because of our bountiful corn crop and knowing that it can be sealed for over a dollar and a half per bushel, many of our people have thought it might be wise to realize cash quickly on their corn crop rather than risk it in feeding to cattle, but we believe that the natural desire of these people who have been in the cattle business for so long is to want to feed the crop on their farms rather than have the corn eventually delivered to the Commodity Credit Corporation and so leave



Fast Team-work!

Our day and night transit departments work as an unbeatable team to give you speedy 24-hour transit service that scores in your favor by saving from one to three days collecting time.

We're ready to "carry the ball" for you . . . and give you the advantage of a greater number of direct sending points than any commercial bank in the United States.

Commerce Trust Company

Capital Funds Exceed 27 Million Dollars
KANSAS CITY'S LARGEST BANK
Established 1865 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

this area. Therefore, we believe there will be many cattle loans made, predominantly on lighter weights, because we think our operators will stay in the business in spite of last year giving a setback to some of them. We don't think they are discouraged but have become more cautious.

Our experience with cattle loans has been excellent in the past and we expect to continue making them and we know that the cattle feeding industry is good for the economy of our state and country, so rightly the cattle feeders are entitled to make a fair profit on their operations.

C. S. JOHNSON
Executive Vice President
First National Bank
Perry, Iowa

We find that our cattle feeders are more cautious this year than they have been for some time. We had considerable inquiry in August but we advised that if feeders would not become too anxious in our opinion the price of feeding cattle could become considerably lower. Most of our feeders have heeded this advice and now that feeder cattle are at a considerable lower level, we are again interested. It is my opinion that if prices show some further decline there may be considerable cattle feeding in our area, but I think the feeders are very cautious and will only proceed if they think there is a reasonable chance of some profit.

CHARLES J. SPIES
President
Iowa Trust & Savings Bank
Emmetsburg, Iowa

You may take my views for whatever you think they are worth; however, I will say this: that over the past five years or so, like all bankers, I have been wrong much of the time in advising our cattle feeder customers against buying cattle. However, during the past few years we have had an up-market until this past year. During 1952 many of our customers did well to break even, and some of them lost money. The quality of the corn which they fed was of course not good, and if they sold their corn on the market, it would not have brought a good price. These conditions must be taken into consideration.

As far as the present season is concerned, two-thirds of our customers have bought their cattle. We advised them to wait until this time before making their purchases. Those who did not wait until now, paid between 28 cents and 30 cents for their cattle. At the present time a number of our farmer friends are buying excellent quality western Herefords at 24½

ANNOUNCING An important development in drive-up banking

—by Diebold



The drive-up banking counter pictured above is important news to progressive bankers everywhere. It is the result of five years of research and development by Diebold, pioneer in Drive-up Banking.

It incorporates more than 30 specific advantages both for depositors and bank personnel. Only Diebold offers a counter so functionally sound and so completely in harmony with present-day bank architecture. Its 80-inch expanse of bullet-proof glass, complete counter visibility and many other features including motorized deal tray will interest you and please you.

The design of this new series reflects the accumulated experience of 486 bankers with backgrounds in drive-up banking. Their suggestions helped Diebold engineers produce this new series in three sizes with optional accessories to meet every requirement.

This important forward step in drive-up banking is new evidence of Diebold's traditional leadership in banking equipment. Let your Diebold representative give you the complete story.

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Northwestern Banker, November, 1952

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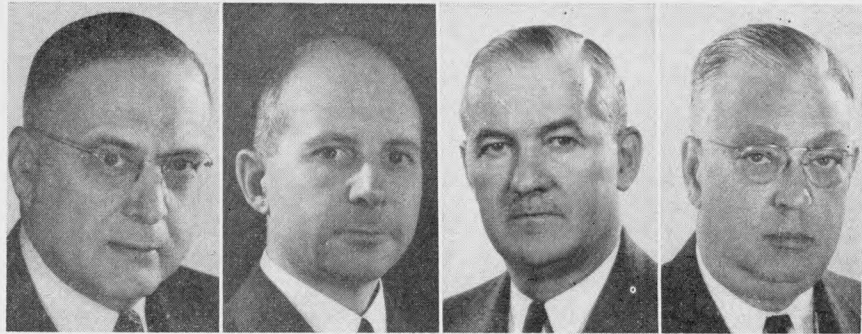
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Northwestern Banker, November, 1952

Changes at National City Bank



DE WITT A. FORWARD
 Sr. Vice President

N. C. LENFESTEY
 Exec. Vice President and Cashier

LEO N. SHAW
 Exec. Vice Pres. and Mgr. Overseas Division

J. S. ROCKEFELLER
 Exec. Vice Pres.

DIRECTORS of the National City Bank of New York recently amended the by-laws of the bank to change the number of senior vice presidents from three to one, who will be DeWitt A. Forward, a senior credit officer of the bank. The board also appointed three of the senior officers of the bank to the newly created offices of executive vice presidents. James S. Rockefeller, formerly senior vice president, became executive vice president in charge of the domestic business of the bank. Leo N. Shaw, also a former senior vice president, becomes executive vice president and manager overseas division. Nathan C. Lenfestey becomes executive vice president and cashier.

Mr. Forward received his A.B. degree from Colgate University in 1916. His banking career started at National City in the bank's college training class that year. He was appointed a vice

president in 1927 and senior vice president in 1945.

Mr. Rockefeller, a graduate of Yale University, came to National City in 1930. In January, 1940, he was made a vice president. He was appointed a senior vice president in 1948.

Mr. Shaw graduated from Amherst College in 1916. He joined National City as a member of the foreign service training class and was appointed a vice president in 1931. In 1945 he became deputy manager and in 1946 manager of the overseas division, and was appointed a senior vice president in 1948.

Mr. Lenfestey joined National City in 1917, three years after graduating from Dartmouth College. He was appointed cashier of the bank in 1919 and vice president and cashier in 1940 and has the longest tenure as cashier in the bank's history.

cents to 26½ cents. We are pleased that our feeders are buying smaller cattle than in previous years. In other words, they are buying cattle weighing between 400 pounds and 700 pounds. They have learned that it is necessary to put on a cheap gain through feeding grass silage, corn silage, alfalfa hay, oats, and other protein feeds. This kind of an operation requires a feeding program of twelve to fifteen months, but we believe that we and the feeder are taking less risk with this program of feeding calves.

Six days later—Since writing to you the other day regarding cattle feeding prospects I want to report that in the past few days the bottom has apparently dropped out of the feeder cattle market in northwestern South Dakota and adjacent Wyoming territory. Several of our customers have in the past few days purchased excellent quality 725 pound Hereford heifers at 18 cents. Six weeks ago this

same string of cattle was held at 32 cents.

We will let the economists tell us what the finished cattle will sell for next summer.

E. D. SUTHERLAND
 Cashier
 First National Bank
 Manning, Iowa

I do not think farmers will feed quite as many cattle around here as last year. They are holding off for lower prices for feeding cattle.

As there is quite a large corn crop here, if the price of fat cattle holds up, it might change the situation.

F. J. LEWIS
 President
 The Harlan National Bank
 Harlan, Iowa

We are making and think we will continue to make a nice volume of cattle loans. Our volume is down from 20 per cent to 30 per cent below the ex-

tremely high amount of these loans of last year and we would expect this reduced ratio to hold for the rest of the feeding year. We attribute this reduction to the fact that our feeder cattle and calves are coming in this year from \$6 to \$12 per hundredweight cheaper than the preceding year, and we believe some fewer cattle will be fed in this territory this year because of an excellent corn crop which can be sealed at high prices because of unsatisfactory feeding experiences in the last season.

We think that well-made cattle loans will continue to be excellent paper in our locality. Our feeder customers should probably look forward to lower fat cattle prices next year (say about \$25 Omaha price) which means that they should plan to make their profits from economical gains rather than from margins. The economical use of all forms of rough feed produced on farms in our country should provide cattle feeders with a nominal profit and a good price for their corn and should continue to build the productive capacity of their land through a good livestock and land use program.

CHARLES E. WATTS
President
Commercial State Bank
Pocahontas, Iowa

In this area there appears to be somewhat fewer cattle loans now than at the same time last year. The cost of the feeders purchased is lower but we find that many feeders are buying more animals. Last year's feeding experience has made most buyers and their bankers more cautious. Many of the more experienced cattle feeders have not yet filled their feed lots and we look for a good deal of interest in feeding cattle through October and November. The number of cattle feeding loans will probably be as large as last year with the dollar totals somewhat less.

H. C. SMITH
Executive Vice President
Cedar Falls Trust & Savings Bank
Cedar Falls, Iowa

With the prices on stocker and feeder cattle \$10 lower than the fall of 1951, it seems to us that the risk on such loans has been considerably reduced. In our area we have a large number of experienced cattle feeders, most of whom, when buying feeders, take into consideration the weighing condition (which, of course, is an important factor). Also, due to the fact that the corn crop is exceptionally large and of high feeding value, and plenty of roughage available, cattle feeding should be more profitable than a year ago.—The End.

Wisconsin Appointment

R. C. Schall, vice president of the field warehouse division of the St. Paul Terminal Warehouse Company, announces the recent appointment of Wallace S. Coutts as inspector for the Company, to serve the eastern half of Wisconsin.

Mr. Coutts, 32 years of age and married, started his business career with the Waukesha, Wisconsin, National Bank, where he worked as messenger, bookkeeper and teller until 1941, when he went into the service.

Returning from the service in 1946, where he acquired five campaign stars and a bronze star, he handled G. I. loans for Waukesha National, and

when the bank opened a branch in Butler, Wisconsin, Mr. Coutts was named manager.

The service recalled him again in 1950, but now released he has taken the above position with St. Paul Terminal. He resides in Butler.

Reserve City Member

J. Darrell Francis, senior vice president of the Mercantile National Bank at Dallas, has been elected to membership in the Association of Reserve City Bankers. He was voted the honor by the association's board of directors, meeting during the American Bankers Association convention in Atlantic City.



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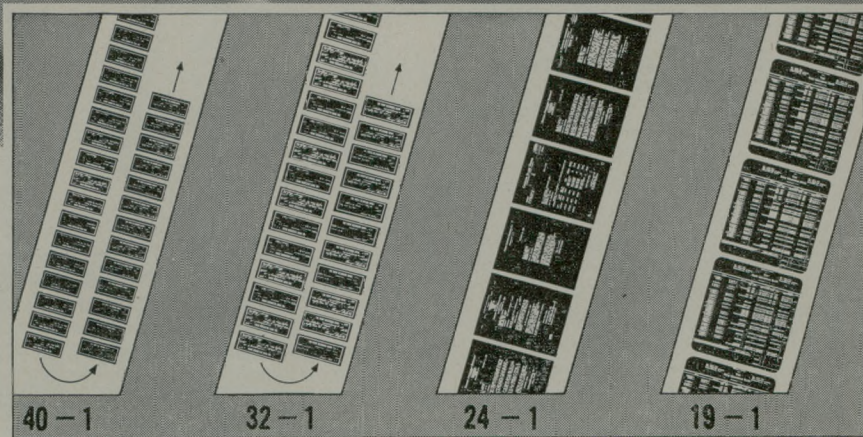
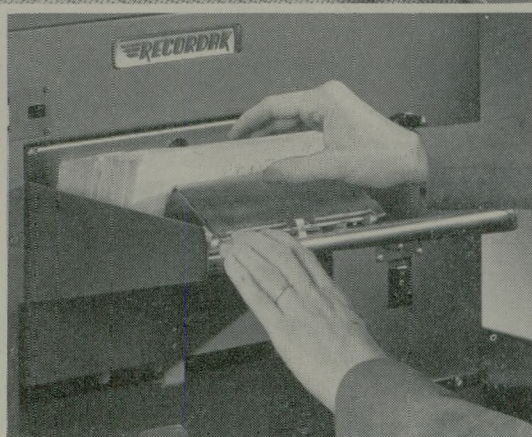
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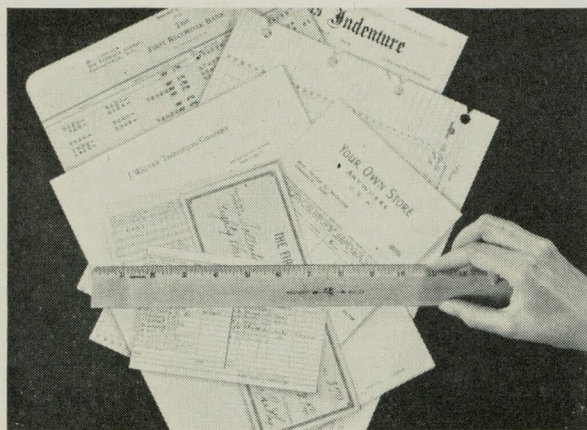
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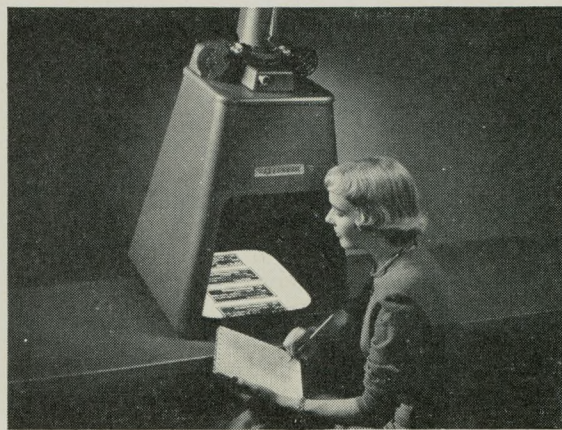
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How to Make an Oil Loan

(Continued from page 18)



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as security for a loan of \$25,000. In this instance the loan would be 50 per cent of the cash value.

Further assume that the borrower's income the first year amounted to \$20,000 and 75 per cent of this income, or \$15,000, was applied on the loan. This would leave a balance on the loan of \$10,000 at the end of the first year.

The security for the loan at the end of the first year would be the original \$100,000 net earnings, less \$20,000 received the first year, or \$80,000 at the end of the year. Discounted 50 per cent to a cash value of \$40,000 as security for the \$10,000 balance of the loan, the loan would then be 25 per cent of the cash value.

Under the above circumstances the loan at the end of the first year has twice the security as the original loan, and sound banking principles would justify doubling the amount of the loan at the end of the year; that is, increase the loan from \$10,000 to \$20,000. The following schedule illustrates the comparison of the facts outlined above:

	Original loan	Less: Change during year	End of first year
Estimated net earnings over life of property after operating costs deducted	\$100,000	\$20,000	\$80,000
Discounted 50% to cash value of the reserves	50,000	40,000
Amount of loan	25,000	15,000	10,000
Ratio of loan to discounted cash value	50%		25%

There is a possible limitation to this method, and this should be pointed out. Some better producing properties may enjoy a productive life of 50 years or longer, and a loan predicated on 50 per cent of the cash value of such properties would have an amortization period of some 15 years. Such a period is far in excess of the maximum pay out period of most banks, usually limited to four or five years.

Cash Values and Reserves

Although there is a variety of methods by which the cash value of producing properties may be determined, the only sound method must give consideration to the expected net earnings, over the life of the property, as the founding point. Suppose future recoverable oil will return a net profit of \$100,000 after deduction of all operating costs. The cash value is then derived by applying 50 per cent to this figure, arriving at a cash value of \$50,000 on which a bank will loan approximately \$25,000. This calculation rests fully on the recoverable reserves, and it is therefore necessary that these be estimated.

Estimation of Recoverable Reserves

There are three generally accepted methods of estimating oil reserves in normal reservoirs.

1. Production Decline Curve Method—where the lease in question has produced its maximum production over a period of time.

2. Volumetric Method—applied on prorated producing properties where the production rate is restricted to daily rates lower than the capacity of the property to produce.

3. Material Balance Calculations—based on bottomhole pressure and rates of production. This method applies to a pool as a whole, not to individual properties.

An adequate check of all oil properties must include the production history of the properties, preferably gross production by years since the first well and by months for the past year. The monthly production information should then be checked with proration schedules to find if the property is making its allowable production, or to ascertain if the property has entered the declining phase of its life.

A production decline curve is considered one of the most reliable methods in estimating oil reserves and it is at all times desirable that such a curve express not less than 12 to 18 months' production history. One factor generally influencing the accuracy of such a curve results from the drilling of additional wells during the time covered, and the production from such wells should be adjusted on the graph.

There are various types of production decline curves for extrapolating the future reserves to the economic limit of production—the double log curve, the semi-log curve, rate accumulative curve, and the percentage decline curve, all being based on the production history. In any instance it is advisable to retain one type of curve to express the production history throughout the life of the property. This provides for greatest accuracy.

One of the principal advantages of a decline curve is that a forecast of future income by months and years is ascertainable. Such information serves as a guide in judging the income that will be available for application on the loan, and that which may be earmarked on a repayment schedule.

The volumetric method of estimating oil reserves applies to properties where the sustained productive ability is greater than actual daily produc-

tion under proration. In this method a computation is made of the volume of pore space in the formation filled with oil, to determine the amount of oil in place, and from this the recoverable oil is calculated by applying a recoverable factor. It is necessary to have porosity and permeability determinations along with such other data as oil saturation, connate water, gas in solution, and accumulated past production in order to estimate future recoverable oil by this method.

The future monthly or yearly income over the economic life of a property under which reserves have been estimated by this method is contingent on allowable rates of production until such time as this rate is the equivalent of the actual ability of the property to produce. Following such time the natural decline of production determines the amount of income available for loan repayment rather than the prorated production as stipulated by the state regulatory body.

The third method of reserve calculations, commonly referred to as the material balance method, applies to a pool as a whole, but not to individual properties within a pool. It may, however, be used to check the relative accuracy of reserves estimated under an individual lease. The principle involved in this method hinges upon a pressure-volume relationship based upon present decline, plotted against time in relation to barrels of oil withdrawn.

Controlled Reservoirs

A fourth method of estimating reserves has been developed to apply to those reservoirs where pressure maintenance effectively results from a natural or induced water drive, through injection of water or gas, or through a combination of these accessories.

In the writer's opinion the controlled reservoir represents a notable achievement in petroleum engineering, and one that may increase recoveries 100 per cent. The practice has, however, necessitated new approaches in estimating reserves recoverable from such projects.

In operations of this character water or gas is used to displace the oil with the water/oil contact moving up structure when water is injected, or the gas cap expanding down structure under gas injection. Either action, controlled in relation to produced oil and formation pressure, progressively reduces the remaining effective saturated zone of the pay strata. Therefore any reserve estimate in such an operation must consider not only normally recoverable oil, but that which is moved to the well bore by the pressure maintaining agents. Further, the

rate of water or gas encroachment of the saturated zone must be permitted to express the economic longevity of the project or any unit acreage involved.

One usually essential element of a pressure maintenance operation is unitization of individual leases and other interests. In the case of Oklahoma the unitization law requires the consent of 63 per cent of the operators and royalty owners in a given pool to invoke the jurisdiction and obtain the approval of the Corporation Commission. In Texas, there is no unitization law and such unit operations are left largely to the discretion of the Railroad Commission for approval.

The natural difficulty in unitizing is the factors used in devising a formula of participation that will be agreed to by the required per cent of the operators. Political aspects ignored, the benefits derived from a properly conducted, controlled reservoir outweigh any inequalities inherent in the agreed method of unitizing.

Future Wells—Additional Loans

In the instance where future wells are planned it is advisable to have a separate analysis covering the contemplated drilling program. The basic loan should be predicated only on present production, with additional advances made on new wells if and when completed. A complete picture of a



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loan schedule covering present production and anticipated drilling can only be obtained with two analyses.

When a loan is to cover contemplated future development, that portion of the loan not secured by production already proved should be limited to the actual cost of the contemplated well or wells. This policy is adhered to until the property approaches complete development.

In development campaigns there is always a hazard that the operator will drill a dry hole or complete a small producer and unexpectedly be confronted with expenses totally unanticipated. To alleviate the precarious position in which the operator might find himself, and the loan on production be placed, a bank may be practically forced in such instances to make additional advances in order to protect the security. The limitation of the amount of a loan in a development program to the actual well cost provides a backlog or a cushion protecting the loan and the operator against such contingencies.

The early speculative qualities of early-day oil development have been sufficiently tempered as to make the oil loan an attractive proposition. Today's oil operator is a realistic individual fully cognizant of economic trends and conditions that bear upon

either a request for a loan or the granting of same.

In the final analysis and from the viewpoint of this bank, the loan on oil production has proved to be a healthy transaction. The bank with which the writer is associated has never sustained a loss on a secured oil loan. It can logically be concluded that expansion of loan services among oil operators, contingent upon satisfactory data, will be of equivalent benefit to both the oil and banking industries.—The End.

New Ad Agency

Charles F. Southward has announced the formation of Southward and Associates, an advertising agency in Chicago. The agency has several active accounts in fields of industrial and consumer products, savings and loan associations, hotels, resorts and travel.

"Chile" Southward is well known in advertising circles, having been executive secretary of the Chicago Federated Advertising Club from 1935 to 1940. For the past seven years he has been associated with Harry Atkinson Advertising Agency as vice president.

In addition to general advertising accounts, the new agency will expand its activities in handling what Southward calls "Reciprocal Trade Agreement

Advertising Programs." These programs have been worked out successfully on a national basis for Zippo Lighters, Fryrite Deepfryers, P&K Fishing Tackle, Boulevard Watches, Stewart-Warner radios, as well as many big hotels and resorts.

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CHARLES F. SOUTHWARD
Reciprocal Trade Programs

worked out by the agency, between manufacturers and various media including newspapers, radio stations, magazines and outdoor. Southward says there is a wide field to be developed using this type of product and service promotion.

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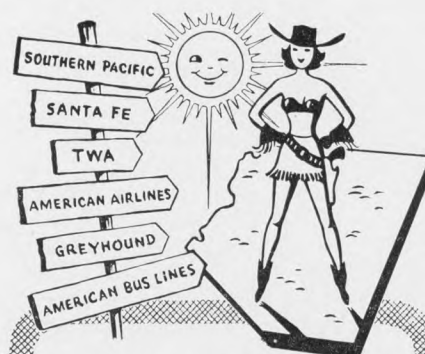
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Savings and Mortgage Regional In Minneapolis, November 10-11

REPRESENTATIVES of the government and leading bankers in the savings and mortgage business will be among the speakers to address the Regional Savings and Mortgage Conference of the American Bankers Association to be held in the Hotel Nicollett, in Minneapolis, Minnesota on November 10th and 11th. The tentative program for the conference was announced by F. A. Amundson, general chairman of the conference and vice president, Midway National Bank, St. Paul, Minnesota.

The conference, which is being sponsored by the Savings and Mortgage Division, will bring together bankers from North Dakota, South Dakota, Minnesota, Iowa and Wisconsin to hold discussions and hear addresses on the problems and techniques of savings banking and mortgage lending. The entire first day will be devoted to the savings field, with the second day taken up by mortgage problems.

Among the features of the program will be a reception given by the Minneapolis banks at 5:00 p. m. on November 10th, followed by a banquet. The banquet will be addressed by Oliver S. Powell, president of the Federal Reserve Bank of Minneapolis.

Representing the government on the program are Raymond M. Foley, administrator, Housing and Home Finance Agency, and Thomas B. King, director, loan guaranty service, Veterans Administration. Banker speakers include W. Harold Brenton, president of the American Bankers Association and president, State Bank of Des Moines, Des Moines, Iowa; Wendell T. Burns, president of the Savings and Mortgage Division and senior vice president, Northwestern National Bank, Minneapolis; F. Brian Reuter, member of the Savings and Mortgage Divisions Committee on Investments and vice president, Mellon National Bank and Trust Company, Pittsburgh, Pennsylvania.

The afternoon session on Tuesday, November 11th, will be devoted entirely to "A Mortgage Committee in Action," a panel discussion. Five bankers will make up the mortgage committee of a hypothetical bank and discuss new mortgage loan applications. Joseph R. Jones, vice president, Security-First National Bank of Los Angeles, Los Angeles, California, will act as chairman for the panel.

The tentative program for the conference follows:

Monday, November 10th

A. M.

10:00 First Session—Minnesota Terrace.

Presiding—F. A. Amundson, general chairman, Conference Committee; vice president, Midway National Bank, St. Paul, Minnesota.

"The Savings and Mortgage Picture"—Wendell T. Burns, vice president, Savings and Mortgage Division, A.B.A.; senior vice president, Northwestern National Bank, Minneapolis, Minnesota.

"Investing Savings Funds in a Commercial Bank"—F. Brian Reuter, member, Committee on Investments, Savings and Mortgage Division, A.B.A.; vice president, Mellon National Bank and Trust Company, Pittsburgh, Pennsylvania.

Address—W. Harold Brenton, vice president, American Bankers Association, Des Moines, Iowa.

P. M.

2:00

Second Session—Minnesota Terrace.

Presiding—Guy S. Bacon, president, Minnesota Bankers Association; president, Empire State Bank, Cottonwood, Minnesota. "Rates of Interest on Savings"—J. R. Dunkerley, deputy manager and secretary, Savings and Mortgage Division, A.B.A., New York, New York.

"Merchandising Savings"—John B. Mack, Jr., deputy manager; manager, advertising department, and director, Public Relations Council, A.B.A., New York, New York.

Address—Speaker to be announced.

5:00 Reception—East Room.

7:00 Banquet—The Ballroom.

Presiding—Mr. Burns.

Address—Oliver S. Powell, president, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota.

Tuesday, November 11th

A. M.

10:00 Third Session—The Ballroom.

Presiding—Henry S. Kingman, former president, Savings and Mortgage Division, A.B.A.;

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president, Farmers and Mechanics Savings Bank, Minneapolis, Minnesota.

"Housing and Mortgage Legislation"—Thomas L. Nims, assistant secretary, Savings and Mortgage Division, A.B.A., New York, New York.

Address—Raymond M. Foley, administrator, Housing and Home Finance Agency, Washington, D. C.

"The New G. I. Loan Law"—Thomas B. King, director, Loan Guaranty Service, Veterans Administration, Washington, D. C.

P. M.
2:00 Fourth Session—The Ballroom. Presiding—Mr. Burns.

"A Mortgage Committee in Action"—Panel Discussion.

Joseph R. Jones, chairman; vice president, Security-First National Bank of Los Angeles, Los Angeles, California.

George G. Cowie, vice president, Farmers & Mechanics Savings Bank, Minneapolis, Minnesota.

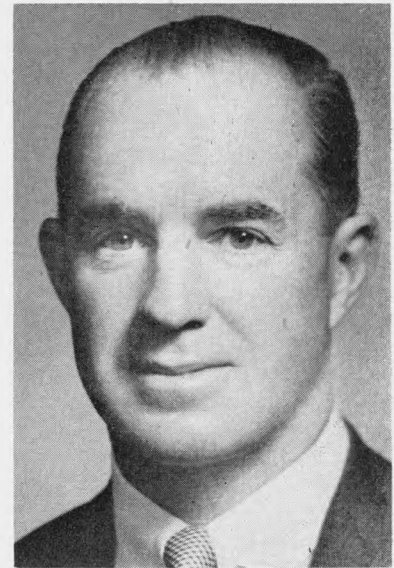
Orville Habberstad, president, Union National Bank, Rochester, Minnesota.

Clarence F. Tesch, vice president, Marshall & Ilsley Bank, Milwaukee, Wisconsin.

Daniel L. Middleton, assistant vice president, Security National Bank, Sioux City, Iowa.

Elected Director

Horace C. Flanigan, president of Manufacturers Trust Company, announced the election of George G. Walker to the board of directors of the Trust Company. Mr. Walker is



GEORGE G. WALKER
On Manufacturers Board

president and a director of Electric Bond & Share Company, and vice chairman and a director of Ebasco Services Incorporated. He is also a director of American & Foreign Power Company, Inc., the Schering Corporation and United Gas Corporation; and a member of the United States Committee of The Northern Assurance Company Ltd. of London, England.

Opens Foreign Offices

Opening of a new banking establishment in Osaka, Japan, by Bank of America was announced from the bank's San Francisco headquarters by Russell G. Smith, executive vice president in charge of the bank's international banking affairs.

Fourth Japanese city to have a branch of the California branch bank, which has become a world-wide financial institution, Osaka is a thriving industrial and financial center located on the southern part of Honshu Island.

A new branch of Bank of America N.T. & S.A. was also opened in the West End of London recently. Located at 29 Davies Street the new office will be the second to be operated in London by this California bank.

Scouting for

Superior Bond Service?



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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, November, 1952

Business Loans Continue to Expand

Demand from Local Borrowers Is Affecting Commercial Bank Activity in the Investment Market

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

THE expansion of business loans common to the fall of the year continues to cut heavily into the lendable funds of commercial banks, underscoring all the more the subordinate role played by investments this year among the earning assets of the deposit institutions. By October 1st, the commercial, industrial and agricultural loans of Federal Reserve System member banks in 94 major cities had risen to \$21,671,000,000, the highest on record. Likewise, all loans of such banks had risen to beyond \$36,600,000,000 also a high record.

If the banks want to avoid being in constant and substantial debt to the Federal Reserve, they must necessarily look to reducing the investment portfolio as the most handy means for obviating or replenishing recurring deficiencies in reserve position. The commercial banks, then, are necessarily sellers rather than buyers of Government securities and their offerings are probably more responsible than any other direct influence for the bearish phase and higher creeping yields that have haunted the bond market all year.

Blunt statistical testimony for this lies in the fact while all loans of the nation's major banks were \$385,000,000 higher on October 1 than on July 1, the banks' total of loans and investments decreased \$1,720,000,000 over the same period. This depletion of the investment account, with its upward pressure on yields, can be expected to persist over the fall season.

Increased Borrowing

Likewise, a seasonal increase in member bank borrowing from the reserve institution is to be expected. Such borrowings have been curtailed sharply since they reached a high of \$1,408,000,000 at the end of July; nevertheless they tend constantly to crowd and exceed the half-billion-dollar mark. As the fall season advances,



its traditional complex of temporary drains on bank reserves cannot but be reflected in higher borrowings from the central bank. It is estimated that borrowings at the Federal may exceed \$2,000,000,000 before the end of the year. And if such borrowings cannot be balanced out by the shrinkage of commercial loans or by money market factors beyond the control of the banks, they can then be liquidated only by funds raised by the further sale of securities from the investment account.

Investment Portfolio

Of course the bank investment portfolio, so far as holdings of United States obligations are concerned, is not only shrinking in size, but in average maturity, too. Especially among conservative banks little disposed to play the market for capital gains in the present unpredictably-gearred economy, the investment portfolio, with the passage of time, must be getting shorter and shorter.

For such banks, whose orthodox portfolios are now heavily weighted

with short-term "secondary reserves", the time may be getting ripe for some modest lengthening out in the direction of intermediate bonds—that is obligations due in from five to ten years—should such paper be available in the market at sizable discounts from par.

Any such lengthening of average maturity, however, should come after—not before—the bank has fulfilled its first responsibility—the accommodation of borrowers seeking funds to further constructive ends in the economy. Moreover, investment switches should be dictated primarily by the portfolio's need for balance, not by the allurements the market might hold momentarily in the way of yields or discount prices.

Market Temptations

Instances of market temptations, especially to banks presently overinvested with short Treasury paper, were furnished in late September by prices touched by such bank-eligible bonds as the new 2½s of 1958, the 2¼s of 1959-1962 and the 2¼s of 1956-1959. The discounts on such bonds, all of which seems slated to be paid off in from seven to eight years at 100, ranged from ¾ of a point for the 2½s to 3¾ points for the 2¼s.

However, who knows but what prices may be even more tempting a month hence? Or two months? Or six months? That is all the more reason why liquidity in secondary reserve position and balance in portfolio distribution must necessarily come first in determining new investments for a bank to make and when to make them.

Singularly enough, the present seasonal expansion of bank lending is attended by recurring apprehensions here and there of a pending "leveling off" or decline in capital requisitions and of business activity in general. In fact, talk in certain areas about "the

coming depression" is beginning to be reminiscent of the imminent "recovery" of the Thirties—the "prosperity" that somehow managed to stay invisible "just around the corner."

The Business Picture

The present business picture as a whole and the prospect for continued defense spending do not bear out the probability of any imminent depression, regardless of how overextended certain lines of industry or distributive business may be at the moment. No doubt there will come in due time a substantial readjustment of the economy on the downside, if only to serve the constructive ends of stabilization.

The fact that the broad and sturdy

expansion of the postwar economy has so far belied all of the chronically recurring apprehensions of economic collapse suggests that—like the cat once burned at the hearthside—there may be something pathological about the skeptical attitude instinctively accorded the economy by a generation still sensitive to memories of the Great Depression.

Commercial Lending Rate

However, vital technical market questions—questions relating to the level of the prime commercial lending rate of the banks and to the rediscount charge of the Federal reserve institution—are necessarily brought up by any efforts to project the likely course of the economy from here on in.

Professional investment circles have been rife for weeks with talk about the possibility of an upward adjustment in the prime commercial lending rate from the 3 per cent level. The seasonal banking statistics carry a striking reminder of the fact that the 3 per cent rate is now approaching its first anniversary in a lending climate not unlike that which attended its establishment last December.

It does not necessarily follow, however, that another such increase is in the offing. There are, of course, strong influences pressing on banks in certain areas to raise the prime rate further. On the other hand, the keen competitive interest of banks to win and keep cost-conscious business is a factor that will tend to retard the spread of a higher prime rate.

And the Federal Reserve System's rediscount rate—is any markup from the 1¾ per cent level likely, especially if the prime commercial rate is increased by influential banks?

No Rate Increase

At the moment, it seems assured that no rise in the rediscount rate will take place in the near future, even if some banks are moved to increase the prime commercial lending rate beyond 3 per cent. There is no reason why there should be any fixed "spread" between one interest level and another, especially in the relationship

between charges bearing on the service function of commercial banks and charges bearing on the stabilizing function of the reserve institution.

A rise in the rediscount rate would be in order only if the volume of bank loans should rise substantially from present levels; and if it were established at the same time that the rise was being fostered by the privilege of borrowing cut-rate at the Reserve bank. No such feverish exploitation of the rediscounting accommodation is yet visible in the normal seasonal expansion of bank loans that is now going on. Rather, the statistics seem to reflect the preference of member banks for holding their borrowings from the central bank down, even if they have to sell securities in the market to do so.—The End.

Will Travel Iowa

Donald C. Marks, sales manager of the bank check division of Columbian Art Works, Inc., announces the appointment of William B. Norman as



WILLIAM B. NORMAN
New sales representative

sales representative for the State of Iowa.

Mr. Norman has had experience in the insurance field and prior to that was associated with Sigmund Ullman

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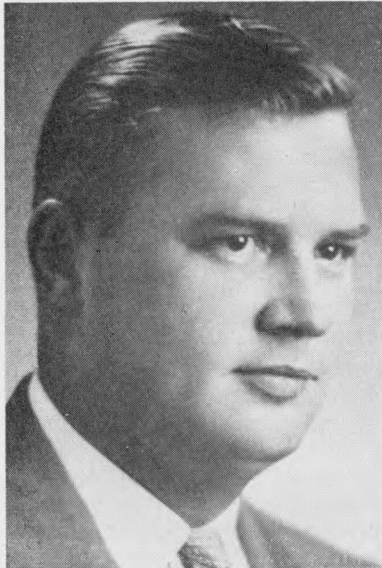
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Ink Company. During the last war, he served as a Lieutenant in the Air Corps in the Pacific theatre.

New Staff Member

President Russell L. Stotesbery, of the Marquette National Bank of Minneapolis, Minnesota, announces that John D. Cleary has joined the public relations staff of the Marquette National Bank and has been assigned to the department of banks and bankers as a special representative, and will



JOHN D. CLEARY
In department of banks and bankers

act as an assistant to Otto Preus, vice president in charge of that department.

Mr. Cleary brings to the Marquette National Bank a diversified experience in both banking and insurance business, having been associated with the Richfield State Bank for a number of years and prior to that with the Farmers & Mechanics Savings Bank of Minneapolis. His most recent appointment was with the banking division of the St. Paul Mercury Indemnity Company.

In New Building

One of the nation's most dramatic examples of contemporary bank architecture was unveiled in Kansas City, Kansas, recently, when the Bank Building and Equipment Corporation of America formally handed the keys

of the new Exchange State Bank to President Lloyd C. Hutchison.

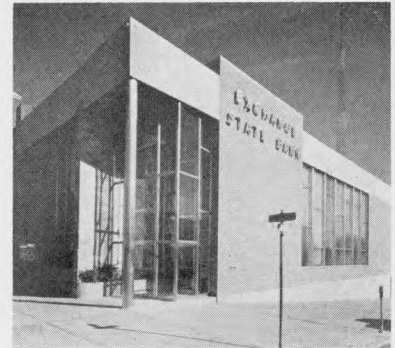
The new structure, located in the heart of the central business district, is built with an eye toward the future.

For example, the bank has a 24 foot ceiling. This ceiling, with its myriad of tiny recessed incandescent spotlights highlighting the deep midnight blue fields, lends a feeling of spaciousness to the structure.

Another example: The vault is located in the southeast corner of the building. It would seem that a more logical place for this vault would be on the south wall. However, when Exchange reaches the point when an extensive expansion move is necessary this vault will not have to be moved. The building merely will be extended, past the vault, onto the bank's customer parking lot at the rear of the building.

The exterior of the Exchange State Bank is distinguished by the large areas of glass around the vestibule. These panels of glare and heat-resistant Solex glass, encased in aluminum,

rise 24 feet, from the sidewalk to the Indiana limestone parapet. Similar windows, 22 feet high, rise from a planting box on the north side of the



An exterior view of the new Exchange State Bank, Kansas City, Kansas. The last word in modern architecture, the building is constructed and arranged so that future expansion will be comparatively easy.

building. Eight panels, also 22 feet high, illuminate the lobby from the west.

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Sixth Annual Conference

More than 600 bank officers and directors from many states, representing correspondent institutions of First National Bank in St. Louis, are expected to attend the bank's sixth annual one-

day conference of correspondents on Wednesday, November 19 at Hotel Jefferson.

Admiral Ben Moreell, chairman of the board, Jones and Laughlin Steel Corp., Pittsburgh, will deliver the dinner address. True D. Morse, president, Doane Agricultural Service, Inc., will discuss "What is Ahead for Agricul-

economist, will talk on "Present Economic Conditions;" Roland C. Behrens, vice president, St. Louis Union Trust Company, will summarize "The Government Bond Market," and C. Arthur Hemminger, director of advertising and public relations, will discuss current trends in bank advertising.

William A. McConnell, president of First National Bank in St. Louis, will preside at all sessions.

At the evening meeting, the visiting bankers will be joined by several hundred business and industrial leaders of the St. Louis area who also will be dinner guests of the bank.

Chairman of Bar Group

Earl S. MacNeill, vice president of the Irving Trust Company, was elected chairman recently of the real property, probate and trust law section of the American Bar Association at its annual meeting in San Francisco.

A member of the New York Bar and a trust officer for more than 20 years, Mr. MacNeill is also chairman of the committee on trust information of The American Bankers Association. He is past president of the New York Financial Advertiser and past chairman of the trust development section of the Financial Public Relations Association, as well as past chairman of the American Bar Association's committee on pension and profit sharing trusts.

Associate Councilmen

The appointment of associate councilmen of the American Institute of Banking for 1952-53 was announced recently by Martin J. Travers, national president of the Institute and vice president, Power City Trust Office, The Marine Trust Company of Western New York, Niagara Falls, New York.

Associate councilmen in upper midwest states are:

Iowa — Robert A. Hahn, assistant cashier, Merchants National, Cedar Rapids, and John S. Haver, cashier, Live Stock National, Sioux City.

Minnesota — Ernest J. Haugberg, First National, St. Paul; Clifford C. Sommer, vice president, Midland National, Minneapolis, and Clyde V. Stube, cashier, Western National, Duluth.

Montana—N. Burton Felder, cashier, First National Bank & Trust Company, Helena.

Nebraska—R. Max Peterson, Continental National, Lincoln, and Lester E. Souba, First National, Wisner.

North Dakota—M. Agnes Newman, assistant cashier, Dakota National, Fargo.

South Dakota—Clarence B. Erickson, assistant cashier, Union Savings, Sioux Falls.

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ture" at the luncheon meeting. At the afternoon session, Dr. Melchior Palyi,




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How to Sell When You Have No Experience, No Customers, and No Prospects

Written Especially for
The Northwestern Banker
By **CAMPBELL J. TELLMAN**
Gere & Stohrer, Inc.
Syracuse, New York



CAMPBELL J. TELLMAN
"Prospecting is the 'fun-end'
of the business"

IN JANUARY, 1946, when I was discharged from the Army after 39 months away, my strongest desire was to spend a great deal of time at home with my family. The work I had left to go into service required traveling most of each week. It was selling office supplies in Upstate New York.

On one of these calls after the war, I called on an old customer who was a local agent. In the course of our visit he told me he wanted to bring a young fellow like me into his agency. From that started my career in the insurance business. He suggested my taking a training course being given for prospective agents. It was to be held at Syracuse University, sponsored by the New York Association of Local Agents.

The instruction lasted for five weeks and followed the N.A.I.A. 100 Hour Course. It was an excellent preparation and ably taught by company men, most of whom were instructors in company schools. Every man in the class passed the New York State brokers' examination on his first try.

Upon receiving my broker's license, I joined the firm of Gere & Stohrer, Inc. It is Syracuse, New York's oldest agency—celebrating its 113th birthday this year.

Charles B. Gere, head of the firm, had handsomely survived the many cycles through which the business had gone during his lifetime. His sound advice and assistance were based on these many experiences.

Not being a Syracusan, my acquaintances were limited. In fact, the announcement Mr. Gere wished sent upon my joining the firm went to 92 people. That was a slim prospect list. I soon exhausted my acquaintances in making calls, but where to look next! This soon became a simple matter. Syracuse was enjoying a phenomenal postwar growth; General Electric was building its great Electronics Park there; Bristol-Myers was building its Bristol Laboratories for the manufacture of penicillin; Syracuse University was tripling its staff to accommodate the host of G. I.'s flocking to college, and Carrier Corporation was undergoing a major expansion.

Each day our local papers, *The Post-Standard* and *Herald-Tribune*, carried news items of personnel who were coming to town. I wrote letters to each of these newcomers, welcoming them to Syracuse. A few days following my letters, I called on these people. The value of the letter was simply that it made the initial call much easier. As many as 50 per cent of these people became customers. Most of them seemed grateful for these calls. I handled many transfers to the new location, answered many questions about their new home town and built up a substantial file of expirations.

Commercial Accounts

After there was a flow of personal lines coming along, I raised my sights on commercial accounts. As an approach to these, I used surveys. The

results were miraculous. Upon gathering the information, I worked up the presentations evenings at home with the help of my wife. She did the typing and edited the narrative. The knowledge I acquired from the necessary research and the new business it developed was amazing.

Many times I've made surveys for firms on whom I had made "Cold Turkey" calls without knowing anyone in the firm prior to my first call. The largest account I have was started in just that manner. Last year that firm paid us over \$9,000 in premiums.

In 1951 it seemed like a good idea to go back to school. This time it was to the Hartford Accident and Indemnity Company's school. This proved to be a very worthwhile investment of a month's time. The association with other men in the business from all parts of the country is a valuable experience in itself. There is an exchange of ideas that have been tested, to say nothing of the classroom work and discussion. That phase of the experience was excellent.

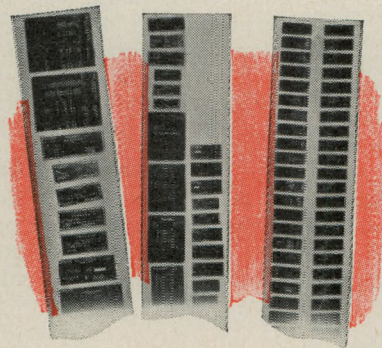
How Business Comes

As for the present, I find there is less and less time for prospecting. That's a sad state because to me that is the fun end of the business. Business now comes through activities, club associations, and referrals by customers. One of the rewarding results of conscientious efforts is the number of referred customers that
(Turn to page 50, please)

Northwestern Banker, November, 1952

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The use of 8 mm photography on 16 mm film doubles the number of images per foot of film. The high 37 to 1 reduction ratio further increases the saving. Film costs are slashed as much as 80 % in many cases. The savings in film costs alone can pay for the new equipment! And the photography itself is superlative for its image clarity, brilliance and contrast.

With Burroughs, you *own* the equipment . . . you don't have to rent. And your equipment is the most modern available—made by Bell & Howell, sold and serviced by Burroughs. There are 25 Burroughs processing stations for fast, expert developing of your film, over 600 Burroughs service centers to keep your equipment at peak performance—wherever you are.

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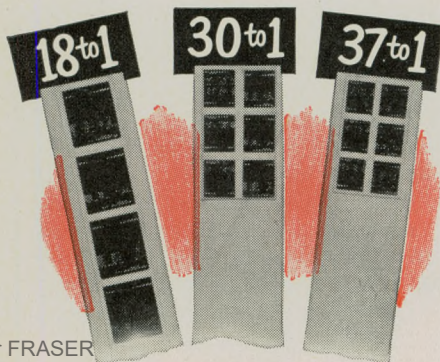
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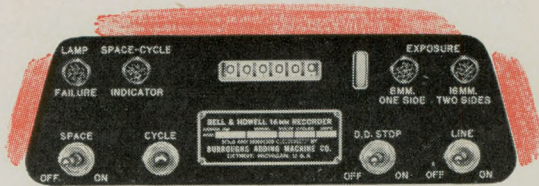
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FAST, EASY OPERATION

Bell & Howell Recorder requires no special training for operators. Offers high-speed automatic feeding and simplified hand feeding. Visual, audible and automatic controls prevent errors, speed production.

PREMIUM GROWTH

(Continued from page 47)

come to one because of satisfactory service rendered. That is our principal form of advertising. One thing of this type which pays a dividend is a system of claims follow-up. We insist on prompt disposal of claims and I know we do an unusually good job in this phase of the business.

Production figures get monthly scrutiny. It's surprising to me that for the past two years new business represents about 40 per cent of total volume. New business in that period averaged

about \$2,500 per month. This year my total production should be very near \$75,000.

These days losses are raising hob with many agents, to the point where their market for new business is diminishing, it not lost. There is no sure-fire control over losses. In an effort to help the situation, however, I rarely solicit auto insurance. That comes without solicitation, if you start with the other lines. They are for the most part more desirable and since they are usually written for a three-year term, harder to get. For six years I have averaged five new dwelling fire

policies each month. Writing the car insurance for these home owners has proven to be much better than average from a claims standpoint. They seem to present less of a collection problem, also.

I'm not sure my short while in the business allows me the liberty of giving advice. If I may, however, here are a few points for a newcomer to our profession. **First** is preparation that leads to a thorough understanding of the contracts. **Second** is the ability to present this understanding to laymen in clearly understandable language. **Third** is a systematic plan for making intelligent calls on prospects. **Fourth** is a conviction that the services you sell are essential to the economic well-being of your customers. **Fifth** is a goal for which to work. **Sixth** is a routine to follow that makes the greatest advantage of your time.

Each of these points could be elaborated on at length. Many of them already have been by experts. They are working for me.—The End.

Heads Out-of-Town Division

S. T. Mason Frey, vice president of Bankers Trust Company, New York, has been named head of the out-of-town division, it was announced by S. Sloan Colt, president. In this new

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Agency Headquarters, Topeka
S. H. Witmer, Chairman of the Board H. O. Chapman, President

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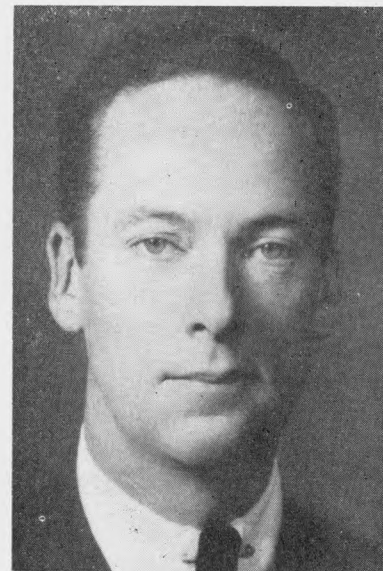
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S. T. MASON FREY
To assist in banking department

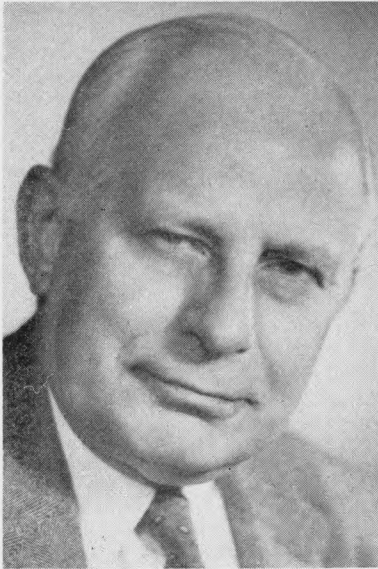
capacity, Mr. Frey will assist J. P. Dreibelbis, vice president in charge of the banking department.

At the same time, it was announced that William H. Moore, vice president, would succeed Mr. Frey as head of the Bank's far west district.

Mr. Frey joined Bankers Trust in 1932. He was elected assistant treasurer in 1943, assistant vice president in 1945, and vice president in 1948.

Joins Investors Group

Donald L. Barr, former assistant treasurer in charge of investment management for Dartmouth College, has joined Investors Diversified Services, Inc., to assist in the portfolio



DONALD L. BARR
In portfolio management

management of Investors Mutual, Inc., largest of three mutual funds distributed and managed by I.D.S.

In addition to his responsibilities for management of the Dartmouth trust and endowment funds for the past 15 years, Mr. Barr also served as a special lecturer on investment management at the College's Tuck School of Business, Richmond Hill, L. I., before enrolling at Dartmouth. He was engaged in the investment field with Dick and Merle-Smith and previously with L. F. Rothschild and Company in New York, prior to assuming management duties at Dartmouth.

Rotary Card File

Management will be able to save time, cut costs, and increase employe efficiency with a new electrically-operated rotary card file soon to be made available by the office systems division of the Mosler Safe Company, Hamilton, Ohio.

The new office efficiency tool is an automatic, robot-like device. It was unveiled for the first time at Grand Central Palace in New York during the National Business show.

Finger-tip, push-button control is an outstanding feature of the new electrically-operated rotary card file. Ac-

ording to John Mosler, vice president of the 104-year-old firm, the new unit enables a file clerk "to select electrically" any one of thousands of cards in less than three seconds.

The automatic file is divided into 16 sections. Each of the sections is controlled by one of 16 clearly identified push-buttons mounted on a panel board. When a clerk wants to find a card, she simply touches the proper button. The file instantly revolves and automatically stops as soon as the desired section reaches the most efficient position in front of the operator.

Heads Teacher Program

R. Elmo Thompson, executive vice president of The First National Bank and Trust Company of Tulsa, was guest speaker recently at the annual Tulsa Chamber of Commerce "Deer Teechur" program.

"Deer Teechur Day" serves as the official "welcome to Tulsa" of the Chamber and the city for new teachers in the public schools. Initiated by the Chamber's forum committee four years ago, "Deer Teechur Day" has proved to be a most popular annual forum event and has received high commendation from the administration and board of education of the Tulsa public schools, as well as wide publicity in national education circles.

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Lloyd Leider
Assistant Vice President

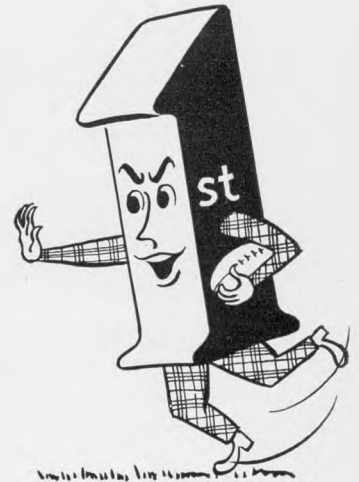
Don Buckman
Assistant Cashier

Don Smith
Assistant Cashier

Leo Erlon
Representative

These men form the correspondent bank team at the First in Saint Paul. There's no platoon system here—no substitutes. They are *all on the ball all the time*.

Backed by years of experience, our "team" of correspondent banking veterans is rarin' to go to work for YOU—simply call the signal, Cedar 1575!



For any helpful service
THE FIRST IN SAINT PAUL IS THE BANK TO CALL . . .
St. Paul Cedar 1575

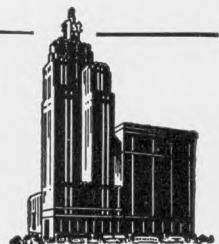


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JULIAN B. BAIRD, *President*

The **FIRST NATIONAL BANK**
of Saint Paul

Member Federal Deposit Insurance Corporation



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GUY S. BACON
President
Cottonwood

Minnesota NEWS



FLOYD W. LARSON
Secretary
Minneapolis

Over 5,000 Visit Winona Bank

OFFICERS and directors of the Winona National and Savings Bank, Winona, Minnesota, issued a blanket invitation to residents of southeastern Minnesota and western Wisconsin to be the bank's guests last month at the grand opening of the completely remodeled bank building at Fourth and Main Streets. More than 5,000 persons toured the new building.

Thirty men from St. Louis—marble, bronze and interior design specialists—and an additional crew of local craftsmen, averaging ten to 12 men, have rushed the modern interior to completion in near-record time.

In general, areas serving major departments in the bank have been re-shuffled and enlarged on the main banking floor. All fixtures have been



INTERIOR VIEW of the newly remodeled Winona National and Savings Bank. Modernistic design and office furniture provide a pleasant atmosphere for working and transacting business.

Visitors to the classic marble structure set back from one of Winona's major business arteries saw one of the most modern institutional banks in the nation today. An all-inclusive \$100,000 interior face-lifting has given the building a "new look," said to be without parallel for banks of its size anywhere.

The Bank Building & Equipment Corporation of America, with headquarters in St. Louis, conceived the completely rearranged floor plan and the host of all-modern features and appointments after many months of architectural, design and construction planning. The corporation, prime contractor for the project, launched the extensive remodeling April 13th this year and announced its completion recently.

remodeled; traditional-type office furniture replaced with functional furniture of the most modern approved designs, office remodeled and modernized, new carpeting and drapes installed, a new air conditioning and heating system placed in operation and a large number of modern service features adapted for use by Winonans.

Cottonwood Elects

Guy S. Bacon, president of the Empire State Bank, Cottonwood, Minnesota, announces that Paul O. Pearson, who has been cashier since February, 1951, has been promoted to first vice president, and Emil V. Slavick, assistant cashier since February, 1951, has been promoted to cashier.

Mayme Reishus, Arlene A. Prechel

and Nancy Koch were advanced to assistant cashiers.

New Glencoe Officer

Leonard Hoese of New Germany, Minnesota, has been employed as assistant cashier at the Security State Bank, Glencoe, Minnesota. Mr. Hoese has been previously employed for several years at the First State Bank of New Germany.

Hold Open House

Officials of the Union State Bank, Brown's Valley, Minnesota, held open house last month.

The bank building has undergone a complete remodeling the past six months, together with an additional banking room added in the rear of the building.

Completes 60 Years

Last month employees of the First National Bank, Chisholm, Minnesota, held open house in honor of George Train, who completed 60 years of banking service.

Observes 90th Year

J. C. Miller, who has been identified with banking at Bertha, Minnesota, ever since there has been a bank there and is still active, observed his 90th birthday recently.

Mr. Miller is president of the First National Bank.

Elysian Anniversary

Recently the Elysian State Bank, Elysian, Minnesota, celebrated its 45th anniversary.

Watson Anniversary

The Watson State Bank, Watson, Minnesota, was very well satisfied with the crowd that helped them celebrate their first birthday.

Duluth Changes

Guilford S. Lewis last month was elected first vice president of the Western National Bank of West Duluth, Minnesota, it was announced by Alfred Hoel, president, following a meeting of the bank's board of directors. Mr. Lewis succeeds Hilding J. Olson, who moved to Iron River, Michigan, last spring.

At the same meeting, Clyde V. Stube, cashier, was advanced by the board to vice president and cashier. Mr. Stube became associated with the bank as teller in 1946.

**MORE MINNESOTA NEWS
(ON PAGE 58)**



Twin City News

AS IN former years, Minneapolis bankers took leading roles in the Minneapolis and Hennepin county Community Chest campaign.

Serving as vice chairmen were **Donald N. Judkins** of the First Hennepin State Bank; **Robert J. Sapp** of the Northwestern Bank, and **Harvey E. Petersen** of the First National Bank.

William Chapman, vice president of the Midland National Bank, headed the larger firms' division campaign.

Assisting him were **Morrow Peyton** of the Northwestern National Bank and **Maury Strothman** of the Minneapolis Federal Reserve Bank. **Allan Moore**, vice president of the First National Bank, served as chairman of the district organization. Assisting

him as vice chairman was **Raymond P. Clausen** of the Northwestern National Bank. In charge of district firms under Mr. Moore was **John Nevin** of the First National Bank.

* * *

Three Twin Cities bankers went to Minot, North Dakota, recently to inaugurate the Minot chapter of the American Institute of Banking.

They are **George E. Maier**, vice president of the Cherokee State Bank of St. Paul and president of the St. Paul AIB chapter; **William Bronner** of the Federal Reserve Bank of Minneapolis, president of the Minneapolis chapter, and **Emmet Erickson** of the Farmers & Mechanics Savings Bank of Minneapolis, district consul.

Gordon Murray, president of the First National Bank of Minneapolis, has been named to the finance department committee of the Chamber of Commerce of the United States.

* * *

John A. Peterson, accountant for the First National Bank of Minneapolis, took part in a panel discussion on controlling inventory size at the first of a series of five seminars conducted by the Twin Cities chapter of the National Association of Cost Accountants.

* * *

Wendell T. Burns, senior vice president of the Northwestern National Bank of Minneapolis, was elected president of the savings and mortgage division of the American Bankers Association at the ABA convention in Atlantic City.

He has served on the ABA's committee on federal legislation, credit policy commission and the mortgage committee. His new title automatically makes him a member of the group's administrative committee, which helps govern the association.

* * *

The **Minnesota group** of the Investment Bankers Association were dinner hosts recently to **Robert S. Macfarlane**, president of the Northern Pacific railway, and members of the executive staff.

* * *

Directors of 35 affiliated banks of the **Northwest Bancorporation** met in Minneapolis recently for their fifth

Big Things are Happening in Canada!

TAKE TITANIUM. Lighter than steel, stronger than aluminum, it's used in jet motors, combustion engines, chemical equipment. Canada has estimated reserves of more than 125 million tons of ore in one deposit alone.

TAKE URANIUM ORE. Canada is the world's second largest producer . . . is now building what may prove to be the world's largest Uranium refinery.

Take any of the many fields of opportunity to be found in Canada: horizons are broad; the possibilities endless. American banks and business firms who wish to explore them fully are invited to channel their activities through The Royal Bank of Canada. A network of over 700 branches offers complete banking facilities . . . nation-wide, up-to-the-minute information on all business and industry.

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NEW YORK AGENCY: 68 William St., N. Y. 5
HEAD OFFICE: MONTREAL

THE ROYAL BANK OF CANADA

TOTAL ASSETS EXCEED \$2,500,000,000

Northwestern Banker, November, 1952

MEMO

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ENGSTROM or SI OLSON**
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service.

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Minneapolis 1, Minn.—MAin 0511

MEMBER FEDERAL DEPOSIT INSURANCE CORP.

Marquette Names New Officers

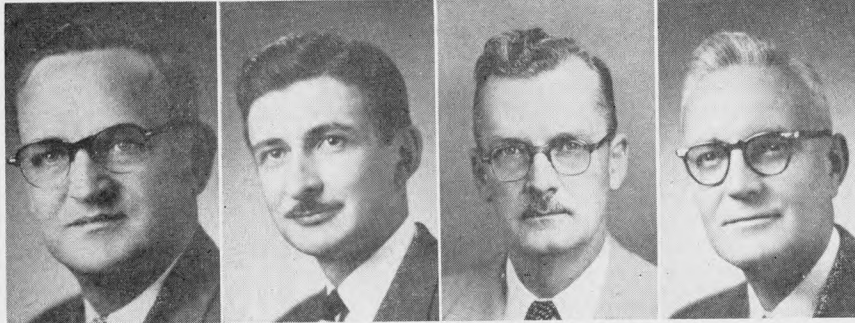
RUSSELL L. STOTESBERY, president of Marquette National Bank of Minneapolis, has announced the election of three new officers by the board of directors.

E. L. Kulander and Don R. Knight were named assistant vice presidents, and Glen Sawyer was elected trust officer. Sig Silverness, assistant vice president, assumes new duties as public relations representative.

Mr. Kulander began his banking ca-

mercial department, and as teller. Knight will be commercial loan officer and supervisor of records, commercial loan department.

A graduate of Yale Law School, Glen Sawyer has practiced law in Minneapolis, was in the legal department of the Federal Land Bank in St. Paul, and then in 1935 went to Lanesboro, Minnesota, to establish his own law practice. From 1942 through 1946, Sawyer was Fillmore county at-



E. L. KULANDER Asst. Vice President **DONALD R. KNIGHT** Asst. Vice President **GLEN SAWYER** Trust Officer **S. R. SILVERNESS** Asst. Vice President

reer in Swea, Iowa, in 1926, and has been in the banking field ever since. In 1937 he came to Marquette, where he has been in the commercial department, installment loan and auditing. Mr. Kulander's new duties include supervisor of the commercial department.

Don Knight, a native of Minneapolis, started at Marquette in 1937, after leaving the University of Minnesota. He has worked in proof department, bookkeeping, installment loan, com-

mercial department, and as teller. Knight will be commercial loan officer and supervisor of records, commercial loan department.

A graduate of Yale Law School, Glen Sawyer has practiced law in Minneapolis, was in the legal department of the Federal Land Bank in St. Paul, and then in 1935 went to Lanesboro, Minnesota, to establish his own law practice. From 1942 through 1946, Sawyer was Fillmore county at-

annual conference with officers and directors of the corporation.

J. Cameron Thomson, Bancorporation president, led a roundtable discussion of business and agricultural conditions. Also participating were **Arthur R. Upgren**, economic consultant to the *Minneapolis Star and Tribune*; **Marvin Peterson**, research director for the Federal Reserve Bank of Minneapolis, and **Edward P. Wells**,

vice president of the Northwestern National Bank of Minneapolis.

Directors attending from Minneapolis were **John D. Bleecker**, **Clarence R. Chaney** and **E. A. Schlamp**, and from St. Paul, **James E. Kelley**.

Other directors from Minnesota were **Roland H. Aaker**, Montevideo; **John A. Buxton**, Owatonna; **Bill Roy Ekstrand**, Thief River Falls; **E. H. Finkelburg**, Winona; **J. Roy Geier**,

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Room and Board from \$4.00 to \$12.00 per day

Surgical Benefits of \$75.00, \$100.00 or \$125.00

Fee of \$4.00 pays for \$8.00 a day Hospital Policy to Mar. 15, 1953

Minnesota Commercial Men's Association
2550 Pillsbury Ave. So. Minneapolis 4, Minnesota

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Ortonville; **M. B. Hagen**, Hopkins; **Bardon Higgins**, Duluth; **Robert W. Klemmer**, Faribault; **E. V. Molle**, Marshall; **J. F. Parker**, Duluth; **Roland S. Patterson**, Mankato; **Henry A. Swanson, Jr.**, Red Wing; **Richard A. Trow**, Albert Lea; **Roy Watson, Jr.**, Rochester, and **Edward P. Weber**, St. Cloud.

From Iowa: **William Friedman**, Des Moines; **David A. Noble**, Sioux City, and **Charles E. Strickland**, Mason City.

From Montana: **I. W. Church**, Great Falls; **Joseph L. Kelly**, Anaconda, and **Thomas P. Patterson**, Helena.

From Nebraska: **Darrel D. Dudley**, Norfolk, and **Charles E. Peterson**, Omaha.

From North Dakota: **Paul G. Brewer** and **F. B. Heath**, Bismarck; **Max Goldberg**, Fargo, and **W. Maurice Harrington**, Minot.

From South Dakota: **Robert W. Best**, Sioux Falls; **Fred P. Hampton**, Sturgis; **J. A. McGillivray**, Watertown, and **G. T. Mickelson**, Selby.

From Wisconsin: **Herman A. Tausche**, La Crosse.

* * *

The **First Minnehaha National Bank** of Minneapolis announces its capital has been raised from \$100,000 to \$300,000 by transferring \$100,000 from sur-

plus and \$100,000 from undivided profits.

Steadily expanding profits, a substantial demand for loans and general increase in the bank's services were cited by **Arvid A. Lund**, vice president. Deposits now have risen to more than \$13,000,000, making the bank the largest outside of the Minneapolis loop in terms of deposits. The bank has a \$200,000 expansion and remodeling program under way.

* * *

Frank B. Weck, vice president of the First National Bank of Minneapolis, has been elected president of the Corporate Fiduciaries Association of Minnesota.

Other officers are **Harold C. Soderman**, secretary and treasurer of the First Trust Company of St. Paul; **Earl Cardle**, trust officer of the Marquette National Bank of Minneapolis, and **L. E. Shervy**, vice president of the Northern National Bank of Duluth, vice presidents, and **Sophus T. Persen**, vice president of the Northwestern National Bank of Minneapolis, secretary and treasurer.

* * *

Ben C. McCabe, prominent Minneapolis grain firm executive and a member of the board of directors of

the **Midland National Bank** of Minneapolis, has been elected president of the Minneapolis Grain Exchange.

Mr. McCabe is president of McCabe Bros. Company, Pacific Grain Company and the International Elevator Company. He is a member of both the Chicago and Duluth boards of trade and is a director of Allied Mills of Chicago and of the Northwest Country Elevator Association.

* * *

Lyman E. Wakefield, Jr., of the First National Bank of Minneapolis has been elected to the board of directors of the Orchestral Association of Minneapolis, which operates the Minneapolis Symphony orchestra.

* * *


Hale Towne, vice president of the Mercantile Trust Company of St. Louis, addressed the third session of a forum sponsored by the **American National Bank** of St. Paul.

Primary objective of a real investor, he explained, is to invest funds to obtain as much income as possible without too much risk of capital.

* * *

Lew J. Wallace, trust officer of the First National Bank of Minneapolis, has been elected to the board of di-

(Turn to page 59, please)



Convention Time

To members of the Iowa Bankers Association and to all visiting bankers who will attend the annual Iowa convention this month in Des Moines, we extend sincere greetings. Our officers will be there to renew old acquaintances and make new friends for the Live Stock National Bank in Sioux City.

CARL L. FREDRICKSEN
President

CLIFFORD L. ADAMS
Vice President

WILLIAM C. SCHENK
Vice President

JOHN S. HAVER
Cashier


STANLEY W. EVANS
Asst. Vice President

JAMES L. SMITH
Asst. Cashier and Auditor

KINLEY W. SMITH
Asst. Cashier

BEN E. HOLT DORF
Asst. Cashier

R. K. (Dick) DRAPER
Field Representative



The

LIVE STOCK NATIONAL BANK

Sioux City, Iowa

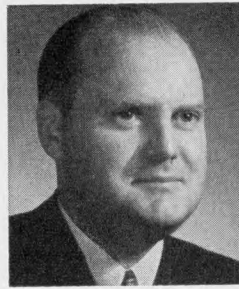
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



South Dakota NEWS

ERLING HAUGO
President
Sioux Falls

CARL E. BAHMEIER, JR.
Secretary
Huron



New Group Officers Elected

The South Dakota Fall group meetings just completed not only smashed previous attendance records, but met with enthusiastic response everywhere. The addresses of Verne Abeel, President Haugo, and Dr. LeRoy Lewis proved most popular; while Edward McFaul entertained the banquet groups with his wit and penetrating psychological analysis. The following officers were elected:

Group 1

President—Charles E. Lee, President, First National Bank, Volga.

Vice President—Tony Westra, assistant vice president, Northwest Security National Bank, Sioux Falls.

Secretary-Treasurer—H. G. Mosby, vice president and manager, Harrisburg Branch, Sioux Valley Bank.

Group 2

President—E. H. Peters, vice president, Security Bank, Webster.

Vice President—C. H. Halverson, cashier, Citizens State Bank, Castlewood.

Secretary-Treasurer—Robert Campbell, executive vice president and cashier, First National Bank, Frederick.

Group 3

President—Charles Tomhave, cashier, Vivian State Bank, Vivian.

Vice President—Howard Peters, president, Bank of Alpena, Alpena.

Secretary-Treasurer—Gay G. Klatt, installment loan director, Mitchell National Bank, Mitchell.

Executive Council Member—Kenneth G. Klatt, cashier, Dakota State Bank, Tripp; (3 year term succeeding L. E. Weaver, Miller).

Group 4

President—A. O. Rolien, president First National Bank, Lemmon.

Vice President—John Scanlon, cashier, Bank of Hoven, Hoven.

Secretary-Treasurer—J. Dale Leshner, cashier, Bank of Mobridge, Mobridge.

Group 5

President—Charles Pendo, executive vice president and cashier, Miners and Merchants Bank, Lead.

Vice President—W. E. Shoberg, vice president, Rapid City National Bank, Rapid City.

Secretary-Treasurer—Richard Berry,

assistant cashier, First National Bank of the Black Hills, Rapid City.

Rushmore State Opening

The Rushmore State Bank, which recently moved from Hill City to Rapid City, South Dakota, opened last month with the newest of banking equipment and decorations, "especially engineered for comfort and sight," President John Vucurevich, declared.

He pointed out most of the materials used in the new building on St. Joe street across from the Jefferson school are made and processed from Black Hills natural resources. About the only exception is the structural steel and steel products, he added.

A feature of the new bank will be the "drive-in" window on the east side where customers can drive up and transact banking business without getting out of their cars. There is ample parking space.

In keeping with the name, a replica of Mount Rushmore is pictured on the

new checks to be used by the bank.

The "Shrine of Democracy" is reproduced in an over-all design on the checks by John Wenrich, artist for the Todd Company, Rochester, N. Y., check manufacturers.

The bank will also maintain its offices in Hill City to serve patrons in that area, Mr. Vucurevich said.

John E. Kraft is executive vice president of the bank. N. W. Wilson is vice president and cashier; R. R. Philips, assistant cashier, and R. F. Jacobs manager of the Hill City branch.

New at Springfield

A main street improvement which is outstanding is the new plate glass and glass block front installed recently at the Springfield State Bank, Springfield, South Dakota. The front windows are lower with glass block above, and the door is full length plate glass with glass block panel above. It is the latest in artistic front treatment.

Madison Enlarges

The Security Bank, Madison, South Dakota, is constructing five additional rooms under the sidewalk around the bank. The space to be used will be about 12 by 100 feet although the excavation is larger to allow for the side-walls. There will be 1,200 additional feet of floor space, nearly as much as the area of the present basement.

The new space will be used as a fireproof record-room, a supply room, an insurance room, a fuel room and

Annual Round-up in Sioux Falls



ROUND-UP—One hundred fifty correspondent bankers, livestock commission men, feeders, and four major meat packing company representatives attended the recent annual Livestock Round-up held in the lobby of the Northwest Security National Bank, Sioux Falls, where the above picture was taken.

This is an annual event, with speakers from South Dakota State College, Iowa State College, Sioux City, and Minneapolis. The chief topic of conversation is usually one of feeding livestock, and management of loans. After several hours of concentrated study, time is allotted for round-table discussion. A dinner for the entire group follows.

Northwestern Banker, November, 1952

an employe lounge. The basement rooms will have separate heating, ventilating and air conditioning units. The employe lounge will be equipped for the convenience of the 19 employes, as well as for evening meetings of community groups and organizations. There will be a fully equipped kitchen.

Sioux Falls News

BANKERS of Group 1, South Dakota Bankers' Association, held their annual convention here. Group 1 takes in the southeastern part of the state.

Officers elected were **Charles E. Lee**, president of the First National Bank of Volga, president; **Tony Westra**, assistant vice president in charge of agricultural loans of the Northwest Security National Bank in Sioux Falls, vice president, and **H. G. Mosby**, vice president and manager of the Harrisburg branch of the Sioux Valley Bank, Sioux Falls, secretary-treasurer.

Nearly 200 persons, members of the association and their wives, attended a banquet at the Cataract Hotel.

* * *

The 12 nominees for posts on the Chamber of Commerce board of di-

rectors included **W. C. Duffy**, president of the Union Savings Bank; **Frank J. Cinkle**, vice president of the National Bank of South Dakota, and **Tony Westra**, agricultural director of the Northwestern Security National Bank.

Guest speaker at the Chamber's 45th annual meeting was **George Keith Funston**, president of the New York Stock Exchange and former Sioux Falls resident whose father is a former Sioux Falls banker.

* * *

Altogether, business in Sioux Falls during September showed a pronounced rise over the corresponding month a year ago. Bank clearings shot up by more than \$2,000,000, increasing from \$24,499,886.44 in September, 1951 to \$26,740,225.14 in September, 1952.—The End.

MORE MINNESOTA NEWS

Resigns at Tracy

Ted L. Rask, vice president and cashier of the Farmers & Merchants State Bank, announced his resignation and plans to leave Tracy, Minnesota.

Mr. Rask plans to leave in mid-November to accept a position as presi-

dent of the Northwestern Bank of Lewistown, Montana.

Leaves for West

A. C. Tiedeman last month resigned his position as cashier of the Union State Bank, Thief River Falls, Minnesota, and is leaving with his family for North Sacramento, California, where he will be employed in the home office of the California Liquid Gas Corporation.

Kerkhoven Elects

At a special meeting of the stockholders of the State Bank of Kerkhoven, Minnesota, Mrs. Pearl Hough was elected to the board of directors. She fills the vacancy caused by the death of her husband, O. G. Hough.

At the same time, George L. Engh was elected by the board of directors as executive vice president.

Blue Earth Anniversary

Stockholders, officials and employes representing every bank in Faribault county, turned out last month to pay tribute to the Blue Earth State Bank, Blue Earth, Minnesota, on its 50th anniversary at a dinner at the River-side Country Club.

Total attendance was placed at 65.

W. J. Schwen, Sr., chairman of the board of directors of the Blue Earth State Bank, welcomed the guests.

He turned the meeting over to K. O. Sattre, president, who pointed out that the history of the bank was quite representative of changes taking place in banking in general during the past 50 years.

Walter H. Schneider, cashier and oldest employe of the local bank, traced the history of the bank.

Harry Pfeffer, Sr., the only original stockholder who attended the anniversary party, also gave a few brief remarks.

Observes 50 Years

Last month marked the 50th year milestone in the banking business for D. J. Schroeder, executive vice president, Farmers State Bank, Mountain Lake, Minnesota. He was showered with bouquets of flowers and congratulations for that occasion.

New Fergus Falls Firm

The Otter Tail Finance Corporation of Fergus Falls, Minnesota, has been organized by a group of Fergus Falls and western Minnesota business men. The company expects to engage in the general finance business.

The officers and directors of the corporation are as follows: W. R. Olson, Fergus Falls, president; president of Olson-Enstad-Larson, Inc., and W. R.

B 17

Back in the war years reference to B17 meant only one thing—the good old dependable bomber that made things so unpleasant for the enemy. As used here, it refers to a simple but functional sort symbol printed on a bank check to indicate that the maker's name begins with Bli-Bn, and its purpose is to assist bank people to fine sort to the books with greater speed and accuracy.

Some large banks use a small number of single letter symbols to give them a rough sort to the bookkeeping divisions, in each of which there might be ten or fifteen ledgers. A few banks now are using the fine sort symbols which break down to parts of the individual ledgers. A large number of banks are now contemplating the adoption of these fine sort symbols, and it is this far-flung interest which makes the subject newsworthy.

If, as is indicated, banks are going to print sort symbols on their checks to facilitate check handling, they might just as well print the customer's full name because the additional cost would be infinitesimal and the printed name would have some considerable customer relations value. A few of our customers are doing this now and a number of others are considering doing it. Apparently this business of sorting checks by inexperienced people is quite a headache.

Well . . . where we come into the picture is in the execution of the thousands of small, individual orders required when sort symbols have to be imprinted—usually one hundred checks to the order. We know how to give service on small packages. We have the facilities to do it well. Whether you require 10,000 such orders per year, or 100,000, we are mentally attuned and physically equipped to provide top-notch service.



Manufacturing Plants at:

CLIFTON, PAOLI, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL

Olson Company; H. E. Swenson, Fergus Falls, vice president; vice president of the First National Bank of Fergus Falls; B. K. Soby, Fergus Falls, director; partner of John Dieseth Construction Company, road contractor; S. R. Anderson, Milan, lumber, hardware, implement dealer and vice president of the Peoples State Bank of Milan; H. B. Myhre, Detroit Lakes, wholesale dealer; M. T. Enstad, Fergus Falls, secretary; vice president of Olson-Enstad-Larson, Inc., and E. S. Larson, Fergus Falls, treasurer; treasurer of Olson-Enstad-Larson, Inc.

Shakopee Director

Fred A. Weiland, a member of the First National Bank, Shakopee, Minnesota, since 1933, was elected to the board of directors of the banking institution at a meeting recently.

Mr. Weiland, who succeeds the late J. H. Moore, was named cashier of the bank this year.

Forest Lake Improves

Construction on the addition to the Forest Lake State Bank, Forest Lake, Minnesota, continued last month as the main structures of the walls, roof and floor were completed and the rear wall of the older building was removed to join the two. The new rear addition will provide office and conference rooms, while the old front office will give way to provide additional cashier windows.

Two Harbors Remodels

The First National Bank of Two Harbors, Minnesota, is doing business in a temporary location during extensive remodeling of the interior of its banking quarters.

Rochester Is Host

The Union National Bank of Rochester, Minnesota, was host to officers of correspondent banks at the annual golf tournament and dinner last month at the Rochester Golf and Country Club.

Appoint Deputy

Jay R. Nims, 36, supervisor of the small loan division in the State Banking Department, recently was appointed deputy banking commissioner. He lives in Minneapolis.

Mr. Nims fills the vacancy created recently by elevation of Charles Wenzel to state banking commissioner by Governor Anderson following resignation of Commissioner A. W. Hoese.

Mr. Wenzel announced also that R. A. Christenson, Minneapolis, has been appointed to replace Mr. Nims as head of the small loan division.

TWIN CITY NEWS

(Continued from page 56)

rectors of the Hennepin County Tuberculosis Association.

* * *

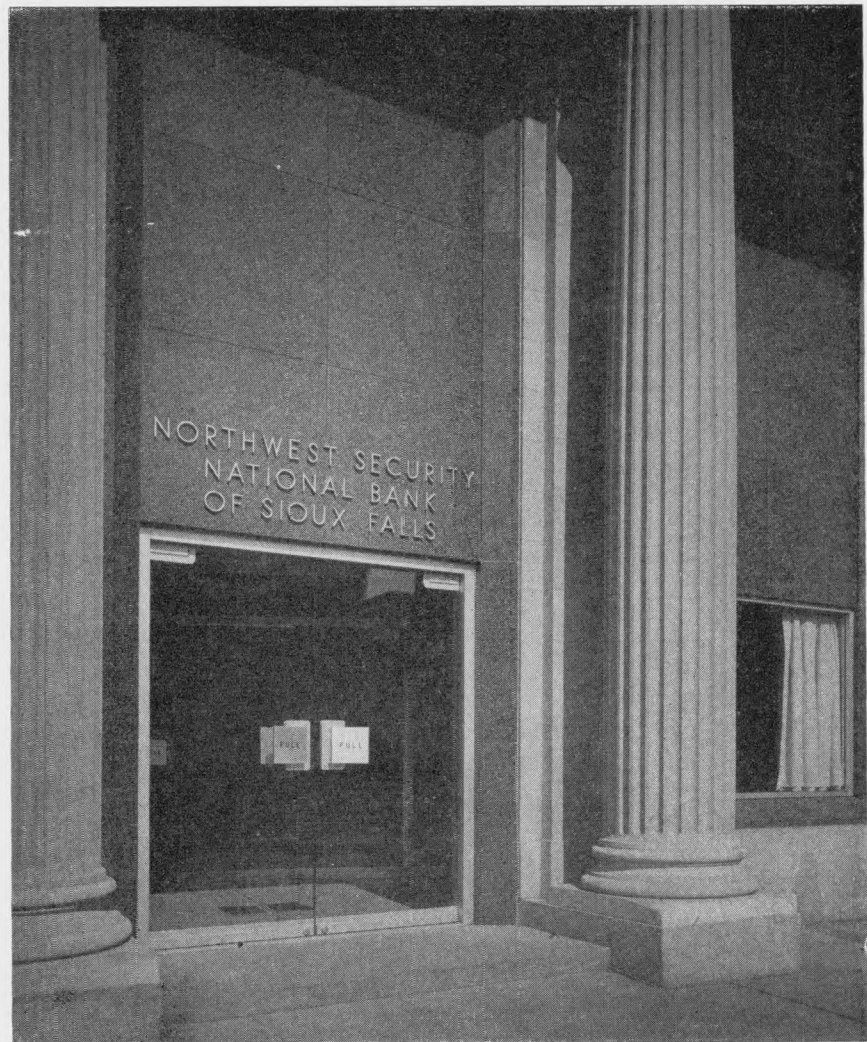
S. L. Jerpbak, president of the Richfield State Bank, announces election by the bank's board of directors of **Chester N. Eggen** as comptroller.

Mr. Eggen previously served as vice president of the Citizens State Bank of St. Louis Park and as cashier of the First National Bank of Marquette, Michigan.

Also announced was the promotion of **Robert J. Lien** to cashier. He has been with the Richfield bank since 1949.—The End.

Joins Faith Bank

Russell Birkeland has accepted a position with the Farmers State Bank at Faith, South Dakota, and started his new work last month. Mr. Birkeland is experienced in the banking business, as he was connected with the Farmers State Bank in Dupree for several years.



NORTHWEST SECURITY NATIONAL BANK

of Sioux Falls, South Dakota

South Dakota's Leading Bank

BRANCHES AT

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

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WITH THE *OIL* FRATERNITY

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The Oil Bank of America

NATIONAL BANK OF TULSA

OFFERING COMPLETE BANKING AND TRUST SERVICES

Member Federal Deposit Insurance Corporation



North Dakota NEWS

FRANKLIN PAGE
President
Hamilton



C. C. WATTAM
Secretary
Fargo

Bankers Hear Amerada Man

THE oil industry is not looking for handouts or subsidies in North Dakota, C. E. Boone, vice president of Amerada Petroleum Company, told between 80 and 90 bankers at the annual meeting of the northwest district of the North Dakota Bankers Association in Williston last month.

In addition to western North Dakota bankers, there were representatives from banks in Minneapolis, St. Paul, Fargo, Chicago and Dallas at the meeting in the Plainsman Hotel.

Mr. Boone stated, "It (the oil industry) expects to pay taxes here and it believes that the determination of what taxes it is to pay will be made reasonably and fairly, after full and impartial consideration of conditions existing at the time of that determination."

The speaker pointed out the search for oil in North Dakota is not new, citing that 26 holes, all dry holes, were drilled in the state from 1935 to 1950.

Pointing out the continual increase of exploration, Mr. Boone cited figures which show that in 1950 geophysical crews spent 90 crew months in North Dakota compared to 152 in 1951 and 332 so far this year.

He told of a canvass of register of deeds offices in North Dakota which show that 31½ million acres of North Dakota's 45 million are under oil and gas lease, more than 70 per cent of the state. He said the approximate figure was reached by asking each register of deeds the estimated amount of land leased in his county.

How drilling operations have been stepped up was explained by Mr. Boone. Twenty-six wells were drilled prior to 1915, 18 in 1951 and 80 so far this year, with 26 more drilling. The figures include dry holes.

Since April of 1951, Mr. Boone said, 62 oil wells and nine dry holes have been completed in this area, with 21 more drilling. "All of this is but the beginning—the start—of an oil industry in North Dakota," he added.

Mr. Boone went on to explain that only a small part of North Dakota has been explored and only a smaller fraction has been condemned by the drill.

He believes discovery of oil will not be confined to the Tioga, Beaver Lodge and McKenzie county areas.

"We may reasonably expect a continued high level of exploration, and drilling activity, and from that the gradual building of a North Dakota oil industry."

Bismarck Bank Plans

Plans and specifications for a new First National Bank building in Bismarck, North Dakota, have been revealed and invitation to bid were issued last month.

Evan D. Saltzman, president of the bank, announced that the plans call for construction of a new bank building on the site of the present building at 322 Main Street, which will be razed.

The new building will be a two-story, fireproof structure, with a full finished basement. It will be faced on the exterior with Indiana limestone, with red roman brick trim and with polished red granite for the lower stories.

Robinson Anniversary

The Security State Bank of Robinson, North Dakota, observed its 30th anniversary last month, announced Verne Wells, president of the institution.

On August 29th they completed 30 years of continuous banking service to northern Kidder county. They were established in 1922.

Byron R. Laird

Byron R. Laird, 66, president of the Security State Bank in Tyndall, North Dakota, died at St. Michael's Hospital recently, where he had been a patient for several weeks. Since his illness, his son, Donald, who is cashier of the bank, has been in charge of affairs of the institution.

Minot A.I.B. Chapter

The Minot, North Dakota, chapter of the American Institute of Banking officially was organized last month at a banquet meeting in the Silver Saddle Room of the Clarence Parker Hotel.

The charter was presented to L. E. Herzog, president of the local chapter, by Emmett Erickson of the Farmers and Merchants Savings Bank of Minneapolis, who is executive councilman for District 10 of the AIB.

Moves to Golva

E. T. Kennedy, formerly of Murdock, Minnesota, is now serving as cashier of the First State Bank of Golva, North Dakota. He has considerable banking experience, having been employed in banks in Minnesota, and did income tax work for the Swift County Bank of Benson, Minnesota.

Valley City Director

Clarence R. Bruns has been added to the board of directors of the American National Bank of Valley City, North Dakota, R. M. Hougen, bank president, announced recently.

Addition of Mr. Bruns increases the board to six members. Action to increase the size of the board was taken at a recent meeting of stockholders in an effort to obtain a wider experience among its directors to touch all phases of the banking business.

The new director was born and raised in Noltmier township and is now one of Barnes county's most successful farmers.

In the ⁵/₁ Oil Business
- and in "The Magic
Empire" ¹/₂ It Pays
to "Think . . . First"

. . . for our customers
—one of the largest and
most complete Oil In-
dustry files in the Na-
tion.

THE FIRST
NATIONAL BANK AND
TRUST COMPANY
OF TULSA



MEMBER
Federal Deposit
Insurance Corp.



*Sound Banking Service
Since 1856*

DIRECTORS

- MELVIN BEKINS, *President*
Bekins Van & Storage Co.
- SAMUEL L. COOPER, *President*
Orchard & Wilhelm Company
- SANFORD B. COUSINS, *President*
Northwestern Bell Telephone Company
- EDWARD FLYNN
Director and Member Executive Committee
Burlington Lines
- JOHN J. HANIGHEN, JR., *President*
J. J. Hanighen Co.
- EARL G. HAWKINS, *President and Treasurer*
Parsons Construction Company, Inc.
- GLENN E. JENNINGS, *President*
Wright & Wilhelmy Company
- RALPH E. KIPLINGER, *President*
Guarantee Mutual Life Company
- ARTHUR A. LOWMAN
- JOHN F. MERRIAM, *President*
Northern Natural Gas Company
- CHARLES E. PETERSON, *President*
Byron Reed Company, Inc.
- HENRY W. PIERPONT
- HARRY F. REED
- EDWARD W. LYMAN,
Vice President of the Bank
- CASPER Y. OFFUTT,
Vice President, Trust Officer of the Bank
- ELLSWORTH MOSER,
President of the Bank



October 16, 1952

Northwestern Banker, November, 1952

The Directors of

The UNITED STATES NATIONAL BANK
of Omaha

Announce

**A \$1,000,000.00 Increase
in CAPITAL and SURPLUS**

*Resulting in the following Capital
Accounts for the Bank*

<i>Capital</i>	\$2,000,000.00
<i>Surplus</i>	2,000,000.00
<i>Undivided PROFITS and RESERVES</i>	1,864,624.49
Total Capital Accounts	\$5,864,624.49

The
UNITED STATES
National **BANK** *of Omaha*
Nebraska

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Nebraska Bankers to Meet in Lincoln November 10-11

Banking and Farming Leaders Scheduled to Appear on Program of 55th Convention

LEADERS in banking and agriculture will be the featured speakers on the program of the Nebraska Bankers Association 55th annual convention in Lincoln November 10th and 11th. Hotel Cornhusker will be headquarters.

Allan B. Kline, Chicago, president of the American Farm Bureau Federation, starts off the first afternoon's session with his talk on "Today Is Important." He will be followed by James Louis Robertson, Washington, D. C., member of the board of governors of the Federal Reserve System. Mr. Robertson is well known to Nebraska bankers, having appeared on their program several years ago when he was deputy comptroller of the currency. He is also a native Nebraskan.

A.B.A. President W. Harold Brenton, Des Moines, will discuss "The Growing Responsibility of Bankers" as the first speaker on the Tuesday morning program. After A.B.A. elections and two short reports from Nebraska Bankers, Vernon L. Clark, Washington, D. C., national chairman of the United States Defense Bond Program, will speak on "The Banker

and the U. S. Savings Bond Program." His talk will be followed by committee reports and election of officers.

The convention will conclude that afternoon with a special panel discussion on "The Outlook for the Cattle Industry." This innovation is expected to attract a great deal of attention from Nebraska bankers. On the panel will be four prominent livestock men.

Present officers of the Nebraska Association are: President, William N. Mitten, president, First National Bank, Fremont; vice president, William F. Wenke, president and cashier, Pender State Bank, Pender; secretary, Carl Swanson, Omaha.

A special program for the ladies has been arranged and will be announced in complete detail at the convention. Noon luncheons on Monday and Tuesday and the annual social hour, banquet, floor show and dancing complete the entertainment program. On Tuesday morning, Lincoln banks will be hosts at breakfast for delegates and their wives in the Lincoln University Club.

The complete program follows:

Monday, November 10th

A.M.

9:00-12:00 Registration
Mezzanine Floor
12:00 Noon Luncheon—Delegates,
Ballroom

P.M.

12:30 Ladies Luncheon—Entertainment, Lincoln Hotel
1:30 Convention Session—Ballroom, Cornhusker Hotel
Presiding, Wm. N. Mitten
Invocation, Rev. John Douglas Clyde, Pastor, the Westminster Presbyterian Church, Lincoln
Welcome, The Honorable Victor E. Anderson, Mayor of the City of Lincoln; President, Havelock National Bank, Lincoln
Response and President's Address, Wm. N. Mitten
1:45 "Today Is Important," Allan B. Kline, Chicago, President American Farm Bureau Federation
2:30 Address, J. L. Robertson, Washington, D. C., Member of the



WILLIAM N. MITTEN
President
Nebraska Bankers Association

Board of Governors, Federal Reserve System
3:15 Annual Meeting of the Nebraska Conservation Foundation, Inc., Ballroom
5:30-6:30 Social Hour, Delegates and Ladies, Georgian Room, Cornhusker Hotel
6:30 Convention Banquet, Ballroom, Cornhusker Hotel
8:30 Floor Show, Dancing, Ballroom, Cornhusker Hotel

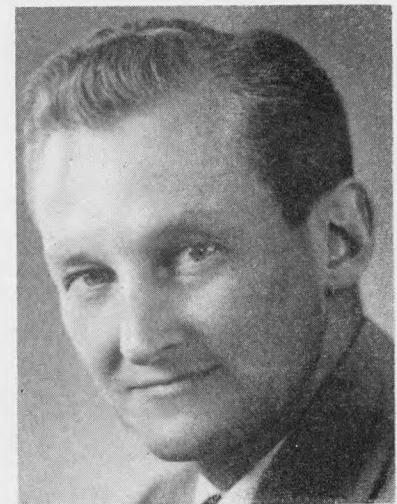
Tuesday, November 11th

A.M.

7:30-9:00 Convention Breakfast, Delegates and Ladies. Courtesy of the Lincoln Banks, The Lincoln University Club
9:00 Registration, Cornhusker Hotel, Mezzanine Floor
9:30 Convention Session, Ballroom, Cornhusker Hotel
Presiding, Wm. N. Mitten



ALLAN B. KLINE
President
American Farm Bureau



JAMES L. ROBERTSON
Member, Board of Governors
Federal Reserve System

Northwestern Banker, November, 1952

"The Growing Responsibility of Bankers," W. Harold Brenton, Des Moines, President, The American Bankers Association
 10:15 Election of A.B.A. Officers for Nebraska
 Presiding, Fred S. Aldrich, A.B.A. Vice President for Nebraska, Vice President, The Continental National Bank, Lincoln
 10:30 Remarks, Richard E. Adkins, President, Nebraska Club, School of Banking University of Wisconsin, Cashier, Osmond State Bank
 10:40 Remarks, George T. Hedelund, Chairman, Committee on Group Insurance and Bank Pensions, Vice President, Washington County State Bank, Blair, Nebraska
 10:55 "The Banker and the U. S. Savings Bond Program," Vernon L. Clark, Washington, D. C., National Chairman, U. S. Defense Bond Program
 11:10 Report of Convention Committee on Resolutions
 Report of Convention Committee on Nominations
 Election of Officers of Nebraska Bankers Association
 Installation of Officers.

P.M.
 12:30 Luncheon, Delegates and Ladies, Ballroom, Cornhusker Hotel
 1:45 Convention Session, Ballroom
 Presiding, Wm. N. Mitten
 Panel Discussion, "The Outlook for the Cattle Industry"
 Harry B. Coffee, Moderator, President, Union Stockyards Company, Omaha
 Byron Demorest, Editor, Omaha Daily Journal Stockman
 Lawrence Brock, Farmer and Cattleman, Wakefield, Nebraska
 Irwin Adamson, Rancher, Cody, Nebraska
 Question and Answer Period (Please present questions, oral or written, signed or unsigned)
 Adjournment—The End.

New Ashland Cashier

Announcement is made by Edwin A. Fricke, president of the Farmers & Merchants National Bank, that Cloyd N. Turner has been elected cashier of the Ashland, Nebraska, bank.

Increase Capital

Directors and stockholders of the Bank of Wood River, Nebraska, wish to announce an increase in capital stock from \$35,000 to \$40,000.

New Rushville Cashier

G. A. Sheppard, who has been located in Rushville for the past six years as district superintendent of the state highway department, has accepted the position of cashier of the Stockmen's National Bank, Rushville, Nebraska, to fill the vacancy created when Bennett Johnson resigned that post.

New Bank Examiner

Leo Ryan, Kearney, has been appointed a bank examiner by the state director of banking, J. F. McLain, it was announced last month. His territory will be western Nebraska. Mr. Ryan has taken up his new duties.

Mr. Ryan, who has been in the banking business in Nebraska for 38 years, organized the Platte Valley State Bank in Kearney and operated the bank for over eight years, until he resigned six months ago.

Bassett Anniversary

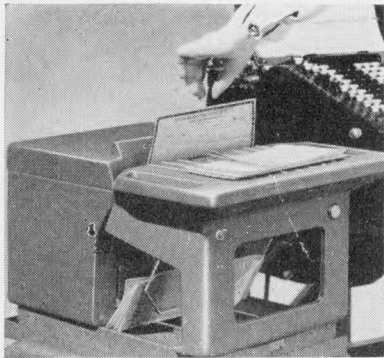
The Commercial Bank, Bassett, Nebraska, celebrated its 50th year of service recently.

Officers today are: Henry Canenburg, president; E. H. Little, cashier; Winnie Davison, assistant cashier, and Ruby Miller, assistant cashier.

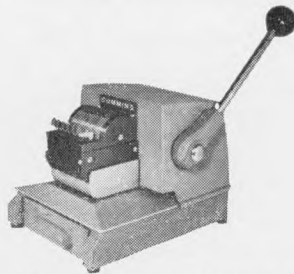
Best Wishes to the Nebraska Bankers Convention

(Nov. 10-11, Hotel Cornhusker, Lincoln)

As always, CUMMINS is at your service with our outstanding line of banking and business machines

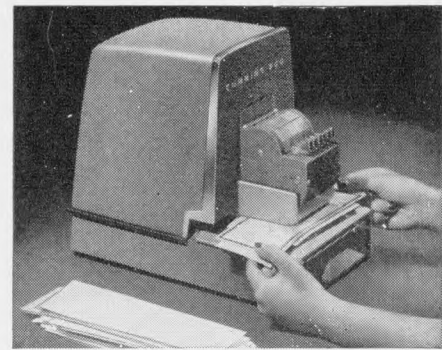


It is easier to drop checks into the Cummins Endorser than to turn them over . . . one complete handling of checks is eliminated.



POWERFUL—Carefully engineered; perforates with greater ease than any other hand perforator.

RUGGED CONSTRUCTION—Finest anti-friction bearings, corrosion proof selector rings combine to deliver traditional Cummins durability.



Cummins 300 makes canceling easy . . . split second action . . . minimum effort.

ORIGINATORS OF PERFORATORS

IN BUSINESS AND BANKS SINCE 1887

Cummins

Perforators • Check Signers • Check Endorsers

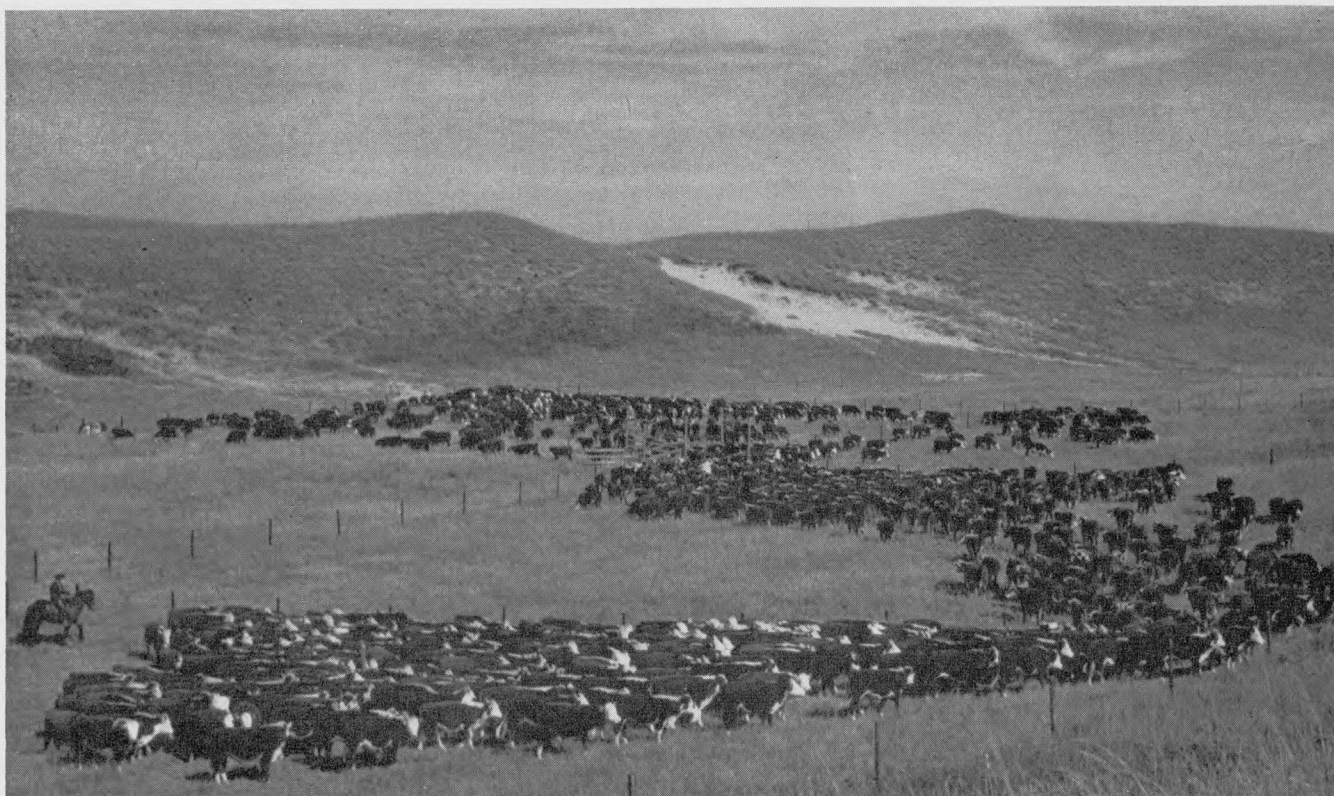
M. I. Greenspan, Representative

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Omaha, Nebraska

"Bud" Greenspan Sez:

Take advantage of our
FREE TRIAL OFFER . . .
 write me for details



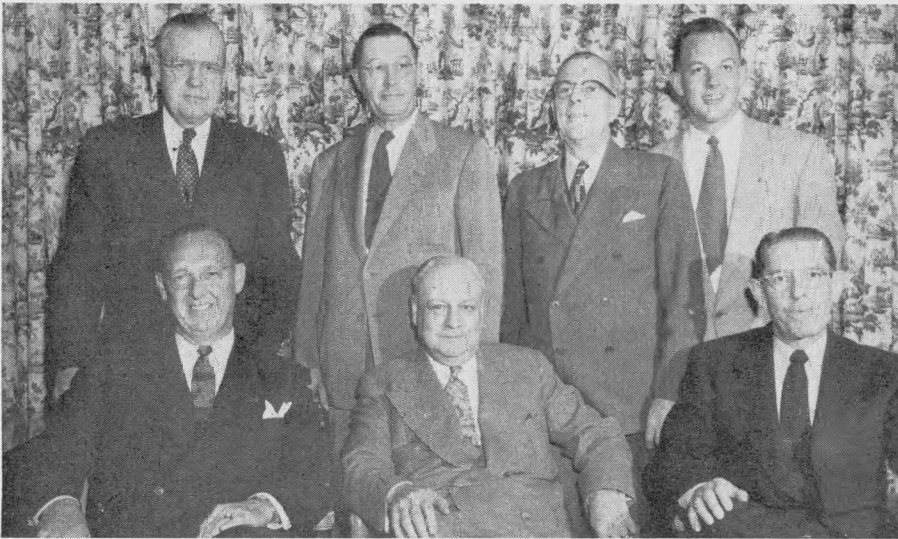
If it pertains to livestock . . .
 We can serve you.



THE ONLY BANK IN OMAHA'S GREAT UNION STOCK YARDS
STOCK YARDS NATIONAL BANK
 Omaha, Nebraska
 MEMBER OF FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, November, 1952

Your Hosts at Nebraska Convention



HOSTS to bankers and other guests attending the 55th annual convention of the Nebraska Bankers Association in Lincoln November 10th and 11th will be the six Lincoln banks and the First Trust Company.

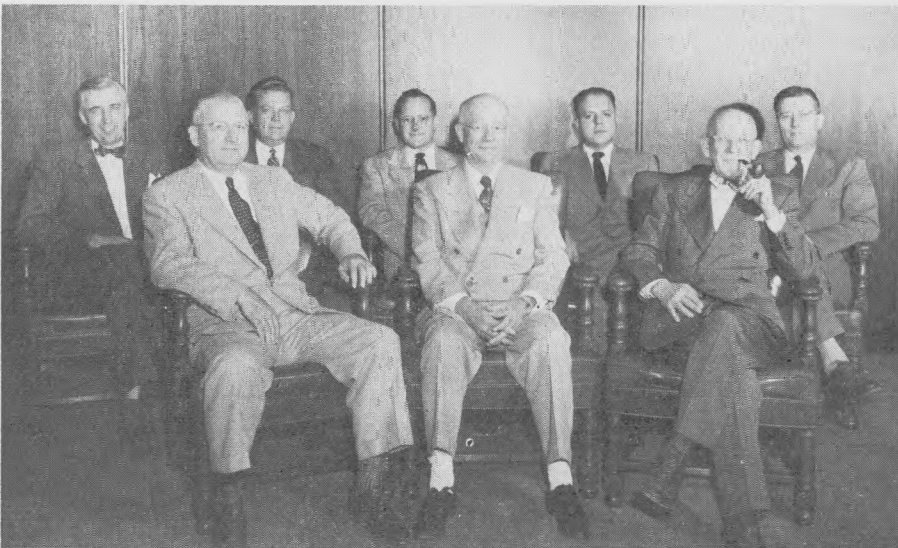
Groups of officers from the three largest downtown banks in Lincoln are pictured on this page. The other Lincoln banks are **Citizens State Bank**, **Havelock National Bank** and **Union Bank**. **First Trust Company** is affiliated with the **First National Bank**.

The officers and staff of these seven institutions will welcome visits from you during the convention and will do everything they can to make your stay in Lincoln a pleasant one.

CONTINENTAL NATIONAL BANK—

Seated, left to right: **Fred S. Aldrich**, vice president; **T. B. Strain**, chairman of the board, and **C. Wheaton Battey**, president.

Standing, left to right: **Walker S. Battey** and **Edward A. Becker**, senior vice presidents; **Howard Hadley**, vice president and trust officer, and **William Edgecomb**, assistant cashier.



NATIONAL BANK OF COMMERCE—

Front row, left to right: **Albert A. Held**, executive vice president; **Byron Dunn**, president, and **Carl D. Ganz**, vice president and trust officer.

Back row, left to right: **Glenn Yaussi**, vice president and trust officer; **H. E. Swedburg**, vice president; **Robert Wekeser**, vice president and auditor; **Myron Weil** and **William Strateman**, vice presidents.



FIRST NATIONAL BANK—Seated, left to right: **Howard Freeman**, chairman executive committee; **Burnham Yates**, president, and **E. U. Guenzel**, vice president.

Standing, left to right: **A. C. Glandt**, vice president and cashier; **Lyle F. Stoneman**, vice president; **Max Schneider**, assistant cashier; **G. H. Crane**, assistant vice president, and **M. H. Pollard, Jr.**, assistant cashier.

Northwestern Banker, November, 1952

New Campbell Officer

It was announced recently by the board of directors of the Campbell State Bank, Campbell, Nebraska, that Don Hansen has resigned as cashier and director. He has sold his interest in the bank to Don F. Bailey of Franklin, who has been elected a director and cashier. Mr. Bailey has been assistant vice president of the Franklin State Bank at Franklin for the past two years.

Lexington Remodels

The Farmers State Bank in Lexington, Nebraska, expects to have work started shortly on an extensive remodeling of their bank building.

Morrill Remodels

Work was begun last month on remodeling and redecorating the First National Bank in Morrill, Nebraska.

While the work is being done the bank will conduct business in the Belinger & Covington offices directly across the street.

Wauneta Addition

Workmen have started digging the ditches for footings in preparation for construction of a new addition to the Wauneta Falls Bank, Wauneta, Nebraska.

Elect H. L. Brune

Sixty-two bankers attended the annual Northeast Nebraska Regional Clearing House banquet meeting at Hotel Morrison, Wayne, Nebraska, recently. About 20 towns were represented.

John Shonsey, vice president of the Live Stock National Bank, Omaha, was guest speaker at the meeting.

H. Brune, South Sioux City, was elected president of the group for the coming year. He succeeds E. G. Schellpepper, Pierce.

Other officers elected were Paul Zutz, Norfolk, vice president, and Alvin Voorhies, Wayne, secretary-treasurer.

Fred Mock

Fred Mock, 63, lifetime resident of Clay county, died at his home in Clay Center, Nebraska, recently.

Mr. Mock was vice president of the Commercial State Bank of Clay Center.

BANKS BOUGHT AND SOLD
 47 YEARS OF CONFIDENTIAL DIGNIFIED SERVICE
The Old Reliable
CHARLES E. WALTERS CO.
 1313 FIRST NATIONAL BANK BUILDING OMAHA, NEBR.

Chartered by  Congress 1890

SIXTY-TWO YEARS OF

FRIENDLY BANKING



High Level Service

The Inter-State National Bank has long been recognized for its high level of service to correspondent banks. Today, people not infrequently refer to us as "the bank with so many correspondents"—a great compliment, and we are proud of it.

As a result of this long-standing policy of careful service to correspondent banks, we have worked out many mutually satisfactory connections. If we can be of service to your bank, please let us know.

THE INTER-STATE NATIONAL BANK
 LIVESTOCK EXCHANGE BLDG.  16TH. AND GENESEE STS.
Kansas City Missouri

Member Federal Deposit Insurance Corporation

1st

**In Size
 In Service
 In St. Joseph**

FIRST NATIONAL BANK

In St. Joseph, Mo.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Nebraska

"Roll of Honor" Banks



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

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

TOWN	BANK	OFFICER	CAPITAL	SURPLUS PROFITS
Albion	First National Bank	C. E. Krause	\$ 50,000	\$ 140,000
Ashland	Farmers & Merchants National Bank	C. N. Turner	100,000	182,531
Auburn	Auburn State Bank	Virgil E. Warren	50,000	143,000
Aurora	First National Bank in Aurora	Frank M. Farr	50,000	170,000
Avoca	Farmers State Bank	Elmer Hallstrom	30,000	70,000
Axtell	Farmers and Merchants Bank	R. T. Ely	10,000	30,000
Bartley	State Bank of Bartley	A. B. Wood	50,000	80,000
Beemer	First National Bank	E. H. Sutherland	25,000	95,000
Bertrand	Bank of Bertrand	A. H. Walentine	25,000	56,000
Blair	Washington County Bank	George T. Hedelund	100,000	220,903
Blue Hill	Commercial Bank	William Kort	50,000	120,000
Broken Bow	Nebraska State Bank	A. W. Line	75,000	171,000
Brule	Bank of Brule	M. H. Adams	25,000	38,000
Bruning	Bruning State Bank	Fred H. Bruning	50,000	124,500
Brunswick	Brunswick State Bank	Leonard Hales	25,000	57,000
Cedar Bluffs	Commercial State Bank	R. E. Grosse	25,000	51,899
Coleridge	Coleridge National Bank	James L. Gray	50,000	99,014
Crete	City National Bank	E. L. Parker	50,000	83,000
DeWitt	DeWitt State Bank	R. E. Burkley	30,000	46,500
Elkhorn	Farmers State Bank	E. F. Sager	35,000	75,000
Ewing	Farmers State Bank	Maud M. Brion	25,000	66,000
Fairbury	Fairbury State Bank	H. R. Dressler	75,000	192,685
Fairbury	First National Bank	Ivan C. Riley	150,000	497,546
Falls City	First National Bank	G. P. Scholz	100,000	280,000
Fremont	First National Bank	J. M. Sorensen	175,000	375,000
Fullerton	First National Bank	E. M. Black	50,000	109,000
Gering	Gering National Bank	Dwight Griswold	150,000	289,000
Gibbon	Exchange Bank	Jean Schnase	30,000	57,319
Gothenburg	Gothenburg State Bank	R. R. Aden	75,000	200,000
Gresham	Gresham State Bank	Arthur Walford	25,000	36,000
Hayes Center	First National Bank	H. M. Counce	35,000	80,000
Hay Springs	First National Bank	Thomas C. Horn	50,000	65,000
Hoskins	Commercial State Bank	Ed Kollath	25,000	66,000
Humboldt	Home State Bank	Otto Kotouc, Jr.	50,000	110,000
Imperial	Farmers & Merchants Bank	J. E. Burke	24,000	88,000
Kearney	Platte Valley State Bank	J. W. DeBord	60,000	85,000
Lewellen	First National Bank	J. L. Kats	50,000	57,378
Lincoln	National Bank of Commerce	Glenn Yaussi	800,000	1,478,000
Lincoln	Union Bank	C. H. Wear	100,000	162,987
Madrid	Security State Bank	F. H. Scott	25,000	72,000
Malmo	Security State Bank	Amy H. Houfek	25,000	45,000
Maywood	Farmers State Bank	R. M. Roach	25,000	110,000
McCook	First National Bank	Rolland Larmon	200,000	422,000
Monroe	Bank of Monroe	Frederick Harris	24,000	32,000
Morrill	First National Bank	R. T. Covington	50,000	179,843
Norfolk	DeLay National Bank	J. J. DeLay	100,000	450,000
Omaha	Douglas County Bank	W. W. Clark	100,000	336,000
Omaha	First National Bank of Omaha	O. H. Holquist	2,500,000	4,330,000
Omaha	Live Stock National Bank	Paul Hansen	1,000,000	3,306,275
Omaha	Omaha National Bank	W. B. Millard, Jr.	4,000,000	6,924,000
Omaha	United States National Bank	Austin L. Vickery	2,000,000	3,864,624
Ord	Nebraska State Bank	C. J. Mortensen	70,000	127,682
Pawnee City	Citizens State Bank	J. A. Barr	25,000	72,000
Ponca	Bank of Dixon County	F. R. Kingsbury	35,000	83,000
Prague	Bank of Prague	Jerry Havel	25,000	30,000
Scotia	State Bank of Sectia	C. H. Sixel	25,000	43,000
Spencer	Spencer State Bank	George D. Sedlacek	25,000	86,000
Sidney	American National Bank of Sidney	A. J. Jorgenson	200,000	200,000
South Sioux City	Nebraska State Bank	H. L. Brune	85,000	140,000
Stanton	First National Bank	Leo Nixon	150,000	187,200
Stromsburg	Stromsburg Bank	E. C. Nordlund	30,000	117,000
Tekamah	First National Bank	H. J. Wragge	100,000	285,000
Verdigre	Bank of Verdigre	Adolph Kotrous	32,500	35,800
Wallace	Citizens Security Bank	F. H. Whitlake	60,000	85,000
Wayne	State National Bank of Wayne	Henry E. Ley	100,000	241,127
York	York State Bank	J. A. Boyle	100,000	162,000

St. Joseph News

THE short course at the University of Missouri College of Agriculture, held during one week in October, was attended by **E. L. Crume**, vice president, Tootle-Lacy National Bank of St. Joseph; **Tom Butler**, assistant cashier, American National Bank of St. Joseph, and **Harry H. Broadhead**, assistant vice president, First St. Joseph Stock Yards Bank.

* * *

Milton Tootle, president, Tootle-Lacy National Bank of St. Joseph, and Mrs. Tootle, spent several days the past month at Grand Hotel, Point Clear, Alabama.

* * *

Charles Burri, assistant vice president, Tootle-Lacy National Bank, returned at the end of September from a vacation trip to Minnesota.

* * *

Milton Tootle Jr., vice president and cashier, Tootle-Lacy National Bank, is an artist and a good one. Four handsome wood carvings were entered by Mr. Tootle in an art show at the Hax Art Center in St. Joseph the third week in October.

* * *

First National Bank of St. Joseph has announced the election of **Macon Dudley**, vice president, as director. Mr. Dudley formerly was president of Southwest National Bank of Wichita and became vice president at First National, St. Joseph on August 1, succeeding **John D. McCaskey**, who resigned. As director he succeeds the late **Frank P. Schwartz**, prominent St. Joseph accountant, who died in September.

* * *

On October 13th, **Milton Tootle**, president, Tootle-Lacy National Bank, St. Joseph, was elected a trustee of the Chamber of Commerce industrial division board of directors.

(Turn to page 70, please)

Our Association With
Correspondent Banks Is
Based On A Policy Of
Close Cooperation And
Friendly Service.

65 Years of Banking Experience

For Outstanding Service In This Important Reserve City, Call On American National.

Member Federal Deposit Insurance Corporation

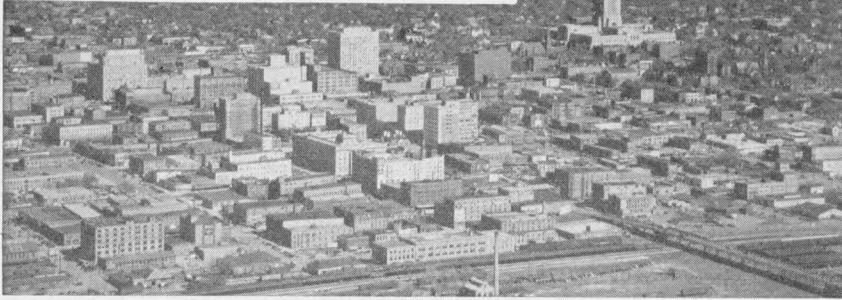
The Friendly
AMERICAN NATIONAL BANK
St. Joseph

First National Bank of Omaha

Oldest National Bank From Omaha West

Member Federal Deposit Insurance Corp.

Lincoln News



EUGENE K. REECE has returned to his duties as assistant cashier at the First National Bank after 16 months of duty in the Army. Mr. Reece was called back as a reservist in June, 1951. He has served as a captain in the purchasing-contracting department of the Kansas Military



Nebraska Bankers

The Convention of the Nebraska Bankers Association is in Lincoln on November 10 and 11 this year.

You are cordially invited to make the First National Bank of Lincoln your headquarters during the convention.

All our facilities are at your disposal—including telephones for your calls and efficient secretaries for your letters.

THE FIRST NATIONAL BANK OF LINCOLN

LINCOLN, NEBRASKA

Member Federal Deposit Insurance Corporation

District office in Topeka. He was an infantry officer in World War II.

* * *

Lincoln's three banks are remaining open on **Thursday evenings**. This is shopping night in Lincoln and bank officials felt shoppers would appreciate the chance to do banking at the same time.

* * *

Byron Dunn, president of the National Bank of Commerce, observed that the nation's military preparedness is "swinging far beyond what we realize."

Mr. Dunn returned from a two-week joint civilian orientation conference in Washington sponsored by the Defense Department.

He said, "There's more concern about an attack from Russia than we hear, and the military still is not satisfied with our defense."

* * *

Fred S. Aldrich, vice president of the Continental National Bank, has been appointed vice president of the American Bankers Association for Nebraska.

The appointment was announced by W. Harold Brenton, newly-elected Association president.

As vice president for Nebraska, Aldrich will have the responsibility of membership activities on behalf of the ABA and will maintain liaison between the national association and individual banks in the state.

Mr. Aldrich has served on the executive council of the NBA and is at present serving a three year term on the executive council of the ABA.

ST. JOSEPH NEWS

(Continued from page 69)

St. Joseph Chapter, A.I.B., held its fall dinner early in October at Moila Club. **Tom Butler**, assistant cashier of American National Bank, is president. The speaker was **Maurice Allendoerfer**, assistant federal reserve agent of the Kansas City Federal Reserve Bank.

* * *

George E. Porter, president of First National Bank, and **R. R. Calkins**, president of American National Bank, attended the American Bankers Association convention.

* * *

First National Bank of St. Joseph is getting splendid service out of the big parking lot it opened recently, adjacent to its building. Old buildings on the site were razed and the lot was paved. **Tootle-Lacy National Bank** has made arrangements with a commercial parking lot close by for customer parking.

You Will See Them at the Nebraska Bankers Convention

A NUMBER of officers and representatives of larger banks and representatives of affiliated banking industries in Nebraska and other states are looking forward with pleasure to renewing acquaintances with Nebraska bankers at the Nebraska Bankers Association's 55th annual convention in Lincoln, Monday and Tuesday, November 10th and 11th. Those who have informed the NORTHWESTERN BANKER of their intention to attend the convention are:

Cedar Rapids

LeFebure Corporation: Warren Riggs, Chas. Saunders and J. M. Harris, sales representatives.

Chicago

American National Bank and Trust Company: Chas. C. Kuning, vice president, and W. B. Whitman, assistant vice president.

City National Bank and Trust Company: William H. Miller, senior vice president, Alfred H. Lindgren, vice president, and John M. Davis, assistant vice president.

Continental Illinois National Bank and Trust Company: Wilfred E. Ressegue, vice president, and John Q. Adams, Jr., second vice president.

The First National Bank: Verne L. Bartling, assistant vice president; Victor C. von Meding, assistant cashier; John C. Hemmerle and Nevin G. Bowser, representatives.

Harris Trust and Savings Bank: Arthur G. Osgood, vice president, and Ralph A. Heinsen, assistant cashier.

The Northern Trust Company: John V. Haas, second vice president.

Ashwell & Company: Fred W. Trier.

William H. Banks Warehouses, Inc.: D. H. Coffman, executive vice president, and Jim Fletcher, district manager.

Des Moines

Bankers Service Company: Henry H. Byers, president.

Kansas City

City National Bank and Trust Com-

pany: Dale R. Ainsworth, vice president; Guy S. Hadsell, assistant vice president, and R. C. Kemper, Jr.

Commerce Trust Company: J. C. Williams, president; Pleas V. Miller,

Jr., assistant vice president, and Tom C. Cannon, assistant cashier.

The Inter-State National Bank: Arden Bruch, assistant vice president, and George C. Dudley, assistant cashier.

New York

Chase National Bank: Jackson D. Breaks, vice president; John Hejinian,

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Annual Convention
Lincoln, Nebraska
November 10th and 11th

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and Curtis G. Callan, assistant cashiers.

Chemical Bank and Trust Company: James L. Sharp, Jr., representative.

Guaranty Trust Company: Walter H. Potter, second vice president.

Hanover Bank: Foster M. Hampton, assistant vice president.

Manufacturers Trust Co.: Harold A. Walsh, assistant vice president.

Public National Bank and Trust Co.: Earl M. Gafford, vice president.

Omaha

First National Bank: T. L. Davis, chairman; F. W. Thomas, president; J. F. McDermott, J. T. Stewart, III, J. F. Davis, senior vice presidents; O. H. Elliott, J. R. Lauritzen, E. N. Solomon, C. H. Veber, vice presidents; O. H. Holquist, cashier; W. E. Spear, J. S. Bundy, trust officers; R. L. Swanson, L. E. Ericksen, C. K. Voorhees, Ralph Frederickson, Carl Bloom, A. L. Wallin, assistant cashiers; E. T. Tanner, director of customer relations department, and Glenn Coon, representative.

Live Stock National Bank: H. C. Karpf, president; Wade R. Martin, R. H. Kroeger, Paul Hansen, H. H. Echtermeyer, John M. Shonsey, Albert R. Stelling, Marvin R. Werve and Chester G. Pearson, vice presidents; A. S. Chaves, cashier and comptroller; L. V. Pulliam, Victor W. Nielsen, Marshall C. Dillon, Fred D. Bellows, Russell A. Loring, Richard Gash, and Robert D. Iske, assistant cashiers.

The Omaha National Bank: W. Dale Clark, chairman of the board; W. B. Millard, Jr., president; Bruce H. Thomas, A. J. Rhodes, J. H. Moore, David F. Davis, Stephen J. Wirtz, vice presidents; L. C. McVea, cashier, and Clarence C. Jones, assistant cashier.

Stock Yards National Bank: W. A. Sawtell, president; A. J. Hallas, John McCumber, vice presidents; J. P. Krogh, assistant vice president, and C. A. Masilko, cashier.

The United States National Bank: Ellsworth Moser, president, and all officers plan to attend.

Charles E. Walters Company: Robert L. Goethe, president; Louis R. Boettcher, vice president, and Leo Goethe, vice president.

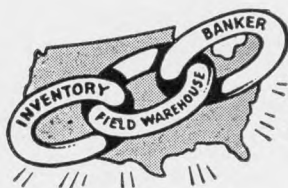
St. Joseph

American National Bank: Beverly Pitts, vice president, and Charles K. Richmond, assistant cashier.

The First National Bank: J. M. Ford, II, vice president; Vern Meyer, assistant vice president.

First St. Joseph Stock Yards Bank: T. J. McCullough, vice president, and H. H. Broadhead, Jr., assistant vice president.

(Turn to page 75, please)



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OMAHA, NEBRASKA



M**R****S. RAY R. RIDGE**, widow of the former vice president of the Omaha National Bank who died in 1950, has established a scholarship in his memory at the University of Omaha.

Jay Lashinsky of Omaha received the first Ray R. Ridge Memorial Scholarship recently from Dean of Students **J. B. MacGregor**. The scholarship provides \$150 for each of the two semesters of the recipient's freshman year. Mr. Lashinsky is majoring in business administration.

Banquet speaker at the Independent Student Association's nine-state conference at Omaha was **J. Francis McDermott**, vice president of the First National Bank of Omaha and 1951-52 King of Ak-Sar-Ben. The banquet was held at the University of Omaha. His topic was "Education—For What?"

Among the many attending the Financial Public Relations Association's meeting at Coronado, California, was **Miss Anna T. Olsson**, manager of the savings department of the Live Stock National Bank of Omaha. Following the convention Miss Olsson spent a week in Hawaii, traveling via plane.

Officers and directors of the **Securities Acceptance Corporation** of Omaha were guests of the Nebraska Investment Bankers' Association at a dinner at the Omaha Club recently.

The purpose of the series of meetings is to further acquaint investment dealers with the problems of corporations whose securities are widely held in this territory. It was the third meeting of the series.

Harry Greenway, vice president of Central Republic Company in Omaha, spent his vacation in New York City. Two high spots of his relaxation were the Walcott-Marciano fight, and of course the world series.

Omaha business entered the last quarter of 1952 substantially ahead of last year's pace. Most bankers and business men predicted continued high business activity during the remainder of the year. In bank volume, construc-

tion, electricity, water and gas use, and livestock trade, the area surpassed the first nine months of 1951. Bank debits totaled \$5,844,948,804 for the first nine months of 1952, a gain of 1.5 per cent over the same period of 1951. Bank clearings of \$5,830,529,369 were higher by eight-tenths of 1 per cent than the figure for the same period last year.

Mr. and Mrs. Henry Karpf have returned after a recent vacation in Ohio. Mr. Karpf is president of the Live Stock National Bank of Omaha.

They visited Mr. Karpf's sister, Mrs. **C. A. Stewart**, and Mr. Stewart on a farm at Conneaut, Ohio, which has been in the Karpf family for three generations. Mr. Karpf also visited another sister, Mrs. **Nat Brooks**, of Ashtabula, Ohio.

The Omaha and Council Bluffs Conference of the National Association of Bank Auditors and Comptrollers held its first meeting of the season recently, with 55 present.

New officers are **John P. Carlsen**,

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auditor of the Stock Yards National Bank of Omaha, president; **Ray F. Slizewski**, vice president and cashier of the South Omaha Savings Bank, vice president; **Joseph M. Hart, Jr.**, cashier of the North Side Bank of Omaha, secretary, and **Walter Clark**, cashier of the Douglas County Bank of Omaha, treasurer.

Directors of the **United States National Bank** have announced an increase of \$1,000,000 in the bank's capital and surplus, applying \$500,000 to common capital and \$500,000 to surplus.

Common capital now is \$2,000,000, surplus \$2,000,000, undivided profits and reserves \$1,864,624.49—total capital accounts \$5,864,624.49.

Ellsworth Moser, president of the bank, said the increase in capital and surplus represents a sale of \$500,000 capital stock and a transfer of \$500,000 from undivided profits.

Vice President **J. Francis McDermott** of the First National Bank of Omaha made three speeches in 90 minutes in behalf of the Omaha Community Chest drive on a recent day.

The Omaha area is racing toward its Bigger Industrial Growth goal of one million dollars.

Before the drive for funds actually got under way, the non-profit Committee of '52 Foundation, Inc., had \$402,000 in its treasury. The amount came from 17 firms, which announced their pledges at a kickoff meeting.

(Turn to page 74, please)

INVESTMENT SECURITIES

1. Government bonds.
2. Municipal and corporate bonds
3. Listed and local stocks
4. Mutual Investment Funds

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Teachers Study Banking



BANK VISITORS—Here are the Omaha school teachers as they left the **United States National Bank** after spending some hours there learning about various phases of bank operation. Their visit was a part of Business-Industry-Education Day, a project recently launched in Omaha.

BUSINESS-INDUSTRY-EDUCATION Day was a new experience for Omaha; but because of its success in some 300 other cities in the United States, there was no reason to doubt its acceptance. The co-operation of public and parochial school systems made it possible to use one of the days in the pre-school week when all 1,250 teachers were available. The school authorities were also responsible for assigning each teacher to his or her choice of firm and apportioning them between the 77 firms in the numbers requested by the companies. It was a work day and every teacher

spent the entire day at some place of business.

On the appointed day, the teachers assembled at Central High School, were met by representatives of their hosts and driven by bus to the firms. From then on, they were toured, talked to, or otherwise indoctrinated according to the programs set up by each company.

Forty teachers chose the United States National Bank to visit, and their day spent there was indeed a full one. Following a preview of the day's program, and a tour through the bank, the guests heard talks on

"The Bank's Relationship to the Community" and "Explanation of a Bank Statement." After a luncheon, the teachers heard a series of talks on bank operation, ranging from checking accounts through Trust Department functions.

The teachers were most interested and enthusiastic during the entire day of activities, and later President Ellsworth Moser received many complimentary letters from members of the group, expressing their appreciation for a most informative and enjoyable day.

OMAHA NEWS

(Continued from page 73)

Ellsworth Moser, president of the United States National Bank of Omaha, is chairman of the fund-raising campaign. **Dale Clark**, chairman of the board of the Omaha National Bank, is chairman of the sites committee.

* * *

Misses Arlene Block, La Vonne Peterson and Glenda Ludwig, employes of the First State Bank, Gothenburg, Nebraska, spent several days at the Live Stock National Bank, observing city bank operations.

* * *

The Omaha National Bank's George Washington Club has a new member. Vice President **A. J. Rhodes** of the bank cited **Johnny Scogin**, 5, for his honesty in returning to a service station manager a money sack containing \$190 in cash and checks which the man had lost. The filling station man bought Johnny a midget billiard table as a reward.

* * *

Life in Copenhagen, Denmark, just can't compare with South Omaha for excitement as far as two 21-year-old girls from the land of milk and cheese are concerned.

The two Copenhagen bank employes arrived recently to stay in Omaha for a year. They are working in the Live Stock National Bank and expect to see service in most departments before they go back home.

The girls, **Mitte Petersen** and **Grethe Gabrielsen**, like their life in Omaha.

The girls worked in the Haandvaerkbanken in Copenhagen four years before deciding that they wanted to see more of the world. Mitte arranged the Omaha jobs about a year ago through Omaha relatives. Their trip was sponsored by the American-Scandinavian Foundation.

* * *

Richard H. Mallory, vice president of the United States National Bank of Omaha, spoke on "The Personal Practice of Freedom" before Omaha Lions Club members at the Fontenelle Hotel recently.

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Omaha banks have gone back to their usual winter hours. Regular banking hours on week-days are from 9:30 a.m. to 2 p.m. On Saturdays, the winter schedule is 9:30 a.m. to 12 noon.

Saturday morning hours at the Douglas County Bank in suburban Benson begin at 9 o'clock. The Douglas County Bank and the North Side Bank also have discontinued their Friday evening banking hours.—The End.

YOU WILL SEE THEM AT THE CONVENTION

(Continued from page 72)

St. Louis

First National Bank: Frank Fuchs, vice president.

Mercantile Trust Company: M. Carl Hook, Jr., assistant vice president.

St. Paul

St. Paul Fire and Marine Insurance Company: L. R. Moeller, assistant secretary; D. W. Lyle, manager; D. N. Shaw, E. A. Reed and R. T. Earley, state agents.

St. Paul Terminal Warehouse Company: R. C. Schall, vice president, Field Warehouse Division, and Wallace H. Otto, representative.

Sioux City

First National Bank: J. T. Grant, president; W. L. Temple, assistant vice president, and Edward V. Hoffman, assistant cashier.

Live Stock National Bank: Carl L. Fredericksen, president; Stanley W. Evans, assistant vice president, and Richard Draper.

Security National Bank: B. M. Wheelock, vice president and Charles H. Walcott, assistant vice president.

Toy National Bank: E. E. Erickson, vice president, and Conrad Aronson, assistant cashier.

1953 Convention

The 1953 Convention of the American Bankers Association will be held in Washington, D. C., it was announced by W. Harold Brenton, president of the A.B.A. The dates of the Convention will be September 20-23, 1953.

The last Convention of the American Bankers Association to be held in Washington was in 1934. The District of Columbia Bankers Association will be the hosts for the 1953 meeting.

Named Vice President

Robert K. Morrow, who began his banking career in 1931 as a messenger boy at the Winters National Bank, Dayton, Ohio, has been elected vice president of the National Bank of Commerce, Houston, Texas. This announcement was made by Robert P. Doherty, president. Mr. Morrow will be in charge of personnel. This is a field in which he has had long experi-

ence. He assumed his duties on October 20th.

New Bank Check

America's "Shrine of Democracy," the Mt. Rushmore National Memorial, is pictured in superb detail on the new check of the Rushmore State Bank at Rapid City, South Dakota.

The monument, consisting of the giant-size heads of Washington, Jefferson, Lincoln, and Theodore Roosevelt sculptured out of the solid granite of

the Mt. Harney mountain range, is reproduced in an over-all design on the check by John Wenrich, artist for the Todd Company, Rochester, New York, check manufacturers.

Mr. Wenrich, whose artistry has appeared on many bank checks produced by Todd, executed the original of the Mt. Rushmore drawing three times the size of the finished check. The drawing was shown by him when he was a guest in recent television appearances in New York City.

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correspondent banks in the
great plains area. We hope to
have the opportunity to serve
you with our many correspond-
ent services in the near future.*

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NATIONAL BANK
OMAHA, NEBRASKA

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NEW OFFICERS of the Iowa Bankers Association are shown in photo at left above. At left is **Charles J. Spies**, president, Iowa Trust and Savings Bank, Emmetsburg, new vice president and treasurer. In center is **Harry S. Lekwa**, vice president, Ackley State Bank, Ackley, being congratulated by retiring President **Roy A. Sweet**, president, Story County State Bank, Story City.

CENTER—**Will Rogers, Jr.**, Beverly Hills, California, publisher and son of the renowned late Will Rogers, hangs a solid gold medallion around the neck of **W. Harold Brenton** as a climax to the surprise "official" inauguration of Mr. Brenton

as president of the American Bankers Association. Mr. Brenton was elected A.B.A. president in Atlantic City early last month.

RIGHT—Independent Bankers Association officials meet an independent thinker. **Guy Sturgeon** (left), president, Bank of Commerce in Sheridan, Wyoming, and immediate past president of the IBA, and **Ben DuBois** (right), Sauk Centre, Minnesota, secretary of the IBA, visit with **Newbold Morris**, New York attorney who was appointed early last spring to investigate corruption in federal government, then was fired because he went ahead and did it.

Harry Lekwa Named Iowa Bankers Association President

**Charles J. Spies Elected Vice President;
New Registration Record of 2,721**

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

COMMON superlatives, as usual are not adequate to describe this year's Iowa Bankers Association annual convention. Suffice it to say that the three-day, star-packed 66th annual meeting drew 2,721 persons to the Hotel Fort Des Moines in Des Moines to hear some of the most

distinguished authorities in the nation on banking, business and government topics. The attendance figure of 2,721 is a new record and tops last year's previous record high of 2,667 registrants.

Harry S. Lekwa of Ackley was elected president of the Iowa Associ-

ation for 1952-53. He succeeds Roy A. Sweet, president, Story County State Bank, Story City. Mr. Lekwa is vice president of the Ackley State Bank, president of the Citizens State Bank of Iowa Falls, and vice president of the State Savings Bank at Aplington.



THE IOWA CLUB of the School of Banking at University of Wisconsin elected new officers at its luncheon meeting. In picture at left, from left to right, are: **Carroll W. Grimes**, executive vice president, First National, West Union, vice president; **Charles R. Hannan**, cashier, City National, Council Bluffs, retiring president, and **Dale C. Smith**, assistant cashier, Central National, Des Moines, president. Back row—**Conrad E. Aronson**, assistant cashier, Toy National, Sioux City, director; **James H. Pullman, Jr.**, cashier, Fremont County Savings, Sidney, director, and **James W. Lipton, Jr.**, vice president, Arthur Trust & Sav-



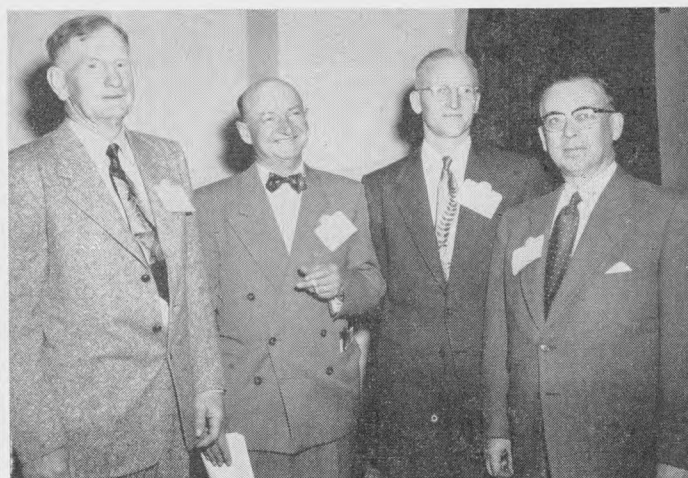
ings, Arthur, secretary-treasurer.

IOWA JUNIOR BANKERS also had a luncheon meeting. In photo at right, seated left to right, are: **Gordon L. Mennen**, LeMars Savings, LeMars, president; **R. V. Grobinski**, assistant cashier, Farmers Savings, Grundy Center; **Leslie A. Jacobsen**, assistant cashier, Rock Rapids State, Rock Rapids, and **Kenneth H. Dietz**, assistant cashier, Walcott Trust and Savings. Standing—**T. F. Jacobson** (left), vice president, Story County State, Story City, and **C. W. Fishbaugh**, assistant cashier, Security Trust and Savings, Shenandoah.

Northwestern Banker, November, 1952



IOWA CONVENTION—In photo at left are, left to right: **L. Nevin Lee**, vice president, Bankers Trust, Des Moines; **John B. Keeline**, president, Central Trust and Savings, Cherokee; **Mrs. Keeline**, and **Frank A. Johnson**, vice president, First Trust and Savings, Davenport.



RIGHT—**Rae V. Burchfield**, vice president, and **Jay W. Hemphill**, cashier, both of Farmers State, Yale; **Floyd F. Whitmore**, president, Okey-Vernon National, Corning, and **Everett M. Griffith**, vice president, Iowa-Des Moines National, Des Moines.

Charles J. Spies, president of the Iowa Trust and Savings Bank, Emmetsburg, was elected vice president and treasurer. He succeeds J. E. Howe, president, Adair County Bank, Greenfield. Frank Warner, Des Moines, continues as secretary.

Lee A. Holland, the other candidate for the presidency, withdrew during the convention, but his name was placed before the convention as a candidate for the presidency at the 1953 convention by H. Lee Huston, executive vice president, Columbus Junction. Mr. Huston, whose Group II had backed Mr. Holland's bid for the presidency, seconded the nomination of Mr. Lekwa, and at that time revealed that his Group was sponsoring the candidacy again next year of

Mr. Holland.

The meeting of Iowa members of the A.B.A. was presided over by Cecil K. Cullings, A.B.A. vice president for Iowa, and president, Exchange State Bank, Exira. J. F. Kennedy, president, First National Bank, New Hampton, was elected executive councilman for a three-year term to succeed W. W. Blasler, former president, Farmers State Bank, Jesup. Grover S. Krouth, president, Iowa Trust and Savings Bank, Oskaloosa, was elected nominating committeeman to succeed Arthur T. Donhowe, vice president, Central National Bank and Trust Company, Des Moines. Vincent P. Cullen, executive vice president, National Bank of Burlington, was named alternate to Mr. Krouth, and he suc-

ceeds Frank C. Welch, president of the Peoples Bank and Trust Company, Cedar Rapids.

The second annual luncheon of the Iowa Club of the School of Banking had 51 members and guests present. New officers are: President—Dale C. Smith, assistant cashier, Central National Bank and Trust Company, Des Moines; vice president—Carroll W. Grimes, executive vice president, First National Bank, West Union; secretary-treasurer—James W. Lipton, Jr., vice president and cashier, Arthur Trust and Savings Bank, Arthur.

Directors are: Conrad E. Aronson, assistant cashier, Toy National Bank, Sioux City; James H. Pullman, Jr., cashier, Fremont County Savings

At the Iowa Bankers Convention →

VISITING headquarters rooms of city correspondent banks is one of the informal highlights of any bankers convention, and this year's Iowa Bankers convention was no exception. The **NORTHWESTERN BANKER** went on a "room-hopping" camera tour, and the pictures on these pages are the results. Pictured on the opposite page, reading from left to right in each photo, are:

1. At the annual luncheon sponsored by **John Morrell & Company** and **Union Bank and Trust Company** of Ottumwa—**C. B. McClelland**, assistant manager, Morrell's; **Max von Schrader**, president, Union Bank and Trust; **George A. Morrell**, vice president and treasurer, Morrell's, and **Clarence P. Glenn** and **Jay C. Blackford**, vice presidents, Union Bank and Trust.

2. A hallway gathering—**Stanley W. Evans**, assistant vice president, Live Stock National, Sioux City; **John Hemmerle**, First National, Chicago; **James Fletcher**, district manager, Wm. H. Banks Warehouses, Des Moines; **Mrs. Eugene Timlin**, Lawler; **Robert C. Power**, cashier, Security State Savings, Creston; **Mrs. Paul Ohrt**, Mallard, and **Dave Coffman**, vice president, Wm. H. Banks Warehouses, Chicago.

3. Drivers National of Chicago room—**George A. Strickland**, assistant cashier, Drivers; **Don L. Harper**, assistant vice president, First Wisconsin National, Milwaukee; **George A. Malcolm**, president, Drivers; **Rudy E. Schroeder**, executive vice president, Iowa County Savings, Marengo; **Frank M. Covert**, vice president, Drivers, and **Fred D. Cummings**, assistant vice president, Drivers.

4. Central National of Des Moines room—(Seated) **K. F. Leuthauser**, cashier, Adair County Bank, Greenfield; **Roy F. Glab**, vice president and cashier, American Trust and Savings,

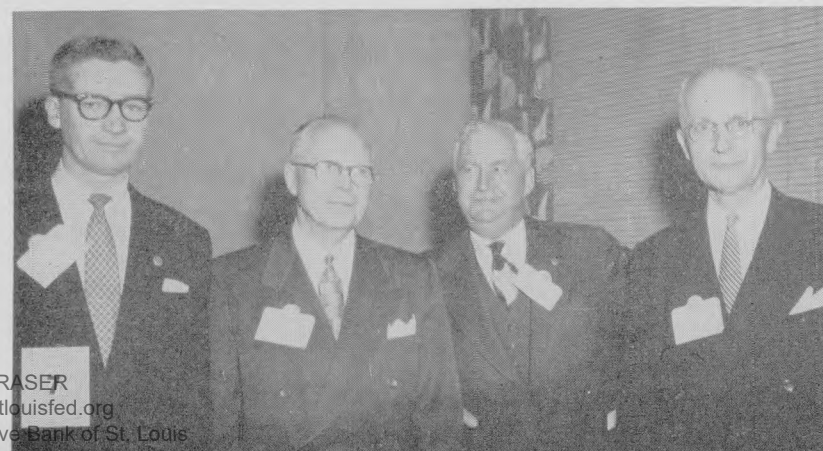
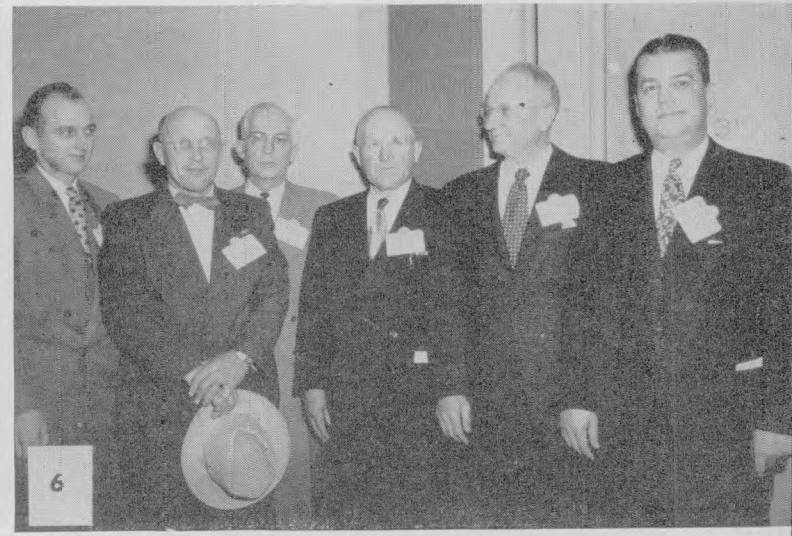
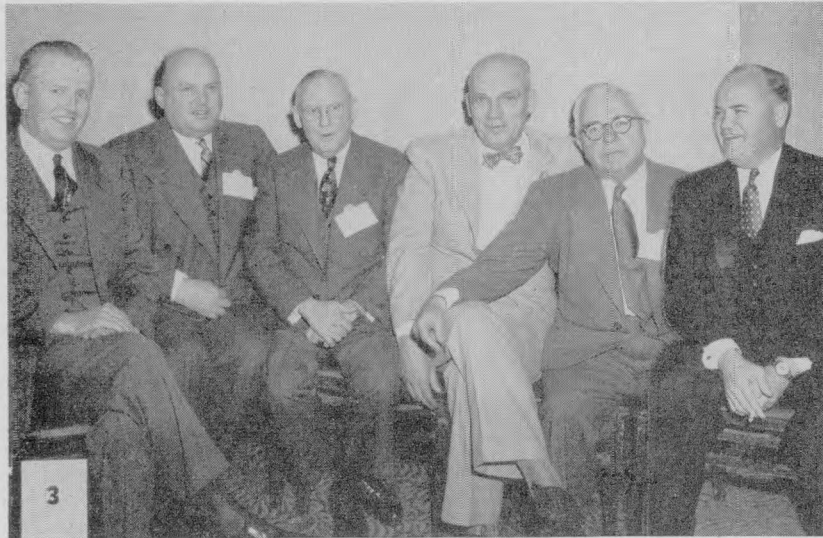
Dubuque, and **Bert Allerton**, prestidigitator deluxe, Chicago. (Standing) **R. E. Anderson** and **Eldon A. Erbes**, assistant cashiers, and **T. N. Howe**, vice president, all of Adair County Bank, Greenfield, and **Arthur T. Donhowe**, vice president, Central National Bank and Trust, Des Moines.

5. Live Stock National of Omaha room—**L. O. Stoker**, president, Farmers Savings, Shelby; **Dean Marquardt**, representative, Live Stock of Omaha; **William E. Sinclair**, cashier, State Savings, Council Bluffs; **A. A. Kruse**, vice president, First State, Audubon; **E. T. Richmond**, vice president, State Savings, Council Bluffs; **J. H. Redman**, executive vice president and cashier, First National, Glidden; **Herb Echtermeyer**, vice president, Live Stock of Omaha, and **W. B. McLuen**, Anita State, Anita.

6. Live Stock National of Chicago room—**Darrell J. Lindbom**, assistant cashier, Live Stock National, Chicago; **H. O. Quame**, vice president, State Savings, Rake; **C. W. Fowler**, president, Poweshiek County Savings, Brooklyn; **Johnnie Rake**, cashier, State Savings, Rake; **Paul T. Betz**, vice president, and **James L. Johnson**, assistant vice president, both of Live Stock of Chicago.

7. First National of Chicago room—**Ted J. Welch**, vice president, Peoples Bank and Trust, Cedar Rapids; **Verne L. Bartling**, assistant vice president; **John J. Anton**, vice president, and **Victor C. von Meding**, assistant cashier, the latter three of First National of Chicago.

8. A lobby get-together—**Joe Menges**, cashier, Alta Vista State, Alta Vista; **George P. Leaf**, and **Leonard P. Moeller**, assistant secretary, both of St. Paul-Mercury Indemnity Company, St. Paul.





IOWA CONVENTION—The Tuesday morning breakfast of the American National of Chicago is a yearly tradition enjoyed by many Iowa convention-goers. The hosts are shown in photo at left above, finally taking time out to eat with some of their guests. From left to right are: **William B. Whitman**, assistant vice president, American National; **R. B. Mulder**, president, First Federal State, Des Moines; **O. Paul Decker**, chairman of the investment committee, American National; **Mrs. E. H. Parker**, whose husband is vice president, Farmers State, Jesup; **Walter**



Armstrong (standing at left), assistant cashier, American National, and **Charles C. Kuning** (with coffee pot), vice president, American National.

RIGHT—Seated, from left to right: **E. C. Hansen**, president, Renwick Savings, Renwick; **A. J. Scott**, cashier, First State, Sioux Rapids, and **Henry Visser**, executive vice president, First National, Hawarden. Standing—**E. C. Peck** (left), Omaha, and **B. J. McCartney**, Sioux Falls, both with United States Check Book Company.

Bank, Sidney; **T. L. Vinyard**, vice president, First Trust and Savings Bank, Davenport, and **Robert M. McQueen**, assistant cashier, Farmers State Bank, Ridgeway. These four men, the new officers and retiring president **Charles R. Hannan**, cashier, City National Bank, Council Bluffs, comprise the board of directors.

Because of the tremendous crowds being drawn to the convention each year, it was decided to discontinue a banquet in any form this year, because of lack of facilities. The Hotel Fort Des Moines ballroom, when opened to full capacity cannot accommodate all those wishing to attend the banquet, and the facilities

of KRNT Theater's mammoth meeting and banquet hall have been taken over by the Armed Forces as an examining and induction center. This leaves only the possibility of the proposed Veterans Memorial Auditorium as a solution to the banquet problem. This building is in its preparatory stages but as yet is not under construction. It is reported to be big enough to seat several thousand persons comfortably at banquets when completed.

The convention entertainment featured such performers as **Elsa Lancheater** and her "Private Music Hall"; a rough and tumble feature wrestling match, which was preceded by three strictly-from-hunger matches that weren't even good clowning; **Hedda Hopper**, and the **Robert Shaw Choral**.

An amusing and sentimental sidelight to the convention was the surprise program the second morning of the convention, which was arranged in secrecy in advance as an "official" inauguration of Iowa's **W. Harold Brenton** as president of the American Bankers Association. Mr. Brenton was elected A.B.A. head at the national convention in Atlantic City October 1. The Iowa convention marked his first official appearance.

A special printed program commemorating the surprise inauguration was distributed after several of

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*Warmest Good Wishes . . .
 . . . for Your Thanksgiving Holiday*

The officers, directors and every
 member of Bankers Trust Company
 sincerely wish you and yours a day of
 peace and happiness observed in the
 true spirit of Thanksgiving.

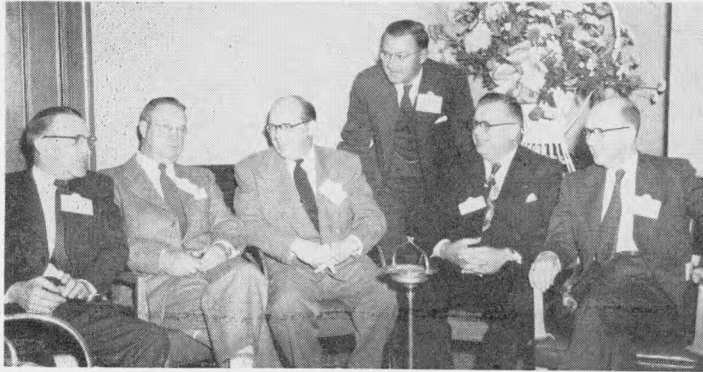
Bankers
 Trust Company
 sixth and locust

Des Moines, Iowa

*Member: Federal Deposit Insurance Corporation
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1917 • *Our 35th Year of Service* • 1952

Northwestern Banker, November, 1952



IOWA CONVENTION—In photo at left, from left to right: **R. P. Blake**, president, Farmers Savings, Mitchellville; **W. A. Herbrechtsmeyer**, vice president, First Security Bank and Trust, Charles City; **Alfred H. Lindgren**, vice president, City National, Chicago; **John M. Davis** (standing), assistant vice president, City National, Chicago; **Lee Chandler**, president, Iowa Savings, Dike, and **I. T. Parkhurst**, vice president, Farmers Savings, Grundy Center.



RIGHT—Group in Marquette National of Minneapolis room. Seated (left) is **Otto H. Preus**, vice president, Marquette National, with **Harry Habata**, accordionist, who plays for all Marquette functions. Directly behind and between these two is **Stewart L. Stotesbery**, assistant cashier, Union Savings, Grand Mound. To his left is **John Cleary**, special representative, Marquette National.

Mr. Brenton's old friends made their appearance on the stage. His third grade school teacher, one of his old schoolmates, and his first employer (when Harold Brenton was 11) spoke for a few minutes each, recounting experiences they remembered from "Pug" Brenton's boyhood. All were from Guthrie Center, and the Guthrie Center high school band appeared on the scene to serenade him to the tune of "Hail to the Chief."

The ceremony was climaxed with the presentation to Mr. Brenton of a solid gold medallion from the Iowa

Bankers Association. Will Rogers, Jr., made the presentation.

The featured speakers on the program were outstanding and drew considerable attention and applause for their forthright presentations. A brief report from some of the speakers follow:

D. Z. Albright, vice president, Security-First National Bank, Los Angeles: "Now just what are the fundamentals of good public relations for consumer credit personnel? In my experience here are what I believe to be the primary fundamentals for

good public relations between consumer credit personnel and the bank's customers. I call them five "Be's":

1. **Be friendly.**
2. **Be courteous.**
3. **Be interested.**
4. **Be confidential.**
5. **Be appreciative.**

"These fundamentals need to be practiced by our consumer credit people, not only in their initial contacts with customers but in all phases of the operation—handling the loan interview, handling the loan declination, credit investigation and collections."

Newbold Morris, New York lawyer, appointed special assistant to the attorney general last spring to investigate corruption in government and fired six weeks later before he could put his plan into operation: There should be a federal agency to investigate any suspected corruption in government. "This agency should

(Turn to page 91, please)

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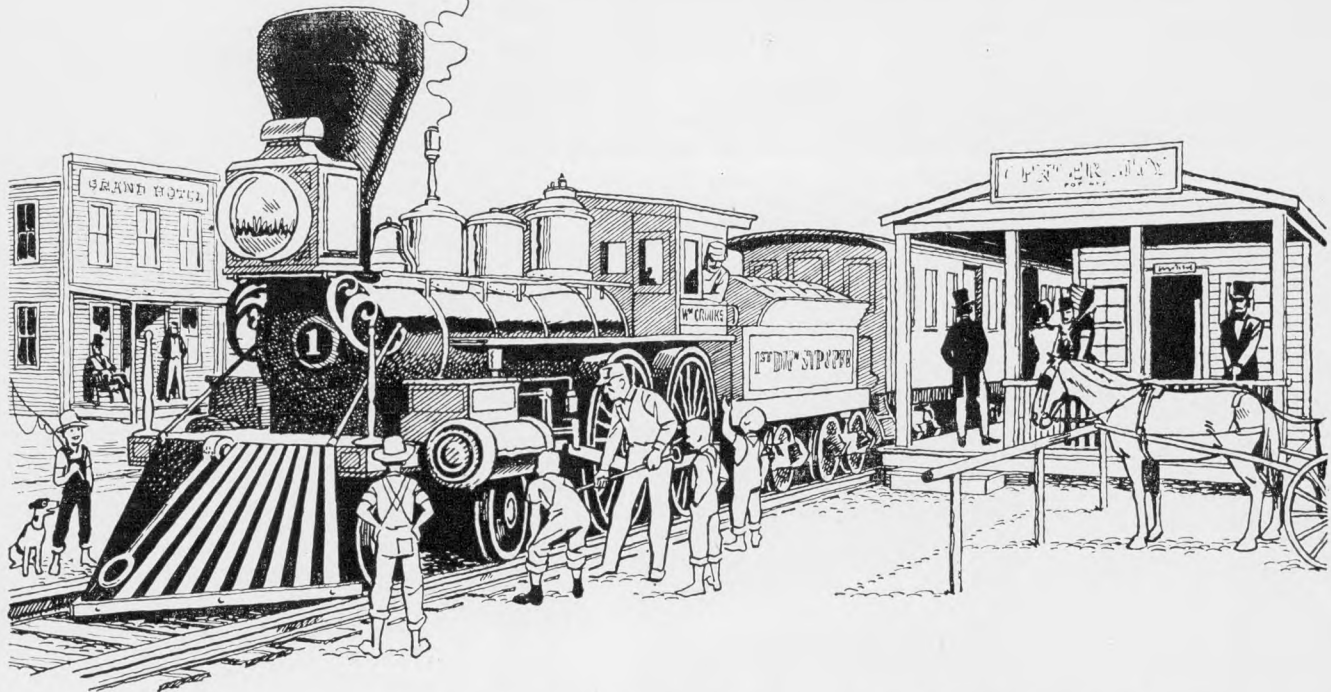
LOST

During the recent Iowa Bankers convention, a ladies fur cape was inadvertently exchanged for another fur cape. A check of the tailoring tags will show that this was done through mistaken identity of the garment. Will the person who picked up the wrong cape kindly contact the Northwestern Banker so that it can be returned to the proper owner. The fur cape left in its place is being held for return and will be forwarded as soon as you contact our office.

Your reply and the exchange will be held in strict confidence. Call or write:

BJH
Northwestern Banker
527 Seventh Street
Des Moines 9, Iowa

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MARQUETTE
land



The
"Iron Horse"
brings
the Northwest
together

On July 1, 1861 the first railroad journey in the Northwest was completed when the *William Crooks*, hauling two coaches, steamed into St. Anthony, now a part of Minneapolis. The ten mile journey from St. Paul had taken a little more than half an hour.

Railroad expansion in the Northwest proceeded rapidly. Within three decades the rails had reached the Pacific and branch lines were knitting the vast hinterland to the markets of the east.

This railroad growth was paralleled by the establishment of hundreds of Independent Banks in the new communities. To individuals and business firms they provided security, financial counsel, without which the settling of these states would have been long delayed.

Today, as always, the Independent Banker works for the good of his community. The Marquette National Bank is proud to be associated with him, and wholeheartedly supports his objectives in perpetuating the American way of life and, with it, the independent dual banking system.

DEPARTMENT OF BANKS AND BANKERS

Russell L. Stotesbery
President

Carl R. Pohlard
Vice President

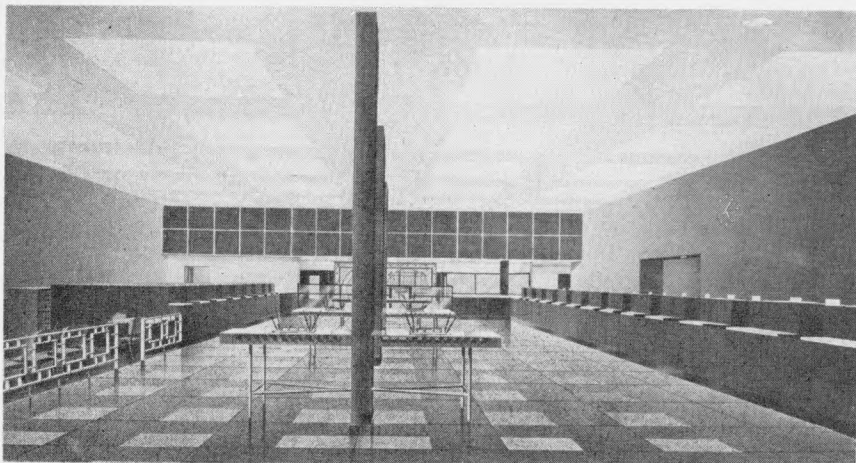
Otto H. Preus
Vice President

STRONG FRIEND OF THE INDEPENDENT BANKER . . .

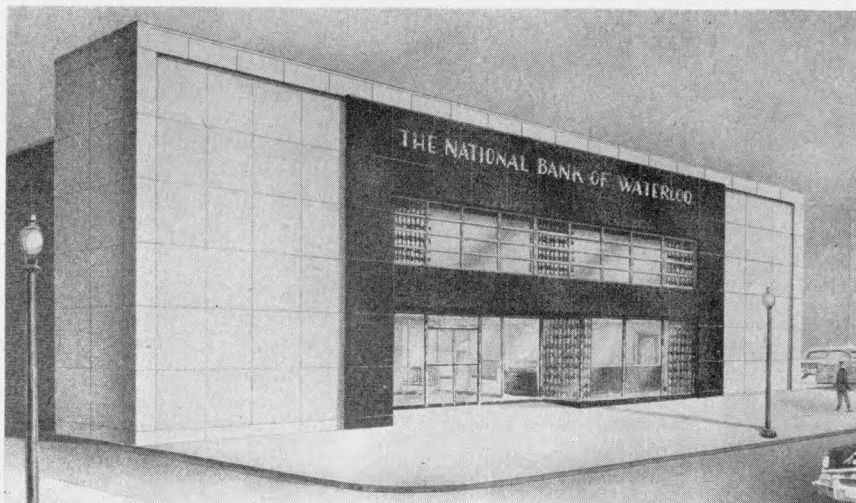
MEMBER FEDERAL DEPOSIT
 INSURANCE CORPORATION



Bank at Waterloo Remodels



The New National Bank of Waterloo will look like this when entering the front entrance and looking toward the back of the bank. This is the architect's drawing of the interior of the new bank. The wood portions of the teller's cages will be of walnut while the ledges will be of marble. The railing along the sides at the front will be of aluminum. The plans for the remodeling of the building were drawn up by the Bank Building and Equipment Corp. of America, which has offices in St. Louis.



THE ABOVE EXTERIOR VIEW of the planned new building for the National Bank of Waterloo shows how the structure on Park Avenue now housing Black's Super Market will appear after remodeling work is completed next year. The light stone on the building will be Indiana limestone. The darker stone around the entrance at the front will be granite.

CONTRACTS for the remodeling of the building now housing Black's Super Market on East Park Avenue, in preparation for occupancy by the National Bank of Waterloo, Iowa, have been let, according to R. L. Penne, president of the bank.

The remodeling of the building itself

will be done by the John G. Miller Construction Company, while the installation of the fixtures and furnishings and work on the interior will be done by the Bank Building and Equipment Corporation of America, in St. Louis.

Mr. Penne said work on the build-

ing will begin about February 1st. The bank expects to move to the new location by November 1, 1953.

Among Most Attractive

The move, which was necessitated by overcrowding in the bank's present location, is expected to give Waterloo one of the most modern and beautiful physical properties for banking purposes in the state.

One of the best features of the new building, Mr. Penne said, is that it will enable the bank to provide complete banking service on one floor.

The new location will also provide a convenient adjacent customer parking lot and two drive-in windows where customers may make deposits directly from their cars.

Mr. Penne said the new bank will have a large lobby, with tellers' windows on both sides. The safety deposit vault will be in the rear of the building.

Fatal ABA Trip

Mrs. Frank Hamilton, wife of the cashier of the Montgomery County National Bank, Red Oak, Iowa, was killed in a car accident last month near Upper Sandusky, Ohio, when she and her husband were returning from the American Bankers Convention.

New Whiting Bank

A new bank, the Community Savings Bank, opened for business in Whiting, Iowa, last month.

H. C. Bierwirth, Alcester, South Dakota, is president and cashier of the new enterprise. E. C. Trieber, also of Alcester, and Gus A. Olson are vice presidents.

In times past there have been two banks in Whiting, the First National Bank and the Whiting State Bank, but they closed in 1926 and 1931. A branch of the Onawa State Bank operates there now. The new Community Savings Bank has leased and will occupy the present quarters of the branch.

Associated with the three officers as directors are Ralph Matthews, Whiting, Holmes, Glen Thomas and Norman Whiting.

Mr. Trieber is president of the Alcester Commercial Club. He will continue to operate his business and farm at Alcester.

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THE TOY NATIONAL BANK

SIOUX CITY, IOWA

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ALWAYS READY
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IN DES MOINES

VALLEY BANK AND TRUST COMPANY
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Des Moines News

RAYMOND G. MILLER, who started as a messenger with Capital City State Bank in 1916, has been named sixth president of the bank.

Mr. Miller succeeds **Rolfe O. Wagner**, who becomes chairman of the board. Mr. Wagner has been with Capital City since 1919 and has been president since 1921.

Capital City State Bank was char-



RAYMOND G. MILLER
Heads Capital City Bank

tered as a state bank August 6, 1878, and will celebrate its 75th anniversary in 1953.

A native of Des Moines, Mr. Miller attended grammar school here and graduated from West High school. He has served progressively at Capital City State Bank, as a messenger, clerk, teller, assistant cashier, cashier, and vice president. He was named executive vice president in 1946.

Mr. Miller is a graduate of American

Institute of Banking, and past president of the Des Moines chapter.

* * *

Announcement of the election of Harold R. Arthur to the official staff of the State Bank of Des Moines was made recently by Lindley Finch, executive vice president.

"Mr. Arthur is assuming the duties of real estate mortgage loan officer. He will be actively interested in assisting our customers with their real estate loan problems," Finch stated.

For the past year, Arthur has been affiliated with Brenton Companies, as special representative. Formerly, for twelve years, he was with the American Trust Company, San Francisco, California, serving as assistant manager of their branches located at Broadway-Burlingame and Santa Clara, California.

* * *

The first of a series of monthly seminar meetings for members of the Des Moines chapter of the American Institute of Banking was held last month at the Central National Bank & Trust Company, Fifth and Locust streets.

Speaker was Russ Van Dyke, news director of station KRNT. The institute is an organization of bank employes and junior executives.

* * *

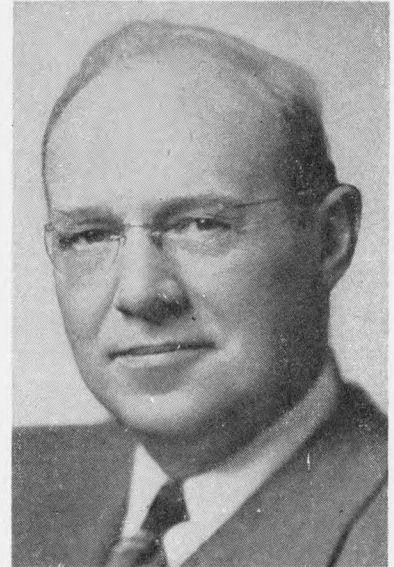
Frederick M. Morrison, 51, president of the Valley Bank and Trust Company, Des Moines, died at his home on October 23. Cause of death was believed to be cancer of the lung.

Mr. Morrison came to Des Moines in 1937 as vice president of Valley Bank, and became president early in 1938. He was born at Onawa December 3, 1901. His grandfather, Herbert Morrison, was a banker there and op-

erated a stage coach from Onawa to Sioux City.

Mr. Morrison attended the Onawa schools, and began work at the Citizens State bank of Onawa when he was in high school.

Later, he was in charge of the savings department of the Iowa State



FREDERICK M. MORRISON
1901-1952

Savings bank of Sioux City, and after that served with banks at Onawa and Lake City.

He then spent 12 years with the state banking department as special examiner in charge of banks in receivership, living at Washington, West Liberty, Muscatine and Wapello during that period.

Mr. Morrison was president of the Valley Investment Co. and Valley-Des Moines Co.; a former president of the Des Moines Clearing House Association; director of the Interstate Business Assurance Co.; trustee of Drake University; and a member of the Des Moines Chamber of Commerce, Polk County Tuberculosis Association, the Masonic lodge, Des Moines Club, Wakonda Club, Embassy Club, Bohemian Club and the River Club of Kansas City, Missouri.

He is survived by his widow the former Lucille Sandy; a son, James B., who is a vice president at the bank; a brother, Bruce, of Chicago;

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FIRST NATIONAL BANK BUILDING, CHICAGO 3, ILLINOIS

and his mother, Mrs. C. E. Cooper of Des Moines.

Marion Bank Sold

John B. Thompson of Jesup, Iowa has purchased majority stock in the Farmers State Bank of Marion, Iowa, from George J. Johnson and James F. Gruenwald. All parties in the transaction were represented by the Bankers Service Company of Des Moines, Iowa.

Mr. Thompson has been elected



JOHN B. THOMPSON
Buys stock in Marion bank

president and a member of the board of directors as of October 28th. There are no other changes in the officers or personnel and Mr. Gruenwald will continue with the bank for the present as vice president and cashier.

Mr. Johnson, an extensive land owner in the territory north of Marion, has not been active in the bank, but has resided in San Jose, California

since retiring as executive vice president of the American National Bank of St. Paul, Minnesota several years ago.

For several years prior to August 30, 1952, Mr. Thompson was president and active manager of the Farmers State Bank of Jesup, Iowa. The last published statement of the Farmers State Bank of Marion showed total assets in excess of three million dollars.

Chemical Dividend

Directors of Chemical Bank & Trust Company, New York, recently declared the regular quarterly dividend

of 50 cents a share on the capital stock, payable October 1, 1952, to stockholders of record September 15, 1952.

Returns from Tour

Mrs. Marie Goldapp, assistant cashier of McClelland Savings Bank, McClelland, Iowa, has just returned from a vacation trip to Mexico City, Mexico, with WOW Farm Study Tour.

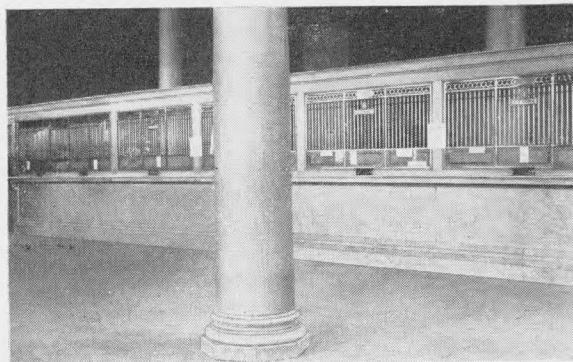
Iowa Bank Changes

Recently the following changes took place in the status of Iowa chartered banks:

The Community Savings Bank of Edgewood, Iowa, increased capital

Mr. Banker!

Planning on Fixture Remodeling?



◁ BEFORE

From this



These pictures show how Jaeger Manufacturing Company transforms drab, out-dated bank interiors into attractive, modern ones . . . and at costs surprisingly low. One of our specialties is the remodeling of old bank fixtures to blend with new interiors.

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**NEBRASKA
BANKERS
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November 10-11, 1952
By



Henry H. Byers
President

Our Bank Sales For 1952, Total
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Nebraska Banks are in demand. If you are in the market to buy or sell, don't fail to consult with Mr. Byers at

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Sunday - Monday - Tuesday

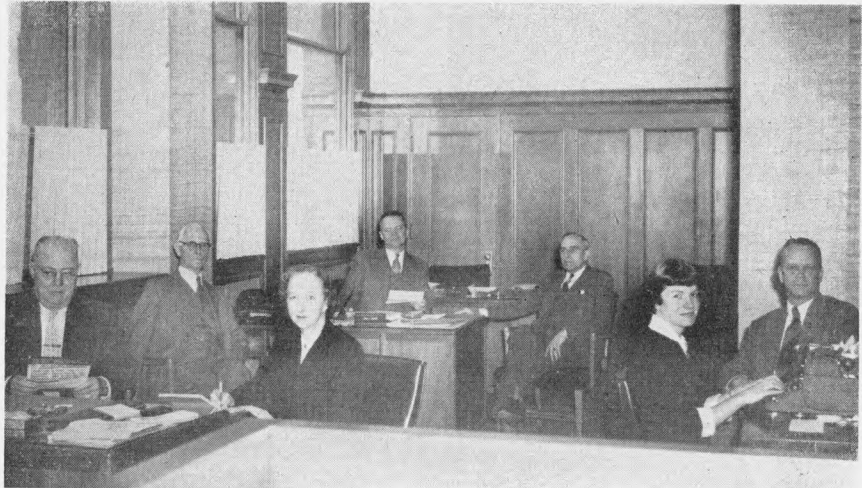
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QUALITY · EXPERIENCE · SERVICE

Northwestern Banker, November, 1952

Burlington Bank Remodeled



REMODELED—Above is an interior view in the Burlington Bank & Trust Company, Burlington, Iowa, showing the walnut paneling which was used in a recent remodeling project. The work was done by the Jaeger Manufacturing Company of Des Moines.

The men in the picture, seated from left to right, are M. T. Granaman, cashier; George Swiler, chairman of the board; W. H. Swiler, president; Charles L. Bosier, executive vice president; and T. H. Swiler, assistant cashier.

W. H. Swiler, president of the Burlington Bank and Trust Company, Burlington, Iowa, reports that the first six months in their newly remodeled quarters has shown that customers and employes are enjoying the larger and more convenient arrangements.

"We are very much pleased with the fixtures, designed and installed by the Jaeger Manufacturing Company of Des Moines, as they have greatly changed the appearance of the bank," states Mr. Swiler, bank president.

"The walnut cages and paneling give a warmth to the room, which is quite a contrast to our old marble and brass fixtures, and we have had much favorable comment from our customers," Mr. Swiler goes on to say.

"The fixtures give evidence of excellent workmanship and the men from Jaeger's who installed them were most cooperative and disturbed our normal business as little as possible," Mr. Swiler reported after completion of the work.

from \$25,000 to \$50,000 by a stock dividend.

The Security State Bank, Hubbard, Iowa, increased capital from \$25,000 to \$37,500 by a stock dividend.

The Farmers State Bank, Struble, Iowa, increased capital from \$20,000 to \$25,000 by a stock dividend.

Ottumwa Marriage

Miss Mary Crofoot and Ensign Max von Schrader, Jr., Ottumwa, Iowa, were married last month in St. Margaret Mary's Church in Omaha.

Miss Crofoot is the daughter of Mr. and Mrs. Edward B. Crofoot. Ensign von Schrader is the son of Mr. and Mrs. Max von Schrader, of Ottumwa. Mr. von Schrader is president of the Union Bank & Trust Company, Ottumwa.

Kerndt Brothers

Two of the four Kerndt brothers of the Kerndt Brothers Savings Bank, Lansing, Iowa, died one week apart recently.

After a 16 months illness, the result

of a paralytic stroke, during which time he was given the very best of care and medical attention, Will Kerndt passed away.

Many years ago he went into the family mercantile business of G. Kerndt and Bros. which he carried on for many years. He later served as vice president of Kerndt Bros. Savings Bank, being a well known and prominent business man of Lansing nearly all his life.

G. M. Kerndt, president of the bank, passed away shortly after noon a week later. He had been at his customary desk in the Kerndt Bros. Savings Bank that morning.

At a very early age he entered the mercantile, farm and banking business established by his father nearly 100 years ago and for over 70 years has been one of the mainstays of the firm and bank so well known throughout northeast Iowa. With the incorporation of the bank in 1908 he was made its first president and has conscientiously served in that capacity ever since.

Corning Display

During the Fourth Annual Corn Days at Corning, Iowa, held recently, The Okey-Vernon National Bank entered into the celebration by extensively decorating the bank, according to Floyd F. Whitmore, president.

Mr. Whitmore says, "Corning had a three day program, parade and corn contest. All stores and business houses were decorated for the festival and personnel donned the dress of jeans and overalls. Most of the decorations



The corn display shown here was planned and arranged by Mrs. Thelma Heitsman, cashier of The Okey-Vernon National Bank, Corning, Iowa, for the Fourth Annual Corn Days celebration held in that city recently.

were in store fronts and windows, but ours had to be put inside. We had most of our lobby lined with stalks of corn, shucks pulled back, yellow ears showing. On top of our counters we had colored leaves—oak, sumac and bittersweet—with large ears of yellow corn standing upright like large candles. These were mounted on nails in four by four squares cut from a length of two by fours. We also had a table of corn that various customers had brought in just to show what their corn was like. All of our customers and anyone who came in the bank remarked about how nice

the lobby looked, and especially the farmers seemed to feel that we were going 'along with them' by displaying their products."

Crawford Officers

New officers of the Crawford County Bankers Association were elected at the annual meeting of the association held last month at the County Club in Denison, Iowa. They are: Paul Clausen, Farmers Savings Bank, Ricketts, vice president; Ted P. Feddersen, Crawford County Trust and Savings Bank, Denison, new president; Walter Noack, Westside Trust and Savings Bank, Schleswig, secretary-treasurer.

Remodel at Jewell

Work was started recently on a very extensive remodeling and repair job of the Farmers State Bank in Jewell, Iowa.

The interior of the bank will be completely renovated. The ceiling will be dropped about 14 inches. Mineral tile in white will cover the ceiling and drop down the walls slightly over four feet. From this point down to the floor, walls throughout the building will be in mahogany wood. Most of the present furniture is in mahogany and this will also be refinished.

A new aluminum door, with a large plate glass, will replace the one now



A Rich Area

Sioux City serves one of the richest farm areas in America. Its importance to the live stock and manufacturing industries likewise make a good banking connection here highly desirable.

We invite your inquiry regarding First National correspondent service.

JOE T. GRANT, *President*

HAROLD V. BULL, <i>Vice President</i>	HAROLD H. STRIFERT, <i>Asst. Cashier</i>
WILLIAM L. TEMPLE, <i>Vice President</i>	EARL E. SNELL, <i>Asst. Cashier</i>
JOHN R. GRANING, <i>Cashier</i>	EDWARD V. HOFFMAN, <i>Asst. Cashier</i>
ERNEST A. JOHNSON, <i>Asst. Cashier</i>	ERNEST A. KENNY, JR., <i>Asst. Cashier</i>

Oldest in Des Moines

Your Savings Account
Now Insured Up To
\$10,000

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TIMELOCK EXPERTS

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Will Hold Open House This Month



REMODELED—The Columbus Junction State Bank, Columbus Junction, Iowa, of which **H. Lee Huston** is executive vice president, has now completed remodeling and alterations on both the exterior and interior of its building. The banking room

has new fixtures, with re-arrangement of fixtures to provide better and faster service to customers. The bank has also installed a night depository. An open house for customers and friends is planned for November 21, from 4 to 9 p.m.

in use in front. An arched canopy, also aluminum, will be installed over the front entrance.

Fiduciaries Meet

State Senator Frank P. Johnson of the 37th District in Illinois addressed 55 bank executives attending the fourth annual conference of the Iowa Corporate Fiduciaries Association last month in Davenport, Iowa. Senator Johnson, who writes a daily column, "Window Trimmings," for the *Kewanee Star Courier*, entertained the group with excerpts from his column.

During afternoon sessions, Robert C. Masters, assistant director, division of examinations, board of governors, and Federal Reserve System, spoke on "What a Bank Examiner Expects in a Trust Department," and a forum on various trust subjects was held.

Taking part in the panel discussions were Howard L. Johnson, vice president, Security National Bank, Sioux City, Iowa; C. Ream Daugherty, trust officer, Iowa-Des Moines National Bank, Des Moines; A. L. Vogl, vice president and trust officer, American Trust and Savings Bank, Dubuque; E. L. Carmody, vice president and trust officer, Davenport Bank & Trust Company, and W. C. Siddle, vice president and trust officer, First Trust & Savings Bank, Davenport.

Presiding at the annual meeting

was J. M. Hutchinson, president of the association and executive vice president of the Davenport Bank and Trust Company.

Moves to Bennett

Robert Van Nostrand, who was connected with the First National Bank of Tipton, Iowa, since May 1st, is now connected with the Bennett State Bank, Bennett, Iowa, having taken up his duties last month.

Glidden Anniversary

The First National Bank in Glidden, Iowa, is now in its 75th year. In observance of this anniversary the bank held an open house in its banking quarters last month for its customers and friends.

The bank was organized as a private bank in 1877 and was known as the "Glidden Bank." In 1892 the officers, directors and stockholders applied for and obtained a National Bank charter and the bank has been known as the First National Bank since that time.

Mt. Vernon Promotion

Don Hunter was named assistant cashier of the Mt. Vernon Bank & Trust Company, Mt. Vernon, Iowa, at a meeting of the board of directors last month. Mr. Hunter joined the bank on July 1, 1951.

Resigns at Sibley

Glenn A. Johnson has resigned his position with the Sibley State Bank, Sibley, Iowa, to associate himself with Elmer Child in the operation of the local Coast-to-Coast Store.

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IOWA CONVENTION

(Continued from page 82)

have the power of subpoena and should be responsible directly to the president. It should be under public scrutiny and should make reports . . . that would be available to the public. Outside work (by any government employe) is inconsistent with governmental responsibility. The answer is fewer people on the payroll, working full-time with adequate salaries."

Rowland R. Hughes, vice president, National City Bank, New York, and chairman of the A.B.A. "Special Committee on Excess Profits Tax": The reason the EPT was not corrected during the last Congressional session was not because Congressmen were particularly unfavorable to banks, but because they had so many groups seeking corrective steps in the tax law, that we were told that if the banks were given any special treatment, it would result only in a flood of protests and unfavorable publicity for all concerned. There is a good chance this law can be corrected in the next session. (Text of Mr. Hughes' speech unavailable for direct quote.)

Honorable Charles W. Tobey, United States Senator from New Hampshire: "He (Eisenhower) will make a fine leader. If the people don't take this opportunity to clean house—God help them. The greatest threat today is communism from that godless crowd in Russia, and the man Joe Stalin fears most today is Dwight Eisenhower."

Roswell Magill, New York attorney and former undersecretary of the treasury (1937-38); "Unbalanced budgets have been the primary cause of the increases in the cost of living and the decline in the value of the dollar. Fundamentally, we don't need more government controls of prices so much as we need effective government controls of the government's own spending." (Mr. Magill pointed out there are only two ways to balance the budget, increase taxes or reduce expenditures.) It seems certain that the government is taking from us in taxes just about as much as it can, if the enterprise system is to survive. There certainly is room for cuts in the next military budget."

Honorable Wright Patman, United States Representative from Texas, and chairman of the sub-committee on "General Credit Control and Debt Management": "Although I have consistently voted for taxes in hope that a part of the money raised could be used to pay

on the national debt, I have come to the conclusion that this debt probably never will be paid. Our monetary system is based upon debt. If all debts were paid we would not have money and credit to carry on the business of the country."

(Mr. Patman reported that his committee made recommendations on reserve requirements for banks not members of the Federal Reserve. He said half the nation's banks are non-members, holding 15 per cent of the nation's deposits, and that all banks should have to abide by the same reserve requirements to conform to national credit and debt management policy.)

Dr. James Bryant Conant, president of Harvard University: "Today I want to explain the next essential steps that seem to lie before us. In so doing, I want to make it plain that I am making no partisan argument.

"What I shall argue for is the need of a greater integration of the economic and military resources of the free world. We must tie together the production of weapons in the United States, Great Britain, and the European countries.

"I do not think we have developed

proper procedures nor understood the meaning of the mutual security program.

"I foresee years of partial mobilization of the free world—grim competition, or armament race, if you like.

"I wish there were no deferment possible, but I am not suggesting that all deferments be abolished.

"We must be careful lest we end by choosing officers primarily from the well-to-do rather than from the most able.

"To guard against this possibility, the government should be authorized to pay the educational expenses of a considerable portion of carefully chosen army and air force students.

"If this is done, then all high school graduates will have a chance to compete on equal terms for places in college officer training units.

"I question whether in the next 50 years the Russian monolithic system can develop the manpower required to make their challenge to the free world successful.

"In short, I put my bets not only on the survival of the free world, but also, given time, patience, and courage on our part, its triumph before this century is done.—The End.

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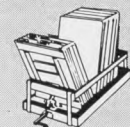
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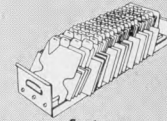
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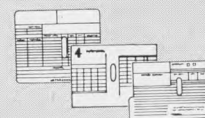
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PUBLISHER'S STATEMENT

Statement of the Ownership, Management, Circulation required by the Act of Congress of March 3, 1933, of the NORTHWESTERN BANKER, published monthly at Des Moines, Iowa, for October, 1952.

1. Name of Publisher: Clifford De Puy, Des Moines, Iowa. Associate Publisher, Ralph W. Moorhead, Des Moines, Iowa. Editor, Henry H. Haynes, Des Moines, Iowa. Managing Editor, Ben J. Haller, Jr., Des Moines, Iowa. Advertising Director, Malcolm K. Freeland, Des Moines, Iowa.
2. Owner: NORTHWESTERN BANKER COMPANY. Stockholders, Clifford De Puy, Des Moines, Iowa, and Frances Prouty De Puy, Des Moines, Iowa.
3. That the known bondholders, mortgagees and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages or other securities are: None.

HENRY H. HAYNES, Editor.
 Sworn to and subscribed before me this 13th day of October, 1952.
 D. SPAINHOWER, Notary Public.
 (My commission expires July 4, 1954.)

Northwestern Banker, November, 1952

Heads Boston Bank

Walter E. Borden, senior vice president and general manager of the National Shawmut Bank, Boston, has been elected president of the bank, succeeding Walter S. Bucklin, who becomes chairman of the board, it was announced recently by Arthur B. Tyler, vice president and secretary of the board of directors.

Mr. Borden, until recently president and treasurer of the Caribbean Sugar Company, has had a long career in commerce, industry, agriculture and finance. In the 1920's he managed a chain of self-service groceries in Rhode Island, forerunners of today's super markets. Educated as an engineer, Mr. Borden was employed by the Caribbean Sugar Company to assist in the construction of a sugar plant in Cuba. He later headed up this opera-

tion as president and treasurer, a post he filled until the assets and physical properties of the company were sold in 1951 to the Punta Alegre Sugar Corporation of Cuba.

Elected at Davenport

The appointment of Fred W. Yeadon, Jr., as comptroller at Northwest Bank & Trust Company, Davenport, Iowa, was announced by Walter F. Meiburg, bank president.

A native of Manning, Iowa, Mr. Yeadon received the bachelor of science degree in commerce from the State University of Iowa in 1948, and has been employed as an assistant bank examiner of the FDIC in eastern Iowa since that time. In his new position he will be in charge of Northwest Bank internal operation and control.

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In the DIRECTOR'S ROOM



Quite a Spell

Said the young jester, "First I got tonsillitis, then appendicitis and pneumonia. After that I got erysipelas with hemochromatosis. Following that, I got poliomyelitis, and finally ended up with hypodermics and inoculations. I certainly thought I never would get through that spelling test!"

Modern Touch

The apple is well known historically, but it took the grapefruit to get into the public's eye.

Beginning

This happened after World War III, when atomic bombs had killed every last human being. After three or four days, when the dust and debris had settled, a couple of monkeys came out of their cave and solemnly surveyed the desolate landscape. After several minutes the small monkey turned to his friend and said, "Well, honey, shall we start the whole darn thing over again?"

1952 Version

Butcher to housewife: Two pounds of steak! Would you like it gift-wrapped?

Remote Control

"Good morning, Doctor. I just dropped in to tell you how much I benefited from your treatments."

"But you are not one of my patients."

"No, but my uncle was, and I'm his heir."

Father Like Son

Father: Son, I never kissed a girl before I met your mother. Will you be able to say the same thing to your son?

Son: Sure, Dad, but not with such a straight face.

Tough Question

Home Economics Teacher: If the sauce begins to boil, put in a tablespoon of water.

Student: Level or heaping?

One Choice

Question: Next to a beautiful girl, what do you consider the most interesting thing in the world?

Answer: Brother, when I'm next to a beautiful girl I don't bother with statistics."

Easy Does It

"Mrs. Matthews' dog has been killed. Break the news to her gently."

"Okay, I'll begin by saying it was Mr. Matthews."

Who Knows?

A drunk fell out of a sixth story window and landed in the street without any apparent harm.

A crowd gathered around him and a cop rushed up and said, "What happened?"

"I don't know," said the drunk, rising and brushing himself off, "I just got here myself."

CONVENTIONS

November 10-11, Annual Convention, Nebraska Bankers Association, Lincoln, Hotel Cornhusker.

November 10-11, A.B.A. Savings-Mortgage Division Conference, Minneapolis, Hotel Nicollet.

November 13-14, Mid-Continent A.B.A. Trust Conference, Dallas, Adolphus Hotel.

November 13-14, Agricultural Representatives Meeting of Agricultural Commission, American Bankers Association, Louisville, Hotel Kentucky.

November 24-25, Member Bank Directors and Officers' Assembly, sponsored by Federal Reserve Bank of Minneapolis, Minneapolis, Hotel Nicollet.

November 30-December 5, Investment Bankers Association, Annual Convention, Hollywood, Florida, Hollywood Beach Hotel.

January 5-February 28, 1953, North Dakota Bankers Association, Short Course, North Dakota Agricultural College, Fargo.

March 22-24, Independent Bankers Association of America, 19th annual convention, Atlanta, Georgia.

May 15-16, North Dakota Bankers Association Annual Convention, Minot, Clarence Parker Hotel.

Grave Solution

First Gal: Where did you get that beautiful diamond?

Second Same: My grandmother died and left \$2,000 for a stone in her memory; this is it.

Hit and Run Driver

A country couple visited the Chicago Art Institute and in the Egyptian room gazed at a mummy over which hung a card on which was printed: "97 B.C."

"What does that mean, Hiram?" asked Mary Ann.

"I don't rightly know," drawled Hiram, "but like as not it's the number of the car that killed him."

Final Proof

The doctor had called on a patient five times. On the last visit the patient announced he had called in another doctor.

"He said that your diagnosis is wrong." "Is that so?" snapped the first doctor. "Well, the autopsy will show who is right."

Pie-Eyed

A drunk staggered into an automat, put some nickels into a slot and watched in astonishment as out came a piece of cherry pie. He put in some more nickels and out came another slice. He continued to feed in more nickels until he had almost a dozen pieces of pie. One of the attendants finally asked him, "Don't you think you had better stop now?"

"What?" cried the drunk. "Quit now, when I'm still winning?"

Mistaken Identity

Mr. Suburb kissed his wife a fond farewell as he was about to catch his morning bus. But, for the first time in five years, he missed it. Thinking to surprise his spouse, he tiptoed into the kitchen, and implanted a tender kiss on the back of her neck as she was washing the dishes.

"Good morning," she said, "I'll have two bottles of milk and a pint of cream."

LEGAL

Can Misused Funds Be Recovered From Life Insurance Proceeds?

This and Other Questions Are Answered by Our Legal Department

Q. A bank employe misappropriated certain funds of the institution for which he worked and used them to buy life insurance. His misappropriations were discovered and he was unable to repay to the bank the missing money. Would the bank, as a general rule, be able to assert a valid claim on the proceeds of the employe's insurance in its activities concerned with recouping its losses?

Yes. Where funds of another have been misappropriated and used to purchase, or pay premiums on, life insurance, the courts will generally allow some form of recovery from the proceeds by the one whose funds were so misused. Minnesota, Wisconsin, Illinois, Michigan, Kansas, Tennessee and Louisiana are among the states in which this rule has been recognized.

Q. Race succeeded in extorting \$50,000 in cash on a false claim from a certain family by threats to kill them. He did not report receipt of the money in his federal income tax return and was charged criminally with tax evasion. Was he guilty?

Yes. The United States Supreme Court has so ruled in a recent analogous decision. The basis for the holding was that the funds were received in circumstances whereby the extorter was not apt to have to return them and could enjoy their use as fully as though his title was unassailable. In view of this the cash paid to him constituted taxable income.

Q. Hobart started a fire to burn off some weeds on his farm which adjoined that of Bradley, a bank director. He was not negligent in any way in starting it or in managing and tending it. For some unexplained reason the fire spread to Bradley's farm and destroyed four apple trees. The matter was not covered by statute. Was Hobart liable to Bradley for the apple tree loss under the general rule of law applicable?

No. The general rule in this country is now well settled that when an owner



LEGAL DEPARTMENT
of the
NORTHWESTERN BANKER

of property sets a fire on his own premises for a lawful purpose, and not in violation of any statute, he is not, in the absence of a statute to the contrary, liable for damage caused by spread of the fire to the property of another, unless he is negligent in starting, or negligent in controlling it. Iowa, Minnesota, Nebraska, North Dakota, and South Dakota are among the states in which this rule has been specifically recognized.

Q. An individual sought to erect a trailer camp in the outskirts of a South Dakota city. Those living nearby went into court and asked that he be stopped from doing so on the grounds that it would be a nuisance when it was completed and in operation. Should such plaintiffs prevail in their suit?

No. A tourist camp or similar establishment does not constitute a nuisance per se. The South Dakota Supreme Court has so held in a recent decision, being supported in this position by similar rulings in Michigan, Arkansas, and Texas. Such camps, however, may become nuisances by reason of the manner in which they are operated and when this occurs the parties aggrieved may cause them to be stopped

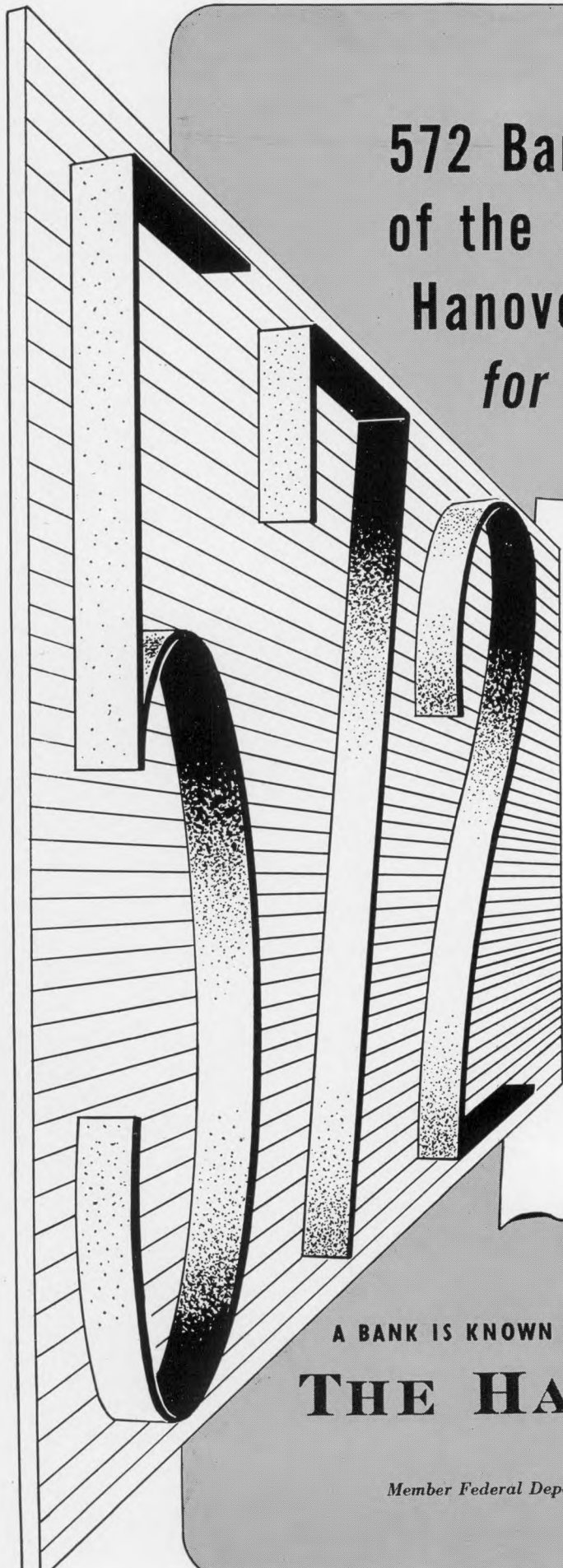
in order that there will be no degradation of the neighborhood.

Q. Suppose that a bank, due to expansion, comes to need additional space for its operations and leases certain upstairs offices in a nearby building. Suppose further that the lease is silent as regards the use of the lobby and stairs of that building and they are absolutely needed as passageways for bank employes in coming and going to the offices. In such situations have the courts in many cases held tenants to be privileged to use such appurtenances?

Yes. In a large number of cases it has been held or recognized that if the use of the part of the building not included in the lease is necessary to the use of the part of the building demised, then the easement or privilege therein passes by implication to the tenant. Cases so holding may be found in Iowa, Minnesota, Nebraska, Wisconsin, Illinois, and elsewhere.

Q. Cunningham, a banker, was executor of the estate of a decedent which was subject to the Federal estate tax. In computing its net value for Federal estate tax purposes he deducted from the gross a reasonable estimate of the amount that would be allowed him as executor by the laws of the jurisdiction in which the estate was being administered. His commissions, however, had not at that time been either awarded by court decree or paid. Should he be sustained in taking the deduction?

Yes. It is well settled that expenses of administration, including executors' commissions, are deductible in computing net estates for the purpose of Federal estate taxes before they have been paid or allowed by the court having jurisdiction of the probate of the estate provided such expenses are a reasonable estimate of the amount allowable under local law. The U. S. tax court has so stated in a recent decision.



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