

NORTHWESTERN Banker

**MARCH
1955**



AT NORTH DAKOTA JUNIOR BANKERS SCHOOL

Aspiring young bank men and women attended annual School for Junior Bankers last month at University of North Dakota. See page 8.

**Eliminate Long
Waiting Lines**

—Page 20

**Annual Investment
Review**

—Pages 39 to 50



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MORE than half the banks in Iowa are members of The Merchants National's "family" of correspondent banks. This correspondent connection enables these banks to provide their customers with time-tested Merchants National Bank service. Daily they incorporate as a part of their service the trained specialists and the facilities of The Merchants National Trust Department. Alert bank executives appreciate this method of increasing their "staff" without increased overhead. For unexcelled, nationwide banking connections depend on time-tested Merchants National Bank correspondent service. Your inquiries are appreciated.

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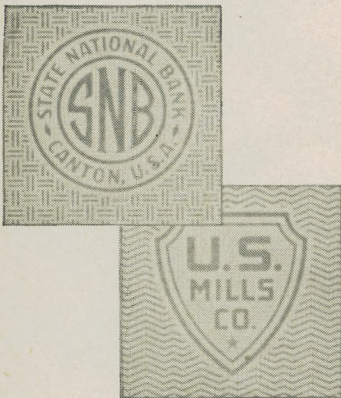


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STOPPER!

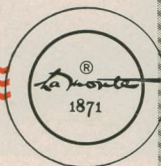
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Northwestern Banker, March, 1955

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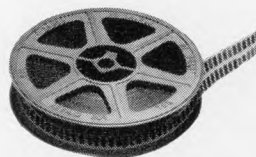
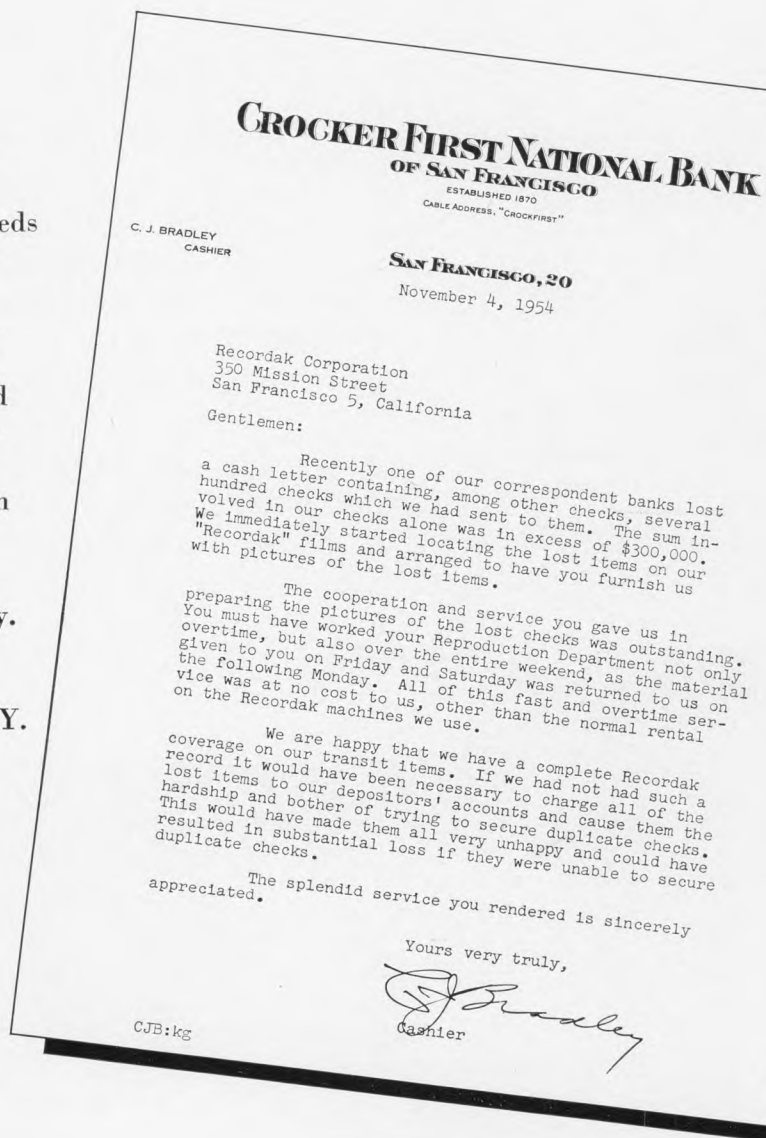
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Northwestern Banker, March, 1955

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Dear Editor



NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi

IN THIS MARCH, 1955, ISSUE

.....
61st Year No. 812

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

“Best Banking Magazine”

“I don't want you to buy a larger size hat but I do want to say that in all the years I have known you, you continue to publish the best banking magazine in the country, the NORTHWESTERN BANKER.”

Charles C. Kuning, Vice President, American National Bank & Trust Company, Chicago, Illinois.

“Interested Reader”

“A copy of the kitten picture appearing in your February issue will certainly be appreciated by this interested reader of your fine magazine. It is appropriately entitled ‘Adorable’ and this from a person who prefers dogs to cats!”

Mrs. Ruth A. Beschnidt, Business Development Department, Chase National Bank, New York, New York.

“Kitten With Broom”

“We would appreciate receiving three copies of the kitten with the broom which appeared in the February NORTHWESTERN BANKER.”

J. McDaniel, Iowa Lithographing Company, Des Moines, Iowa.

“For Two Grandsons”

“I would be pleased to receive two of the pictures appearing in the February issue of NORTHWESTERN BANKER entitled ‘Adorable.’ I plan to frame the pictures for two of my little grandsons.”

A. A. Jackson, Cashier, Farmers Savings Bank, Kalona, Iowa.

“Many Interesting Things”

“I enjoyed receiving the February issue of your good NORTHWESTERN BANKER, and among the many interesting things it contained was a picture of a kitty-cat looking around a broom, and several of my associates to whom I showed it requested that I write for a half dozen extra copies, which I know will be greatly appreciated.”

Fred S. Hilpert, Vice President, The Farmers and Merchants National Bank, Los Angeles, California.

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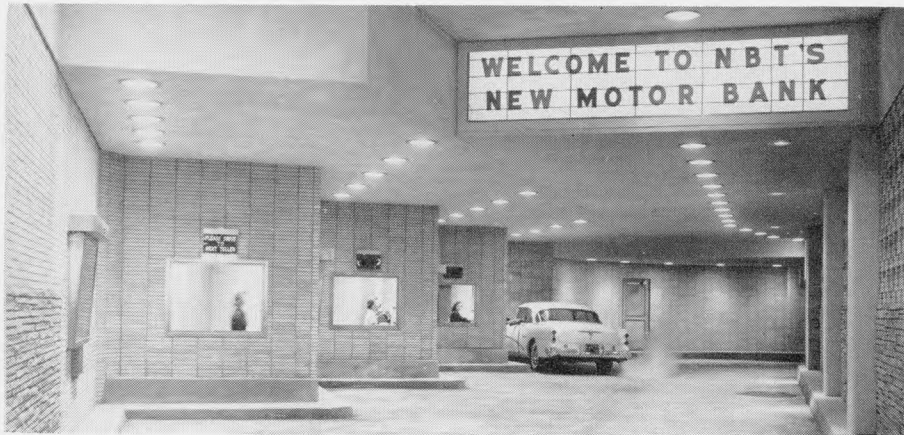
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Successful "Motor Bank"



MOTOR BANK—Shown above are four drive-in tellers which are a part of the new Motor Bank opened by the National Bank of Tulsa recently. There are two additional walk-up windows near the entrance.

Probably the most unique feature of the banking arrangement is the pedestrian tunnel connecting the bank with the Motor Bank. The tunnel, which has been ruled a "hallway between banking rooms," permits the Motor Bank to be actually a part of the main bank and thus does not constitute a violation of non-branch bank laws that exist in Oklahoma. The tunnel is 262 feet long.

AN AVERAGE of 200 persons per day have made use of National Bank of Tulsa's new Motor Bank during the first seven days of its operation, according to E. R. Lindsey, assistant cashier, who is in charge of this new service.

The Motor Bank, equipped with four modern drive-up and two walk-up tell-

er windows, was opened to the public recently and more than 2,000 people, including city officers, business men, civic leaders and out-of-town bankers, viewed the new facility during the hours from 6:00 to 8:30 p. m.

This new facility, which occupies 5,765 square feet of space in the new six-story National Autoramp at 4th

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and Cincinnati, is connected with the bank building proper by a 262 foot pedestrian tunnel, built at a cost of \$80,000 and is unique in Oklahoma banking, and offers complete accommodations for most transactions.

The National Autoramp and the Motor Bank are operated separately. Arrangements have been made to allow NBT customers one hour free parking in the 412 car capacity Autoramp while transacting their banking business.

Completion of the Motor Bank and the tunnel marks another step in the \$2,500,000 expansion program announced by President Bradshaw in 1953. With the 12-story addition, National Bank of Tulsa has become the largest office building in the state.

ON THE COVER

Last month young men and women from banks all over North Dakota attended the annual School for Junior Bankers conducted at the University of North Dakota in Grand Forks by the university in conjunction with the North Dakota Bankers Association.

Pictured on the front cover of this issue are two members of the distaff side of banking with officials of the school. Left to right are: B. P. McDermott, director of the school and installment loan officer in the First National Bank, Grand Forks; Marjorie Nelson, Minnesota National Bank, East Grand Forks, Minnesota; Thos. J. Clifford, dean of school of commerce, University of North Dakota, and Bonnie Christie, Ramsey County National Bank, Devils Lake, North Dakota.

For further details on school, turn to page 75.

Phoenix Promotion

John H. Rhuart of the mortgage loan department of the Valley National Bank, Phoenix, Arizona, has been promoted to assistant vice president and administrative assistant to Ralph E. Bruneau, vice president in charge of that division.

DEAR EDITOR . . .

(Continued from page 7)

"Four Extra Copies"

"Will you please send us four extra copies of the picture 'Adorable' appearing in the February issue? Thank you."

E. W. Ruppelt, Ruppelt & Kimball, Attorneys at Law, Grundy Center, Iowa.

"Cat and Broom"

"Please send us two more pictures of the 'Cat and Broom' from the February issue of NORTHWESTERN BANKER."

P. Kitzberger, Vice President, State Bank of New Ulm, New Ulm, Minnesota.

Let these specialists
provide the information
you need!



In making commercial loans, you naturally want the most pertinent, up-to-date information available to help you reach sound decisions. That's where we can help you. The man from The First can put you in touch with the greatest body of specialized information in the field.

Thanks to our Divisional Organization, the lending officers of The First can provide you with intimate, firsthand knowledge about current trends, problems and markets in all industries.

You see, our Commercial Department is composed of 10 Divisions, each serving a small group of specific industries. The officers in each Division are

specialists who, through years of close contact with their particular industrial fields, have an intensive knowledge and understanding of them.

The services of these Divisional officers are available to our correspondents through our Division F — whose responsibility it is to bring this specialized knowledge to you.

This is just one of the many correspondent services of The First National Bank of Chicago. If you would like to talk over the advantages of a correspondent relationship with us, just write, wire or phone us today. A man from The First will call on you at your convenience.

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Northwestern Banker, March, 1955

Announce Denver Promotions



PROMOTIONS—Elwood M. Brooks, president of the Central Bank & Trust Company, Denver, is shown congratulating Elvin R. Stiles, oldest of the newly promoted officers. Others shown, left to right, are Don F. Delano, T. Arthur Williams, William E. Troutman, James J. Guse, Vernon T. Walker, Clarence L. Johnson, Ray E. Harrington and Harley N. Patton, Jr.

PROMOTIONS came to 11 men at the recent meeting of the board of directors of The Central Bank and Trust Company of Denver. Three new officers were named: Clarence L. Johnson to the post of auditor, and James J. Guse and Ray E. Harrington were made assistant cashiers. Four were promoted to vice presidents: Leo Van Dittie, T. Arthur Williams and Don

F. Delano of the correspondent bank department, and William E. Troutman. Four others were named assistant vice presidents: Dave Auston, Harley N. Patton, Jr., Vernon T. Walker and Elvin R. Stiles.

Central stockholders also approved the issuance of 50,000 shares of new stock to present stockholders at the rate of \$15.50 per share.

Mack Switzer, widely known radio, advertising and public relations man, has been named advertising director for the bank. Mr. Switzer is a veteran of 15 years with Denver radio and television stations and advertising agencies.—End.

Bank of America Promotes

Three officers of Bank of America were promoted to assistant vice president in the San Francisco headquarters office, it was announced recently by Frank F. Risso, vice president and personnel relations officer.

They are Richard A. Gock, assigned to business development department; Clifton D. Terry, named to controllers department; and Raymond R. Righetti, appointed to installment credit loan department.

Elected at New York

Directors of Chemical Corn Exchange Bank, New York, have elected J. Kenneth Townsend vice president and Herbert W. Nannen treasurer, it was announced recently by N. Baxter Jackson, chairman. Mr. Townsend, who has been personnel director, will continue in that capacity. He served as president of the New York Chapter, American Institute of Banking, during 1953-54. Mr. Nannen was advanced from assistant vice president.

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Helping bankers help businessmen is a big part of our job.

When another viewpoint would be helpful... *call your man at the IRVING!*

Customers can—and do—come up with questions of every kind. Happily you are equipped to resolve most of them in rapid order. But occasionally a *special question* arises where additional aid or another viewpoint would be helpful.

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ence and the combined talents of experts in every field of commercial banking plus the facilities of a world-wide network of correspondents.

Your man at the Irving is particularly anxious for you to realize that *any* question—no matter how complicated—will be welcomed. Just get in touch with him—he'll be glad to talk with you.

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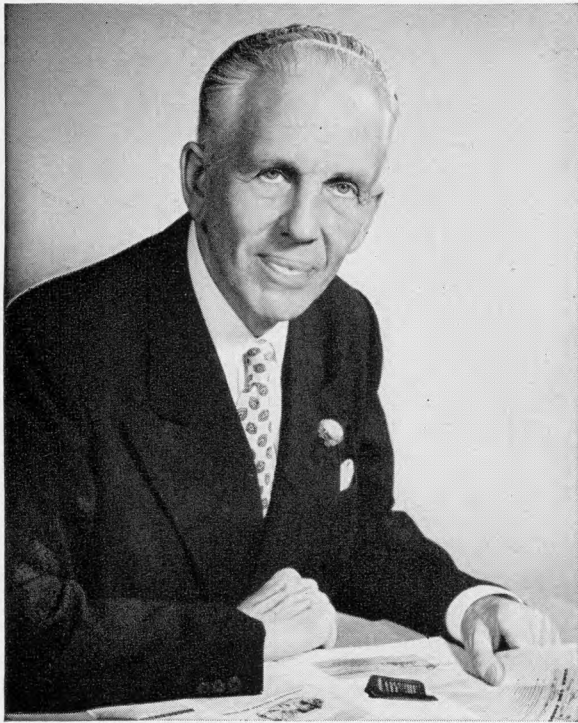
WILLIAM N. ENSTROM, *Chairman of the Board*

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

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Total Assets over \$1,400,000,000

RICHARD H. WEST, *President*



Across the Desk From the Publisher

Dear Sinclair Weeks:

*Secretary of Commerce of the United States
Washington, D. C.*

In your discussion of the future of the United States you emphasized that our population is still growing very rapidly.

As you mentioned, "Our people continue to grow in numbers. In 1954, 2.8 million persons and 500,000 new households were added to the population of continental United States. We are now a nation of 164 million, living in over 47 million households.

"With disposable personal income now running at a record rate, our people in their capacity as consumers have the opportunity to improve their high standard of living. Consumers' aggregate demands, bolstered by the sustained high volume of business investment, will offer opportunities for expansion and profit to producers and merchandisers alert to the potentials which our vast market affords."

More people in the United States means increased needs for new homes, new household equipment, and all the other things that go into creating a family unit, in what is still the greatest nation on earth.

As the NORTHWESTERN BANKER has pointed out many times, barring a third world war, the outlook for 1955 and the years ahead looks very encouraging indeed.

Dear S. Clark Beise:

President, Bank of America, San Francisco.

In your annual report to the stockholders of your bank, you stated that, "savings and time deposits increased \$345,173,403 to a total of \$4,078,274,433, with a total of 3,761,000 savings accounts with an average balance of \$894."

Sometimes bankers forget that their total deposits, especially in the savings division, are frequently of a small average amount as your figure of \$894 indicates, but in the aggregate the amount is very large. Also, if an individual has a savings account in a bank, he is likely to transact other business with that same institution, such as having a checking account, a safe deposit box or securing a loan when needed.

The NORTHWESTERN BANKER believes, as we know you do, Mr. Beise, that "mighty oaks from little acorns grow" and that the individual with a small balance is a desirable customer to invite into your bank, because he is potentially a better "prospect" for your other departments if you can get him started in your savings division or in any other branch of your bank.

It is good banking practice not to overlook the "little fellow" at any time.

Dear Edward C. Bursk:

*Editor, Harvard Business Review
Cambridge, Massachusetts*

In the Harvard Business Review, Mr. Bursk you discussed "The art of mismanagement" and developed some very interesting points.

On the negative side, you mentioned that American businessmen in the past have always been **notable mismanagers**, that is, up to the present generation. Now, today, it is your opinion that businessmen **are non-mismanagers**.

Likewise, as you pointed out, **avoidance of bad management** isn't necessarily **good management**. Management to be good must be positive to mean anything.

Your main emphasis, as the NORTHWESTERN BANKER sees it, is not just to avoid mistakes, but to put some drive and force into what management is doing because, "that built America to its present greatness."

Certainly, everything that you have to say, Mr. Bursk, is applicable to the banking business and to the successful banker, who knows that today he must not only be a good salesman for his own institution, but likewise must put the stimulating desire into his other officers and employees to secure more accounts for his bank, and offer more service to his customers.

"It has been easy for businessmen to be pessimistic or even bitter", as you say, "when they con-

template the growing power of labor and the expanding functions of government.

"But the time for 'defense' is over. It's time for business to get up on its hind legs and do something. Management now has reason to throw off any guilty conscience, any inferiority complex, to stop reacting defensively, to adopt a new attitude of confidence, to take a bolder stand.

"The management group has **increased productivity by its own planning and decisions, by its own organization of the work—not labor, not government, but management.** So, I say, there is a real chance for management to develop confidence—the kind of confidence which inspires building."

The management group, of which bankers are a part, have definitely increased our production in this country, and they have no reason now to apologize or take a back seat for anyone. But bank management, like business management, must step forward with confidence if it is to do its part in the great economic period which is just ahead of us.

Dear Fred F. Florence:

*President, Republic National Bank
Dallas, Texas*

The NORTHWESTERN BANKER congratulates you upon being chosen as "Salesman of the Year" by the Dallas Sales Executive Club.

Two other bankers in your city have received this award in the past and they are Mayor R. L. Thornton, Sr., chairman of the Mercantile National Bank, and Ben H. Wooten, president of First National Bank.

Not so many years ago, bankers were not thought of as "salesmen," but times have changed and so have bankers and banking.

Every banker should be a salesman for his institution, because he has three wonderful things to sell; (1) credit, (2) thrift and (3) eventual financial independence.

As "Salesman of the Year" we salute you, Mr. Florence.

Dear J. William Fulbright:

Democratic Senator from Arkansas.

One of the major objectives of the Senate committee on banking and currency is your plan to investigate the stock market, which you have called a "study on a friendly basis."

After you have studied all of the mechanics of the stock market, as it relates to ratios of prices and earnings of products, plus whether the Fed-

eral Reserve Board should increase margin requirements to more than 60 per cent, you should make a special study of human nature.

The stock market in the final analysis, is nothing more nor less than the reflection of the buying psychology of the general public, and if you want to investigate that division of human thinking, go right ahead; but you'll have to go beyond the Dow-Jones indexes and the percentage of margin requirements imposed by a banking board.

How people think, how they feel, and how they respond to national and international programs, plus news from around the world, plus legislation in Washington, all have a final bearing on whether the average citizen will buy or sell stocks listed on the New York Stock Exchange.

Dear Will Durant:

Writer and Author of "The Story of Philosophy."

In an article of yours on "The Ten Greatest Thinkers," you mentioned Plato, who lived in 327 B.C., as one of the great men of all time, and especially so because of his book "The Republic."

In this book, he discussed the problems of a monarchy, democracy, aristocracy, dictatorship and communism.

Plato mentioned the faults of various forms of government including a democracy and said that, "all forms of government destroy themselves by carrying their basic principle to excess."

In your analysis of what Plato said, Mr. Durant, you emphasized that the time should come when our local and national government officials should be trained for their positions, rather than just picked at random by a popular vote. As you put it, "until philosophers become kings, or until kings become philosophers, states will not cease to suffer from these ills. I think Plato meant that those who rule states should be prepared as specifically and thoroughly for ruling as men are prepared for medicine or law or the ministry. How absurd it is that for these professions we require specific technical preparations, but for ruling a city we require only popularity and the proper friends! I hope by the time I die we shall have a civil academy corresponding to our military and naval academies so that some day we can have a body of civil servants representing the finest intelligence available."

Certainly the millennium will have dawned if the suggestion you make should ever come true. As a practical matter, it is doubtful if it ever will, although your idea is a most valuable one indeed.

Clifford DePuy

Northwestern Banker, March, 1955

Just in case you had forgotten, or overlooked, the fact that our speedy, efficient "round-the-clock" Correspondent Service is serving an increasing number of banks. We'd welcome the opportunity of "numbering" yours among them.

Central National Bank

and Trust Company, Des Moines, Iowa

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION





MODERN TRAFFIC PROBLEMS

LITHO IN U.S.A.

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, March, 1955



This is the profile of a bank

MOST OF THE TIME marble and steel disguise it. But after a visit or two to *any* bank you begin to see its true profile.

It may be the face of a teller, a file clerk, a loan officer or—the president. Whoever it is, this much is certain—the profile of a bank is always the *face* of the man or woman in the bank you know best.

Why?

Because banks are people. Tellers' cages, vaults, iron gates—all the familiar symbols of banks—are nothing more than tools used by

human hands to get the job done.

Yes—banks are people. More to the point, they are conscientious professionals who see banking as a career rather than just another way to earn a living.

To Mr. and Mrs. America this says, "Your money (along with your country's financial tradition) is in good hands."

It also means that the business of putting money to work—banking's basic function—is administered by responsible professionals with a keen sense of trade competition, and a

highly developed awareness of customer service.

These people *are* America's banks. Bank buildings, however simple or ornate, are only their workshops. It is their *humanness* that transforms facades of marble and steel into faces of friendliness and warmth.

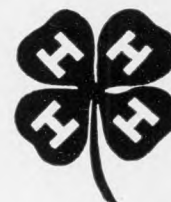
Chase National Bank is proud of the part it is playing in American progress.

* * *

The CHASE National Bank
OF THE CITY OF NEW YORK
(Member Federal Deposit Insurance Corporation)

A Chicago Trip

Members of the Dallas County Bankers Association Are Helping to Develop Their County's 4-H Youngsters Now for the Years Ahead When Technology of Advanced Farming Will Demand the Know-How of Trained Agriculturalists.



EACH year on a crisp, midwestern fall morning, a group of eager, wide-eyed youngsters meets in Adel, Iowa, to board buses headed for the International Livestock Show in Chicago.

These school children are members of the year's Blue Ribbon 4-H Club—the club that has worked hard, in direct competition with the other 4-H Clubs in the county, to build up points during the 12 preceding months. And their trip is made possible by the interest in agricultural advancement in their county by the Dallas County Bankers Association.

Full Year's Hard Work

All the 4-H members in the various clubs in the county start anew in October of one year, pointing toward a trip to Chicago in November of the next year. Their work, then, must be consistent to pay off.

James Kenney, Dallas County Extension Youth Assistant who works with the different clubs in the county, has "Over-all Program Report Sheets" on which are listed many items and stages of accomplishment for a specific 4-H Club, along with the points awarded for completion of each stage in the program. Points are dependent upon regularity of monthly meetings, percentage of attendance at meetings, percentage of members completing special projects, number of members in "Officers' Training School," attendance at county-wide meetings, etc. Other credits are given for special work in soil conservation, farm electrical activity, judging activities and others.

To be eligible for any of the awards, a club must secure a total of at least 2,000 points, the club winning the over-all program receiving a two-day trip to Chicago, the second team winning \$15; the third, \$10, and all others tallying more than 2,000 points, \$5 each.

Winners of the recent trip from Adel to the "windy city" are members of the Sugar Grove 4-H Club, and they left the Dallas county seat at 8. a. m. Thanksgiving day, accompanied by Tom Smith, cashier, Brenton State Bank, Dallas Center, and Bob Goodson, manager, Redfield office, Dallas County State Bank, Adel, as representatives of the Dallas County Bankers Association.

Glenna Hawbaker, one of the 4-H'ers who made the trip, said in her report

of the trip, that the "trip actually started in October of 1953," and that all year long the Sugar Grove group's members kept urging each other to attend meetings and complete their projects, as well as make special showings at demonstrations, county-wide meets, etc.

The Blue Ribbon winners have memories of the following experiences now as a result of their intensive drive to complete their extensive work for the year: Thanksgiving dinner at the bus depot in Davenport, "This Is Cinerama" at the Palace Theatre in Chicago, Don McNeill's famous radio "Breakfast Club," a visit to the Board of Trade, a look at Chicago from the

A CHICAGO TRIP . . .

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BLUE-RIBBON WINNING 4-H CLUB in Dallas County this past year was the Sugar Grove Club, some of whose members are shown here. These youngsters, whose diligent work on their 4-H projects for one whole year topped that completed by other clubs in the county, won a trip to Chicago recently for a two-day excursion which included most of the city's sights. The trip is sponsored by the **Dallas County Bankers Association.**

Northwestern Banker, March, 1955



I'm Happy to Answer Your

Concerning the Small Business

IT IS most gratifying to have the opportunity of answering some of the questions which must arise in the minds of bankers as to the Small Business Administration.

Why did Congress create this new federal agency? What is the philosophy behind its operations? What are its functions? Does it compete with the private banking system?

These and other questions I shall try to answer so that the area of understanding may be increased and the area of misunderstanding be reduced.

Private Enterprise

It is generally well known that one of the primary objectives of the Eisenhower administration has been to encourage private enterprise and to decrease government business activities which compete with private business. The present national administration has always recognized the superior capability and efficiency of our private banking system and the outstanding contribution of the banks to the basic economic stability of the nation.

On July 30, 1953, Congress created the Small Business Administration with the concurrence and approval of the President. The expressed broad purpose of the agency is to advise and assist small business in many ways and generally to serve as its champion.

In reliance upon the known capabilities and desire of private banks to lend financial assistance in appropriate cases, the law provided that the Small Business Administration could not make any loans unless it were shown that a bank participation was not available. In furtherance of its objectives, the act created a loan policy board, composed of the Secretaries of the Treasury and Commerce and the Administrator of the Small Business Administration, with the administrator acting as chairman.

The board implemented the requirements of the law by further providing that financial assistance could not be granted by the Small Business Administration unless proof of refusal of the required credit has been obtained from the applicant's bank of account or a correspondent bank, or any other lending institution with capacity adequate to cover the requested loan. We have gone further and required proof of the fact that the desired funds do not appear to be obtainable from any other known sources

of credit serving or operating in the business community.

Thus, it will be clearly seen that the Small Business Administration was created and intended, among other things, for the purpose of cooperating with private banks and supplementing their lending activities in the small business field. The Small Business Administration does not have the slightest intent to compete, in any way, with private lending institutions. We feel that our attitude in this respect is borne out by our loan record.

At the inception of our lending program, about a year ago, only approximately one-third of our loans were being made in participation with banks. Since that time we have continuously endeavored to explain our objectives to the private banking system and to work with them in serving their customers' needs.

As a result, our current records show that more than two-thirds of our loans are now shared by local banks. As of November 30, 1954, the Small Business Administration had approved 1,019 business loans to small firms, aggregating \$55,169,654, of which 694, totaling \$39,403,391, were bank participation loans, and only 325, amounting to \$15,766,263, were made directly by the agency.

Bank participation loans are preferable because of the fact that the local banker generally has much more intimate knowledge of the transaction and the capabilities of the borrower. In practice, our bank participation program is carried out most actively in all phases of a loan. When a proposed borrower first calls at one of our offices, he is informed of the requirements of the law and our policy and is advised that it will be necessary for him to endeavor to obtain the required funds from his local banker.

Letter Needed

If the bank or its correspondents are unable, for some reason, to make the desired loan, the applicant must obtain and furnish the Small Business Administration with a letter to that effect. In the event the bank can make the loan, then the agency has served its primary purpose.

On the other hand, if the bank is unable to grant the entire credit, but is interested in a participation with the Small Business Administration, then an application is filed with the bank on the form provided for that purpose. The bank assembles and prepares all requisite

Questions

Administration

By Wendell B. Barnes,
Administrator, Small Business Administration

credit and other pertinent information and has immediate supervision of the transaction until such time as the forms are forwarded to one of our 40 local field offices for processing.

On July 2, 1954, Small Business Administration regional directors were authorized to approve, without reference to Washington, loans of not more than \$50,000 in instances where private banks have agreed to participate to the extent of not less than 25 per cent of the loan, provided that at least one-half of the bank's participation represents new or additional credit advanced by the bank to the borrower.

In all other cases, the application is transmitted to Washington for final consideration and decision. Thus, it will be seen that the bank conducts most, if not all, of the dealings with the applicant, its customer, which is certainly most appropriate.

Also Aids Banks

If a participation loan is approved, in most cases the bank—not the government—handles the servicing and all other details of the loan. By these procedures, the Small Business Administration believes that it is assisting small firms in the most effective way—by helping them to establish or continue a satisfactory line of credit with their own local banks and by cooperating with banks as they carry on the important function of serving their customers and their community. Additionally, such a program should enable the banks to develop more profitable accounts, and certainly will result in stimulating the growth of their customers' businesses.

Under the law, the Small Business Administration is authorized to take not more than 90 per cent of a participation loan. On deferred participations, the agency agrees to purchase its share of the loan, at any time, upon the bank's request. The majority of shared loans are made on a deferred basis, and we feel that the government will rarely ever be called upon to advance its portion of such a loan. Additionally, we also make immediate participation loans, in which case both the bank and the Small Business Administration lend their agreed share at the time the loan is closed. In some few instances involving immediate participation, the agency has agreed to service loans.

The Small Business Act of 1953 provides that all loans made by the Small Business Administration must be of such sound value or so secured as reasonably to assure repayment thereof.

Such a provision obviously requires an applicant to show adequate collateral, experienced and satisfactory management, and a good past earnings record and future prospects. In other words, the only credits which we consider to be of sound value are those in which the records of the applicant furnish reasonable assurance of his ability to repay the desired loan from the profits of his business.

Collateral Desired

Additionally, we feel that an applicant should offer collateral which would be adequate to secure a proposed loan in the event some unforeseen difficulties or circumstances were to result in his inability to repay the credit from earnings. Furthermore, we believe that a proposed borrower should have a substantial equity investment in his own business, represented by fixed or other assets which would constitute acceptable security. However, in each case presented to us, we make every effort to find a way in which a loan can be made to a deserving small businessman, provided the desired credit will actually benefit the borrower, the community and the economy.

Obviously, because of statutory and policy restrictions, it is not possible for the Small Business Administration to approve every application for a participation loan. In some cases, we have declined loans which would be used primarily to reduce the exposure of a creditor. In other instances, the type of business conducted by the applicant is one which is not eligible for consideration by the agency. Again, there are cases in which we feel that the applicant is unable to meet the credit requirements of the Small Business Act of 1953.

However, when a local bank has recommended a loan and agreed to participate therein, it has been our experience that such credits nearly always meet our legal and policy standards and constitute sound loans.

In participation loans, the bank fixes the interest rate to be charged. Unless our loan policy, the interest on the government's share of such loans must be at least 5 per cent. The agency's loan policy also established an interest rate of 6 per cent per annum on direct loans. The purpose of that requirement was to avoid the possibility

SMALL BUSINESSES . . .

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A TYPICAL BUSINESS—The Universal Appliance Shop in Toledo, Ohio, is a typical small business firm which has benefited by receiving loans from the Small Business Administration. Many firms across the nation today owe their existence to this agency.

Northwestern Banker, March, 1955

New Counters and Portable Cash Boxes—

Eliminate Long Waiting Lines

New Innovation Does Away With The Face-Behind-the-Cage Atmosphere

A NEW type teller counter, designed to create friendlier atmosphere for transactions of banking business, is now being introduced in California by the Bank of America.

Vice President Frank M. Dana, the bank's supervisor of operations, says the innovation is expected to speed customer service in rush hours and to permit a flexibility of operations on the teller line never before achieved.

One of the most striking features of the new counter is its elimination of the cage-type teller windows, a traditional feature of bank interiors since banking's beginnings. The new counter has no windows or dividers of any kind, and runs in a continuous, unbroken line the length of the lobby.

Tellers may take positions at any point behind the counter by wheeling into place a large, portable cash box. This condition permits instantaneous addition or replacement of tellers. Mr. Dana also says that because of this factor the counter, already in operation in several branches of his bank, has proven beneficial in the elimination of waiting lines in lobbies. Installation is now planned for a number of new branch buildings, he added.

Simple in Nature

Actually, the counter is radical only in its simplicity. It is topped by a foot-high glass counter top that permits customers to observe all cashier operations. This factor alone will do much to eliminate the "face-behind-the-gate" atmosphere, which most of the bank's officials feel has been detrimental to customer-teller relationship.

On the teller's side of the counter are no shelves or compartments other than those in the portable cash box. In order to signify the opening of a new position on the line, the teller fits over the counter top a transparent surface plate bearing a sign with his or her name and the type of serv-

ice being rendered at that station.

Transactions are made across this replaceable surface. A substitute teller may be brought into the same position in a matter of seconds, since cash need not be checked out and only the cash box and counter plate need be exchanged.

The new counter was originated by

the City National Bank of Columbus, Ohio. The idea was adopted by Bank of America after a period of experimentation and modification to meet local requirements in its area. First tested in California in the Lake-Green branch in Pasadena, it now is installed or scheduled for installation in 28 branches of the bank.—End.



ADDS VERSATILITY—A teller at a Los Angeles branch of the Bank of America demonstrates the attractive and efficient new type teller counter recently adopted by the bank. The portable cash box enables Donna Norcross to open a new station on the teller line at a moment's notice.

Profitable Opportunities Overseas for American Banks

Written Especially for
Northwestern Banker
By HENRY W. RILEY
Treasurer
International Bank for
Reconstruction and Development
Washington, D. C.



"... and in the past few years a number of banks have intensified their efforts to develop the contacts necessary to expand their foreign business on a sound and lasting basis."

Direct Participations In World Bank Loans

LOAN	With the Bank's Guarantee	AMOUNT OF PRIVATE PARTICIPATION
\$12 million Dutch Ship Loans: (July 15, 1947)		\$ 8,100,000
A group of 8 commercial banks and 2 savings banks		
\$16 million Kingdom of Belgium Loan: (March 1, 1949)		10,000,000
New York Life Insurance Company		2,000,000
Bowery Savings Bank		1,500,000
New York Savings Bank		1,500,000
East River Savings Bank		1,000,000
Dollar Savings Bank of New York		
		16,000,000
		\$24,100,000
TOTAL WITH WORLD BANK GUARANTEE		
	Without the Bank's Guarantee	
\$7 million Royal Dutch Airlines (KLM) Loan: (March 20, 1952)		\$ 3,500,000
Chase National Bank of New York		
\$3,250,000 Pakistan Loan: (June 14, 1952)		997,000
Bank of America & Chase National Bank		
\$7.3 million Itutinga Loan (Brazil): (July 17, 1953)		1,047,000
Westinghouse Corp. (Supplier)		
\$40.2 million Bank of Japan for Power (3 loans): (Oct. 15, 1953)		6,143,000
Westinghouse Electric International & International		
General Electric		
\$25 million Norway Loan: (April 8, 1954)		2,016,000
Bank of America & Philadelphia National Bank		
\$1.7 million Peru Loan: (April 12, 1954)		250,000
National City Bank of New York		
\$5 million (\$14 million) Sui Gas Transmission Co., Ltd., Loan: (Pakistan) (June 2, 1954)		1,806,000
Six eastern exchange banks (£645,000)		
\$7.5 million French West Africa Railways Loan: (June 10, 1954)		609,000
J. P. Morgan & Co., Incorporated		
\$61 million Pacific Railroad of Mexico Loan: (Aug. 24, 1954)		2,420,000
Bank of the Manhattan Co. & Chemical Bank & Trust Co.		
\$11.1 million Highway Loan to El Salvador: (Oct. 12, 1954)		250,000
Philadelphia National Bank		
\$5 million Banco de Fomento Agropecuario del Peru Loan: (Nov. 12, 1954)		748,000
New York Trust Company		
\$16.2 million Tata Companies of India (Power Loan): (Nov. 19, 1954)		1,364,000
National City Bank of New York		
\$5 million Caja de Credito Loan (Agriculture) (Columbia): (December 29, 1954)		
Bank of the Manhattan Company & First National Bank of Boston		3,000,000
		\$24,140,000
		\$48,240,000
TOTAL WITHOUT WORLD BANK GUARANTEE		
GRAND TOTAL OF PRIVATE PARTICIPATION		

PROFITABLE opportunities exist abroad for American banks seeking to expand their service business and to diversify their loan and investment portfolios on an international scale. Many of the banks are aware of the possibilities overseas, and in the last few years a number of them have intensified their efforts to develop the contacts necessary to expand their foreign business on a sound and lasting basis.

In recent months commercial bank activities along these lines have been reflected in the landing operations of the International Bank for Reconstruction and Development—frequently called the "World Bank." Between April and December, 1954, the bank made 12 loans, and commercial banks in this country participated directly in eight of them. A group of British banks participated in a ninth loan in the period.

Before April, 1954, commercial banks had participated directly in only three of our loans, and various other types of institutional investors, including two manufacturing concerns, had taken direct participation in three additional loans.

Just a Beginning

Total direct participation in our loans since we started lending in 1947 amount to \$48 million and they include shares in 15 loans made in 12 countries. This is a modest showing when compared to the 112 loans amounting to more than \$2 billion

OVERSEAS OPPORTUNITIES . . .

(Turn to page 36, please)

Northwestern Banker, March, 1955

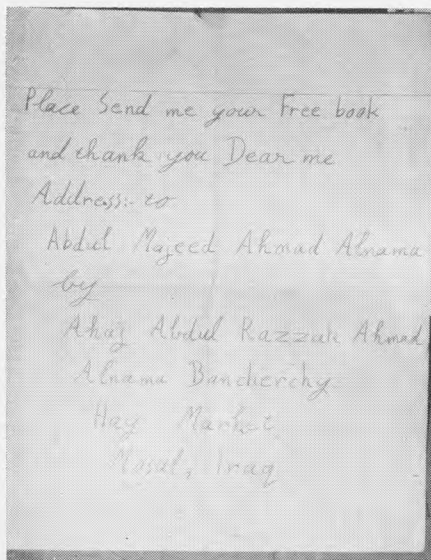
News and Views

OF THE BANKING WORLD

By BEN HALLER, JR., Editor

ABDUL MAJEED AHMAD AL-NAMA (age unknown) of Mosul, Iraq, soon will receive three booklets from The Hanover Bank, New York, as a result of the letter illustrated below.

The letter was not expressly addressed to The Hanover Bank. The envelope in which it was enclosed bore only this marking: P.O. Box 33, Church Street Station, New York 15, New York.



UNIQUE LETTER received by The Hanover Bank, New York, from foreign admirer.

But P.O. Box 33, Church Street Station, is The Hanover's postal box, and the letter found its way to the desk of **Daniel B. Phelan**, assistant manager, in the bank's foreign department.

Since the letter did not give the title of the book desired nor the age of the writer, Mr. Phelan referred the inquiry to the public relations department. Public relations was somewhat puzzled, too, and checked its literature lists for booklets that would fit the request.

The department decided three of its booklets, each aimed at a different age level, would fill the bill. These were: **"How The Hanover Bank Helps Our City"** (grade school, published in 1951); **"Banking . . . Today's Career"** (college, published in 1953), and **"America's Economic Horizons"** (adult, published in 1954). All three had been offered here and abroad and enjoyed wide distribution.

Mr. Phelan, soon to leave on a business trip to Europe, Asia Minor and the Far East, unfortunately won't get

to Mosul. But when he visits one of The Hanover's correspondent banks in Baghdad, he hopes officials there will have found out for him:

1. The age of Abdul Majeed Ahmad Alnama.
2. The exact title of the book he requested.
3. How he learned about The Hanover Bank of New York.

* * *

Ever hear of the president of a bank appearing as guest star on a competing bank's television show? That's exactly what happened in Chicago recently, on WBBM-TV. Harris Trust and Savings Bank is the sponsor of the weekly half-hour show **"This Is the Midwest,"** which each Sunday spotlights one of the basic industries of Chicago. A "growth report" on the industry is presented via film, studio demonstrations and the appearance of a leading spokesman for the industry being featured. When the Chicago Association of Commerce and Industry and the Columbia Broadcasting System, co-producers of the show, decided to spotlight the Chicago banking community, Harris Trust suggested that **Homer J. Livingston**, president of the First National Bank of Chicago and president of the American Bankers Association, would be just the man for the job. The Harris Bank invited Mr. Livingston, he accepted, and the result, judging from audience reaction, was one of the most interesting of the "This Is the Midwest" series to date.

Kenneth V. Zwiener, president of Harris Trust, appeared on the program with Mr. Livingston and introduced him to the audience.

* * *

A speech by **Tom Collins**, well-known Kansas City humorist who is also publicity director for City National Bank & Trust Company, Kansas City, Missouri, is quoted at length in a book entitled **"Speakers Are Leaders,"** written by **Nathaniel Edward Reeid** and recently released by Leadership Publications.

An excerpt from Mr. Collins' talk before the National Sales Executives Convention in 1951 is included in the volume as a model for public speakers.

* * *

Mackarness H. Goode, formerly manager of public relations and advertising for Irving Trust Company, New York, has joined Farley Manning As-

sociates public relations agency in New York as an account executive and member of the plans board.

* * *

It is learned that Bank of America's colorful booklet, **The California Trend**, is now available in limited supply to businessmen and organizations interested in the economic growth of California. Released to a controlled distribution list during the bank's 50th anniversary late last year, the brochure gained a wide acceptance for its vivid photographs of California at work and the statistical surveys of the state's economy. Copies may be requested from **D. R. McBride**, assistant cashier, public relations department, Bank of America NT & SA, 300 Montgomery Street, San Francisco 20, California. There is no charge.

* * *

First National Bank of St. Louis has prepared its first annual report to the staff, it was announced recently by President **William A. McDonnell**. The four-page booklet entitled **"How Did We Do in 1954?"** was mailed to all First National employees at their homes.

"The purpose of this booklet is to explain the year's operation and financial standing in a condensed and simplified version to the bank's 970 employees," said Mr. McDonnell.

The inside pages contain a pictorial story of how the bank earned \$14.1 million gross income in 1954 and how the income was used. It points out how the \$14.1 million dollars was reduced to \$1.2 million which was retained in the business after taxes, operating expense, employee benefits and dividends had been paid.

The story explains how and why stockholder dividends must be paid to persons who have invested their money in the bank. And, finally, it tells why a certain amount of money must be held in reserve for future growth and any possible emergencies.

The last page contains a pictorial story of how \$502,000 was spent in 1954 in "hidden pay" for employee benefits such as pensions, hospitalization, social security and social activities, together with a brief, simplified account of the bank's annual statement.

The 9 by 12 inch folder represents the bank's effort to explain the importance of individual effort, and to keep its employees informed on the bank's progress.—End.

Bankers You Know

Rollin O. Bishop

President, American National Bank
St. Paul, Minnesota



"Held in high regard because of his straightforwardness."

THE life of Rollin O. Bishop, president of the American National Bank of St. Paul, Minnesota, is the American success story of a boy, who without the advantages of a wealthy position, has through his own character and ability brought about the fulfillment of his life's ambition—to be a successful banker.

Born in Sheridan county, Kansas, he was reared on his father's homestead in the western portion of the state. In 1920 he married Clarice M. Monteith. They have a daughter, Marilyn Rose.

Mr. Bishop spent 12 years as an assistant cashier of the Citizens State Bank in Selden, Kansas. After serving in that capacity, he spent the next four and one-half years as a Kansas state bank examiner, operating out of Topeka. He was later appointed chief examiner.

His career continued during the next four and one-half years, when he was employed in Kansas City, Missouri, as a national bank examiner for the Tenth Federal Reserve District. Following this, he served

six months in the Office of the Comptroller of the Currency in its reorganization division in Washington, D. C.

Washington continued as his home for the next five years, as he was named review examiner of the Federal Deposit Insurance Corporation in the problem case division. The ten following years were spent in St. Paul as supervising examiner for the F.D.I.C. Ninth District.

From this position he was named first vice president and director of the American National Bank in June, 1948, succeeding to the presidency of the bank in 1949.

In addition to this position with the St. Paul bank, he is also executive vice president of the Otto Bremer Company of St. Paul, having served in that capacity for the past five and one-half years. He is a director of the American National Bank of St. Cloud and of the Bank of Willmar, both located in Minnesota.

But his life is not devoted entirely to his banking interests, as he is

also active in many civic organizations. He is a Past Master of the Masonic Lodge, a trustee of the Methodist Church, president of the St. Paul Rotary Club, and director of the Y.M.C.A., Goodwill Industries and the Salvation Army. He is a member of the finance committee of the St. Paul Athletic Club, an associate trustee of Hamline University, a director of the Executives Club, and a past director of the St. Paul Chamber of Commerce.

In his spare time—when business and civic interests will permit—Mr. Bishop likes to feel the thrill of a perfectly driven golf ball soaring upward from a tee. And it shouldn't be too long before weather permits him to once more be out on the course.

Mr. Bishop is held in high regard by his associates because of his thoughtfulness and consideration toward them. And throughout the Ninth Federal Reserve District he is held in very high regard because of his capabilities and straightforwardness in his business relations—End.



←
TWIN walk-up windows conform gracefully to the existing architecture of Merchants National Bank in Cedar Rapids, Iowa. Guards meet auto customers at curb, complete transaction at windows and return all papers and receipts to customers in just a few seconds. Pedestrian customers also make frequent use of this Diebold installation.

Walk-Up Windows Help Everyone

Receive Wide Acceptance from Bankers Throughout Nation

THE substantial growth in business experienced by banks in the postwar era has led to a tremendous volume of bank remodeling and new construction in order to give fast, efficient service to customers.

The solution of this problem as far as teller window service is concerned has been met principally by three methods:

1. Enlargement of lobby teller service.
2. Installation of walk-up windows.
3. Installation of drive-up windows.

The NORTHWESTERN BANKER in previous issues has shown how bank modernization has improved interior facilities and made way for modern improvements such as walk-up and drive-up windows.

The latter two types of installations have met with wide acceptance nationwide, but probably nowhere has this acceptance been more enthusiastic than in the midwest. Typical of this is an up-to-date report which shows that in Nebraska and Iowa banks, 20 walk-up facilities with a total of 31 teller windows have been installed in the past two years, and 17 drive-up facilities with a total of 25 teller win-

dows have been installed in the past three years.

Further installations are in progress and more are being considered as quickly as physical obstacles can be removed.

One of the manufacturers of this equipment, Diebold, Inc., of Canton, Ohio, made the following compilation from letters received from bankers to show how walk-up banking service benefits the community, neighboring businessmen and motorists and depositors:

THE COMMUNITY:

1. **Eases the Traffic Problem; Eliminates Space-hunting by Motorist Depositors.**

Block-circling depositors can cause considerable congestion on streets in the neighborhood of the bank. As much as 30 minutes may be spent on city streets by the depositor hunting for a parking space. Walk-up windows eliminate this time on city streets and, when multiplied by the hundreds of motorist depositors served at a walk-up window each day, takes considerable traffic off of downtown streets.

2. **Eases the Parking Problem; Frees Parking Space for Other Motorists.**

Five motorists can be served at the walk-up window in the time it takes one motorist to park, walk to the bank, stand in line and deposit, and walk back to his car, parked several blocks away.

3. **Thins Traffic in Congested Downtown Area.**

Motoring depositors will spend an average of 13 minutes less in the congested downtown area, which means a considerable decrease of autos in the busy downtown section.

NEIGHBORING BUSINESSMEN:

1. **More Parking for Customers.**

Every depositor served at the walk-up window saves an average of 13 minutes of parking time, which becomes available to customers of adjoining businesses.

2. **Less Street Congestion.**

Customers of neighboring businesses need no longer compete with bank depositors for parking spaces in the vicinity. Less block-circling and less competition for available parking spaces in the vicinity.

WALK-UP WINDOWS . . .

(Turn to page 61, please)



Pageantry marks the opening of Salinas' famed 44-year old rodeo

Get to know... the bank that knows California

No red tape—no costly delays—when you use Bank of America's *statewide* system of 550 branches for *direct routing* of collection and remittance items. Cash letters may be sent *directly* to any one of the 330 California communities in which this bank is located and your account credited the same day they are received. This reduces float. It

also means rejected items, returned directly by the branch, reach you days ahead of items traveling through usual channels. To inquire about this unique correspondent service, write Corporation and Bank Relations Department, Bank of America, 300 Montgomery Street, San Francisco or 650 South Spring Street, Los Angeles.

Bank of America
 NATIONAL TRUST AND SAVINGS ASSOCIATION
 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, March, 1955

Independent Bankers Meet in Washington, D. C., March 24-26

ADVANCE registrations are reported rolling in at a record rate for the 21st annual national convention of the Independent Bankers Association of America in Washington, D. C., March 24 to 26, by President William J. Bryan, vice president of the Third National Bank in Nashville.

"The promise of imminent success in our long fight for proper legislation to curb the expansion of the holding companies, plus the opportunity for personal visits to their representatives in Congress by America's independent bankers, has shot the early reservations to the highest peak in history at this stage," says President Bryan. "All indications point to a record attendance at this highly important convention, the first our association has ever held in the nation's capital."

Simultaneously with Mr. Bryan's announcement of the incoming flood of advance reservations came word from the program committee of the attractive agenda being formulated for the three-day conclave.

Principal speaker at the annual banquet on the convention's closing evening, Saturday, March 26, will be Congressman Sam Rayburn of Texas, Speaker of the House of Representatives.

Convention Speakers

Among other convention speakers scheduled to date are President Bryan, who also will preside over all sessions; Clinton Axford of New York, editor of *The American Banker*; Guy Sturgeon, president of the Bank of Commerce, Sheridan, Wyoming, former A.I.B.



WILLIAM J. BRYAN
To head Washington convention held by Independent Bankers

president, who will represent the Bank Shareowners Advisory League; Harry J. Harding of Pleasanton, California, president of the Independent Bankers Association of the 12th Federal Reserve District, in a report on the progress of holding company legislation, and Mrs. Ivy Baker Priest, Treasurer of the United States, who will address the ladies at their annual luncheon.

A highlight will be a panel discussion by officials of the Financial Public Relations Association on the public relations and advertising aspects of small-bank management.

On Friday morning, March 25, all delegates and their wives and guests will make a mass visit to the capitol building to call personally on their respective representatives and senators in Congress. On this occasion, the bankers will put in their personal pleas for the members' support of legislation being backed by the association.

Important committee reports will form the program for the closing business session of the convention on Saturday afternoon, March 26. Reed H. Albig, president of the National Bank of McKeesport, McKeesport, Pennsylvania, will give the report of the committee on small-bank ownership and management succession, and W. C. Howell, vice president of the Chatham Bank of Chicago, that of the committee on savings and loan competition. The reports of the resolutions and nominating committees and election of officers will round out the session.—End.

New Irving Director

Raymond H. Reiss, president and a director of Reiss Manufacturing Corporation, has been elected a member of the board of directors of Irving Trust Company, New York, to succeed his father, Jacob L. Reiss, a director of Irving and its predecessor banks for 40 years until his death on January 11, 1955.

Mr. Reiss, a trustee of Emigrant Industrial Savings Bank, is also president and a director of Rway Furniture Company of Sheboygan, Wisconsin and a director of C. Reiss Coal Company and Reiss Steamship Company both of Sheboygan, as well as a director of Drummond Dolomite, Inc., of Detour, Michigan.

Over 70 Years of "Know-How" Back of Every Jaeger Job

Bank Remodeling

Bank Interiors Bank Fixtures



Pictured Here—
Interior of The Newly Remodeled Pella National Bank at Pella, Iowa.

JAEGER Manufacturing Company is staffed with experienced engineers and designers who will be happy to consult with you or your architect about your Bank Remodeling or Bank Fixture needs.

There's a JAEGER Bank Installation Job Near You! Ask any of our hundreds of satisfied customers.

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Interior and Bank Fixture Remodeling Since 1883

8th & Vine

Des Moines 9, Iowa



THE PROVIDENT TRUST CO., Pittsburgh, Pa. has a complete National System, finds that it has speeded up and increased the efficiency of their whole operation—while *saving* them \$25,000 a year.



MR. A. W. CHARLTON, Executive Vice President, tells in his letter below how Nationals have mechanized the Provident Trust.



THIS BATTERY of National Tellers machines speeds service to customers, while giving the Provident Trust Co. tight control and up-to-the-minute information on accounts serviced.

**“Our 15 *National* Machines
save us \$25,000 annually...
return 40% every year on equipment investment!”**

—Provident Trust Company, Pittsburgh, Pa.

“We began a long range replacement and modernization program in April 1950,” says Mr. Charlton. “Since that time we have installed ten Nationals for bookkeeping, proof, accounting and window posting. In addition, we installed five tellers machines for customer service.

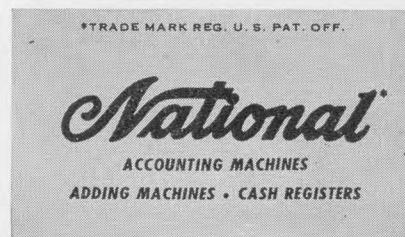
“During the approximate four years of the application and operation, we have been able to reduce our employee force from a total of thirty-seven to the present total of thirty-one. Our employee overtime has been reduced by at least 75%. Tellers are

balanced out, locked up and on the way home by 3:30 (one-half hour after closing). The daily Statement of Condition is in the hands of officers at 3:45 (forty-five minutes after closing), as a general rule. Peak loads are almost unknown. We estimate that our Nationals are saving us \$25,000 annually, thus returning 40% every year on our equipment investment.”

In *your* bank, too, National Machines can cut costs, speed up and increase the efficiency of your operation. *And* at a saving that allows the

equipment to pay for itself in a surprisingly short time. Your nearby National representative, a trained systems analyst, will be happy to make a survey of your operation and show you how much Nationals can save you. There is no obligation, of course. He is listed in your classified directory. Call him today.

THE NATIONAL CASH REGISTER COMPANY, Dayton 9, Ohio
949 OFFICES IN 94 COUNTRIES



Northwestern Banker, March, 1955

Plan National Credit Meeting

ABOUT 1,400 leading installment credit executives from banks in all parts of the United States are expected to attend the National Installment Credit Conference of the American Bankers Association, March 21-23, at the Hotel Jefferson, St. Louis.

Emphasis this year will be placed on exchange of ideas through panel discussions and audience participation.

The addresses by leading industrialists, bankers and credit experts will again be included in the program, but all formal speeches are scheduled this year for the morning sessions. Among the speakers at these sessions will be Delos C. Johns, president, Federal Reserve Bank of St. Louis; Charles K. Rieger, vice president, General Electric Company; Robert L. Oare, chairman of the board, Associates Investment Company, and president, American Finance Conference; Walker Williams, vice president, Ford Motor Company, and a group of topflight bankers in the credit field.

National Cash Increase

At a special meeting of stockholders of The National Cash Register Company held in Baltimore recently, ap-

proval was given to the amendment of the charter of the company increasing the authorized number of shares from 3,000,000 shares of common stock without par value to 9,000,000 shares of common stock of a par value of \$5 each, and changing each old share of no par common stock into three shares of the new \$5 par common

As a result of the split and change to \$5 par value, there will be outstanding 6,578,769 shares of the new no par common stock, and the stated capital of the company which prior to the amendment was \$54,470,403 will be reduced to \$32,893,845 and the balance of the previous stated capital in the amount of \$21,576,558 will become capital surplus.

Appoint Tulsa Banker

R. Otis McClintock, president of the First National Bank and Trust Company of Tulsa, recently was named a director of the Oklahoma City branch of the Federal Reserve Bank of Kansas City. His term, which began January 1, will run for two years.

The appointment was announced by Raymond W. Hall, chairman of the board of the 10th district reserve bank

of Kansas City. Mr. McClintock succeeds Frank A. Sewell, president and chairman of the board of Liberty National Bank and Trust Company, Oklahoma City.



R. OTIS McCLINTOCK
Named a director of the Federal Reserve Bank, Kansas City

Last September Mr. McClintock observed his 26th year as president of First National. He has been a member of the bank's board of directors for 36 consecutive years.

Through
experience
comes
ability

Our wide experience in the handling of requirements for correspondent banks has given us the knowledge and reputation for prompt, complete and efficient service.

CITY NATIONAL BANK

AND TRUST COMPANY of Chicago

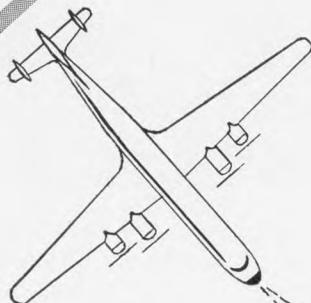
208 SOUTH LA SALLE STREET

(Member Federal Deposit Insurance Corporation)



NEW FAST SERVICE PIONEERED IN NEW YORK

by Guaranty
Trust Company



Customers dealing with us across the country can now receive faster-than-ever service in check clearings and collections.

Through the use of simple air-mail stickers illustrated above and with the co-operation of the New York Clearing House and the Postal Transportation Service, our customers now have available to them—airport-to-bank delivery—the most rapid air-mail delivery service yet devised.

By slicing valuable hours from airfield-to-bank handling time, the new system frequently cuts a day or more from costly "float time."

During the several months that we have been operating this service it has proved of benefit to many of our customers. We invite your inquiries as to its possible value to you.

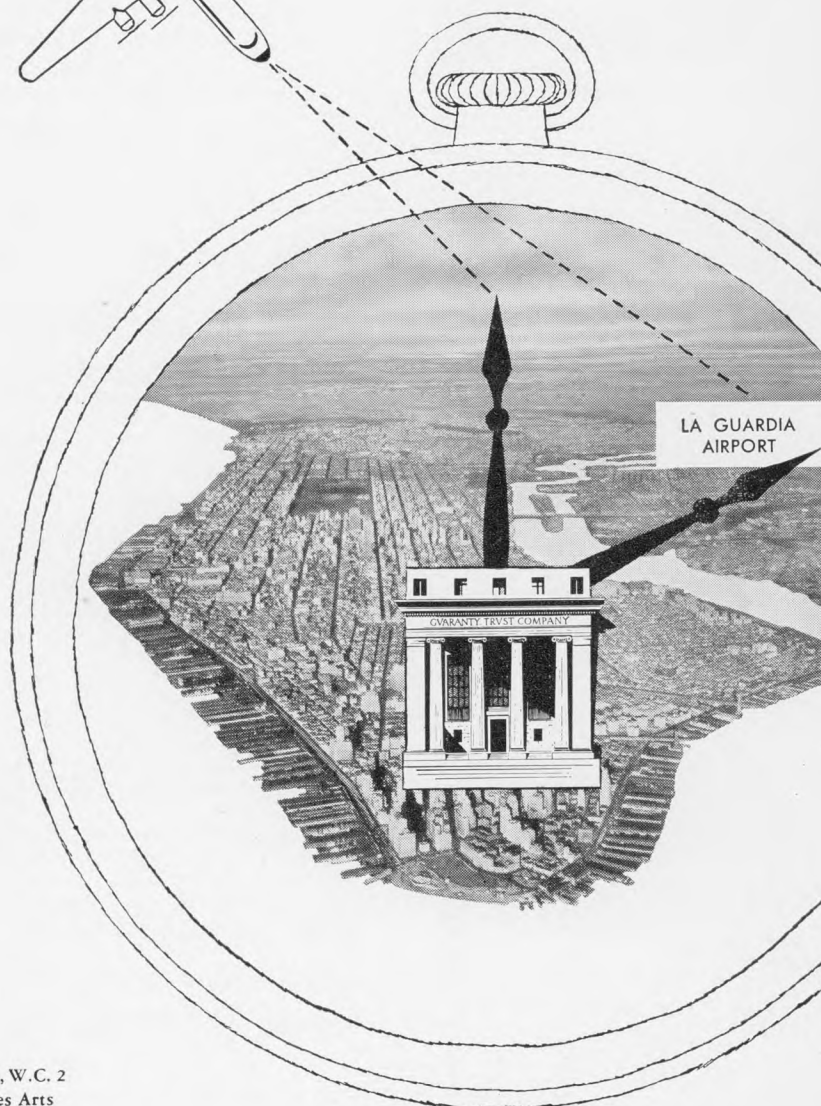
Guaranty Trust Company of New York

Capital Funds \$395,000,000

140 Broadway, New York 15
Fifth Ave. at 44th St., New York 36
Madison Ave. at 60th St., New York 21
40 Rockefeller Plaza, New York 20

LONDON: 32 Lombard St., E.C. 3 • Bush House, Aldwych, W.C. 2
PARIS: 4 Place de la Concorde BRUSSELS: 27 Avenue des Arts

Member Federal Deposit Insurance Corporation



What's New

. . . for Banks and Bankers

For more information about the items in this column and where they can be purchased, write Walter T. Proctor, Associate Editor, NORTHWESTERN BANKER, 306 15th Street, Des Moines, Iowa.

NO LONGER is it necessary for banks to send their microfilms to the nearest Recordak Processing Laboratory when a few facsimile prints are needed.

Recordak Corporation, Subsidiary of Eastman Kodak Company, has introduced a new kit for economically producing enlarged photographic paper facsimiles from microfilm images. With the Recordak Rapid Facsimile



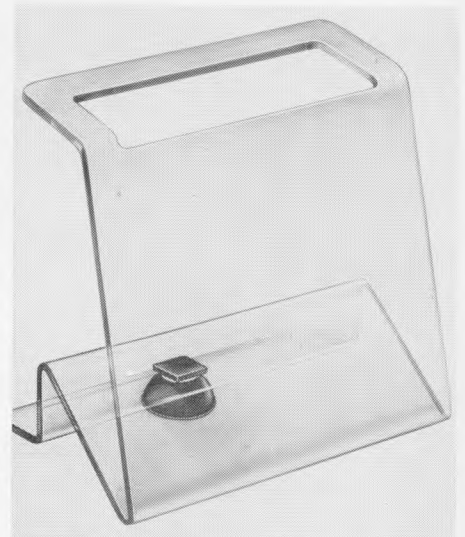
Kit, a facsimile can be made in a little over a minute, right in the bank. The operation is so simple that any clerk can turn out clear, sharp facsimiles after a few minutes' instruction. The Recordak films remain in the

bank's possession at all times, for quick reference if necessary.

* * *

As streamlined and uncluttered as the most modern bank interior, this one-piece literature stand will add a decorative note to counters, tables and desks, holding an ample supply of folders in full view of customers, with cover designs visible through the transparent Plexiglas material.

The stand is molded in one piece with a rubber suction cup at the back to hold it firmly on any smooth surface, safe against accidental jarring, and without harm to any polished surface.



This one-piece literature stand is offered, for free examination with a five-day return privilege, by the advertising specialty department of Karl G. Behr Advertising Agency, Inc.,

* * *

Type a name and address once on a paper slip. Then use the typed slip to print the address on envelopes, circulars, statements, and time cards as many as 50 times over a period of years. That's what you can do with the new addressing machine just released by a Minneapolis firm.

PROTECT YOUR CHECKS

with sure and safe endorsements

prepare your deposits speedily and accurately at

HOME STORE OFFICE

use a

WESSCO HAND PRINTER

for

Personal Depositing Banking by Mail

For Further Information Write - Wire - Phone
WESSCO PRODUCTS CO.
 1120 Farnam Street Omaha 8, Nebraska
 Phone JACKSON 1714

Tuffy and Heppy ARE HERE!

TWIN CHECK GUIDES

REG. U. S. PAT. OFF.

The sensationally new bank aid for filing canceled checks that is pleasing the girls who do the work.

Says a Wisconsin Banker:

"Frankly, 'Twins' are such a wonderful improvement over the mess we have been working with that we just can't wait until we get enough for a complete installation."

WRITE TODAY FOR MORE DETAILS

James L. Smith Co.

1118 Mulberry St. — Dept. N
 Des Moines, Iowa

Will attract new accounts and retain present accounts.

SAVINGS BANK

Size 4 1/4" x 4 7/8" x 3"

Made of brilliant Styrene Plastic, in contrasting colors. Fine details of a real home. Movable garage door, open windows, flagstone path, stone wall, green lawn, shingle roof, clapboard siding and other features. Permanent colors — not just paint. Holds approximately \$50 — priced as low as 28c each.

LARGE SPACE FOR IMPRINT—IN GOLD

Send for list of representatives

THE LEE PLASTIC MFG. CO.
 173-175 Lee Ave., Bridgeport, Conn.

How to solve
THE BIG FIVE installment loan problems:

Burroughs Coupon-Ledger Plan

1. Stop duplication errors.

The customer's complete coupon book is created *automatically* as a by-product of prescheduling the loan ledger. Coupons and ledger bear identical information regarding each installment.

2. Save customer confusion.

Each installment coupon shows complete, legible information—account number, due date, amount of payment and *balance before and after payment*—reduces customer inquiries.

3. Make it easy to pay.

Mailed-in payments have increased as much as 50% in some banking instances, because the customer has complete information, a durable coupon for mailing, a convenient record stub.

4. Save teller time.

Again, banking experience shows that the simultaneous prescheduling of ledger and coupons, plus more mailed-in payments and easier window transactions, enable tellers to handle a 25% to 50% volume increase.

5. Assure posting accuracy.

Each posting of a payment is automatically proved on the payment journal. Amount of any error is printed, localized for quick correction.

and it's all done on one
Burroughs Sensimatic
 accounting machine

Does the Burroughs Coupon-Ledger Plan solve your particular installment loan problems? Talk it over with your Burroughs man, or write Burroughs Corporation, Detroit 32, Michigan.

WHEREVER THERE'S BUSINESS THERE'S

Burroughs



Small Business...

(Continued from page 19)

of government business loans being made on a more attractive basis. In other words, to repeat, we are positively not in competition with private banks.

In furtherance of the national administration's efforts to encourage private lending the Congress amended the Federal Reserve Act last summer to permit banks in the national banking system to omit the Small Business Administration's share of participation credits from their total loans in the computation of their legal limita-

tions. Such action, of course, coincides with similar legislation covering other types of federal governmental loans. Many of the state legislatures have likewise permitted such an exclusion for their state banks.

It is true, of course, that most of the loans made by the Small Business Administration are for longer periods than those ordinarily preferred by commercial banks. By their nature such loans are more costly to investigate and analyze. However, we feel that there is a definite opportunity to

be of service to the community and the nation in this field. Happily enough, on many occasions banks have taken all of a loan in which they originally planned only to participate.

Notwithstanding the fact that the Small Business Administration is authorized to make loans for as long as ten years, the average term of our loans has been less than six years and a large percentage are for four and five year periods. Since private banks are usually able to provide short-term credits in adequate amounts, our activity in connection with loans for less than two years is generally limited to those cases in which government contract financing is involved.

At the time our financial assistance program was being formulated, we consulted with many bankers throughout the country and developed our policies and plans in accordance with their suggestions and recommendations to the greatest possible extent. Today, we are still constantly obtaining the benefit of their views.

Credit Judgment

Many bankers are members of our local advisory boards. The credit judgment of local banks has been uniformly good. Obviously, our country could not otherwise have grown and prospered as it has. Banks throughout the country have also been helpful to us in appraising credit information.

Although about 40 per cent of our loans have been made to manufacturers, almost all types of businesses are eligible for consideration. As stated above, a few enterprises are not eligible for loans from the Small Business Administration because of statutory or policy limitations.

Reviews Loans

Needless to say, the Small Business Administration will maintain a continuous review of its loans, in order to assure their use for the purpose for which they were intended, as well as the repayment thereof, in accordance with the requirements of the law. Thus far, we have had no delinquency problems. As of November 1, 1954, only two business loan installment payments were late.

At the present time, the Small Business Administration is servicing more than 5,000 loans, aggregating approximately \$74,000,000. Of that total, over 1,000, for \$55,170,000, are business loans; 813, for \$4,133,000, are disaster loans made by the Small Business Administration, and 3,300, amounting to \$15,000,000, are disaster loans made by the Reconstruction Finance Corporation, which are now being administered by the Small Business Administration.



FOR SUPERIOR CORRESPONDENT SERVICE

Banks in 38 states and 50 foreign countries find it profitable to let City National of Kansas City serve them.

CITY NATIONAL
Bank & Trust Company



Established 1913

MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

10th and Grand • Kansas City 41, Mo.

Northwestern Banker, March, 1955

NEW COOPERATIVE ESTATE PLANNING TECHNIQUES!

You will learn many valuable new practical techniques on how to help your clients have better estates, better planned, at the NATIONAL ESTATE PLANNING INSTITUTE to be held in Des Moines, Iowa, on April 18 and 19.

Lawyers, life underwriters, trust officers and accountants from all over the United States will be there to discuss realistic problems in estate planning. The institute is designed to give you improved and practical techniques for intelligent handling of the type of estates your clients have.

It will be an audience participation institute. You will be able to discuss and compare your ideas!

NATIONALLY ACCLAIMED AUTHORITIES TAKING PART IN THE INSTITUTE INCLUDE:

JOSEPH TRACHTMAN . . .

a leading New York lawyer and author of "ESTATE PLANNING" published by the Practising Law Institute and the American Bar Association.

ROBERT J. LAWTHERS . . .

of Boston, Director of Benefits and Pension Business of the New England Mutual Life Insurance Company. He is a noted speaker and lecturer on estate planning and has also had many articles published on the subject of taxes.

LAF LIN C. "BOB" JONES . . .

of Milwaukee, Executive Assistant of the Northwestern Mutual Life Insurance Company. He is the author of the chapter entitled "Estate Planning from the Life Insurance Point of View" published in "The Journal of the American Society of Chartered Life Underwriters".

KENNETH I. TODD . . .

trust officer of the Valley National Bank of Phoenix, Arizona . . . president of the Arizona Estate Planning Council. He has been recognized for many years as a leader in developing cooperative techniques in estate planning.



Attend the NATIONAL ESTATE PLANNING INSTITUTE. You will be equipped to do a better job for your clients after participating.



**YOU EXPECT YOUR DOCTOR TO KEEP UP TO DATE!
YOUR CLIENTS EXPECT YOU TO KEEP UP TO DATE!**

The two day National Institute starts promptly at 10:00 a.m. at the Hotel Fort Des Moines on April 18. Room reservations will be made for registrants. Send your \$25 registration fee to the NATIONAL ESTATE PLANNING INSTITUTE today.

BECAUSE OF THE PARTICIPATION TYPE PROGRAM . . . THERE WILL BE ROOM FOR A LIMITED NUMBER ONLY. SEND IN THE COUPON BELOW NOW!

National Estate Planning Council
212 Equitable Building
Des Moines 9, Iowa

Enclosed please find my \$25 registration fee for the NATIONAL ESTATE PLANNING INSTITUTE . . . to be held at Hotel Fort Des Moines, in Des Moines, Iowa, on April 18 and 19, 1955. Please

arrange for hotel reservations for ----- people for ----- days beginning ----- (date)

Name _____

Profession _____

Address _____

Altogether, as of November 30, 1954, the Small Business Administration had received, for consideration and processing, 3,825 business loan applications totaling \$223,256,000, and 1,128 disaster loan requests aggregating \$8,713,000. To summarize, in the past year a grand total of nearly 5,000 applications have been filed, amounting to about \$232,000,000.

Advisory Capacity

In addition to its participation and direct lending activities, the Small Business Administration renders financial counseling services to small enterprises, which we feel have produced some noteworthy results. Our recommendations and suggestions in this respect invariably favor bank financing.

Furthermore, it should be pointed out that the financial assistance program of the Small Business Administration constitutes less than one-half of its efforts to aid small business. It is also our duty to endeavor to obtain a fair share of government contracts for small concerns, and in this activity we deal with more firms than in our lending program.

Additionally, we furnish management and technical aids which encourage the training of owners and junior executives in phases of business opera-

tions in which they may be efficient. In this connection we are collaborating with the American Bankers Association, universities and business groups in co-sponsoring schools for the instruction of the owners of small businesses.

In addition to all of the foregoing, the Small Business Administration has been designated as the Agency to make disaster loans to owners of homes and small businesses which have been damaged or destroyed by hurricanes, tornadoes, floods, or other natural catastrophes. In this activity we have found local banks most cooperative and of invaluable assistance to us.

Not Yet Perfected

Admittedly, no lending program can be perfected in a single year, and we certainly realize that ours could stand improvement. Accordingly, we are continuously striving for the further refinement of our operating procedures. For instance, we are endeavoring to reduce the present average of 30 days for processing a loan application. This length of time is partly the result of a manpower problem.

Although we have adopted much streamlining, we are still constantly searching for more simplified methods, recognizing always, however, that we

must retain the safety factors which insure integrity.

It is the announced policy of the Small Business Administration to sell direct loans on our books at any time to any bank which may be interested in the purchase thereof, and we feel sure that a great many of our direct loans will be transferred to the private banking system. Furthermore, we hope and expect that most of our participation loans will ultimately be taken over by local banks.

In other words, our lending program is rooted in the confident belief that the private banks of the country are doing a good job in providing for the credit requirements of business, and we realize that the proper role of the government in this field is to assist in those areas where such aid may be needed to promote and maintain a strong and expanding national economy. It cannot be emphasized too strongly that our lending programs are geared to active and most sincere cooperation with local banks in their own communities.

It is our firm belief that this is the only way in which we can assist in the maintenance of a prosperous economy, which will provide a healthy environment for small and large firms alike and opportunities for increased business and employment.—End.

ANOTHER HANDY GADGET

We now have convinced ourselves that a new feeding device designed to permit us to imprint five punched-card checks at a time, which has been in the process of development for the past year, is going to work out very well. Test runs have been satisfactory and at least one unit for each of our plants should be ready within the next two months.

This device, which is attached to a conventional Miehle vertical press, carries five individual stacks of cards and, after printing, delivers them into five separate receptacles. Its primary purpose is to handle small orders of Personalized Card Checks together with a supply of personalized deposit cards, which some banks supply to special checking account customers. We propose to imprint

the customers' names and account numbers on the checks and deposit cards, then punch in the account numbers and mail the orders direct to the customers. We anticipate that we will be able to handle such orders with dispatch and sell them at a fairly reasonable price.

As a by-product, we believe this new unit may be of value in processing special all-print card check orders in five or ten thousand quantities. It will not handle long runs, but for "fill-in" orders or emergency needs it should serve a useful purpose. While as yet we have no real experience in card check work, we expect to pick up a little "know how" as we go along and will welcome the opportunity to work with any banks who are seeking this type of small order service.

A CHICAGO TRIP . . .

(Continued from page 17)

observatory of the Board of Trade building, a tour of Chicago's Maxwell Street, Skid Row, Chinatown and Lakeshore Drive, Brookfield Zoo, and the International Livestock Exposition.

The Cost Is Distributed

Different clubs in the county have won the trip, and from these winners enthusiasm is spread among the other clubs of the county who will work harder the next year and the next, hoping to be that lucky one. The cost is approximately \$700 to \$750 a year, and is paid by all the banks in the county. The charge for each bank is based on a percentage of the bank's deposits, so the cost can be equalized among the banks according to each bank's size.

The Dallas county banks have been doing this for several years, and in sponsoring this award, the bankers are encouraging the youth of the county in the proper and up-to-date methods to be used in the breeding and raising of livestock, and are helping develop top-notch farmers who, in a few years, will contribute to the growing wealth and higher standards of the agricultural county.—End.



Manufacturing Plants at: CLIFTON, PAOLI, CLEVELAND,
INDIANAPOLIS, CHICAGO, KANSAS CITY, ST. PAUL



How to gain hours— on airmail cash and collection items...

Ask us for a supply of these A. M. F. (air mail field) labels or envelopes, which we will be glad to send to you.

Your cash and collection letters then will be included in air mail field pouches being dispatched to Chicago. Night and day we make

frequent pick-ups at Chicago's Midway Airport, and these letters are brought from the airport direct to the bank for immediate processing.

Our correspondent banks and corporation customers are enthusiastic about this faster way of getting available funds. Try it.

Continental Illinois National Bank and Trust Company of Chicago

La Salle, Jackson, Clark and Quincy Streets

LOCK BOX H, CHICAGO 90, ILLINOIS

Member Federal Deposit Insurance Corporation

Overseas Opportunities...

(Continued from page 21)

which the bank has made in the 36 countries throughout the world. The practice, however, is just beginning, and taking into account commercial bank interest in prospective loans we now have under consideration, I expect to see a further sizable increase in private participation in the bank's loans over the next year.

The World Bank welcomes the participation of commercial banks and other sources of private capital in its loan operations. Our management

feels that it enables us to more effectively carry out the directive in our charter, which requires us to participate with private capital, whenever possible, in the financing of economic development.

Private Participation

Private participations also have the effect of reducing the demands placed on our own funds, which we obtain from the bank's paid-in capital or the sale of its bonds in the investment market.

Commercial banks in particular find it advantageous to participate on a direct basis in our loans as the following summary indicates:

1. A new avenue to international investment is opened up to them;
2. Each loan, as a whole, is carefully investigated by the World Bank as to its economic, financial and technical merits and is subjected to the supervisory activities of the bank;
3. Amortization features covering the loans enables commercial banks to obtain short and intermediate maturities suitable to their portfolios;
4. The World Bank holds the longer maturities which insures that in event of difficulties it will act to protect both the participant's and its own interests, even though it does not guarantee the former's share of the loan.

Additional Advantages

In some cases commercial banks have found additional advantages in participating in a loan with us. In the process they have been able to establish contacts with officials of government and private enterprise abroad, and frequently these contacts have led to the development of other types of commercial bank business such as depositary agent and the financing of trade and commercial transactions.

In conclusion, it should be pointed out that participations in World Bank lending open up a vast field for investment and business in the geographical sense alone. Some indication of this can be gleaned from the accompanying table showing direct participations in World Bank loans from 1947 to the end of December, 1954.

These figures do not cover purchases by commercial banks and others of about \$92 million of the obligations of our borrowers which we had received in connection with loans that had already been disbursed, nor does it include commercial bank holdings of the bonds of the World Bank.—End.

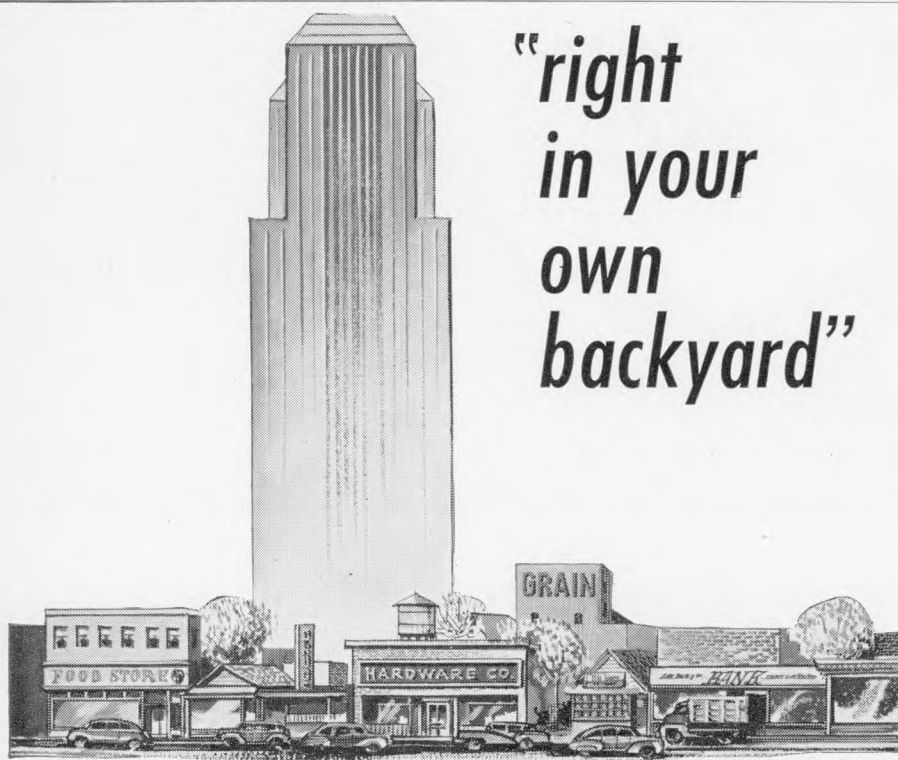
G.I. Loans Increase

GI home loan applications topped the 50,000 mark in January, 1955, for the sixth straight month, the Veterans Administration has announced.

VA last month received 51,917 home loan applications from private lenders on behalf of World War II and post-Korea veterans, a drop of only 254 applications below the 52,171 received the previous month.

The January total was nearly two and a half times the 21,410 received in January, 1954.

During the past six months, VA received 335,736 applications for home loans, more than double the 164,737 received during the six month period ending January, 1954.



*"right
in your
own
backyard"*

THE COMPLETE banking services of American National can help you in serving corporate or individual customers in your town.

We understand the problems of the banker in his own territory. We back up that understanding with a "behind the scenes" familiarity with Chicago and the midwestern scene and with facilities that are both complete and nationwide. How can we help you?

American National Bank and Trust Company of Chicago

LA SALLE AT WASHINGTON, CHICAGO 90, ILLINOIS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Christmas Club a Corporation

is pleased to announce

The Winners

in the

Herbert F. Rawll Memorial Awards Competition

a program of Christmas Club a Corporation to promote
a better public understanding of the services you
render to your community.

**Awards totaling \$10,500.00 were made to
Christmas Club members who in the opinion of independent
judges wrote the best letters on the subject
"How I use my Christmas Club Funds"**

1st award \$2500.00 was made to Frank C. Presvey

Christmas Club member at The Howard Savings Institution, Newark, New Jersey

2nd award \$1500.00 was made to Mrs. Evelyn Hayes

Christmas Club member at Bankers Trust Company, New York City, N. Y.

3rd award \$1000.00 was made to

Vy. Rev. Msgr. Franklin M. Kelliher

Christmas Club member at The Marine Trust Company of Western New York, Buffalo, N. Y.

167 other cash awards, ranging from \$100.00 to \$20.00 were made to people in practically every walk of life.

Christmas Club a Corporation is proud to have made these awards and thanks the thousands of financial institutions whose interest helped to make our 1954-1955 award competition so popular.

The many thousands of letters submitted from coast to coast and border to border of the United States as well as from Puerto Rico and Hawaii clearly indicate that thrift as practiced

by Christmas Club members forms the backbone of our economy. These people are saving and building for individual financial security; they are building character for themselves, their families and their community and they are building business for financial institutions.

Why not have a staff representative of Christmas Club a Corporation call on you? He has every system for efficient operation and wide variety of proven advertising material with which to build a profitable program to meet your individual needs. There is no obligation, of course.

VACATION CLUBS • SCHOOL SAVINGS • ALL PURPOSE CLUBS • TAX CLUBS



Christmas Club

A Corporation

FOUNDED BY HERBERT F. RAWLL
230 PARK AVENUE, NEW YORK
STAFF MEMBERS THROUGHOUT AMERICA

BUILDS CHARACTER • BUILDS SAVINGS • BUILDS BUSINESS FOR FINANCIAL INSTITUTIONS

Northwestern Banker, March, 1955



**YOU'VE GOT A CORNER
ON CONVENIENCE**



— When You Have a Custodian Account at Bankers Trust

As a bank for bankers, next-door to several of the nation's principal securities trading markets, Bankers Trust is in an ideal position to offer unusually detailed and complete Custodian Service.

Your securities and those of your customers are given the same experienced guardianship as our own assets. It's like having an operating unit in New York, handling your securities with the systematic vigilance you expect from

your own staff: protecting their physical safety, collecting income, supervising purchase, sale, receipt and delivery. All your securities in our care are always under *your* control.

Hundreds of out-of-town banks, corporations, institutions, insurance companies and similar organizations use our Custodian Service. Let us show you how it can work for you. Just call, or write to Bankers Trust at 16 Wall Street, New York 15, N. Y.



BANKERS TRUST COMPANY
NEW YORK

Member Federal Deposit Insurance Corporation

Northwestern Banker, March, 1955

What About Mutual Funds?

A Timely Question With a
Capable and Interesting Answer

Written Especially for
Northwestern Banker
By HOMER B. PARK
Hornblower & Weeks
Chicago, Illinois

EVEN today \$6 billion is quite a large amount of money. Accordingly, the fact that the asset value of mutual fund shares now approximates this figure and that these shares are owned by more than one and one-half million investors, both small and large, is attracting a good deal of attention.

What is a mutual fund and why have so many conservative investors bought so many shares? What do they pay and what do they get?

Regulated by S.E.C.

A mutual fund is a company whose sole business is the management of money for its shareholders. Mutual funds are strictly regulated by the S.E.C. under the terms of the Investment Company Act of 1940, which not only requires full publicity on all of a company's transactions, but also limits the fees which may be paid to the professional managers who are engaged to make the investment decisions. Furthermore, the selling practices and sales literature of the dealers and distributors who market mutual fund shares are rigidly supervised under a "Statement of Policy" set forth by the S.E.C. and adopted by the National Association of Securities Dealers.

Five Broad Classes

For convenience the 100 or so leading companies may be divided into five broad classes according to their policies, their stated objectives and their performance over the last ten or more years.

1. Bond Funds: Such funds own nothing but bonds. They have been aptly described as a "perpetual non-callable bond" relieving their owner of maturity and reinvestment problems.

2. Balanced Funds: These constantly hold a minimum portion (usually

25 to 40 per cent) of their assets in bonds and preferred stocks which are generally referred to as "defensive" type securities. The remainder of the assets will usually be invested in common stocks. Balanced funds inherit their policies from the practices generally followed by New England bank and other trustees often operating under the watchful eye of the courts. As one would expect from their holdings, the prices of their shares tend to fluctuate a little less than the general stock market, both up and down.

3. Stock Funds: As the name indicates, such funds generally maintain a fully invested position in common stocks believed to be suited to the particular objective of the fund at the time. Some funds deal frankly in speculative type stocks while others plan to own only stocks of high or improving investment quality.

4. Specialty Funds: Such funds appeal to the buyer who wishes to place some of his investment money in a certain industry such as television-electronics, chemistry, aviation, etc., or a certain area of the world such as Canada, for example. While not offered as a complete answer to one's investment problems they are interesting to the person who wants to "call his shots" somewhat without assuming the full risk of picking individual stocks.

5. Fully Managed Funds: As contrasted with the foregoing types of funds, the "fully-managed" fund is in theory—and maybe in practice—fully flexible as to the type of securities held at any time. Obviously such a policy presents the greatest possible challenge to the management, and offers the shareholder proportionately greater possible rewards, provided the

MUTUAL FUNDS? . . .

(Turn to page 48, please)

50 LARGEST AMERICAN MUTUAL FUNDS

Total Net Assets—December 31, 1954

	(000's)
1. Mass. Inv. Trust	\$791,074
2. Inv. Mutual, Inc.	732,248
3. Wellington Fund, Inc.	401,788
4. Affiliated Fund, Inc.	311,494
5. Keystone Cust. Funds, Inc.	282,539
6. Fundamental Inv., Inc.	256,251
7. National Securities Series	224,416
8. United Funds, Inc.	197,241
9. Dividend Shares Inc.	170,219
10. Fidelity Fund, Inc.	163,686
11. Ins. Securities Inc.	157,030
12. Eaton & Howard Bal. Fund	141,443
13. Boston Fund, Inc.	124,625
14. Inv. Stock Fund, Inc.	105,333
15. Geo. Putnam Fd. of Boston	100,902
16. Commonwealth Inv. Co.	89,400
17. Group Securities	83,222
18. Chemical Fund, Inc.	78,416
19. TV-Electronics Fund, Inc.	72,678
20. Broad St. Inv. Corp.	64,138
21. Mass. Inv. Growth Stock Fund, Inc.	63,642
22. Century Shares Trust	51,386
23. Diversified Inv. Fund, Inc.	50,403
24. Scudder, Stevens & Clark Fund, Inc.	49,360
25. Natl. Investors Corp. Fund.	47,218
26. Axe-Houghton Fund A, Inc.	42,555
27. Axe-Houghton Fund B, Inc.	41,737
28. Loomis-Sayles Mutl. Fd., Inc.	41,579
29. Selected Am. Shares, Inc.	39,552
30. Eaton & Howard Stock Fund	38,093
31. Value Line Inc. Fund, Inc.	33,044
32. American Bus. Shares, Inc.	33,406
33. Managed Funds, Inc.	31,864
34. Financial Ind. Fund, Inc.	31,449
35. Canadian Fund, Inc.	30,892
36. Hamilton Funds, Inc.	28,032
37. Gas Industries Fund, Inc.	26,917
38. Manhattan Bond Fund, Inc.	25,472
39. Blue Ridge Mut. Fund, Inc.	24,032
40. Nation-Wide Sec. Co., Inc.	23,445
41. Colonial Fund, Inc., The	22,871
42. Bullock Fund, Ltd.	22,057
43. Massachusetts Life Fund	21,447
44. Inv. Selective Fund, Inc.	20,990
45. Texas Fund, Inc.	20,456
46. American Mutual Fund, Inc.	19,562
47. General Capital Corp.	17,921
48. Institutional Shares, Ltd.	17,422
49. Knickerbocker Fund, The	15,814
50. Shareholders' Tr. of Boston	14,092

(This list provided by Doremus & Company, New York)

How Would You Improve

SINCE all bankers are interested in improving their bank's investment portfolios, both for return and safety, the NORTHWESTERN BANKER asked a number of city and country bankers for their suggestions for improving the bond accounts of two "typical" banks. One bank has total assets of \$2,326,000 and has no surtax problem, while the second bank has total assets of \$6,370,771 and must give consideration to its surtax problem.

Specific details of the deposit and loan breakdown were not given, but each banker responding to the survey took this into consideration as shown in the replies on these

two pages. It was interesting to note that one banker replied, "This has all the earmarks of a 'mythical' bank," while two other bankers said they preferred not to comment since "the case shown is almost identical" to their own situations.

Suggestions from bankers responding to this survey show the importance of proper maturities throughout the investment portfolio, and also the value of adding municipals in the right quality and quantity. Read the case histories of these banks then compare your solution with the replies which appear on these pages.

Case No. 1

First County Bank

FIRST COUNTY BANK

ASSETS

Cash and Due from Banks.....	\$ 510,000
U. S. Government Bonds.....	1,100,000
State, County Municipals.....	21,000
Loans and Discounts.....	685,000
Bank Building & Fixtures.....	8,000
Other Assets	2,000
TOTAL ASSETS	\$2,326,000

LIABILITIES

Capital	\$ 50,000
Surplus	50,000
Undivided Profits and Reserves..	66,000
Deposits	2,160,000
TOTAL LIABILITIES	\$2,326,000

ALFRED H. LINDGREN
Vice President
City National B. & T. Co.
Chicago, Illinois

We shall keep in mind that this bank has no serious tax problem and while it is the desire of the management to earn a reasonable return for their stockholders, their primary objective is to recognize the very real responsibility to their depositors. However,



A. H. LINDGREN

we do not subscribe to the theory that a bank should be run today as though a depression is just around the corner nor do we believe that a bank should ignore the fact that we will have changes in economic conditions. In our opinion a middle of the road policy is best for this bank.

As we see it, assuming there are no unusual factors involved, a sound in-

This bank, which is a non-member of the Federal Reserve, is located in a good farming area. This bank does not fall in the surtax bracket.

This bank's net profit in 1954 was \$17,000. It is a locally-owned bank. Officers and directors are seeking to improve the stability and net return of their investments. Maturities of governments are all 5 years or less, returning an average of 1.3%. Other securities consist of county school bond issues which produce 2¼% and are due in 5 years.

What suggestions would you make for this bank in regard to investments? What schedule of government maturities would you recommend? Would you consider the addition of more municipal issues?

vestment policy would be to keep between 15 and 20 per cent of deposits in cash at all times and a total of not less than 30 per cent in cash and secondary reserves. By secondary reserve we mean investments in government securities due within one year which by reason of their short maturity are little vulnerable to market fluctuation.

On this basis the "First County Bank" has too much cash and could invest an additional \$100,000 unless there is some contemplated need for it in the near future. With about \$410,000 in cash, it would leave about \$250,000 to be invested in short maturities. Treasury bills are, of course, the most liquid for secondary reserve and if the banker knows from experience that he has seasonal trends in his needs for cash, this type of investment would be advisable. Keep in mind that he should try to maintain the 30 per cent minimum cash and secondary reserve position even if his loans increase, unless the increase in loans are C.C.C. notes, or

something comparable, that being redeemable on demand can by themselves be considered as secondary reserve.

The balance of the account we believe can be invested in maturities up to eight years with a preponderance or at least 60 per cent due within five years. On this basis the bank could invest about \$600,000 in maturities from two to five years and the issues that might be considered are as follows:

\$100,000 1% per cent notes due 3/15/56 yielding 1.62 per cent
150,000 2 per cent notes due 8/15/57 yielding 2.12 per cent
150,000 2½ per cent bonds due 6/15/58 yielding 2.31 per cent
100,000 2½ per cent bonds due 12/15/58 yielding 2.33 per cent
100,000 2½ per cent bonds due 11/15/60 yielding 2.39 per cent

This then leaves \$350,000 that can be invested in the following:

2½ per cent bonds due 11/15/61 yielding 2.59 per cent
2½ per cent bonds due 8/15/63 yielding 2.60 per cent

(In view of the small difference in yield, the 1961 maturity appears more attractive at this time.)

According to our computations, the investment of \$1,200,000 would then produce an average yield of approximately 2.09 per cent as compared to the present 1.30 per cent, or an increase of annual income before taxes of over \$9,000 if the bill rate doesn't fall below 1 per cent.

The "First County Bank" will still have more than 50 per cent of its to-

FIRST COUNTY BANK . . .

(Turn to page 42, please)

These Bond Portfolios?

Case No. 2

First National Bank

FIRST NATIONAL BANK

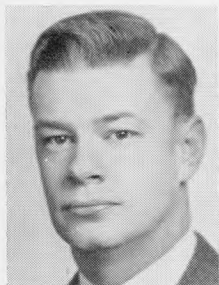
ASSETS	
Cash and Due from Banks.....	\$1,188,474
U. S. Government Bonds.....	2,762,800
Other Securities	200,773
Loans and Discounts	2,198,724
Other Assets	20,000
TOTAL ASSETS	\$6,370,771
LIABILITIES	
Capital	\$ 100,000
Surplus	175,000
Undivided Profits and Reserves..	153,396
Deposits	5,942,375
TOTAL LIABILITIES	\$6,370,771

E. B. CHAPIN

**Assistant Vice President
First National Bank
Saint Paul, Minnesota**

This hypothetical First National Bank appears to be unusually liquid even after making allowances for a 10 per cent increase in loans and a similar contraction in deposits. The average return on the government portfolio is very low and would indicate that this bank probably holds a substantial volume of Treasury bills and certificates of indebtedness.

I would recommend that from \$500,000 to \$700,000 be shifted to govern-



E. B. CHAPIN

ments in the three to eight year maturity range which currently yield from about 2 per cent to better than 2.50 per cent. In view of the present depressed government bond market and the apparent short average maturity of the portfolio, this shift could probably be made with a minimum loss and would result in a greater return on its investments. Consideration should also be given to the purchase of about \$25,000 of the FNMA notes maturing in 1958 and perhaps \$50,000 of railroad equipment trust certificates in blocks of \$5,000 to \$10,000 each.

This bank is rather heavily concentrated in local county bond issues. In view of the fact that the bank is in the 52 per cent tax bracket, I would

This bank, located in a good agricultural area, is in the surtax bracket.

This bank's net profit in 1954 was \$47,000. It is a locally-owned bank, whose officers and directors are seeking to improve their net return and maintain stability. Maturities of governments are all 5 years or less, with a return averaging 1.3%. Other securities consist of county bond issues which produce 2% and mature in 5 years.

What suggestions would you make for this bank in regard to investments? What schedule of government maturities would you recommend? Should this bank consider the addition of more municipal issues?

further suggest that consideration be given to the purchase of an additional \$100,000 in municipal securities outside of its own locality. Holdings of municipal obligations by all banks average about 5 per cent of total resources.

Such a shift in this bank's investment portfolio would not impair the liquidity, would provide greater diversification of its holdings and would improve net earnings considerably.

DEAN VOGEL

Vice President

**United States National Bank
Omaha, Nebraska**

Considerable time and effort has been spent in study of these figures with the hope that I could intelligently answer the questions you proposed.

To appraise intelligently the investment policy and needs of a bank, I think one should know quite minutely the make-up of the loan portfolio. This is perhaps even more particularly true in a bank located in an agricultural district for they have from time to time the opportunity to carry large amounts of commodity credit paper. This, of course, would well affect their investment portfolio. I think it is imperative today that a person charged with the handling of the investment portfolio be very familiar with the type of deposits the bank has, giving particular attention to the amount of time money.

The case presented certainly indicates a splendid operation. Their cash reserve almost to the dollar is 20 per cent of their total deposits which in-

A NORTHWESTERN
BANKER SURVEY

dicates that they keep their money well invested. The risk ratio of this bank is 17.71 per cent, which is exceedingly good and the net earnings to the capital accounts at the end of the year amounted to 10.97 per cent. This represents good earnings, particularly so because the \$47,000 increase in their undivided profits and reserve account was earned during the year 1954.

You state in the case that the average return on governments is 1.3 per cent, which indicates to me that they are rather heavily invested in bills because in a government portfolio with about one-fifth of the bonds maturing each year over a five-year period, they could earn about 1.9 per cent.

The yield on county bonds you state produced 2 per cent interest and mature in five years. This seems to me to be rather high for AA municipal bonds are currently selling on a 1.35 to a 1.45 basis with a five-year maturity. If, in this hypothetical case, they can purchase additional county bonds maturing in five years on a 2 per cent basis, it would seem advisable that some of their governments be allowed to run off and the funds reinvested in municipals.

J. W. EDGE

President

**Farmers Trust and Savings Bank
Spencer, Iowa**

I feel that the operation and profits could have been much better had the officers given some thought to tax-exempt earnings.

Had the bank been operating with \$1,000,000 of municipals and about \$2,000,000 governments instead of all governments yielding a rate of only 1.3 per cent there would have been no excess profits tax and only about one-half the normal tax paid. It would seem that this bank has been requiring the note case to carry too much of the overhead. In other words, with no tax-exempt income they have had to loan more money with which to pay more taxes. At least \$20,000 of their income should have been exempt.

FIRST NATIONAL BANK . . .
(Turn to page 46, please)

Northwestern Banker, March, 1955

First County Bank

(Continued from page 40)

tal deposits in cash and government securities due within five years and 74 per cent of total deposits in cash and government securities which certainly would seem to be ample protection against the uncertainties of the future. The reason we suggest a middle of the road policy of spaced maturities is that it affords a good hedge and the opportunity to reinvest or collect a portion of the account from time to time and yet the bank is getting a much more satisfactory return than if all the funds were consistently invested in short maturities.

The time to adjust maturities in a case of this kind is when the market is "right" and whether this is the proper time is anyone's guess. The bond market has been declining and may go lower which we cannot predict, but we do know that this is a better time to extend maturities than it was a few months ago. It may not be prudent to quickly switch into this program by liquidating issues presently held if to do so would result in a substantial loss but if the bank is now heavily invested in Treasury bills or very short maturities, it will not be

too difficult to accomplish. Otherwise the policy we suggest can be considered as a goal that can eventually be achieved as conditions and circumstances permit.

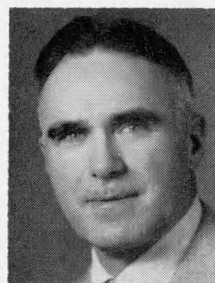
As this bank is not in the surtax bracket, they should not, in our opinion, add to their municipal holdings unless in the future they have an opportunity to acquire additional local issues as a community project and where they are in a position to make an appraisal based on a full knowledge of the considerations involved.

LUD C. VOBAYDA
Vice President

First National Bank
Minneapolis, Minnesota

The below average earnings from the bond account and loans and discounts indicate that the officers of the First County Bank must be doing an excellent job in producing income from miscellaneous sources such as insurance, commissions, exchange and service charges, in order to show a net profit of \$17,000 after taxes.

All banks in Minnesota averaged 37.8 per cent of all assets invested in loans on June 30, 1954, whereas this bank shows only 29 per cent loaned out. However, the bond account is the



L. C. VOBAYDA

real loafer in this case. Just as a dairyman watches for the "boarder cow," the banker should watch each potential income producer. The 1.30 per cent average return suggests that the bond account must consist largely of U. S.

Treasury bills and certificates due within a year or two.

If we can assume that the First County Bank has some savings or time deposits, upon which interest is being paid, it follows logically that some longer U. S. government bonds can safely be carried. A proper spacing of maturities out to 8½ years would still provide the necessary liquidity and improve the yield on the bond account to an average of 2 per cent.

The U. S. Treasury's 2½s of 1961 and 1963, now selling below par, pre-

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sent this bank with an unusual opportunity to extend the average maturity by only a few years and get the average yield up to 2 per cent. The maturity extension can be even less and result in such an average yield by including in the bond portfolio some of each of the various obligations of the U. S. governmental agencies such as the Federal Intermediate Credit Banks, Federal Land Banks, Banks for Co-operatives, Federal Home Loan Banks and Federal National Mortgage Association. These will yield from 1.60 per cent for nine months up to 2½ per cent for three years.

Municipals are not the compelling need that they are to the banks showing earnings of over \$25,000 before taxes, but some increase in the municipal account would also be very helpful, in an amount which can probably be carried to maturity. Sound municipals can now be selected yielding 2 per cent in 10 years, but even shorter bonds with a 1¾ tax-exempt yield would be equivalent to 2½ per cent taxable income to this bank.

The First County Bank's net earnings before taxes appear to be only 1.04 per cent of all assets and should be about 1.25 per cent in a country bank that has the usual miscellaneous income in addition to interest on loans and bonds. During these prosperous times, the earnings should be large enough to prepare for some losses on loans later on. The sound bank should be well balanced between liquidity and good earnings and neither ought to be overstressed.

ARDEN D. WOLF
Vice President
Platte Valley Bank
North Bend, Nebraska

Offhand, I would think that the "First County Bank" has too many government bonds and not enough state or county municipals. Their regular loans probably could be a bit higher which would materially increase their earnings. Most of the maturities on their bonds are too short, we believe, to yield them a good return.

They certainly could use a few bonds with longer maturity.

CLARK WECKBACH
President
First National Bank
Ord, Nebraska

We, of course, do not know the above bank's ratio of time and demand deposits nor if they have a fluctuating loan volume. It would appear, regardless of net profits, the earnings per dollar of assets is low. It seems that the capital account is more than adequate for the loan demand. It would seem a spaced maturity for govern-

ments would increase the yield without taking any undue risk, with maximum maturities not to exceed 10 years. It is doubtful if municipals, etc., would help this bank as much as the average bank, due to the fact that it would not have a particularly serious tax problem. It would look like the bank has a low salaried staff. This particularly in view of the fact that ordinarily banks in good farming areas do not have a wide deposit fluctuation.

FRANK R. WARDEN
Vice President
Central National B. & T. Co.
Des Moines, Iowa

Providing the ratio of loans to deposits as shown in the statement of condition of the "First County Bank"



F. R. WARDEN

A sale of a portion of U. S. government represents a more or less constant average and neither are subject to wide seasonal fluctuations, we believe the following brief suggestions should be considered in order to improve earnings.

ment bond holdings, the amount depending on the experience of the individual bank—stability of deposits, seasonal demand for loans, etc. The proceeds to be reinvested in obligations of U. S. Governmental Agencies and a well diversified list of high grade railroad equipment trust certificates and good quality municipal bonds. Due to the present sensitivity of the bond market and the existing uncertainties relative to the future policy of the Federal Reserve and the open market committee, such new investments should naturally consist of staggered maturities of from one to not to exceed five years. Likewise the maturities of U. S. government holdings should not be extended at this time for the reasons given.

In following out such a policy, earnings would be increased materially and without affecting the soundness or the necessary liquidity of the investment account.

S. R. BARBER
Vice President and Cashier
Wellman Savings Bank
Wellman, Iowa

In attempting to determine the type of bond portfolio this bank should have, several unknowns should be considered. For example, the deposit turnover, the relation of time to demand deposits, the amount of large deposits, the amount of public funds, seasonal fluctuations of both loans and deposits and several other factors which influence the investment program.

Not knowing these conditions we shall assume a rather typical situation in making our observations.

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We would recommend working toward a spaced bond portfolio covering a period of five years. With approximately \$200,000 maturing each year for five years the bank would obtain an average yield which is all that a country bank should hope to accomplish and which the hypothetical bank has not attained as is indicated by the yield of 1.3 per cent which they are now earning on their governments.

A portfolio spaced over five years would also serve to minimize interest rate risk since any change in the pure rate of interest would not greatly affect a portfolio with an average length of only two and one-half years. At present this would produce a yield of something like 1.9 per cent. This is not a great money maker; however, we do not feel that a bank should reach out into the longer maturities for a higher yield due to the very great increase in interest rate risk.

Corporates should not be considered in our opinion due to the inability of the typical country bank to properly supervise corporate bonds as well as to the lack of sufficient rate differential to compensate for the added degree of financial risk.

In view of the small municipal portfolio, the fairly sizable cash reserve and the short government position, it might well be desirable to consider increasing the municipals to say \$100,

000, consisting of diversified, high grade Iowa municipal obligations spaced over not more than five years. This would produce a tax free yield of about 1.3 per cent at present which would be equivalent to a yield of 1.95 per cent on taxable securities.

F. H. KOUBA
Cashier

Roberts County National Bank
Sisseton, South Dakota

In comparing the statement of the "First County Bank" with the statement of our bank they compare about the same in size.

I believe that \$500,000 of the U. S. bond account could be reinvested in bonds maturing for a period beyond the five years up to 10 and still leave the bank in a very good liquid position.

Of this amount \$100,000 could be invested in several issues of municipal bonds maturing over a period not over 10 years which would return about the same yield but tax-wise there would be a saving, thereby increasing the net profit account.

I also believe about \$200,000 should be invested in Federal Land Bank bonds at 2¼ or 2½ per cent maturing within a five year period and which can be purchased about a point or so below par. The balance of \$200,000 could be invested in U. S. bonds maturing from five to 10 years bearing

2¼ per cent and which also can be purchased below par. With this change the net profit could be improved by \$2,000 or more and still keep the bank in a good stable condition.

C. W. GRIMES
Executive Vice President
The First National Bank
West Union, Iowa

First of all, I would lengthen the maturities of the government bonds and would suggest the following pattern:

Twenty-five per cent in U. S. Treasury bills, notes and certificates due within one year.

Twenty-five per cent of the account in U. S. Treasury bonds and notes due within a one to five year period.

The balance of the bond account or 50 per cent due within 10 years and most of these due between a six and eight year period.

I feel by doing this you would increase the return on the bond account from an average of 1.3 per cent to an average of approximately 2 per cent, or better.

Since this bank does not have to meet a reserve requirement, I would keep the cash and due from banks at a minimum, possibly 20 per cent of deposits, which would mean there could be another \$50,000 to \$75,000 invested in bonds. I would suggest investing this in a high grade general obligation municipal bond with staggered maturities of not more than seven or eight years. By lengthening the maturities and thereby increasing the yield, I believe several thousand could be added to the bank's earnings.

All these suggestions are made with the thought that the demand for local loans would remain at about the same level.

E. M. HUNT
Vice President
First Trust Company
Lincoln, Nebraska

I have outlined my thoughts in general terms to be more practical and to eliminate questions regarding minor variations from my general outline. It is so easy to differ as to whether a bank should go out as far as five years, seven and one-half years or 10 years, that working up a detailed program did not seem to me appropriate.

In my opinion the government bond portfolio should be reduced and extended as to maturities. The municipal investment should be increased. I would accomplish this in the following manner:

I feel that the government bond portfolio should be reduced by approximately \$200,000. This reduction of

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\$200,000 would be reinvested in municipal bonds.

Inasmuch as the bank does not fall in the surtax bracket, I believe that the limitation of maturities to five years or less and the acceptance of the low rate of return available upon those issues is necessary. I do not mean by that, that I think the bank should extend the entire government portfolio, but I do feel that the maturities could be extended sufficiently to produce a decidedly better return, retain ample liquidity and stay within a 10 year range.

I firmly believe that liquidity is essential to a commercial bank, but I have the feeling that our conditions have changed sufficiently that it is not necessary to retain investments within the five year maturity limitation.

Naturally, the extension of maturities would depend upon the individual situation, the type of deposits and the possibility of a sudden reduction in over-all deposits. The exact maturity composition of the government portfolio will depend to some extent upon the adjustment of the municipal portfolio to one of the two options which are suggested.

I feel that a bank is acting most conservatively if it has 10 per cent of its deposits invested in municipal bonds. In the case of a municipal portfolio two policies may be followed:

(1) Maturities may be equally spread over a period from one to 10 years;

(2) In order to obtain a better yield, maturities may be spread between the five and 10 year range. If the latter option is chosen, some adjustment of the government bond portfolio with greater emphasis on the earlier years will be necessary.

Well chosen municipals within the 10 year maturity range can add substantially to the income of the bank and ample liquidity can be maintained. Because the income from municipal issues is completely tax free, we have often recommended a greater concentration of governments in the one to five year maturities with more emphasis in the municipal portfolio in the five to 10 year maturities.

There is a somewhat greater increase in municipal yields in a slight extension of maturities than is reflected in the same range of maturities in government bonds. This makes it possible for a bank to extend its municipal maturities slightly and improve its income substantially.

The plan is completely flexible and adjustable to the problems of any individual bank. I feel sure that the basic plan is sound. This has been proven by actual operation over a period of the past 15 years.—End.

Distribute Manual

The second supplement to the "Manual of Laws Relating to Loans and Investments by National Banks" is now being distributed by the national bank division of the American Bankers Association, it was announced recently. The replacement sheets—covering laws enacted by the 83rd Con-

gress, and changes, additions, interpretations, and opinions issued by supervisory authorities—are intended for insertion in the November, 1952, looseleaf edition of the manual.

The manual is a reference volume used by national banks in keeping abreast of laws pertaining to their lending and investment operations.

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1108 Davenport Bank Building

DAVENPORT, IOWA

First National Bank...

(Continued from page 41)

This matter of municipal investment is a day to day and month to month program. A long period of time is required to build a good sound municipal account. It also takes time and study which many bankers are not seemingly willing to give, but in my opinion, it brings large net returns to the stockholder.

HARRY L. WESTPHAL
Vice President

Iowa-Des Moines National Bank
Des Moines, Iowa

Assuming deposits of \$6,000,000 and loans of \$2,200,000, this bank under discussion might adopt the following measures:

Their U. S. governments should be

approximately 38 per cent of total deposits. This would mean \$2,262,800. From one to two hundred thousand dollars could be carried in U. S. Treasury bills in order to handle any situations arising in regard to their cash position.



H. L. WESTPHAL

With the above liquidity, governments could be spaced out through 1963 and under present market conditions the bank could certainly expect to realize an average return of around 2 per cent.

We might further suggest 15 per cent maturing within one year, 50 per cent maturing within one to five years, and 35 per cent maturing within five to 10 years.

Municipal bonds could be 12 per cent to total deposits. This would mean around \$700,000 in the case of this "First National Bank." We feel that a maturity scheduling from one to 10 years with \$70,000 coming due each year would be the ideal situation. In light of present market conditions, the bank should realize approximately a 1.6 per cent tax free return.—End.

Honor Hanover Officer

Daniel A. del Rio, vice president of The Hanover Bank, New York, recently was honored by the Cuban Government with decoration of Grand Officer of the National Order of Merit, Carlos Manuel de Cespedes.

Plan New York Merger

Bankers Trust Company, New York, the nation's ninth largest commercial bank, plans to merge with Public National Bank & Trust Company, New York, which ranks 43rd in the country.

S. Sloan Colt, president of Bankers Trust, and E. Chester Gersten, president of Public National, announced the proposed merger last month. They emphasized the proposal is subject to the approval of the directors of both banks, their stockholders and regulatory authorities.

Mr. Colt and Mr. Gersten said they have discussed the merger terms on the basis of one and one-eighth shares of Bankers Trust stock for each share of Public National stock.

If the merger goes through, the combined organization would operate under Bankers Trust Company's charter. All personnel of both banks is to be retained, according to the announcement.

JAMES C. SHAW CHARLES H. McDOWELL OWEN P. McDERMOTT

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Des Moines, Iowa

Treasury's Successful Refunding Will Influence Investment Market

Conversion of Maturing Debt Into Long-Term Issues
Was Wisely Contrived and Happily Timed

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

DEVELOPMENTS in investment markets will be influenced strongly for a long time by the Treasury's successful refunding of nearly \$2,000,000,000 of maturing debt into a non-callable, 40-year bond issue. Over the past year or so a thousand measurements were taken for "the long-term issue" and many people were beginning to think that it would never come about. But it did.

The conversion into long debt—the first since the ill-starred Humphrey 3¼s put out in 1953—was shrewdly contrived and happily timed. The exchange was limited to holders of the maturing partially tax-exempt 2⅞s per cent bonds due in 1960 and called for payment March 15. Only \$2,611,000,000 of this issue was outstanding and most of the bonds were held by commercial banks.

The community of government bond dealers did an excellent job in effectuating the transfer of the 2⅞s from the banks and other short-term investors and simultaneously placing the new 40-year 3s on a when-issued basis with pension funds, insurance companies, savings banks and other traditional long-term investors. The prudent terms decided upon by the Treasury were, of course, the factors of crucial importance in making the transaction successful.

The conversion of the 2⅞s was only one part of the refinancing. Altogether, the transaction encompassed \$14,983,000,000 of maturing debt. Besides the 2⅞ per cent bonds were \$7,007,000,000 of 1⅝ per cent certificates of indebtedness due February 15 and \$5,365,000,000 of 1½ per cent notes due March 15. More than half of the certificates were held by the Federal Reserve System and were exchanged by the central bank for new short-term obligations.

Exchange Options

The exchange options offered to investors included a 13-month 1⅝ per cent note and a two and one-half year 2 per cent note. Of the maturing debt,



\$8,450,000,000 was turned in for the 13-month note and \$3,784,000,000 for the two and one-half year note. The exchanged securities totaled \$14,151,000,000, leaving \$832,000,000,000 unexchanged, which the Treasury had to redeem in cash.

Apart from the success of the big transaction and the immediate impact of the long-term conversion on the yield structure of basic public debt and corporate investments, the introduction of the 40-year bond is bound to have profound influence on contemporary financial and economic thought.

Fuzzy Thinking

There had been a lot of fuzzy thinking about public debt questions in recent years, most of it stemming from the temptation to regard the Treasury primarily as an equilibrator of the economy and only secondarily, if at all, as a borrower like anybody else in need of funds. On the fringe of this thinking, moreover, is the idea that the government can change the going rate of interest significantly by the rate it designates for a relatively small bond issue. Further, the notion has got wildly around that a long-term government borrowing is dangerously

"competitive" with other transactions in the new capital market, and that even a small borrowing for cash—like the Humphrey issue of 1953—might precipitate the nation into a depression.

The unfortunate market experience of the 3¼ per cent bond put out in 1953—a minor transaction whose offering terms were inexpertly conceived by the Treasury and exploited by speculative interests—did much to impart plausibility to the arguments of chronic critics of any long-term government financing. A major achievement of the long-term conversion just completed will be to dispel the fog surrounding public debt management and bring the subject back into something like the focus that existed before the debt was straitjacketed into a frozen interest rate pattern to serve the fancied needs of war finance.

The availability of a truly long-term segment of the public debt in marketable form is bound to take some of the heat off the smaller issue of Humphrey 3¼s, which up until now has been an inadequate yield anchorage for the Treasury debt at the long end. The wide price swings that have characterized the market history of the 3¼ per cent bond can be expected now to be stabilized within a range of fluctuation of much less extent.

Significant, too, is the realization that now that the Treasury has vindicated the long-term borrowing function, further issues of extended term can be expected from time to time.

Savings Bond Debt

Perhaps ways can be devised to convert some of the savings bond debt—at present a demand payment commitment for the Treasury—into long-term investments. With the passage of the great depression and its sequel of "total war," it is likely that the "long-term 2½ per cent rate" is gone for good and that a 3 per cent rate will from now on more reasonably reflect the productivity of capital invested in long-term Treasury debt.—End.

What About Mutual Funds?

(Continued from page 39)

management's decisions are predominantly correct.

The buyer of mutual fund shares pays the pro-rata market price of the securities in the chosen fund's portfolio plus a sales charge which averages about 7½ per cent of the "asking price" when he buys the shares. This 7½ per cent "premium" covers the en-

tire compensation of the distributor, dealer and salesman involved in making these shares available, plus the cost of any advertising and sales literature—for the fund itself is not permitted to expend shareholders' money in sales or promotion of any kind. It should be noted, however, that this sales charge is a "round trip" and that most funds stand ready at all times to buy back at the then asset value without commission any shares offered for redemption.

For this moderate "premium" the buyer gets an interest in a broadly diversified portfolio of securities selected and constantly supervised by professional investors whose record is an open book. The continuing charge for this professional management usually runs around one-half per cent of the net assets, or about 50 cents per annum for each \$100 invested. Is the service worth the cost?

Picture of Performance

While investment results vary widely between individual funds, and should be studied carefully by prospective investors, a classified summary of results recently published by Arthur Wiesenberger, a New York specialist, gives an interesting picture of performance over the last ten eventful years.

Mr. Wiesenberger sets up three broad classes of mutual funds according to "volatility," meaning simply the rate of price movement both up and

down in relation to the general stock market. The index he uses is the percentage gain in value including all dividends and special distributions of security profits from January 1, 1945 through December 31, 1954. On this basis the three classes show the following results:

	Total Gain in Value
Group 1: Above Average Volatility208%
Group 2: Average Volatility166%
Group 3: Below Average Volatility128%

These figures make it clear why many people who are seeking income and possible appreciation are looking with interest at mutual funds and why more than 1,500,000 conservative investors now own mutual fund shares worth about \$6 billion.—End.

Investment School

The third annual session of the Institute of Investment Banking will be held at the University of Pennsylvania, Philadelphia during the week of April 4, it was announced by Walter A. Schmidt, partner, Schmidt, Poole, Roberts & Parke, Philadelphia, president of the Investment Bankers Association of America.

Sponsored by the education committee of the IBA in cooperation with the Wharton School of Finance and Commerce, the Institute provides a three year executive development program. It is designed for partners and officers of member firms and other seasoned personnel who are being groomed for positions of greater responsibility.

Edwin H. Mayer

Edwin H. Mayer, advertising manager of the Mosler Safe Company, Hamilton, Ohio, died last month at the age of 76. He had been employed by Mosler for 53 years, having been sales manager for 13 years and advertising manager for 25 years.

Honor Warehouse Officer

Harry D. Hamilton, public relations director of the Douglas-Guardian Warehouse Corporation and the Douglas Public Service Corporation, has been elected a vice president and director of The Merchants Coffee Company of New Orleans Limited. This company was founded in 1901 and Mr. Hamilton's father was one of the founders.

The new affiliation will in no way affect Mr. Hamilton's status with the Douglas interests, as he will continue to be active with them.

HORACE
was almost
right!

... he said "Go West"
and the young-in-heart
went **SOUTHwest!**

Arizona's Population
1920.....334,162
1954.....993,000

VALLEY
NATIONAL
BANK 36 OFFICES

ARIZONA'S STATEWIDE BANK
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

THE BEST SALESMEN!

Your communications and printed messages are frequently your best salesmen. That's why it is an excellent investment to depend upon Newhouse Paper Company for highest quality paper.

• • •

NEWHOUSE PAPER COMPANY

"Better Printing Papers"

Minneapolis St. Paul Des Moines Moline Dubuque

Now—direct
PLANE-to-BANK
messenger service!

Cash letters sent to The Northern Trust via air mail are now received and handled faster than ever before. Special messengers go directly to the airport on a regular schedule to pick up incoming checks and drafts and rush them to the bank for immediate clearance.

By eliminating passage of mail through the downtown Chicago Post Office, the new service

saves up to four hours transmittal time . . . and assures your cash letters the greatest speed and efficiency in clearance.

To enjoy this new service all you need do is use special AMF (Air Mail Field) labels and envelopes, which we supply. Write or phone us today. Our new plane-to-bank delivery is another reason why "you benefit by doing business with The Northern Trust."



THE
NORTHERN TRUST
COMPANY

50 SOUTH LA SALLE STREET
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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, March, 1955

Elect New Investment Officers



NEW PRESIDENT of the Iowa Investment Bankers Association is **John M. Beyer**, president and treasurer of Beyer-Rueffel and Company, Davenport. He is shown above receiving congratulations at the annual meeting in Des Moines from retiring president **Glenn Ravenscroft**, owner of Ravenscroft and Company, Cedar Rapids. At left is **A. M. MacLaughlin** of Vieth, Duncan and Wood, Davenport, who is new first vice president. At right is **James Rasley**, assistant cashier in the bond department, Iowa-Des Moines National Bank, Des Moines, who was reelected secretary-treasurer. New second vice president **Douglas Conway** was not present when this picture was taken.

Semi-Annual Dividend

A \$600,000 semi-annual dividend was announced recently by Walter R. Bimson, chairman of the board of the Valley National Bank, Tucson, Arizona, following its approval by the directors.

The common stock dividend will be payable in two quarterly installments of 25 cents each—the first on March 22 to stockholders of record March 8, and the second on June 22 to stockholders of record June 8. Each installment will total \$300,000.

The \$600,000 total represents a \$150,000 increase over the amount paid out in dividends in the first half of 1954. A higher per share dividend rate paid on a larger number of shares accounts for the increase.

Of the 1,200,000 shares of Valley National Bank stock now outstanding, are owned by Arizona residents.

"This means that more than \$360,000 will be poured into the Arizona economy alone in the form of cash dividends during the first half of 1955," Mr. Bimson noted.

It pays to keep posted on Agricultural developments

"Your advice saved my farm" . . . "I saved \$10,000 by spending \$20 for the Digest." . . . "I'd have been \$10,000 ahead if I had followed your advice" . . . "Your advice made me over \$3,000."

These extracts from some of the many letters we have received from subscribers indicate the value of the practical advice of the

DOANE AGRICULTURAL DIGEST

and its twice-monthly reports, not only to farmers, but to those whose business is in any way connected with farming.

Such information enables bankers to make sound decisions and recommendations when advising farmers or business men doing business with farmers.

More than 1900 banks renew their subscriptions each year because it pays to keep posted on agricultural developments.

Write for Free Sample Reports

which interpret trends and predict outlook on prices, production, markets, shortages and surpluses ahead.

Doane Agricultural Service, Inc.
Dept. 608, 306 Plymouth Building, Des Moines 9, Iowa

Northwestern Banker, March, 1955

Burroughs Progress

World-wide operations of Burroughs Corporation and its subsidiaries produced revenue of \$169,099,093 in 1954, the highest in the corporation's history, John S. Coleman, president, announced last month.

This was an increase of 5.4 per cent over the 1953 total revenue of \$160,455,068. (The 1953 figure is restated to conform to certain accounting changes made in 1954.)

Although expenses for research and development in 1954 were 39 per cent above those of 1953, earnings from all operations after provision for income taxes totaled \$9,146,514, compared with \$7,826,148 in 1953. Estimated income taxes on the current year's earnings were \$8,590,000, compared with \$9,840,000 in 1953.

Earnings for the year from operations in the United States and Canada, including dividends received from subsidiaries operating in other countries, amounted to \$7,796,065, or \$1.56 per share, compared with \$7,206,655, or \$1.44 per share in 1953.

Revenue from operations outside the United States and Canada was 14 per cent above 1953 and higher than in any prior year.

The annual report will be mailed to stockholders on March 15, 1955.

F.P.R.A. Projects

One hundred and eighty-four projects prepared by graduates of the School of Financial Public Relations are listed in the new 1955 catalogue announcing the eighth annual session of the school to be held at Northwestern University, July 25-August 6, 1955. It has been mailed to all members to use as a valuable reference book on projects completed by graduates of the school and placed in the association library. The projects are valuable sources of original information on a variety of subjects and are available to members on a loan basis.

A.I.B. Appointment

Edward L. Bittner of The First National Bank, Kansas City, Missouri, has been appointed chairman of the national public relations committee of the American Institute of Banking for the remainder of the current institute year.

Mr. Bittner, who was a member of the committee for 1954-55, takes the place vacated by the resignation of Mrs. Bessie P. Faddis of the Union National Bank, Pasadena, California.

B of M Promotions

Important executive changes, affecting its organization in both eastern and western Canada, have been announced by the Bank of Montreal.

R. L. Bailey, manager of the Winnipeg main office of the Bank of Montreal, has been appointed assistant general manager supervising the bank's 140 branches in Manitoba, Saskatchewan and Alberta. He succeeds Leslie L. Sinclair who is retiring on pension after 45 years' service with the B of M.

To succeed Mr. Bailey, the bank has named William E. Stewart manager of the Winnipeg main office. Mr. Stewart goes to Winnipeg from Toronto where he has been manager of the B of M's important King and Yonge streets branch.

Succeeding Mr. Stewart is Robert Smillie who has been superintendent of the B of M's branches in British Columbia Yukon.

The new superintendent for the 87 branches of the bank in British Columbia and the Yukon is Fred S. Harrison who goes to Vancouver after three years in a similar capacity in Montreal where he had supervision of the bank's branches in Quebec and Newfoundland.

Taking over from Mr. Harrison as superintendent in Montreal is his assistant, Laurent Gelly, who was formerly assistant manager of the main office in Quebec City.

New Spencer Plant

Kenneth A. Spencer, president of Spencer Chemical Company, announced last month that the test run of the company's polyethylene plant at Orange, Texas, was now in production.

In making this announcement, Mr. Spencer particularly pointed out that the operating section was started up and placed in automatic control in a matter of 15 minutes after initial production, and that since start up, operation has been continuous. In the initial run, conditions of operation were varied to produce several satisfactory grades of polyethylene material. During this trial run the producing section was operated at approximately 80 per cent of designed capacity.

Crocker Changes

James A. Bacigalupi, Jr., assistant vice president of Crocker First National Bank of San Francisco, has been appointed advertising manager, according to an announcement by J. F. Sullivan, Jr., president.

The advertising and business development activities are now under the general direction of Hart H. Tantau, vice president and coordinator.



COAL CAN MAKE A BANK LOAN SAFE!

Here's how your bank can make more loans, earn more profit and keep customers more contented!

When a prospective borrower wants more cash than you can lend on a non-secured basis, suggest a loan on inventory (it can be almost any product from coal to canned goods). Under the Douglas-Guardian Plan, we issue field warehouse receipts to you without moving the merchandise from the borrower's premises.

Result: You make the loan with collateral and without risk; your customer gets the money he needs; your bank makes a friend as well as a profit.

You Make The Loans — We'll Make Them Safe

DOUGLAS - GUARDIAN

WAREHOUSE CORPORATION

"The Bankers' Field Warehouse Company"

NEW ORLEANS 1, La., 118 North Front St.

NEW YORK 4, N. Y., 50 Broad St.

CHICAGO 2, Ill., 173 W. Madison St.

SAN FRANCISCO 3, Calif., 785 Market St.

PORTLAND 4, Ore., U. S. Nat'l Bank Bldg.

LOS ANGELES 14, Calif., Garfield Bldg.

SPRINGFIELD, Mo., McDaniel Bldg.

and 18 other convenient nation-wide offices



Mosler Flush Type "Picture Window" for Drive-in Banking. Note how cover of deposit unit opens to 45° angle, allowing safe, easy access to customer's hand.

RESULT:

A definite line of distinction, now, between "PICTURE WINDOWS" and all others!

You recall when it began—just four months ago on these very same pages—with the introduction of Mosler's new "Picture Windows" for Drive-in Banking. Until then you might have bracketed all drive-in windows together in your thinking. But not any more—for *plenty* of reasons!

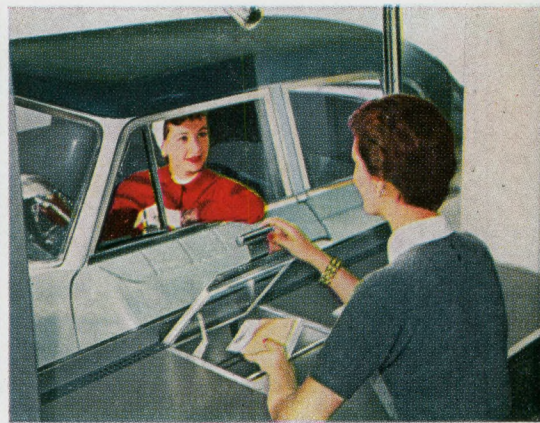
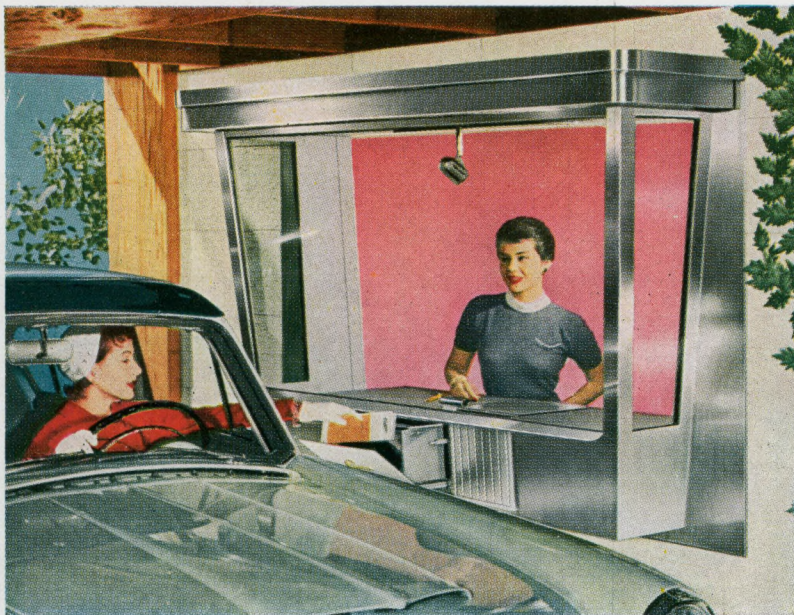
It's pretty obvious what *first* caused bankers all over America to set "Picture Windows" apart in their thinking. Your eye can hardly *miss* it.

But the really *decisive* factor seems to have been the ingenious mechanism *behind* this inviting, new "open" look which Mosler and Henry Dreyfuss created to harmonize with modern bank architecture and bring teller and customer closer together.

Actually, it's the *only* fully automatic mechanism of its kind *in* a drive-in window, today. One touch of a push button, and electricity does the rest . . . sends the teller's unit out . . . opens its cover to an easily accessible 45° angle . . . then retracts it automatically after 15 seconds (or any interval you desire).

Teller's hands are free at all times. Her vision is free and unobstructed, too. Customer reaches teller's unit easily—even with large bag deposits. There is no chance of fingers catching or money blowing away. For unit is 100% safe . . . 100% windproof. And any chance of embarrassing errors in transactions is eliminated, because deposit receptacle is glass-covered and money is never out of customer's sight.

If your immediate or long range plans include modern drive-in facilities, you'll be interested in all the *other* new features built into these new Mosler units, too. Mail coupon for our new "Picture Window" catalog. It'll show you *why* these units have won such widespread acceptance, so quickly!



Inside of new Mosler "Picture Window" is designed for split-second efficiency. Note glass lid of deposit receptacle, which is counter-balanced for effortless operation by teller. Money is never out of customer's sight. Speaker system permits easy conversations . . . leaves teller's hands free. Two big cash and storage drawers are positioned for quick, easy access.

New Mosler Bay Type "Picture Window" for Drive-in Banking has same "open" look . . . same ingenious mechanism as flush type.

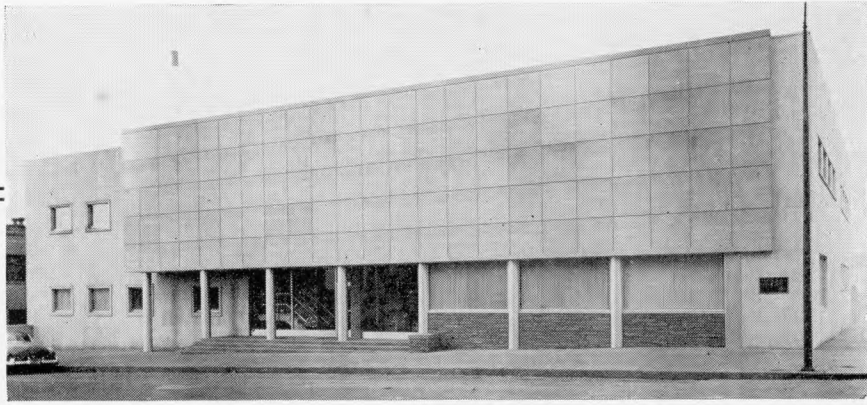
If it's Mosler . . . it's safe

The Mosler Safe Company
Since 1848

World's largest builders of safes and bank vaults . . .
Mosler built the U. S. Gold Storage Vaults at Fort Knox and
the famous bank vaults that withstood the
Atomic Bomb at Hiroshima

The Mosler Safe Company, Dept. 2.
320 Fifth Avenue, New York 1, N. Y.
Please send me your new catalog which gives complete details and
specifications for the new Mosler "Picture Windows" for Drive-in Banking.

NAME _____ POSITION _____
BANK _____
ADDRESS _____
CITY _____ ZONE _____ STATE _____



Our Home Office is pleased to present
its
FINANCIAL STATEMENT
as of December 31, 1954

ASSETS

Cash	\$ 425,841.86	6.5%
U. S. Bonds (amortized value).....	3,056,968.77	46.5%
Other Bonds (amortized value).....	1,494,550.45	22.7%
First Mortgages (none delinquent).....	589,305.12	9.0%
Due from Agents (current balances).....	347,708.00	5.3%
Building and Loan Shares.....	25,000.00	.4%
Real Estate Owned.....	539,885.15	8.2%
Due from Reinsurance Companies.....	13,438.52	.2%
Accrued Interest on Investments.....	37,479.71	.6%
Cash Value of Life Insurance.....	39,040.28	.6%
	\$6,569,217.86	100.0%

LIABILITIES

Current Bills	\$ 8,589.79
Current Reinsurance Premiums.....	17,743.96
Taxes Accrued	153,708.12
Unearned Premiums	2,695,023.42
Reserve for Unpaid Losses.....	628,603.95
Equity in Schedule "P".....	131,648.00
Special Reserve	18,244.12
Surplus	2,915,656.50
	\$6,569,217.86

Western Mutual Insurance Co.

616 Tenth Street
DES MOINES, IOWA



A Multiple Line, Non-Assessable Company in Our 48th Year

INSURANCE

Keys to Selling

Confidence Plus Acts of Faith

By **ARTHUR D. BRUNK**
Springfield Agency

Equitable Life Insurance Company of Iowa
Champaign, Illinois

... The author entered the life insurance business in 1947 and has spent much of his time writing professional men and university professors in the Champaign, Illinois, area. As an aid to his estate and retirement sales, he publishes a four-page monthly booklet entitled, *Your Estate*.



ARTHUR D. BRUNK

"To sell one must have confidence in himself, his company, and his product. If he does not believe in his company or the product he sells, he is of little value to his company or to himself and would profit by moving on."

YOU and I have read numerous articles telling of the success of certain individuals. These Horatio Alger type accounts have become a part of the great American success story. They come in an endless chain and fill our professional magazines with the bulk of their inspirational material.

The stories are almost always read, for you and I as the readers, have an opportunity to identify ourselves with the author or hero and to enjoy his success. You feel you could be just as successful—but then you wonder. You stumble and begin to make excuses to convince yourself that your situation is different or special or—until finally the story is forgotten.

What is the difference between a successful agent and a mediocre one? You have all attended a number of meetings with life underwriter friends and competitors. As a rule you give your attention to the meeting programs and relax in the most respectful manner. At the next meeting you attend, look around and see if there is anyone taking notes—when you find the men who are, you'll find they are the largest producers.

Why do these large producers seem so eager, when successful men are content to sit. Many of the ideas are not new, and they have heard them before. What then is the difference? The main difference is attitude or the fundamental habit of thinking. It is the difference between the servant and the master.

Working Formula

You and I may have entirely different backgrounds, different clients, and different training. But we all must possess the intangible something that turns us into eager and willing workmen, anticipating each task with the joy of a child at a party.

You will, no doubt, have your ups and downs. But they can be profitable if you will establish a solid working

formula. Your formula may differ in detail from my formula, but mine is based on three things.

These are confidence in my company, confidence in myself and confidence in my product. This is easy to say but may prove difficult to mold into the working formula upon which you can act. Therefore you need to have some "acts of good faith" on your part to help keep your confidence strong and workable.

Now let's be specific. Do you believe in your company? If you don't your best bet is to get out.

My company has provided me with the best sales materials available. My company has helped me with special underwriting problems relating to pension plans. My company helped educate me through in-training programs, including the C.L.U. programs. My company has a liberal retirement plan and a health and accident program. My company has the finest group of contracts available for me to sell. My company—yes, my company and I could go on with a long list.

Confidence in Self

Just sit down and list them until you can say, "My company," with a conviction that makes you proud to be a part of the company. Remember, you may be the only person from the company that many will know, and to them you are "My Insurance Company."

The next step—confidence in myself—follows easily. But it also needs some "acts of good faith" to keep it

KEYS TO SELLING . . .

(Turn to page 58, please)

Northwestern Banker, March, 1955

New Insurance Features

Some new features available to banks in the installment lending field were revealed recently by Henry Scarborough of Scarborough & Company, Chicago, bank insurance counselors, who appeared at a workshop on installment lending sponsored by the Colorado Bankers Association last month.

One feature, the "lenders double interest," he said, was a marine form covering "transportation to the home by the dealer, flood, windstorm and a very broad comprehensive coverage."

He added that the cost to the borrower is "insignificant," and "many banks by merchandising this feature have increased their appliance volume materially. Furthermore, it puts the bank on a competitive basis insurance-

wise with the finance companies."

Another feature which he said was again being offered after having been withdrawn was dealer fraud insurance against "invalid, forged notes or paper involved in the transaction, or where the borrower did not have title, as well as conversion or theft on the part of the dealer."

Other features Mr. Scarborough described included:

"Nonfile chattel mortgage policy." Developed by Scarborough & Company, he said that with a bank "scrutinizing the credit side of loans," it cannot only save filing fees and paper and clerical work, but is also covered country-wide against any loss whereas "many chattels are not valid in states other than where filed."

A "lenders single interest" policy for automobiles where the borrower fails to deliver fire, theft and collision insurance. It covers policy cancellation, loss or technical error in the policy's loss payable clause.

"Creditors' group life insurance" and "creditors' group accident and health insurance" with 30-day waiting periods, which he called "great merchandising value" to the installment lending department.

Square Deal Progress

C. Fred Morgan of Des Moines was re-elected president of the Square Deal Insurance company recently at the thirty-fifth annual meeting of company officers and directors held in Des Moines, Iowa.

Mr. Morgan has headed the crop hail insurance firm since 1935. He has been active in the hail insurance firm since 1899.

Other officers re-elected were Otto Walther, Waverly, vice president; Merle D. Morgan, secretary; Emmett E. Johns, treasurer, and A. A. Kane, assistant secretary, all of Des Moines.

Merle D. Morgan and Donald Booth of Thayer were re-elected to the board of directors. Other directors are C. Fred Morgan, Walther, Johns, John Beller and P. H. Cless of Des Moines.

President Morgan reported to the officers and board members that in 1954 Square Deal made one of its largest single-year increases in assets and surplus.

He listed company assets as \$2,961,278 and surplus as \$2,808,418.

What Is Loss Prevention?

The Iowa Mutual Tornado Insurance Association is proud of the part it plays in telling the Loss Prevention story to the people of Iowa.

Loss Prevention, is, of course, the many things Iowa folks do to protect their property from damage and total demolition. We remind folks that there's a lot of truth in the old saying, "An ounce of prevention is worth a pound of cure."

It's impossible to measure the number of lives or the value of Iowa farm property that has been saved by a continuous Loss Prevention program. But we believe it has been substantial—and we're going to keep it up! Won't you join us?

Iowa Mutual Tornado Insurance Association

1883

Des Moines 8, Iowa

1955

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



Scarborough & Company Insurance Counselors to Banks

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

Western Mutual Meeting

Elected to the board of directors for a three-year term at the annual policyholders' meeting held recently in the home office of Western Mutual Insurance Company, Des Moines, were: Robert J. Kent and Charles S. Vance, both of Des Moines, and Ronald C. Booth, Cedar Rapids.

J. Dolliver Kent was re-elected president and other officers include: Albert H. Adams, vice president; Robert J. Kent, vice president and secretary; Mont S. Stokely, treasurer; J. Dolliver Kent, Jr., assistant to the president; Clyde W. Corbin, assistant secretary, and John C. Stougard, assistant treasurer.

Western Mutual's financial statement December 31, 1954, showed total assets of \$6,569,217.86 and a surplus of \$2,915,656.50.

Reports 1954 Gains

Substantial gains were recorded by the Employers Mutual Casualty Company of Des Moines in 1954, according to a report released by John F. Hynes, president. Admitted assets showed an increase of 14 per cent, to a total of \$36,520,144. Claim reserves were increased a total of 14 per cent, to \$13,982,684, while reserves for all other liabilities were \$12,395,812 for a gain of 3 per cent.

Surplus to policyholders now totals \$10,141,648, an increase of 32 per cent over the previous year. Net premium writings by the company last year were \$24,938,119.

Employers Mutual is now licensed in 32 states, including Alaska and the District of Columbia.

The company has announced a building program which will double the size of its present home office quarters and construction will begin about April 1.

The Employers Mutual is an agency company writing business only through regularly licensed producers.

Allied Mutual Report

Allied Mutual Casualty Company, Des Moines, Iowa, increased its assets \$1,299,211.98 in 1954 over 1953 figures, according to an announcement of Harold Evans, president.

Total assets reached \$10,811,000 as of December 31, 1954, and reserves climbed to \$3,712,000.

Premium writings in 1954 were \$7,666,515. The consistent growth pattern enjoyed by Allied Mutual is shown by comparing premium writings in former years. Ten years ago the company's writings were \$1,128,650 and 20 years ago writings were \$219,753.

EMPLOYERS MUTUAL CASUALTY COMPANY

Home Office

210 Seventh Street

Des Moines

Condensed Statement as of December 31, 1954

DIRECTORS

J. W. GUNN
Chairman of the Board
and Treasurer,
Des Moines, Iowa

JOHN F. HYNES
President,
Des Moines, Iowa

M. J. WILKINSON
Vice-President and
Supt. of Agents,
Des Moines, Iowa

W. J. HYNES
Secretary,
Des Moines, Iowa

F. E. BELLAMY
Board Chairman,
Concrete Materials &
Construction Co.,
Cedar Rapids, Iowa

W. H. BRENTON
Pres., Brenton Bros.,
Des Moines, Iowa

H. L. HJERMSTAD
Pres., Citizens Fund
Mutual Fire Insurance Co.,
Red Wing, Minn.

DR. L. E. KELLEY
Physician and Surgeon,
Des Moines, Iowa

FRANK KOHRS
President, Kohrs Cold
Storage Co.,
Davenport, Iowa

CARL MUELHAUPT
Pres., Central Service Co.,
Des Moines, Iowa

AMOS C. PEARSALL
Pittsburgh-Des Moines
Steel Co.,
Des Moines, Iowa

W. Z. PROCTOR
Attorney at Law,
Des Moines, Iowa

R. W. WEITZ
President,
The Weitz Company, Inc.,
Des Moines, Iowa

DR. R. W. WOOD
Physician and Surgeon,
Newton, Iowa

ASSETS

United States Government, State, Municipal and Miscellaneous Bonds	\$27,304,995.33
No bonds owned by the Company have ever been in default either as to interest or principal.	
Cash in Banks.....	3,092,909.82
Real Estate—Home Office and Branch Office Buildings.....	492,322.98
Real Estate Mortgages.....	757,429.10
Stocks	1,806,780.00
Premiums Receivable—Not Past Due Current balances due from Agents and Policyholders.....	2,819,437.13
Accrued Interest and Other Assets..	246,269.90
Total Admitted Assets.....	\$36,520,144.26

RESERVES

Reserve for Claims.....	\$13,982,684.46
Funds set aside to fully pay all incurred and expected losses.	
Reserve for Unearned Premiums.....	10,447,138.81
Funds set aside to return to every Pol- icyholder the unearned premium in event of cancellation.	
Reserve for Taxes—State and Federal	812,090.59
All Other Reserves.....	1,136,582.47
Included in this Reserve is a sufficient amount to pay dividends on all participat- ing policies.	
Total Reserves	\$26,378,496.33
Reserve for Con- tingencies	\$1,250,000.00
Guaranty Fund	750,000.00
Unassigned Funds	8,141,647.93
Surplus as Regards Policyholders....	10,141,647.93
Total	\$36,520,144.26

BRANCH OFFICES

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

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

Dallas, Tex.
Denver, Colo.
Seattle, Wash.
Houston, Tex.
Vancouver, B. C.

Automobile, Plate Glass,
Workmen's Compensation,
Fire and Inland Marine



General Liability Insurance,
Health & Accident, Burglary,
Fidelity and Surety Bonds

A NATIONAL INSTITUTION

Keys to Selling . . .

(Continued from page 55)

strong. The first is study on a regular, planned program. Become so saturated with your subject that you cannot help but radiate confidence.

Know your approaches and sales presentations so that you can release all of your conscious effort to watching the client and his reactions. This was one of the most difficult steps for me to make a working part of my day.

You and I hate to be a victim of an obviously memorized sales talk, and therefore, we stumble around for ideas and words until we are lost—and so is

the client. Don't forget the purpose of the memorized sales talk. It is to release your conscious effort so that you can study your client's reactions—now it is much easier. Try it.

All other details such as records, use of direct mail, sales material, etc., are tools. We can use these as "acts of faith" to keep our confidence in ourselves strong.

The last one—confidence in product—seems too obvious, but we have heard so many critics of our product that we need to practice "acts of good

faith" here also. The most obvious are the living beneficiaries in our communities, and we need to list them. Start such a list some time, it will do you good.

Horace R. Smith, C.L.U., spoke to our local underwriters association when he was a director of the Life Insurance Marketing Institute at Purdue University and at the conclusion of the talk, left us with this thought:

"I think you can readily agree with me that life insurance is indeed a very social institution. You remember that during the depression it was frequently said that federal aid saved our democracy? The combined sum of all federal aid from 1932 to 1941, including the benefits of all kinds of relief and other emergency funds, totaled 23 billion dollars. Yet the life insurance companies in the same period of time disbursed to beneficiaries and living policyholders, 26.5 billion dollars. So I would be inclined to feel that America saved itself for democracy and that the life insurance companies and the policyholders made it possible for the country to be saved."

Needed Base

Confidence is the base we need to build with "acts of good career faith," and from it will come a life of service and a career in life underwriting. Confidence in my company, confidence in myself and confidence in my product. With these as a base the details will fall into their place and we will do first things first. We will be able to take the discomforts, insults and disappointments because we have a strong conviction we are part of the greatest institution in the world.—End.

Federal Reserve Election

Edward E. Brown, chairman of The First National Bank of Chicago, was reelected president of the Federal Advisory Council of the Federal Reserve System for 1955 at a meeting held last month in Washington.

Robert V. Fleming was elected vice president. Mr. Fleming is president and chairman of the board of The Riggs National Bank of Washington, D. C.

Directors elected were: William D. Ireland, president, the Second National Bank of Boston; Henry C. Alexander, president, J. P. Morgan & Co., Incorporated, New York City, and Frank R. Denton, vice chairman of the board, Mellon National Bank and Trust Company, Pittsburgh. The above five constitute the executive committee of the council.

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



ABOVE: The President of the Ralls County State Bank is shown receiving the check canceling the assured's indebtedness, from Norbert Schindler (left), Colorado Credit Life Resident Vice President for Illinois, and Paul Stroud (right), Resident Vice President for Missouri.

HERE'S THE STORY!

CLAIMS LIKE THIS EXPLAIN WHY BANKERS AND THEIR BORROWERS APPRECIATE THE PROTECTION OFFERED BY

COLORADO CREDIT LIFE

NEW LONDON, MISSOURI . . .

When Mr. of New London, Missouri, borrowed \$5,000 on a six-month term from the Ralls County State Bank, he had his debt insured with a Colorado Credit Life level term policy. In December, 1954, Mr. was involved in an automobile accident caused by icy roads, and he died as a result of the accident. At the time of his death, he had repaid \$3,000 of his loan, but there was still \$2,000 outstanding. Colorado Credit Life paid off the existing indebtedness of \$2,000 and paid \$3,000 into Mr. 's estate.



PAID WITHIN 5 WORKING DAYS

Only 5 working days after this claim was received by the Colorado Credit Life home office, the President of the Ralls County State Bank received a check for \$2,000, and a check for \$3,000 was presented to the executor of the estate. The checks were sent AIR MAIL SPECIAL DELIVERY to assure immediate payment by the Resident Vice President. Colorado Credit Life pays when your borrowers can't . . . PAYS IMMEDIATELY!

CREDIT LIFE INSURANCE

DEBT CANCELLATION

FIRE INSURANCE

AUTOMOBILE INSURANCE



COLORADO CREDIT LIFE

COLORADO INSURANCE COMPANY

COLORADO CREDIT LIFE UNDERWRITERS

We invite your questions and requests for information. Wire or call collect to the Colorado Insurance Group Home Office in Boulder, Colorado.

Trust Officers Invited to Estate Planning Institute

TRUST officers, attorneys, accountants and life insurance underwriters from all over the country will have National Estate Planning Institute, which is scheduled to be held in Des Moines on April 18 and 19. Headquarters will be Hotel Fort Des Moines.

The main purpose of the institute will be to provide greater understanding for the four professions of the proper handling and solution of the average business man's estate. Bankers interested in trust work are invited by the sponsors of the institute to attend and are particularly encouraged to bring any attorneys, accountants or life underwriters from their communities who have an interest in estate planning.

The program will be unique since it will feature four men recognized as top authorities in their respective fields. They are: Joseph Trachtman of Trachtman and Wolf, a New York law firm; Robert J. Lawthers, director of benefits and pension business of the New England Mutual Life Insur-

ance Company, Boston; Laffin C. "Bob" Jones, executive assistant of the Northwestern Mutual Life Insurance Company, Milwaukee, and Kenneth I. Todd, trust officer of the Valley National Bank, Phoenix, Arizona.

Mr. Trachtman is one of the leading estate planning counsels in New York, having been selected by the American Bar Association to author its book on "Estate Planning."

Mr. Lawthers has been a student of tax law for 30 years and is one of the leading lecturers in the nation on estate planning.

Mr. Jones has authored several articles for life insurance journals, looking at estate planning from the life underwriter's viewpoint.

The institute will be presented in a dramatic fashion to outline clearly the entire background of a typical client's case. This elaborately planned presentation will weave in the roles played by the four professions concerned with serving the client's estate planning needs. Following this, all regis-

trants will be given an opportunity to ask questions or express themselves on any phase of the plan presented. To facilitate this, table arrangements will be such that mixed groups representing the four professions will be seated together for mutual discussion purposes.

The two-day institute will be strictly a workshop affair. Due to hotel limitations, registration will be limited to the first 425 persons sending in reservations.

The \$25 registration fee per person should be sent to the National Estate Planning Council, 212 Equitable Building, Des Moines 9, Iowa.

Cooperating sponsors of the clinic include: American Society of Chartered Life Underwriters, Des Moines Chapter; Des Moines Estate Planning Council; Des Moines Association of Life Underwriters; General Agents and Managers Association; Iowa Accountants Association; Iowa Corporate Fiduciaries Association; Iowa Quarter Million Club; Polk County Bar Association; Colleges of Liberal Arts, Fine Arts, Business Administration and the law school at Drake University, Des Moines.—End.



62nd ANNUAL FINANCIAL STATEMENT

As of December 31, 1954

ASSETS		LIABILITIES	
Bonds—Amortized Value	\$ 5,810,524.86	Reserves:	
Stocks—Convention Market	287,675.00	Claims and Claims Expense	\$ 1,394,933.96
Mortgage Loans on Real Estate	404,031.06	Contingent Commissions	374,053.91
Real Estate—Including Home Office		Taxes—Federal, State and Other	243,063.74
Building	662,991.55	Unearned Premiums	2,250,044.71
Cash and Bank Deposits	1,092,558.90	All Others	130,980.30
Agents' Balances—Not Past Due	113,194.88	Total Liabilities	\$ 4,393,076.62
Interest Due and Accrued	37,077.47	SURPLUS	
All other	413,570.70	Surplus As Regards Policyholders	\$ 4,428,547.80
Total Admitted Assets	\$ 8,821,624.42	Total	\$ 8,821,624.42

FARMERS MUTUAL HAIL INSURANCE COMPANY OF IOWA

MAX D. RUTLEDGE, President

1019 High Street, Des Moines

George A. Malcolm

George Avery Malcolm, 65, president, The Drovers Banks in Chicago, died of a heart attack in Passavant Memorial Hospital, Chicago, last month. Mr. Malcolm's passing ended a career of 45 years of banking in Chicago, during which time he had become widely known and respected in financial circles. His warm personality and understanding had made him an easy executive to approach and talk to—and this trait contributed to his popularity with the employees of the bank.

Mr. Malcolm was born in Chicago July 22, 1889, and was educated in Chicago Public Schools. He attended law school before deciding on a banking career. In 1910 he started working for

the old Fort Dearborn National Bank, and on August 1, 1915, he started at the Drovers National Bank as chief clerk. Over the years he held many

the Illinois Bankers Association, and a member of the commerce and marine commission of the American Bankers Association. He was a member of the South Shore country club, the Union League club and the Chicago Athletic Club.

Survivors include his widow, Mabel C. Malcolm of 7321 South Shore Drive, Chicago, and a daughter, Mrs. Marjorie Brookes of 9925 South Bell, Chicago.



GEORGE A. MALCOLM

positions, working up to assistant cashier, cashier and vice president. In 1945 he was named president of both the Drovers National Bank and the Drovers Trust & Savings Bank.

He was treasurer of Group One of

Chicago AMF Service

Seven major Chicago banks have announced the start of an Air Mail Field service under which they will receive, directly at the Chicago airport, special airmail envelopes containing checks and collection items coming to them by air mail from correspondent banks all over the United States.

The seven banks are the First National Bank of Chicago, Harris Trust and Savings Bank, LaSalle National Bank, Chicago National Bank, American National Bank & Trust Co., City National Bank & Trust Co., and The Northern Trust Company.

The service is expected to save correspondent bank customers of the banks as much as 3-4 hours in the clearance of checks and drafts by eliminating the passage of such letters through the downtown Chicago post office.

**dependable
insurance
service
since 1900**

FIRE

**AUTOMOBILE
INLAND MARINE
EXTENDED COVERAGE**

AGENTS: You will be pleased with our Service and the Genuine Protection afforded by our Non-Assessable Policies.

**MUTUAL FIRE
AND AUTOMOBILE
INSURANCE CO.**

**HOME OFFICE
CEDAR RAPIDS, IOWA**

**SOLID
SECURITY**

**THE SAINT PAUL
BANKER'S BLANKET BOND
WITH EXTENDED COVERAGE**

- The most comprehensive coverage you can have
- Unexcelled claim service

CALL
YOUR
SAINT PAUL
AGENT...
TODAY

**SAINT PAUL-
MERCURY INDEMNITY COMPANY**
111 West Fifth Street, Saint Paul 2, Minnesota
INSURANCE COUNSELLORS TO BANKS

Mutual Fire Progress

Mutual Fire and Automobile Insurance Company of Cedar Rapids, Iowa, held its 55th annual meeting recently and entertained a large group of agents and policyholders.

J. M. Winchell, secretary, reported an increase of 12 per cent in written premiums, 10 per cent increase in admitted assets and 5½ per cent increase in surplus. Earned premiums were up 11½ per cent while unearned increased 7 per cent. The company closed the year with \$1,016,029 in admitted assets.

J. E. Wilson, H. C. Doane and A. C. Taylor were re-elected to the board of directors, each for a term of three years. All officers of the company were re-elected and a new office, that of assistant secretary, was filled by the election of Paul A. Anderson, who will continue as supervisor of the claim department.

At the annual banquet certificates of award for 20 years continuous service as local agents in Iowa were presented to D. M. Crumley of Rippey, W. C. Dostal of Protivin, C. A. Harding of Baldwin, Jesse O. Kober of LaPorte City, S. T. Lawler of Casey, Fred J. Pylman of Sheldon and C. H. Warnock of Iowa Falls. W. C. Zeman of Cedar Rapids was again honored as the top individual producer for 1954.

The company is now licensed in five states, namely, Iowa, Nebraska, South Dakota, Colorado and Minnesota.

Foreign Students Tour Bank



EXCHANGE STUDENTS BRIEFED—Anton W. Koester, manager of the trust bookkeeping department of Bankers Trust Company, New York, briefs the 33 foreign exchange students, who recently toured the bank, on the operation of tabulating machines. The young people, representing 14 foreign countries, are sponsored by the American Field Service and spent the day visiting Wall Street.

WALK-UP WINDOWS . . .

(Continued from page 24)

MOTORISTS AND DEPOSITORS:

1. Cuts Banking Time from 15 to Two Minutes.

The motorist depositor will bank in one-seventh the time he now normally takes to find a parking space, park, walk to and from the bank, and stand in a rush-hour line.

2. Safety for Depositors.

Depositors do not expose themselves

to loss unnecessarily by walking the streets to reach the bank carrying large sums of money on their persons. Less chance of theft, holdup, or loss.

3. Parents Need Not Leave Children or Escort Them on Crowded Sidewalks.

Children are within easy sight of parents who bank at the walk-up window, relieving parent of trouble of escorting on sidewalk or leaving unattended.—End.

Bankers . . .

For the most comprehensive, up-to-the-minute insurance programs available, you'll want to investigate our services.

Credit Insurance, Group Creditor, Life, Hospitalization, Mortgage Plans, and Disability Plans.

We specialize in serving financial institutions.

CENTRAL STATES HEALTH AND ACCIDENT ASSOCIATION
WOW BUILDING, OMAHA 2, NEBRASKA, T. LESLIE KIZER, PRES.

Plan F.P.R.A. Regionals

Three regional public relations conferences will be sponsored by the Financial Public Relations Association this year. The association's executive committee approved plans for one-day meetings in Atlanta, Georgia, May 4; Cincinnati, Ohio, May 6, and Boston, Massachusetts, May 11.

The regional meetings are working meetings. Sessions continue for a full day and evening during these concentrated, boiled-down one-day conventions.

C. Arthur Hemminger, advertising manager of the First National Bank,

St. Louis, will be the general program chairman for the annual convention of the F.P.R.A., to be held in the Hollywood Beach Hotel, Hollywood, Florida, November 14-18.

Royal Bank Changes

The Royal Bank of Canada announced recently that A. F. Mayne has been appointed associate general manager, a new position, and that R. W. Shannon has been appointed assistant general manager.

As associate general manager Mr. Mayne, heretofore an assistant general manager, will be responsible for

the management of the bank's operations in the foreign field. Mr. Shannon, who has been a general inspector, will have jurisdiction over non-domestic business.

New Appointment

The appointment of Gerald G. Morse as assistant vice president of the American National Bank and Trust Company of Chicago was announced recently by Robert E. Straus, president, following a meeting of the bank's board of directors.



GERALD G. MORSE
Joins correspondent bank division of
American National Bank & Trust Company,
Chicago

Mr. Morse, who will serve as a member of American National's correspondent bank division, was previously associated with the Federal Reserve Bank of Chicago for over 11 years. During the past five years, he was the Illinois representative for the bank relations department of the Federal Reserve.

A graduate of Princeton University and the School of Banking at the University of Wisconsin, Mr. Morse also attended the Agricultural Credit School of Iowa State College, Ames.

Manufacturers Promotions

Four appointments were recently announced by Horace C. Flanigan, president of the Manufacturers Trust Company, New York.

Thomas Heslin, Charles F. French, Jr., and Edward J. Colbert were named vice presidents. Earl A. Drew was named deputy auditor.

It was also announced that Eugene S. Northrop, a vice president of the bank, was elected a director of the New York Dock Company recently. Mr. Northrop is in the bank's trust department.

That New MORTGAGE PROTECTION PLAN Is A Real LOAN BUILDER



Bankers who have seen it agree . . . here is one of the finest mortgage protection plans of all. It provides maximum protection to you and your customers at minimum costs. In fact, the net cost in most cases is only a fraction of one per cent per year for the duration of the mortgage. It's "tailor-made" to fit your customers' needs. Let us give you the complete story.

WRITE FOR DETAILS NOW . . .

BANKERS SECURITY LIFE INSURANCE SOCIETY

LIFE DEPARTMENT

DES MOINES 7, IOWA

ALLIED MUTUAL AGENTS NOW CAN ADD . . . RESIDENCE and OUTSIDE THEFT to FARM LIABILITY INSURANCE

Here's another important Allied Mutual first, permitting broad R. and O. T. protection in the farm home and around the premises.

Ask Your Allied Mutual Agent

**ALLIED
CASUALTY**

Harold S. Evans

FOURTH AND PARK STREETS



**MUTUAL
COMPANY**

President

DES MOINES, IOWA

New Location

The installment loan department of the First National Bank in St. Louis was opened for business recently in its new permanent quarters at 312-14 North Sixth Street. Also in the new location is the First National's F.H.A. and G.I. home loan department.

The building in which the two loan departments will now be located is a completely rebuilt five-story structure, between the Carleton and Oriel buildings. It is built to connect with the bank's new six-story addition on Locust Street.

The entire rebuilding program, begun in 1951, is scheduled for completion next year, according to William A. McDonnell, president of the First National.

Honor "Mr. N" Creator

Arthur M. Kraft, creator of "Mr. N", Spencer Chemical Company's trade symbol for ammonium nitrate, has been named one of the Ten Outstanding Young Men of the Nation.

Mr. Kraft is the first painter and sculptor ever to be selected for this honor. Ten men are chosen annually for the award from a nationwide list compiled by the Junior Chamber of Commerce. A versatile young artist, Mr. Kraft recently gained recognition

for his gigantic works of sculpture at the Northland Shopping Center in Detroit, Michigan, many of which were pictured in Life magazine.

Affiliated with the Bruce B. Brewer advertising agency of Kansas City the



ART KRAFT
Creator of "Mr. N" for Spencer Chemical Company, Kansas City

past eight years, Mr. Kraft also is the creator of a series of cartoons for Spencer Chemical Company featuring a personalized tank car named "Tanky".

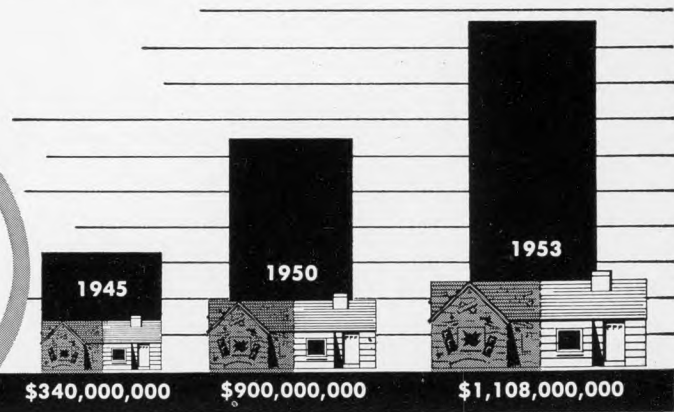
This fast-moving fellow appears in a number of industrial trade papers. His "Mr. N" creation appears in ads and on Spencer ammonium nitrate bags.

Midwest Business Gains

Business is picking up more rapidly in the midwest than in the nation, the Federal Reserve Bank of Chicago reports, as the economic recovery which got under way last fall continues to gather momentum.

Industrial production gains, behind much of the recent pickup, have been sharpest in the midwest, largely due to the spectacular upsurge in auto output. In its monthly review, *Business Conditions*, the bank says that this development has affected not only Michigan centers, but many other midwest areas where important plants and suppliers are located.

Moreover, other types of industrial production important in this region have also shown strength in recent months. Output of major household appliances and radio-TV has been running well ahead of a year ago. Electrical machinery and equipment, while still below previous year figures, chalked up significant increases late in 1954. Midwest farm machinery producers, too, are stepping up production in anticipation of a seasonal sales rise.



Source of figures: Bulletin No. 1146, U. S. Dept. of Labor, Bureau of Labor Statistics, showing major additions and alterations in private construction, residential building (non-farm).

Increased Income

The ABA Instalment Credit Commission has urged banks to set up their own modernization loan programs.

By setting their own conditions and terms, and adjusting rates to the size and type of loan, banks enjoy greater profits. They also enjoy freedom from restraining regulations, and can dispense with government forms and the need for following changing rules and interpretations.

Protected Loans

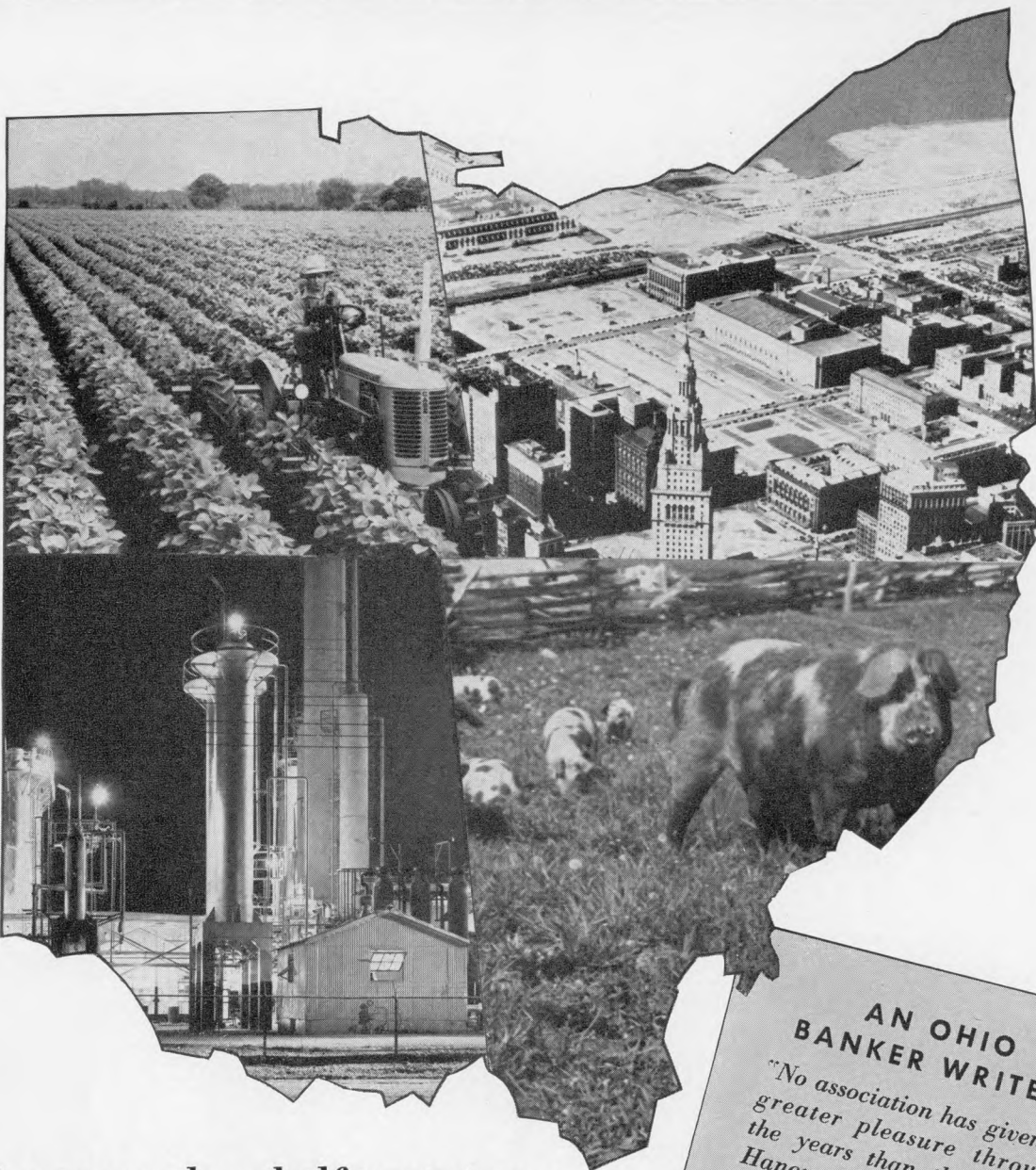
Under this plan a bank is free to set up its own insurance protection for the home owner, about whom much has been said but little done. Old Republic's representatives know the consumer credit field. They deal with it every day. They know the application of credit life insurance to the consumer credit field, and they have available for the banker the specially tailored rate charts, advertising materials and other tools which make for a quicker, easier selling job. Old Republic operates in all states.

James H. Jarrell, President

OLD REPUBLIC
SPECIALIZED INSURANCE SERVICE SAFEGUARDING CONSUMER CREDIT

CREDIT LIFE INSURANCE COMPANY
HOME OFFICE: 307 N. MICHIGAN AVENUE, CHICAGO 1, ILLINOIS

Northwestern Banker, March, 1955



**AN OHIO
BANKER WRITES:**
*"No association has given us
 greater pleasure through
 the years than that of the
 Hanover. It has been a privi-
 lege to carry an account with
 your fine bank, and we have
 surely appreciated the fine
 service and friendship you
 have always given."*

For more than half a century

634 Banks

in all parts of the country have
 been Hanover Correspondents

A Bank Is Known By The Correspondents It Keeps

THE HANOVER BANK

Member Federal Deposit



Insurance Corporation



W. G. KING
President
Grand Rapids

Minnesota NEWS



FLOYD W. LARSON
Secretary
Minneapolis

Minnesota Record

Minnesota's 502 state banks and trust companies started 1955 with a record high of \$1,378,798,055 in total assets, Charles M. Wenzel, retiring state commissioner of banks, disclosed in his report on conditions of banks as of December 31, 1954.

This was an increase of \$60,970,047 over December 31, 1953.

Loans and discounts increased \$31,013,032, to a total of \$545,515,840.

Total deposits increased \$54,469,986, to \$1,272,408,735.

New Director

William Jeseritz was elected to the State Bank of Wood Lake's board of directors at the annual meeting of stockholders in Wood Lake, Minnesota. It was also voted to increase the surplus account by \$5,000, bringing it up to \$50,000.

Winona Adds Officer

At the annual meeting of the Winona National and Savings Bank, Winona, Minnesota, Elgin O. Sonneman was named assistant cashier. A resident of that city since 1919, he is a graduate of the American Institute of Banking.

Heads New Bank

A. L. Neuman, vice president and cashier of the Citizens Bank, Morris, Minnesota, has been named president of the new Tri-County State Bank in Ortonville, which opened for business last month.

Having served with the Morris bank for more than 25 years, Mr. Neuman will serve on the board of directors, along with Carl Hasslen, Floyd Lundell, Dr. Alford Hanson, Carl B. Hasslen and Harvey G. Ellerd.

The bank received its charter last May and its new quarters were completed last month. It opened for business with a capital of \$50,000, surplus of \$15,000 and undivided profits of \$15,000.

John Buettner

John Buettner, executive vice president of the State Bank of St. Cloud,

Minnesota, died recently after suffering a heart attack. He was a former president of the St. Cloud Clearing House Association and of the Central Minnesota Bankers Association.

President Resigns

At the annual meeting of the Winthrop State Bank, Winthrop, Minnesota, H. C. Stresemann, a director of the bank for 30 years and president the past 18 years, resigned his official duties. During his tenure as president, deposits in the bank have increased from \$264,117 in 1936 to nearly \$1,671,000.

A. L. Olson, former vice president of the bank, was named president and E. H. Lind, vice president.

Elected to Office

N. E. Olson, president of the First National Bank of Osakis, Minnesota, has announced the election of James K. Nomeland as an assistant cashier. Mr. Nomeland is a graduate of Luther College, Decorah, Iowa.

Report Offered

President George A. Beito of the Northern State Bank, Thief River Falls, Minnesota, has reported an increase in deposits during the year of \$285,591 and in resources of \$313,551. At the same time he announced the recent election of Orville M. Hanson as an assistant cashier.

Staff Changes

Two changes in the staff of the Security State Bank of Hibbing, Minnesota, were announced following the annual meeting. A. A. Koskinen was elected president and E. G. Hoskins, cashier. Plans are also under way to remodel the bank building.

Promotions Received

At the annual meeting of stockholders of the Ogilvie State Bank, Ogilvie, Minnesota, A. Dan Fiala, cashier of the bank since 1948, was named vice president. At the same time Gerald Oosterhuis, assistant cashier, was promoted to cashier, replacing Mr. Fiala. Majal Cirpinski was named an assistant cashier.

Outstanding Young Man

Ralph Schmidt, vice president of the Farmers and Merchants State Bank, Appleton, Minnesota, was recently named the "Outstanding Young Man of 1954" by the Junior Chamber of Commerce of that city.

Named Cashier

Gordon M. Elden, former assistant vice president of the National Citizens Bank in Mankato, Minnesota, has been named cashier of the First National Bank in Dunnell. He succeeds George Heyman, who has resigned to enter the real estate business. Betty June Lyon has been named an assistant cashier.

New Director

The State Bank of New Prague, Minnesota, has a new director. He is Attorney John M. Fitzgerald, who was elected at the annual meeting of stockholders of that bank.

To Assistant Cashier

Only one change was made in the staff of the Union National Bank of Rochester, Minnesota, at its annual meeting. Richard Pike was elected an assistant cashier of the bank. Other officers and directors were re-elected.

Special Meeting

At a special meeting of stockholders last month of the First National Bank in Crookston, Minnesota, Roger Briden, local farmer and businessman, was named to the board of directors.

Doubles Capital Stock

Capital stock of the First National Bank of Brewster, Minnesota, was doubled through a 100 per cent stock dividend, according to A. J. Kane, bank president. The capital now stands at \$50,000, giving the bank a larger loan limit.

Elected President

The board of directors of the Farmers State Bank of Lakefield, Minnesota, has named Sam Boies, formerly the vice president, to succeed Feodor Ulbricht as president of the bank. Mr. Ulbricht, who served a year as president, was elected vice president, and Robert P. Thiesen was named an assistant cashier.

Surplus Increased

The stockholders of the First National Bank of Waconia, Minnesota, voted at their annual meeting to increase the surplus of the bank by \$50,000, bringing the total capital and surplus to \$180,000.

Governor Signs Bills into Law



DOUBLE LIABILITY on the 502 state bank and trust company stockholders in Minnesota was removed last week when **Governor Orville Freeman** signed the Amendment 2 bill passed by the state legislature. Also signed into law during the meeting was a stop payment bill proposed by the Minnesota Bankers Association.

Here (left to right) **Floyd W. Larson**, executive secretary of the M.B.A.; **K. O. Sattre**, Blue Earth banker and chairman of the Citizens Committee for Amendment 2; **Senator Dan Fiedt**, Minneapolis, Senate author of the bills; **A. F. Oberg**, Lindstrom banker and House author of the bills, and **Karl Rolvaag**, lieutenant governor, look over the bills as they are signed by the governor.

Minnesota was the 47th state to remove the double liability provision from its statutes.

Director Named

Frank R. Klassy has been added to the board of directors of the First State Bank of Le Roy, Minnesota, following the annual meeting of that bank. He replaces the late Matt J. Klassy. Surplus of the bank was increased from \$50,000 to \$75,000 at the meeting.

Expansion Planned

The First National Bank in St. James, Minnesota, has announced plans to expand its quarters. The bank lobby will be enlarged and officers' quarters will move into the Peterson Jewelry Store adjoining the bank.

Services Obtained

The State Bank of Barnum, Minnesota, has announced that it has engaged D. W. Lind, Alexandria, to serve as cashier of that bank. He replaces A. M. Rundgren.

Oklee Promotion

Directors of the Security State Bank of Oklee, Minnesota, have announced the promotion of Artha K. Nyquist to assistant cashier and Sherry Hince to

teller. President George A. Beito also announced the addition of a new Recordak machine and two other electric machines for endorsing and cancelling checks automatically.

Duluth Post

Directors of the Western National Bank of Duluth, Minnesota, have named Elizabeth L. Cheslake as an assistant cashier. Other officers and directors were re-elected for another term.

Position Created

At the annual meeting of the board of directors of the State Bank of Tower, Minnesota, John Dragavon, cashier, was named to the newly created post of executive vice president of the bank. Lillie J. Hill, assistant cashier, succeeds Mr. Dragavon as cashier.

Open House in Austin

The Austin State Bank, Austin, Minnesota, held open house last month, signalling completion of its enlarged and modernized quarters. Simultaneously it celebrated its 25th anniversary. Remodeling expenses were in excess of \$270,000.

Anoka Expansion

The State Bank of Anoka, Minnesota, has launched an expansion program. It has purchased a section of the Colburn-Hilliards, including all three floors. Gerald Bryan, cashier, says the building will be completely remodeled, including installation of two new vaults and rewiring. The cost will be in excess of \$60,000.

Two Directors Retire

Two directors have retired from the Citizens State Bank's board in Roseau, Minnesota. They are Dr. J. L. Delmore and Carl Listug, each retiring with 32 years' service on the board.

Promotions Announced

Several promotions were announced following the meeting of directors of the Kanabec State Bank and the Kanabec Credit Company in Mora, Minnesota, recently. Frank J. Grahn, former cashier, was named vice president; Robert L. Nikodym, assistant cashier, was promoted to cashier, and J. Russell Klosner was named assistant cashier of the bank. Walter R. Johnson, manager of the Kanabec County Insurance Agency, was elected vice president of the credit company.

It was also announced by President Frank Powers that remodeling and re-decorating of the bank would soon be completed.

\$1 Million Addition

Stockholders of the First and American National Bank, Duluth, Minnesota, voted at their annual meeting to increase the surplus account by \$1 million. This brings the surplus account to \$4 million, according to Willis D. Wyard, president of the bank.

Trust Position

Directors of the Northern Minnesota National Bank, Duluth, have announced the appointment of John M. Harris as assistant secretary in the bank's trust department. Before entering the trust investment field in 1952, he was engaged in marketing re-

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search and accounting work for eight years.

Recent Open House

Last month the Blue Earth State Bank, Blue Earth, Minnesota, held an open house in commemoration of its 50th year of incorporation, displaying its recently remodeled quarters. During its 52-year history the bank has had but four presidents, most recent of whom has been K. O. Sattre, being named to that post in 1950.

More than 4,200 persons attended the open house, with potted plants and key chains being presented to 2,800 persons. More than 250 depositors received pen and pencil sets for opening new savings accounts or adding to their present accounts.

Stock Increase

Capital stock of the First National Bank of Winona, Minnesota, was increased at the annual meeting of stockholders by a stock dividend of \$100,000. The increase, according to C. A. Fockens, vice president and cashier, was from \$250,000 to \$350,000.

Educational Award

H. R. Kurth, president of the Citizens Bank, of Hutchison, Minnesota, has been awarded the Distinguished Service Award for 1955 by the Minnesota Education Association for his service as president of the Hutchison school board.

The award was presented in a surprise ceremony during a banquet of the Minnesota School Board Association recently, by Florence Dunn, president of the education association. Mr. Kurth has served previously as president of the school board association and of the Minnesota Bankers Association, in addition to spending seven years on the city council and in numerous other community activities.

Vice President Named

William C. Talen, vice president and director of the First National Bank, Menomonie, Wisconsin, has been promoted to executive vice president of that institution. Before moving to Menomonie he served as executive vice president of the Farmers State Bank in Eyota, Minnesota.

Springfield Advances

The Farmers and Merchants State Bank of Springfield, Minnesota, has announced the election of Gordon Pieschel, assistant cashier, to the bank's board of directors. Deposits in 1954 increased more than \$300,000, to put them over the \$4 million mark.

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**We specialize in writing insurance
which will provide you income if
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Minnesota Commercial Men's Association

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Minneapolis 4, Minnesota**

**Please send me complete information on your Income
Protection Plan.**

NAME

ADDRESS

City

State

Twin City News



RUSSELL L. STOTESBERY, president, Marquette National Bank, was recently elected president of the Minneapolis Clearing House Association.

Arnulf Ueland, president, Midland National Bank, was elected vice president. **Joseph D. Husbands**, vice president and cashier, Northwestern National Bank, was re-elected secretary-treasurer.

* * *

Carl W. Erlandson has been appointed supervisor of training for the American National Bank of St. Paul. Mr. Erlandson has been executive secretary of the St. Paul east district Y.M.C.A. for 25 years.

* * *

Leslie N. Perrin, chairman of the board of the Federal Reserve Bank of Minneapolis, has been re-elected to a second term as president of the Community Chest and Council of Hennepin county (Minneapolis).

Clarence R. Chaney, a former Minneapolis banker, was re-elected a vice president. **Arthur Regan**, vice president and secretary, First National Bank of Minneapolis, is treasurer.

Elected to the board of directors were **Arnulf Ueland**, president, Midland National Bank of Minneapolis, and **Gordon Murray**, president of the First National Bank of Minneapolis.

* * *

Promotion of **Barton H. Warren** to assistant manager of the North Side office of the First National Bank of Minneapolis and election of **Charles E. Cochran** to its advisory committee were announced recently by **Gordon Murray**, president.

* * *

N. P. Delander, president, First State Bank of St. Paul, announced recently that the bank has increased its surplus \$100,000 from its undivided profits, bringing the surplus to \$400,000.

Mr. Delander also announced election of **Herbert R. Galloway**, president

of the Minnesota Plastics Corporation, to the bank's board of directors.

* * *

William E. Boker, St. Paul, a partner in V. A. Boker & Sons of Minneapolis, has been elected to the board of directors of the University National Bank of Minneapolis, according to **Russell L. Stotesbery**, president.

* * *

Conley Brooks, Minneapolis, a director of the First National Bank of Minneapolis, has been appointed to the board of directors of the Powell River Company, Ltd., Vancouver, British Columbia.

* * *

The American National Bank of St. Paul was awarded a citation from the United States Treasury Department for its high degree of participation in the recent savings bond drive.

Edward G. Bremer, chairman, Ramsey county savings bond program, presented the citation in the name of the Secretary of the Treasury.

* * *

The surplus account of the First Security State Bank of Saint Paul was increased by \$50,000 at the bank's recent annual meeting. The capital accounts are: Capital \$300,000, surplus \$250,000, undivided profits \$35,000, reserve \$15,000, for total capital accounts of \$600,000.

* * *

Oscar B. Ukkelberg was elected comptroller, and **Donald D. Johnson**, assistant cashier, at a recent regular meeting of the directors of the Cherokee State Bank, St. Paul.

* * *

An award for "Excellent Management" during 1954 has been made to The First National Bank of Saint Paul by the American Institute of Management, New York, New York.

This award, based on a special study of management operations made by the Institute, covers the following ten areas: Economic function, corporate

structure, health of earnings, fairness to stockholders, research and development, directorate analysis, fiscal policies, production efficiency, sales vigor and executive evaluation. The citation was for the calendar year of 1954.

* * *

Peter Aamodt, head teller, has been elected assistant cashier of the Fidelity State Bank of Minneapolis. **C. Herbert Cornell**, president, announced. Mr. Aamodt has been with the bank since 1942.

* * *

Samuel Mairs, 75, chairman of the board, Archer-Daniels-Midland Company, died recently while vacationing in the Caribbean.

Mr. Mairs, in addition to his ADM post, was a director of the First National Bank of St. Paul and of the First Bank Stock Corporation.

* * *

Carl G. Forsberg has been elected assistant secretary of the Farmers & Mechanics Savings Bank of Minneapolis. He succeeds **P. D. Esau** as manager of the school savings department, **Henry S. Kingman**, president, announced. Mr. Kingman said the bank set new records for deposits, surplus and mortgages during 1954.

* * *

Herbert S. Woodward, former executive vice president of the Columbia Heights State Bank, has been named vice president of the Santa Barbara, California, safety council. Mr. Woodward retired from his banking post about a year ago.

* * *

John deLaitre, vice president of the Farmers & Mechanics Savings Bank of Minneapolis, has been elected president of the Minneapolis Club.

* * *

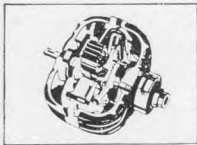
Kenneth H. Dally and **Harris B. Halverson**, assistant trust officers, have been promoted to trust officers at the Marquette National Bank of Minneapolis. **C. H. Munson** was named mortgage loan officer.

IT'S HERE! ...the way you want it!



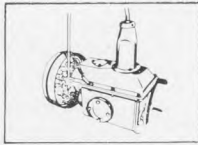
announcing **MM** 's all new **SP-168**
POWERflow HARVESTOR

45 Outstanding new advantages!



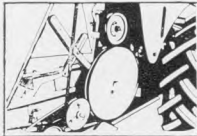
POWERFLOW DRIVE

Variable-speed hydraulic drive lets you change ground speeds without changing threshing and separating speeds—without declutching or shifting.



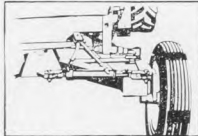
NEW CLUTCH

New automotive-type clutch enables operator to completely separate drive unit from transmission for smooth, effortless shifting.



ONE-LEVER CONCAVE ADJUSTMENT

Calibrated lever lets you change concave opening in seconds and return to any previous setting. Rock trap protects cylinder and concave.



POWER STEERING

Steer with hydraulic power as standard equipment. Extra strong and stable rear assembly, reserve valve prevents breakage.

Your first look will tell you: *this* POWERflow Harvester is something *new* in combines! For the all-new SP-168 is the Minneapolis-Moline Self-Propelled Harvester with *your* ideas built in! Step up to the SP-168—12-, 13- and 14-foot sizes; also pick-up models—and check off money-making advantages like these:

Far easier handling with the original MM hydraulic power steering as standard equipment, new one-lever concave adjustment, one dual control stick to regulate ground speed *and* header height, a new easy-to-shift automotive type clutch and variable-speed POWERflow hydraulic drive.

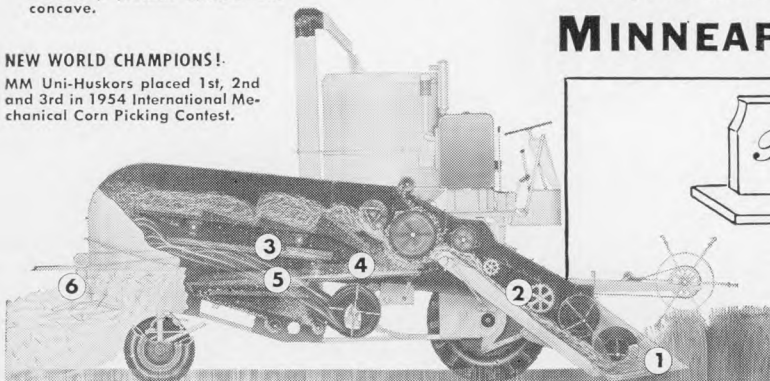
New operator comfort with a large, roomy platform, adjustable cushion-type seat, tilted steering wheel, new high leverage brakes, heat and noise greatly reduced with an enclosed engine easy to get at for service, new quieter-running auger and feeder.

New strength and wearability with single-unit header and thresher body, bridge-trussed structural steel frame, 104 rotating and oscillating points that need no lubrication, double roller chain cylinder drive.

Ask your MM Dealer for the facts on the SP-168. Discover *all* the ways this *all-new* Harvester can make money for you.

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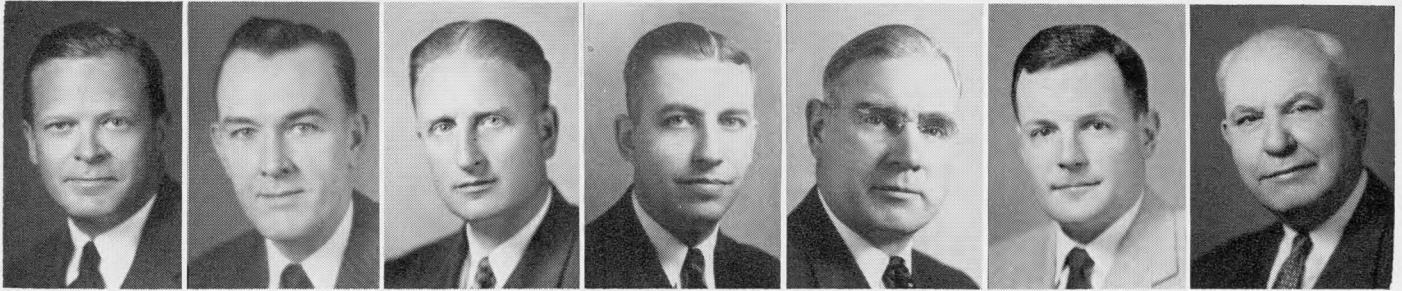
NEW WORLD CHAMPIONS!
 MM Uni-Huskors placed 1st, 2nd and 3rd in 1954 International Mechanical Corn Picking Contest.



To the **FARMER'S BANKER**

This advertisement, now appearing in leading farm publications, tells the important and timely story of MM Modern Machines, and the part they play in helping the farmer cut his production costs.

Fifteen Promoted By Northwestern National Bank



MOLANDER HEDLUND BROOM BRORBY SORENSON RICH COLBURN



WINSLOW DAHL HANSON HEWITT SHAW WECK HENNINGS BULLERT

Fifteen changes in the staff of the Northwestern National Bank of Minneapolis were announced recently by **Joseph F. Ringland**, president.

Advanced from assistant vice presidents to vice presidents were: **Winston L. Molander**, **Eugeue E. Hedlund**, **Lawrence B. Broom** and **Paul S. Brorby**.

Promoted to assistant vice presidents were: **Roy C. Sorenson**, **Willis F. Rich, Jr.**, and **E. Ross Colburn**.

Newly elected assistant cashiers are: **Bruce C. Winslow** and **Alden W. Dahl**. Named assistant trust officers were: **Orrin A. Hanson**, **Henry I. Hewitt**, **Willis F. Shaw** and **Warren F. Weck, Jr.**

Henry B. Hennings was elected assistant secretary in the bond department and **Emil A. Bullert** was named assistant comptroller.

Mr. Ringland reported at the annual

meeting of the bank's board of directors that Northwestern had one of the best years in its 83-year history.

Despite an increase in operating costs and taxes, the bank's gross and net earnings exceeded those of 1953. Dividends paid totaled \$825,000, an increase of \$75,000 over 1953. Consolidated net operating earnings based on 50,000 shares of capital stock were equal to \$54.05 a share, compared with \$52.15 in 1953.

Deposits averaged \$415,859,849, which was \$14,889,344 higher than in 1953. Loans averaged \$160,338,499, higher than in any other year.

Of the 1,503 employees of the bank and local affiliates at the end of the year, 265 have qualified for the Covered Wagon Club with 20 years or more of service.

* * *

The St. Paul chapter of the American Institute of Banking conducted

its winter seminar series in February and early this month.

Speakers at the four meetings were **Lloyd Wilkes**, executive secretary of the Minnesota Highway Study Commission; **Walter G. Seeger**, chairman of the St. Paul municipal stadium committee; **Rodney Q. Selby**, industrial relations manager, First National Bank of St. Paul, and **Edward C. Schleh**, head of Schleh Associates.

Warren R. Hinze, A.I.B. chapter chairman, was assisted in the seminars by **Conrad L. Hedberg**, **John J. Berney**, **Wilbur E. Hansen** and **Walter L. Carpenter**.

* * *

Wilfred David Provan, 63, assistant vice president of the First National Bank of St. Paul, died recently. He was a member of the American Institute of Banking. Surviving are his wife, two daughters and two grandchildren.

* * *

Arnulf Ueland, president of the Midland National Bank, Minneapolis, served as Minnesota state treasurer in February's Crusade for Freedom Campaign.

* * *

Allen S. King, president, Northern States Power Company, has been elected a director of the Northwestern Bancorporation, **J. Cameron Thomson**, president, announced.

Mr. King replaces **Clarence E. Hill**, former board chairman of the Northwestern National Bank of Minneapolis.

Mr. Thomson reported that 1954 was another record year for the corpora-

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tion, with deposits and loans of affiliated banks at the highest level yet attained.

He said last year was the 12th consecutive year the net operating earnings before taxes of the corporation and affiliates had shown an increase over the preceding year.

Consolidated net income, after making provision for charge-offs and write-down, taxes on income and minority interests, amounted to \$9,099,961, or \$5.53 per share of common stock.

Gross operating earnings of \$50,808,041 were up 7.1 per cent from 1953.

Directors of Northwest Bancorporation recently declared a regular quarterly dividend of 55 cents per share on common stock outstanding and the quarterly dividend of 52½ cents per share on 4.20 per cent convertible preferred stock.

* * *

Henry S. Kingman, president of the Farmers & Mechanics Savings Bank, Minneapolis, has been re-elected vice chairman of the Minnesota Community Research Council. **Arnulf Ueland**, president of the Midland National Bank, Minneapolis, was re-named treasurer.

The council investigates and establishes standards of approval for charity campaigns in Minnesota.

* * *

Rural bankers of Minnesota met recently on the University of Minnesota's St. Paul campus for the third annual bankers' agricultural credit conference, staged in cooperation with the Minnesota Bankers Association.

Among speakers were **Elvin Thue**, agriculture agent, Worthington National Bank, Worthington, Minnesota, and **R. F. Lichty**, president of the First National Bank, Austin, Minnesota.

The program included discussions on installment loans, financing, dealers, property improvements, personal loans and small business loans by small banks.

* * *

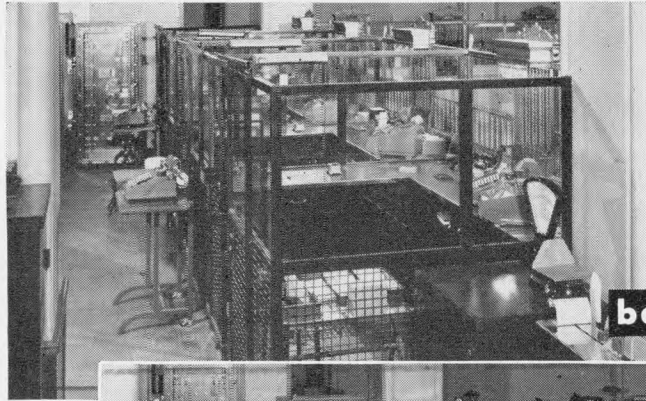
Forty-six years of business and a new addition to the State Bank of Mound were celebrated recently with open house.

The new facilities include an enlarged lobby, with new counters, "drive-in" window and night depository, and two main entrances.

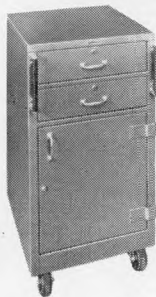
The Minneapolis suburban bank had deposits of \$2,395,265 December 31. **William H. A. Koehler** has been president 42 years.

* * *

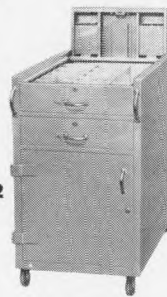
The First National Bank of Minneapolis set new highs in earnings, capital structure and loans and discounts



The GROOS NATIONAL BANK OF SAN ANTONIO, TEXAS



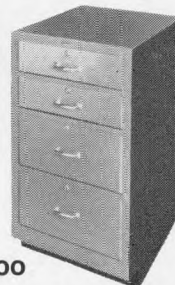
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T-400

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Time passes quickly... so perhaps the teller facilities in your bank no longer reflect the modern services you render. In that case, this is the idea you've been waiting for, and, best of all, such modernization is accomplished at very low cost.

YOU'RE SURE OF GETTING WHAT YOU NEED FROM LeFEBURE... Because LeFebure makes every type of Durable Steel Teller Unit... to fit your space and operation!



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during 1954, **Gordon Murray**, president, reported at the annual meeting of the board of directors.

Gross earnings were up 4.1 per cent to reach a new high of \$12,413,000. Net operating earnings at \$2,723,000 also were at an all-time high. Net income was a record \$2,705,000.

After payment of dividends amounting to \$1,380,000, the bank's total of capital accounts increased to \$29,642,493 at year-end. Deposits averaged \$17,736,000 higher than in 1953. Loans and discounts rose to an all-time peak of \$170,922,200 during 1954.

* * *

New all-time highs in gross earnings, operating earnings, deposits and loans and discounts were established in 1954 by the First Bank Stock Corporation and affiliated banks, **Ellwood O. Jenkins**, president, reported at the January meeting of the board of directors.

The board declared a quarterly dividend of 30 cents per share on the corporation's capital stock, payable on March 10 to stockholders of record February 18.

Consolidated net operating earnings of the corporation in 1954 were \$9,098,461, or \$3.14 per share. Gross earnings were \$46,290,948, an increase of 5 per cent from the previous year.

Total year-end deposits of First Bank Stock bank affiliates, after elimination of inter-bank deposits, increased to an all-time high of more than \$1,300,000,000.

Affiliated banks in and around Minneapolis had 35 per cent of deposits and accounted for 32 per cent of total net operating earnings. St. Paul bank affiliates had 29 per cent of deposits and 29 per cent of net operating earnings.

Loans and discounts totaled more than \$515,000,000 at year-end, with the Minneapolis area group of bank affiliates accounting for 36 per cent of the loans and discounts total, and the St. Paul group 30 per cent.

Stockholders recently voted to increase the authorized number of shares of capital stock from 3,200,000 to 3,500,000. Later, directors voted to authorize holders of capital stock of record February 24 to subscribe for 361,922 additional shares on the basis of one share for each eight held, at a price of \$31.50 per share.

* * *

Lloyd L. Leider, vice president, First National Bank of St. Paul, defined public relations as "plain, good business manners" in a recent talk to members of the St. Paul Business and Professional Women's Association.

The promotion of **Marshall D. Smith**, mortgage loan officer, Marquette National Bank of Minneapolis, to assistant cashier in the mortgage department has been announced by **Russell L. Stotesbery**, president of the bank.

Mr. Smith joined Marquette as a member of its mortgage department in May, 1952. He was made a mortgage loan officer January 1, 1953.

* * *

Harry E. Kern, vice president, First National Bank of St. Paul, was re-elected treasurer of the St. Paul Athletic Club.

* * *

Ruth Wittich, a member of the Marquette Insurance Agency, affiliated with the Marquette National Bank of Minneapolis, was elected president of the Trail Blazer's Club, a group composed of employees of the Marquette National Bank, University National Bank, Chicago-Lake State Bank and affiliated Insurance Agencies, who have been employed by their respective banks 15 years or more.—End.

California Promotion

J. L. McElney, formerly assistant vice president, was elected vice president of California Bank, Los Angeles, recently.

THE BANK



AT THE YARDS

CARL L. FREDRICKSEN
President
CLIFFORD L. ADAMS
Vice President
WILLIAM C. SCHENK
Vice President
STANLEY W. EVANS
Vice President
JOHN S. HAVER
Cashier
JAMES L. SMITH
Asst. Cashier and Auditor
KINLEY W. SMITH
Asst. Cashier
BEN E. HOLTDORF
Asst. Cashier
RAWS A. JENSEN
Asst. Cashier
R. K. DRAPER
Representative
MAX TOWNE
Representative

GETTING PERSONAL Gets Results!

In Sioux City and surrounding area the Live Stock National serves its correspondent bank accounts by an unusual amount of personal attention throughout each month of the year.

No matter what the service is you require, you can be sure it will receive prompt and personal attention at the Live Stock National Bank, which has a record of 60 years of sound banking experience.

The
LIVE STOCK NATIONAL BANK
Sioux City, Iowa

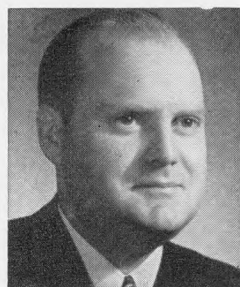
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION





WALTER K. JOHNSON
President
Estelline

South Dakota NEWS



CARL E. BAHMEIER, JR.
Secretary
Huron

Miller Bank Changes

Cletus E. Hart has been elected president of the Hand County State Bank, Miller, South Dakota. He had been vice president. Henry S. Bard and Albert J. Shaw have been succeeded on the board by Thomas Hart and Carl E. Johanson.

Ten Year Period

Arrangements for scholarships made recently by the Security Bank of Webster, South Dakota, which were announced in the February issue of the *NORTHWESTERN BANKER*, are to be \$200 each year for the 10-year period 1955 to 1965 to youths who have shown outstanding interest and ability in agriculture through high school and home accomplishments, according to bank President Thos. E. Porter.

Cashier to President

E. E. Smith has moved from cashier to president of the Farmers State Bank, Marion, South Dakota. He was elected president at a directors' meeting following the recent death of the bank's former president, J. J. Smith.

To Vice Presidency

P. A. Sattler, pioneer retired Perkins county rancher, has been elected vice president of the First National Bank, Lemmon, South Dakota. Mr. Sattler was elevated to the office left vacant since the death of George P. Allen who had served in that capacity for more than 20 years.

John V. O'Donnell, cashier, was added to the board of directors to take the place of Mr. Allen, A. O. Rolien, president, said.

New Titles

Several changes in titles for present personnel of banks in Belle Fourche, Spearfish and Newell, have been made by the First National Bank of the Black Hills.

Miles S. Wilson has the new title of assistant vice president and assistant manager of the commercial department, Belle Fourche branch.

Doyle D. Ream was named assistant vice president and manager of the installment loan department, with Gaylord Raabe as assistant cashier and assistant manager.

Only change at Newell was to elect Fred J. Boettger as assistant vice president and assistant manager.

In Spearfish, C. R. McCain was named assistant vice president and assistant manager.

Elected Chairman

G. E. Anderson has been elected chairman of the board of directors of the Langford State Bank, Langford, South Dakota.

A stockholders' meeting was held prior to the directors' meeting and new directors named for one year terms are: G. E. Anderson, G. Nickelsson, Peter A. Anderson, Charles Paulson and L. Erickson.

"Different" Report

An annual report beamed strictly at the customer instead of the board of directors has been produced by the Mitchell National Bank, in Mitchell, South Dakota.

Instead of pages filled with columns of figures, the report is an attempt to relate the bank's year in terms of Mitchell people, using pictures of local people, including bank personnel and customers, to portray the way services of the bank are put to use.



Jack Patton (left) looks over layout of annual report with **Dick Stebbins**, advertising counsel for Mitchell National Bank.

Mitchell National Bank's annual reports of the past few years have won awards for production and content. J. M. Patton is president of the bank. Richard Stebbins & Associates of Minneapolis prepared the report.

More South Dakota News On Page 98

Sioux Falls News

GERALD L. HILL resigned as vice president of the Union Savings Bank, Sioux Falls, to become managing officer and cashier of the Farmers & Merchants Bank, in Aberdeen, South Dakota. A resident of Sioux Falls for the past five years, Mr. Hill will assume his new duties April 1. He has spent nearly 25 years in the banking profession.



G. L. HILL

* * *

Frank E. Duffy, cashier of the Union Savings Bank, was elected treasurer of the Sioux Falls Alumni Chapter of Sigma Alpha Epsilon Fraternity.

* * *

Ralph M. Watson, chairman of the board of the Northwest Security National Bank, Sioux Falls, was invited by United States Representative Harold O. Lovre to Washington to participate in a conference with Robert B. McLeaish, farm home administrator. He has accepted the invitation.

* * *

Charles D. Gregg, assistant vice president and trust officer of the Northwest Security National Bank, was presented as a new member of the Rotary Club.

* * *

Sioux Falls bank clearings rose from \$31,070,359 in January, 1954, to \$32,412,796 in January, 1955.

* * *

At the recent annual meeting of stockholders of Queen City Insurance Company, Sioux Falls, **W. W. Baker**, president, First National Bank; **Ralph M. Watson**, chairman of the board, Northwest Security National Bank, and **John Larkin, M. T. Woods** and **E. H. Vorpahl** were re-elected to the board of directors. **N. P. Delander**, president, First State Bank, St. Paul, Minnesota, and **Henry Guthuz, T. Parker Lowe** and **N. J. Wells**, also of St. Paul, complete the board. Mr. Guthuz is president of Queen City Insurance Company.—End.

1,500 at Hardin Bank Open House



THIS NEW STRUCTURE was the scene of an open house celebration recently at which more than 1,500 townspeople and out-of-town friends were in attendance.

SPECIALY-CONSTRUCTED blonde fixtures accentuate the modern theme used throughout the interior of the new quarters for the Big Horn County State Bank, Hardin, Montana.

MORE than 1,500 patrons and community friends attended the recent open house celebration at the new home of Big Horn County State Bank, Hardin, Montana.

The new building is 50 by 100 feet in area and affords adequate facilities for the most modern banking methods. Included is a new night depository for the safety and convenience of patrons in making deposits outside banking hours. Fixtures in the modern

lobby are of specially constructed blonde wood, and the new machines to be used are the latest in banking equipment.

A pre-opening was held the night before the grand opening and more than 100 bankers and their wives were entertained by the bank's officers and employees, according to LeRoy O. Wallin, executive vice president.

Local merchants and professional people helped sponsor a special section in the Hardin newspaper to tell the townspeople about the new bank building, new accommodations, and the advantages of having a progressive bank in the community.

at the annual meeting of the board of directors, succeeding John H. Gilbert, who resigned after several years' service with the bank.

Three Advance

At the First National Bank, Great Falls, Montana, G. R. Straiton advanced from assistant vice president to vice president, Irving M. Monsos from assistant cashier to assistant vice president, and J. L. Creek from auditor to assistant cashier and auditor.

Bank's First Auditor

James Bennett has been named auditor of the First National Bank of Havre, Montana. This position was only recently added to the offices of the bank, Mr. Bennett being the bank's first auditor.

Changes Name

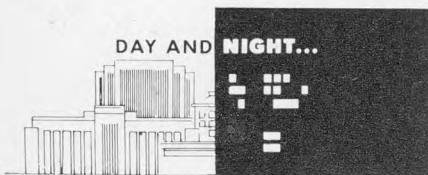
The First National Bank of Havre, Montana, is the new name of the former Montana National Bank, having been changed last month, according to Richard M. Lockwood, president. The change was in name only and all officers and employees at the bank, an affiliate of First Bank Stock Corporation, remain the same.

Glendive Promotions

L. C. Terrett has been advanced from assistant cashier to assistant vice president at the First National Bank, Glendive, Montana, and was recently elected to the board of directors. T. A. Vashus has been promoted from assistant cashier to cashier.

First National's surplus fund was increased \$50,000, making the capital \$100,000, surplus \$200,000 and deposits more than \$5½ million, according to G. P. Drowley, president.

**More North Dakota News
On Page 99**



When you think
DENVER
think **FIRST**

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in the Rocky Mountain Region.

Seven days and
five nights a week,
your items are
speeded on
their way.



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OF DENVER**

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PROVIDING BANKING SERVICE SINCE 1860

Five Promotions

Recent promotions at the First National Bank, Missoula, Montana, include: R. E. Noel, from cashier to vice president; J. L. Kellogg, from assistant cashier to cashier; R. E. Burns, from auditor to assistant cashier, and, in the installment loan department, John R. Collins and Charles A. S. Rigg, from assistant cashiers to assistant vice presidents.

Elected Chairman

James G. Edmiston was elected chairman of the board of the Bank of Columbia Falls, Columbia Falls, Montana, at a recent meeting of directors. He succeeds his father, J. G. Edmiston, who announced that he has disposed of his stock in the bank to George Robin, Kalispell.

James G. Edmiston is cashier and executive vice president and J. G. Edmiston is president of the Conrad National Bank in Kalispell, Montana.

New Cashier Elected

A. M. Shannon, connected with the Browning Mercantile Company for 34 years, was elected cashier of the First National Bank of Browning, Montana,



North Dakota NEWS

C. O. THOMPSON
President
Underwood



C. C. WATTAM
Secretary
Fargo

New Grafton Directors

Joe Thompson, prominent farmer, and Howard Mills, Grafton business man, were added recently to the board of the Grafton National Bank, Grafton, North Dakota. Dan Upham had recently retired from the board, so the addition of the two new men increased the number of board members to seven.

To Hatton Board

G. M. Olson and O. H. Pladson were named to the board of the Farmers and Merchants National Bank, Hatton, North Dakota, to replace J. O. Anderson and Albert O. Bjertness who recently retired from the board. Mr. Olson is cashier of the bank.

Langdon Promotions

Myles L. Johnson was promoted from cashier to vice president of the Northwestern Bank, Langdon, North Dakota, succeeding A. J. Backes who has retired. Harold C. Lothspeich has moved from assistant cashier to cashier to replace Mr. Johnson.

New Cashier

Walter E. Tooley, Jr., has been promoted from assistant cashier to cashier at the American National Bank, Valley City, North Dakota.

Mr. Tooley joined the bank staff in June, 1951, after serving as assistant cashier at the Grafton National Bank.

To Directorship

John W. Scott of Gilby and Grand Forks was elected a director of the First National Bank, Grand Forks, North Dakota, at the bank's recent annual meeting.

Remodeling Continues

North Dakota's winter temperatures have had no apparent effect on the extensive remodeling work now being done at the Dakota National Bank, Bismarck, North Dakota.

Plans call for complete remodeling and rearrangement of present banking quarters and construction of additional space to the rear of the present quarters.

A. A. Mayer, president of Dakota-National, said the addition will provide 5,800 additional square feet, giving each department space now needed and leaving enough for expansion.

Deposits and Reserves

Deposits in the banks of North Dakota at the end of 1954 were almost \$16 million more than at the close of 1953. Totals December 31, 1954, were \$623,570,781, as compared to \$607,652,167 on December 31, 1953.

Deposits in North Dakota's state banks December 31, 1954, were \$228,012,503, as compared with \$209,634,569

for December 31, 1953. State banks had available a total reserve of \$33,375,171. This was \$13,264,387 in excess of the \$20,110,783 required.

Geary H. Wagner

Geary H. Wagner, 54, cashier of the First National Bank, Minot, North Dakota, died recently of a cerebral hemorrhage.

Mr. Wagner joined the First National Bank staff March 8, 1920.

He was appointed assistant cashier January 11, 1949, and cashier January 12, 1954. He was renamed to that post at the bank's recent board of directors' meeting.

Controlling Interest

S. B. Wallander, president, First State Bank, Froid, North Dakota, has announced his purchase of the controlling interest in the bank from the Schnitzler Corporation of Froid and Catherine L. Schnitzler.

**More North Dakota News
On Page 98**

47 Junior Bankers at School



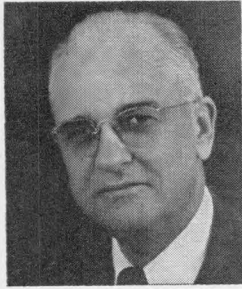
ATTENDING the School for Junior Bankers were these young North Dakota bankers (left to right): **Lylith Rostad**, Elk Valley State Bank, Larimore; **Delbert Domres**, Northwestern Bank, Langdon; **Thomas A. Dawley**, First State Bank, Munich; **Lyle M. Johnson**, Grafton National Bank, Grafton, and **Morris P. Danielson**, Rolette County Bank, Rolla.

FORTY-SEVEN registrants from throughout North Dakota helped make the recent North Dakota School for Junior Bankers the most successful in history, according to B. P. McDermott, First National Bank, Grand Forks, director.

Classes were instructed by: Kenneth B. Jacobson, assistant cashier, Red River National Bank, Grand Forks; I. R. Rector, manager, Burroughs Corporation, Fargo; Dr. William E. Koenker, professor of economics, University of North Dakota; Mr. McDer-

mott; John Staples, associate professor of accounting, University of North Dakota; W. D. Johnson, vice president, Red River National Bank, Grand Forks; E. L. Olson, cashier, First National Bank, Grand Forks; Codie D. Bell, vice president and actuary, Pioneer Mutual Life Insurance Company, Fargo, and Philip R. Bangs, attorney of Grand Forks.

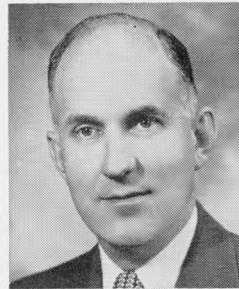
The annual banquet at the student union building was sponsored by Greater Grand Forks Clearing House Association and was attended by 150.



J. V. JOHNSON
President
Tecumseh

Nebraska NEWS

HARRIS V. OSTERBERG
Secretary
Omaha



A. B. Lancaster

A. B. Lancaster, 49, assistant cashier of the Wymore National Bank, Wymore, Nebraska, died last month after being in failing health for some time.

Assume New Posts

Two Nebraska brothers have accepted new posts in the banking profession. Charles Bruce Novak has been promoted from assistant cashier to cashier of the McDonald State Bank of North Platte, while his younger brother, Leon Novak, has accepted a position with the Home State Bank of Humboldt.

Kearney Meeting

The ins and outs of banking were presented before a capacity audience of women at a meeting sponsored by the two banks of Kearney, Nebraska. Glenn Yaussi, senior vice president of the National Bank of Commerce, Lincoln; Lynus Southwick, vice president of the First National Bank of Lincoln, and John Shipperling, public relations director of the National Bank of Commerce, were the featured speakers.

Farm Meeting

The Farmers and Merchants Bank of Milford, Nebraska, last month sponsored a livestock meeting in that city. Paul Guyer, livestock nutritionist from the state extension service, was the featured speaker.

Fertilizer Meeting

More than 65 persons attended the meeting held recently in Pilger, Nebraska, to hear discussions on fertilizers, crop rotations and legumes. Extension agronomists from the University of Nebraska led discussions at the meeting sponsored by the Farmers National Bank of Pilger.

Public Relations

Bankers from 15 towns in the surrounding territory met in Seward, Nebraska, last month to hear a discussion of public relations. The discussion was under the leadership of Byron Lopp, public relations director of the Central Bank and Trust Company, Denver, Colorado.

Triple Tribute

It was "Triple Tribute Day" in the Nebraska Legislature on February 11, when members of the legislature paused to pay tribute to Abraham Lincoln, the Boy Scouts and to Senator Otto Kotouc, Humboldt, Nebraska, banker.

In observing President Lincoln's birthday and National Boy Scout Week, the Unicameral also paused to honor Mr. Kotouc on his 40th anniversary of founding the Home State Bank in Humboldt. The words of praise for the Democratic senator were uttered by Republican Leader Senator Earl Lee, Fremont.

Senator Lee told how the bank had started with resources of \$38,000 and had struggled through World War I, the subsequent crash and three holdups, until today it has \$2,700,000 resources.

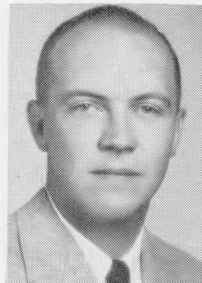
At the conclusion of the tribute, Senator Jack Larkin, chairman of the banking committee, entered with a huge birthday cake which was cut by the "Banker of the Day." Members then voted to send flowers to the formal birthday ceremony of the bank held that weekend. More than 700 persons attended the bank's open house.

Named President

Francis R. Orshek, Fremont, Nebraska, businessman, last month was elected to the board of directors and named president of the First National Bank of that city. He succeeds William N. Mitten, who will serve as chairman of the board.



F. R. ORSHEK



D. MITTEN

New president and directors of the First National Bank of Fremont, Nebraska

David Mitten, son of Mr. Mitten, was also named to the board of direc-

tors. Mr. Orshek, originally from Cedar Rapids, Nebraska, moved to Fremont in 1936. His brother is cashier of the Cedar Rapids State Bank. Mr. Orshek has been engaged in the general construction business since moving to Fremont and plans to continue in that business.

Mr. Mitten joined the bank in 1920, was elected assistant cashier in 1921, cashier in 1926, director in 1929, vice president in 1936 and was named president of the bank in 1938. During his term of office as president total resources increased from \$1,780,000 to \$11,500,000.

Social Security

Farmers in the Table Rock, Nebraska, area met last month to hear a discussion on the social security program as it affects farmers. The meeting was sponsored by the State Bank of Table Rock. Featured speaker was Joseph S. Sewall, field manager of the Lincoln office of the Social Security Administration.

Geneva Scholarship

The Geneva State Bank, Geneva, Nebraska, has set up a \$10,000 scholarship fund in cooperation with the University of Nebraska Foundation. Each year \$400 will be paid out to a student graduating from Geneva High School, with that amount being allocated to each award winner over a two year period.

Presented Shield

The First National Bank of Ord, Nebraska, has presented that city's police department with a bullet-proof shield which will protect officers from injury from any hand weapons, including the Thompson sub-machine gun. The shield is slotted to permit firing by the officers. Clark Wechback, bank president, says it is unreasonable to expect officers to attempt to break up holdups unless they have some form of protection.

Belden Improvement

The First National Bank of Belden, Nebraska, has recently completed a remodeling program which might well make it a model bank for other cities interested in remodeling their banks. The ideas put into effect are original, unique and not of a faddish nature, making it suitable for many years to come.

Outstanding Men

John Sherwood, assistant cashier of the Peoples-Webster County Bank, Red Cloud, Nebraska, has been named the "Outstanding Young Man of the Year" by the Red Cloud Junior Chamber of Commerce.



Omaha News

THE Omaha National Bank, in its annual report for 1954, notes earnings after taxes were \$3.70, as compared with \$4.22 in 1953. Taxes amounted to \$2.93 per share. The stock is now distributed among 946 shareholders.

At year end, total capital funds were reported as \$17,093,059, including \$843,008 transferred from unallocated bond reserve to reserve for contingencies. Loans outstanding amounted to \$93,555,379, while deposits were slightly over a quarter of a billion dollars.

* * *

The Douglas County Bank opened its auto-bank window the first of this month, according to President **Kenneth G. Harvey**. The window permits customers to do their banking direct from their cars.

Transactions handled at the window include personal loan payments and deposits and withdrawals from checking and savings accounts. Forms necessary for window transactions are available at the window, where an attendant is on duty during banking hours.

* * *

Orville V. Nielsen, former cashier at the Plattsmouth State Bank, Plattsmouth, Nebraska, and with the bank for more than nine years, has joined the Stock Yards National Bank of Omaha in the correspondent bank department. Between his departure from the bank in Plattsmouth to joining Stock Yards National, he was in the insurance business in Plattsmouth.



O. V. NIELSEN

* * *

Mrs. Victor B. Caldwell, Sr., 89, died last month in an Omaha hospital after a long illness. Her husband was president of the United States Bank of Omaha prior to his death in 1915.

Omaha's best known woman banker, **Anna T. Olsson**, is retiring. Miss Olsson, more popularly known among bank executives as "Anna T.," has been assistant cashier of the Omaha National Bank and of the Live Stock National Bank prior to the merger last year.



ANNA T. OLSSON

Retiring after 40 years of business experience, mostly with Omaha banks.

She is the first and only woman officer of the Live Stock National, joining the bank in 1918, becoming manager of the savings department. Her other experiences include secretarial work, teaching and homesteading.

Voted Omaha's "Outstanding Woman of the Year" in 1953, she also is known as a gardner, doll collector, and stamp collector. She was honored recently at a dinner given by the employees of the former Live Stock National Bank.

* * *

Cecil W. Means, assistant vice president, Stock Yards National Bank, was the main speaker at the Fifth Annual Farmer Feeder Banquet in Neola, Iowa, recently. He spoke on the outlook of the live stock situation. More than 550 persons attended.

Eight scholarships of \$300 each will be awarded by the Federal Land Bank of Omaha to high school seniors planning to enter agricultural colleges next fall. President **H. A. Viergutz** says two scholarships will be awarded to students in Iowa, Nebraska, South Dakota and Wyoming.

* * *

John M. Shonsey, vice president of the Omaha National Bank, was featured speaker at a feeder's banquet last month following a day of feedlot visits for farmers participating in the annual Buffalo County Feeders' Tour. Included in the demonstrations were cattle on full feed using Stilbestrol in the ration.

* * *

Henry Roose, vice president of the United States National Bank of Omaha, was injured last month in a two-car collision. He was taken to the Immanuel Hospital with possible back and internal injuries. At last report he was progressing satisfactorily. The driver of the second car was booked for reckless driving.

* * *

William H. Davidson, Stanwood, Iowa, and **Charles R. Kellogg**, Valentine, Nebraska, were elected chairman and vice chairman respectively of the board of directors of the Farm Credit District in Omaha.

* * *

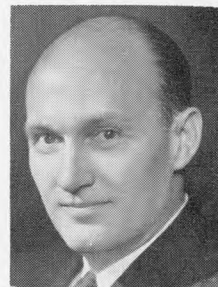
A. F. Jacobson, president of the Northwestern Bell Telephone Company, last month was named a director of the United States National Bank. He succeeds **Sanford B. Cousins**, whom he replaced as head of the telephone company recently.

Mr. Jacobson, a native of Omaha, started his career with Northwestern Bell Telephone Company in 1922. He worked for the Lincoln Telephone and Telegraph Company while attending the University of Nebraska, but was again employed by Northwestern Bell in Omaha following his schooling.

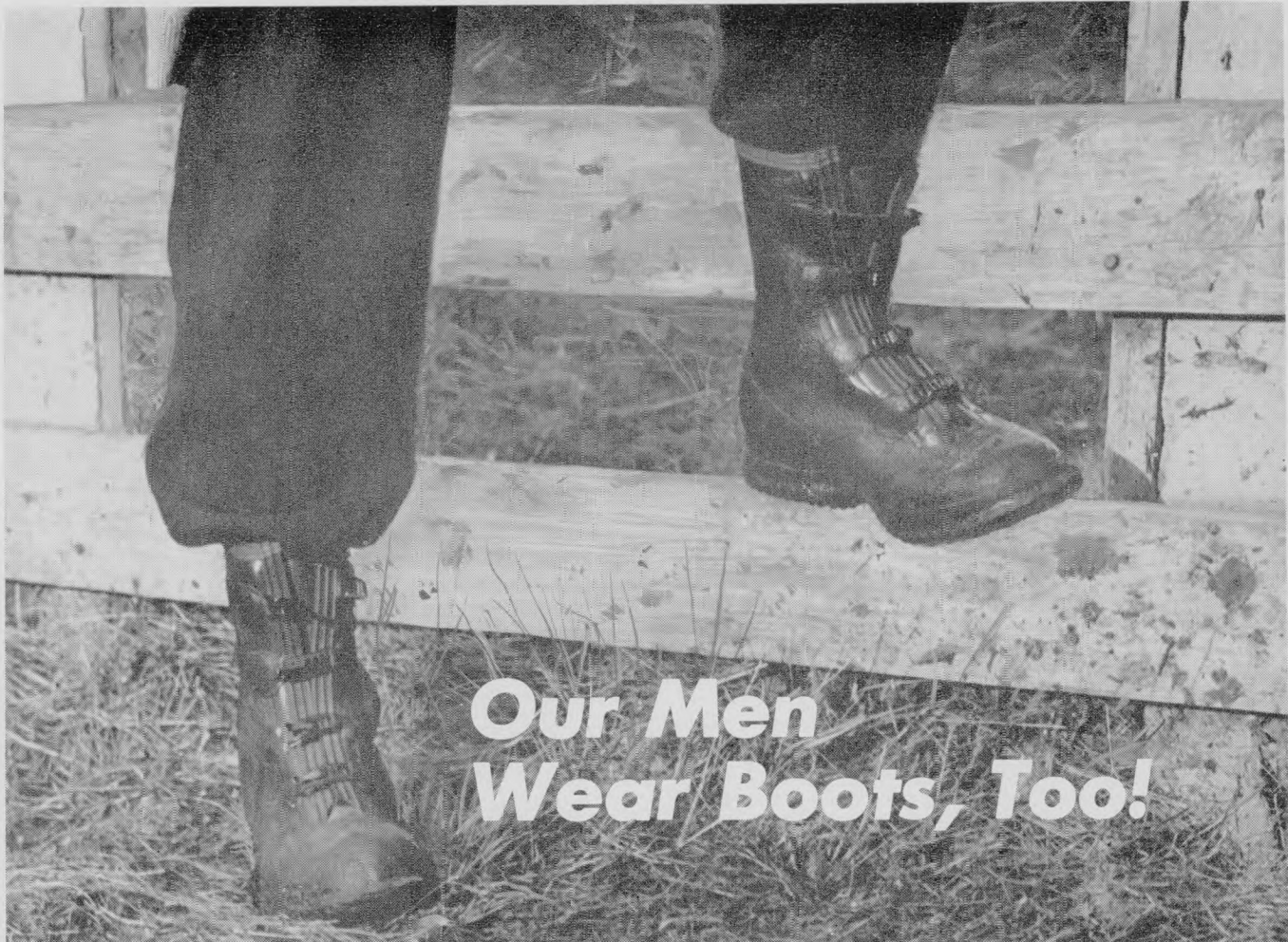
A series of promotions led to the position of director of operations for the Bell System's Long Lines department in New York in 1952 and assistant vice president, operations of the American Telephone and Telegraph Company in 1953, the position he left to take the presidency of the Northwestern Bell Company.

* * *

John R. Lauritzen, vice president of the First National Bank of Omaha, has been appointed to the Vestry of



A. F. JACOBSON



Our Men Wear Boots, Too!

THIS man could be a livestock feeder, or a commission man, — but he isn't. He's an Omaha National loan officer. You might not think of your banker as wearing dirty boots, but it's all in a day's work to him. Our man in the mud-smeared boots is doing something we regard as essential. He's keeping posted on current livestock trends — and right down in the stock yards, where he gets first hand information. No matter what kind of business you're in, you'll find a loan officer at The Omaha National Bank who knows the kind of financing you want. A man with whom you can do business, because he talks *your* language.

The Omaha National Bank
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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Trinity Cathedral in Omaha. He was chairman of the committee for the "Every Member Canvass" on behalf of the cathedral, which resulted in the most successful solicitation in the 98 year history of the church.

* * *

The Omaha Clearing House Association at its annual meeting elected



ELLSWORTH MOSER
Holds Omaha Clearing House

Ellsworth Moser, president of the United States National Bank of Omaha,

as its president. Other officers elected were **A. J. Hallas**, president of the Stock Yards National Bank, vice president, and **H. V. Osterberg**, secretary of the Nebraska Bankers Association, secretary-treasurer.

* * *

Hebron Depository

The Thayer County Bank at Hebron, Nebraska, has installed a night depository for the benefit of the farmers in that area. The city, which was leveled by a tornado in 1953, has a very active auction sales pavilion, and on sale days farmers receiving cash for their goods found it impossible to deposit their receipts until the following day. The new depository makes it possible for these receipts to be deposited the same night as the sale, thus eliminating additional trips to town or long hours by the bank officials.

Receives Award

Willard Lynch, Jr., assistant vice president of the Guardian State Bank of Alliance, Nebraska, has received the annual Junior Chamber of Commerce Award as the "Outstanding Young Man of the Year."

Surplus Increased

At the recent annual meeting of stockholders of the National Bank of

Ainsworth, Nebraska, it was voted to increase the surplus from \$50,000 to \$70,000. Also at the meeting, Forrest Kern, an employee of the bank, was promoted to assistant cashier.

Animal Display

The Beatrice National Bank, Beatrice, Nebraska, last month offered a unique window display for residents of Henry Shierkolk, foreman of the work of Henry Schierkolk foreman of the Peterson Manufacturing Company in DeWitt, who makes taxidermy his hobby.

Additional Duties

The Central National Bank of Columbus, Nebraska, has announced that Julian E. Meyer, Jr., assistant cashier and auditor, has been assigned the additional duties of assistant trust officer.

G. W. Walley

Gerald W. Walley, assistant cashier of the City National Bank in Hastings, Nebraska, died recently of a heart condition. He had just returned home after attending a concert. He had served the bank for more than nine years and had been active in civic affairs.

Capital Increase

At the annual meeting of stockholders of the Bank of Wood Lake, Nebraska, the capital stock of the bank was increased from \$25,000 to \$50,000. As a result of the action the stock was raised from 250 to 500 shares.

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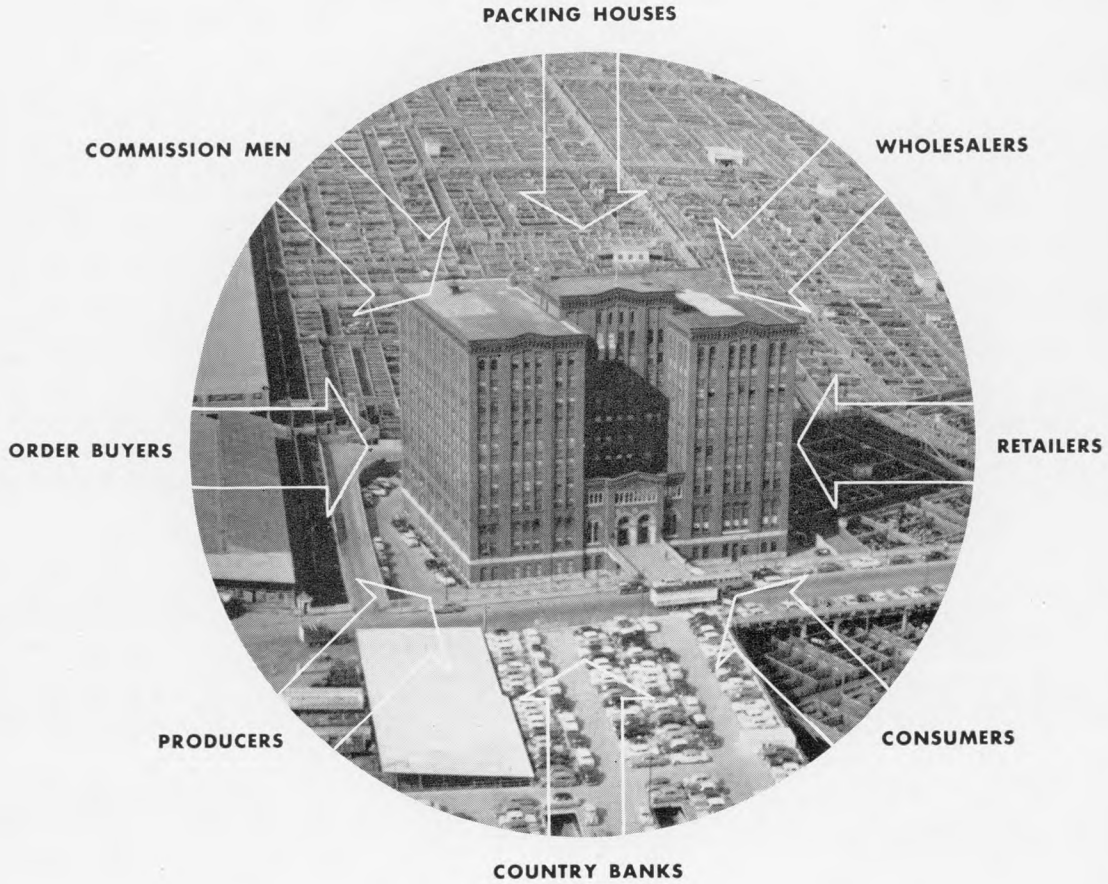
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STOCK YARDS NATIONAL BANK

Livestock Exchange Bldg.

Omaha, Nebr.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Herman Promotion

The Herman State Bank of Herman, Nebraska, has announced the appointment of Kenneth Wachter as an assistant cashier. Action was taken at the bank's annual meeting. He has been with the bank since 1952, farming near Herman prior to that time.

Purchases Bank

Elmer L. Peterson, assistant cashier of the First National Bank of Lincoln for several years, has purchased an interest in the Farmers Bank of Clatonia. He purchased the stock owned by E. J. Chittenden and will take over the management of the bank, becoming its president. Former President C. William Stenmeyer will continue as chairman of the board of

directors and Herbert J. Riechers will remain as cashier.

Alfred Viren

Alfred Viren, one of the founders of the First Security Bank of Holdrege, Nebraska, died recently at the age of 79. He had served on the board of directors of the bank, was a pioneer building contractor and was active in his community.

Advanced to President

At a meeting of the directors of the First National Bank, Mitchell, Nebraska, L. Newell was advanced from vice president to president of the bank. He succeeds the late M. B. Quivey. J. W. Sanford was named vice president.

Former Mitchell residents, the Newells will move once more to Mitchell from their ranch north of Lingle, Wyoming.

Named As Officer

A. S. "Chico" Chaves, former cashier and comptroller of the Live Stock National Bank of Omaha and now manager of the W. D. Messenger and Company Accountants, Lincoln, has been named vice president and director of the Clarkson Bank, in Clarkson, Nebraska.

Gains Bank Control

Control of the First National Bank of Stanton, Nebraska, was gained last month by two Stanton residents. Leo Nixon, cashier of the bank, and his sister, Mrs. Alberta Beindorff, a director, purchased the stock owned by Mrs. Irene Miller Jensen, widow of the long-time president of the bank, the late Harry D. Miller. At the reorganization meeting Mr. Nixon was elected president and his sister vice president. Dan Harris continues as assistant cashier.

Prague President

H. E. Vackiner, cashier of the Bank of Prague, Nebraska, has been named as that bank's new president, following the annual meeting of the directors and stockholders. V. L. Shimerka will serve as vice president and Lucille and Max Vlasak as assistant cashiers. Directors will include Mr. Shimerka, Mr. Vackiner, James A. Perk, Hartmann Vackiner and B. L. Vackiner.

Industrial Position

Clyde H. Sudman, vice president of the Guardian State Bank, Alliance, Nebraska, has been named president of the Alliance Development Corporation. The group has purchased a 97-acre tract of land for industrial sites and will dispose of it at a cost-plus-expense arrangement.



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There IS a difference—
For the Best in Co-operation and
Efficiency Use

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PROVIDING GROUP LIFE, ACCIDENTAL DEATH AND DISMEMBERMENT, ACCIDENT AND SICKNESS, HOSPITAL AND SURGICAL BENEFITS

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Ralston Officers

R. F. Clarke, president of the Ralston Bank, Ralston, Nebraska, has announced the promotion of Dorothy Wedge to assistant cashier and the election of E. H. Littrel as cashier to fill a vacancy created by the resignation of Melvin Johnson in November.

Heart Attack

Nels S. Strom, cashier of the Bank of Madison, Nebraska, was admitted to a Norfolk hospital last month after suffering a heart attack while working in the bank. His condition at last report was satisfactory.

Stock Doubled

The Ravenna Bank, Ravenna, Nebraska, started the new year by doubling its capital stock at its annual meeting of stockholders. Capital stock now stands at \$100,000. The increase was accomplished by a transfer from undivided profits and reserves.

Elkhorn Promotion

Mabel Hamann, an employee of the Farmers State Bank of Elkhorn, Nebraska, since 1943, has been named an

assistant cashier of that bank. Announcement was made last month following a meeting of the board of directors.

Names Director

The Tilden Bank of Tilden, Nebraska, has named a new director. She is Mary Stuart Kinder, the only surviving member of the family of James Stuart, who founded the bank in 1877.

Remodel Bank

The Anchor Bank, located in Merriam, Nebraska, has been given the modern look in banking. The outside doors are of plate glass, swinging in the latest style metal frames. The interior wood is blonde, including the doors, tellers' cages and counters. Other improvements include the lowered block ceiling, freshly painted walls and an air conditioning unit.

Returns to Milford

D. L. Dunlap, who recently returned from four years' duty with the Army Air Force, including service in Great Britain, has been elected a vice president of the Farmers and Merchants Bank of Milford, according to M. W. Dunlap, president. L. R. Lull was

elected a vice president in addition to his duties as cashier. G. A. Dunlap continues as executive vice president.

Tekamah Clinic

Approximately 800 farmers attended the annual "Farm Clinic" sponsored in Tekamah, Nebraska, by the First National Bank. Another clinic of a similar nature is staged in the fall by the bank for businessmen of the Tekamah trade territory.

Speakers on this year's program included Bruce Russell, president of Farmers National Company, Omaha; Tony L. Westra, vice president, Northwest Security National Bank, Sioux Falls; Harold Gunderson, extension entomologist of Iowa State College, Ames, and Jeff H. Williams, attorney and humorist-philosopher from Chickasha, Oklahoma.

Succeeds Husband

The annual stockholders' meeting of the Commercial State Bank of Wausa, Nebraska, brought about only one change in officers. Alice Bornholdt was elected vice president of the bank, succeeding her husband, H. J. Bornholdt, who passed away near the middle of last year.

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Lincoln News



FUNERAL services were held recently for **Floyd Seybolt**, 85, organizer of the Union Bank and College View Bank. He was also a former national bank examiner. Born in Middletown, New York, he attended the University of Nebraska, beginning his

banking career in the First National Bank and serving later as an assistant cashier of the Union Savings Bank. In addition to his work with Lincoln banks, he also organized banks in Milford, Ulysses, Walton and Geneva.

* * *

Howard A. Chapin, trust investment officer and assistant secretary of the First Trust Company of Lincoln, has recently been elected to a three year term on the board of directors of the Lincoln Y.M.C.A.

He adds this responsibility to a long list of other activities, including service as president of the Trust and Estate Division of the Nebraska Bankers Association and as a member of the executive committee of the Omaha-Lincoln Financial Analysts Society. Mr. Chapin also is active in the Exchange Club of Lincoln, the University of Nebraska Alumnae Association and the Lincoln Chamber of Commerce.

* * *

The United States Treasury Department has ruled that no branch bank is needed at this time by the **Lincoln Air Force Base**. The commander of the base had asked that a Lincoln commercial bank be authorized to establish an agent on the base. First National, National Bank of Commerce and the Continental National had applied.

* * *

Howard Hadley, vice president and trust officer of the Continental National Bank of Lincoln, attended the mid-winter trust conference of the American Bankers Association in New York. He and Mrs. Hadley attended the meeting, stopping in Florida on the way.

* * *

R. Max Peterson, assistant cashier of the Continental National Bank of Lincoln, was elected president of the Lincoln Personnel Association recently.—End.

Celebrates Birthday

H. C. Van Horne, Pawnee City, Nebraska, banker for 73 years, observed his 91st birthday last month. He was honored on the occasion by a family dinner at the home of his daughter. He began keeping books for the Farmers National Bank in 1882, later becoming cashier and president, before his retirement as an active officer. He still serves as a director of the bank.

To Bank Position

Lowell Jepson, county agent for Seward county, Nebraska, has resigned to accept a position with the Cattle National Bank in Seward.

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St. Joseph News

W FRANKLIN EVANS, vice president of the American National Bank of St. Joseph, has been appointed to the Advisory Board on Installment Credit of the American Bankers Association for the 10th Federal Reserve District.



W. F. EVANS

He replaces **Cyril J. Jedlicka**, vice president, City National Bank and Trust Company of Kansas City, Missouri, who recently was appointed to the Installment Credit Commission of the American Bankers Association.

Mr. Evans is in charge of the installment loan department of the American National and is active in many banking groups, including the St. Joseph Chapter of the American Institute of Banking, the Installment Lenders Organization of Greater Kansas City, and he is presently serving his fourth year on the installment credit committee of the Missouri Bankers Association.

* * *

Last month the name Tootle National Bank officially replaced that of Tootle-Lacy National Bank of St. Joseph. The bank's new trademark is "A name in banking for four generations." Milton Tootle, grandfather of Milton Tootle, the present president, started in banking in St. Joseph in 1857. The private bank of Tootle-Lemon & Company was opened July 8, 1889, by Thomas E. Tootle and John S. Lemon. The name became Tootle-Lacy National Bank in 1918.

* * *

Milton Tootle, president of Tootle National Bank, St. Joseph, discussed

1955 Nebraska Group Meetings

Group	Date	Meeting Place
1	Monday	Lincoln
4	Tuesday	Hastings
6	Wednesday	Scottsbluff
5	Thursday	North Platte
2	Friday	Columbus
3	Friday	Norfolk

investments at a meeting last month, called in the public interest by the St. Joseph Y.W.C.A.

* * *

A recent bank management conference held at Columbia, Missouri, was attended by **Milton Tootle, Jr.**, vice president and cashier of Tootle National Bank; **Charles Richmond**, vice president, American National Bank; **H. H. Broadhead, Jr.**, vice president, First St. Joseph Stock Yards Bank, and **John F. Killackey, Jr.**, agricultural representative of the First National Bank.—End.

Women's Investment Forum

Omaha members of the Nebraska Investment Bankers Association will present a forum on investments for the Women's Division of the Omaha Chamber of Commerce on March 16, 23 and 30. The first meeting on March 16 will follow a dinner meeting of the Women's Division and will run from 8:00 to 9:30 p. m. The other two meetings will be scheduled from 7:30 to 9:30 p. m. All meetings will be held

in the Chamber of Commerce dining room.

There will be a panel of four association members for each meeting. **Roderic Crane**, professor of economics at the University of Omaha, will act as moderator. Basic information concerning investments and investment planning will be provided with the following general outline:

First meeting—"Instruments of Investments." Discussion of bonds and stocks, and the different kinds of each.

Second meeting—"An Investment Program—Part One." How to buy and sell, how dividends are paid, evaluation of approaches to common stock investments and specific investment programs.

Third meeting—"An Investment Program—Part Two." Sources of information, how to read a financial page, pitfalls, film, investment company stocks and local securities.

There is no charge for attendance at these meetings, but admission is by ticket only. Guest tickets can be obtained from **Marie Flanagan**, Wachob-Bender Corporation, Omaha.

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Iowa NEWS



FRANK WARNER
Secretary
Des Moines

H. E. Boehmler

H. E. Boehmler, director of the First National Bank, Hampton, Iowa, since its organization in 1953, died last month. In his place the board elected Fred A. Keepf, who also has been with the bank since its organization. Mr. Keepf has been cashier at the bank.

In Grinnell Move

Leland Beneke of Laurens, Iowa, has become associated with the Poweshiek County National Bank, Grinnell.

Dr. Ivan K. Sayre

Dr. Ivan K. Sayre, vice president and director of Farmers and Merchants Bank, Winterset, Iowa, who died recently, has been succeeded by Dr. H. U. Garrett of Des Moines.

The board of directors now consists of Dr. Garrett; ex-Senator R. R. Gillespie, Dexter, Iowa; Clyde V. Guye, Madison county farmer; J. A. Ramsey, retired Winterset mortician; Hal S. Chase II, Chase Investment Company, Des Moines; Herbert Ehm, Ben Franklin Store, Winterset, and N. E. Kelley.

Laurel Bank Changes

Newly elected members of the board of directors of the Peoples Savings Bank of Laurel, Iowa, are: Thomas L. Laverty, Alex Louks, David L. Lyle, S. M. McCleery, Hugh C. McCleery and Lewis E. Holland.

Mr. Laverty was elected president; Hugh McCleery, executive vice president; Mr. Holland, cashier, and Lourretta Leedom, assistant cashier.

Elected Office Manager

Leo Brown, 36, of Dana has been elected assistant cashier and office manager of the Mallard office of the Palo Alto County Bank, Emmetsburg, according to William Zunkel, executive vice president.

He will succeed William G. Beatty, who resigned to accept a position as cashier of the Warren County Bank and Trust Company at Indianola.

George A. Elgin

George A. Elgin, 87, president of the Kalona Savings Bank, died recently at his home in Kalona, Iowa. Mr. Elgin was elected to the board of directors of the Kalona Savings Bank in 1899 and in 1902 became assistant cashier. He had served as president of the bank since 1913.

V. D. Hochstetler has been elected president, to succeed Mr. Elgin, and O. L. Rogers was named vice president.

\$10,000 Transferred

At the stockholders' meeting held recently at the Randolph State Bank, Randolph, Iowa, \$10,000 was transferred from the undivided profit account to the surplus fund. Capital stock is \$30,000. Surplus now is \$50,000. Total capital funds are more than \$100,000.

Plans Expansion

Valley State Bank, Rock Valley, Iowa, recently purchased a 47-foot lot adjacent and to the south of the present banking house in order to expand its present quarters. Building plans have not been announced.

New Auto Teller

Work has started on a sidewalk auto teller for the Council Bluffs Savings Bank, according to Paul Gronstal,

cashier. Cost of the work will be about \$8,000. The auto teller will be on Main Street.

The teller will have two service windows for customers. A canopy will be erected to extend over the entrance and the auto teller windows.

Record Deposits

Deposits in Iowa's 560 state-chartered banks reached \$1,823,094,451, an all-time peak, December 31, 1954, according to Newton P. Black, state superintendent of banking.

They increased by \$47,086,995, or by 2.65 per cent during the year, and were \$67,568,000 larger at year end than on June 30.

Time and savings deposits of \$522,251,000 at year end were \$40,250,000 larger than on June 30, and \$33,195,000 larger than at the end of 1953.

Mr. Black also reported that total assets of the 560 banks and 162 bank offices were \$1,971,216,416, a record. They increased by \$60 million during the year.

Loans totaling \$681,807,857 at year end also reached record level, Mr. Black reported. They increased by \$94,128,000 during 1954.

U. S. government deposits amounted to \$42,884,395 at year end, or \$6,346,252 more than on December 31, 1953.

The state-chartered banks had \$359,805,075 in cash on December 31, 1954. This was \$21,855,352 more than their cash a year before.

Total capital stock of the banks on December 31, 1954, was \$40,382,000. They had \$57,978,500 in surplus, and \$54,512,560 in undivided profits and reserves.

During the year they added \$2,386,500, or 6.28 per cent, to capital; \$3,660,750, or 6.74 per cent, to surplus, and \$6,195,070, or 12.82 per cent, to undivided profits and reserves.

The \$152,873,060 total capital funds amounted to 8.39 per cent of total deposits and 7.32 per cent of total assets.

1955 Iowa Group Meetings

The following are the dates and meeting places for the eight Group Meetings of the Iowa Bankers' Association to be held in May. As further information on the meetings becomes available, including programs, all will appear in coming issues of the NORTHWESTERN BANKER.

Group	Date	Meeting Place	
5	Tuesday	May 3	Council Bluffs
10	Wednesday	May 4	Centerville
6	Thursday	May 5	Knoxville
8	Friday	May 6	Tipton
4	Tuesday	May 17	Manchester
7	Wednesday	May 18	Waverly
3	Thursday	May 19	Mason City
2	Friday	May 20	Estherville

Deposits in the 96 national banks in Iowa totaled \$873,299,000 which, combined with deposits of the state chartered banks, made total deposits of all state and national banks in the state \$2,696,393,451.

To Burlington Directorship

Thomas F. Gray, vice president of Campbell Chair Company, was elected a director of the Burlington Bank and Trust Company, Burlington, Iowa, at the bank's recent annual meeting.

Common Stock Increase

Common stock of the First National Bank, Newell, Iowa, was increased recently from \$25,000 to \$50,000 by a stock dividend.

Ag Credit School

The 10th Annual Agricultural Credit School, jointly sponsored by Iowa State College, Ames, and the Iowa Bankers Association, is scheduled to start Monday, June 13, lasting two weeks, through June 24, according to Robert E. Hunter, director, Earlham Savings Bank, Earlham, and Ag Credit School committee chairman, and L. Milton Vander Stowe, assistant cashier, Security National Bank, Sioux City, committee vice chairman. Professor H. B. Howell of Iowa State College is in direct charge of the school.

FBI Conferences

The Federal Bureau of Investigation will hold law enforcement conferences on bank robbery during April and May, W. H. Williams, special agent in charge of the Omaha office, said recently.

Nebraska conferences will be held

Trust Officer



RICHARD C. ACKLEY is the newly appointed trust officer at the Union Bank and Trust Company, Ottumwa, as reported in the January issue of the *NORTHWESTERN BANKER*.

at Omaha, Grand Island and Scottsbluff; Iowa conferences at Sioux City, Des Moines and Davenport.

Agent Williams said there were 517 violations of the Bank Robbery Statute in 1954, against 418 the previous year, an increase of 23.6 per cent.

He explained that it is almost impossible for a law enforcement agency to catch bank robbers without assistance from bank employees and other citizens.

Capital Stock Increased

Capital stock was increased from \$125,000 to \$500,000 recently at a special stockholders' meeting at the Muscatine Bank and Trust Company, Muscatine, Iowa. Capital structure now

is: Capital \$500,000, surplus \$400,000, and undivided profits \$208,000.

Remodeling of the building on the west has been started and it is expected that the work will be completed within 90 days. A personal and installment loan department will occupy the newly-remodeled section of the bank.

New Bank Building

Construction of a new building to house the Clinton National Bank is expected to start within the next few weeks.

Plans for the structure which, when completed will be one of the most modern banking institutions in this area of the midwest, have been approved by the bank's board of directors.

The new bank will be located on the 6th Avenue S. property, just west of *The Herald* building.

Centerville Election Results

The annual meeting of the Centerville National Bank, Centerville, Iowa, was held recently, and R. F. Malmberg was elected vice president and cashier and W. R. Langfitt, vice president and farm manager. All other officers remain the same.

Mr. Malmberg has been with the Centerville National Bank for eight years and Mr. Langfitt five years.

Two New Directors

William B. Sayre, Ackworth, and L. V. Van Syoc, Milo, were elected new directors at the 36th annual Peoples Trust and Savings Bank stockholders' meeting held recently at the bank in Indianola, Iowa.

The bank also is sponsoring a girls' basketball team. All members of the squad, except three, work in the bank.

Bank's Gift to Community

A new meeting room for the community is the latest service offered by the Glenwood State Bank, Glenwood.

L. C. Dean, vice president, said, "We had the extra space available in our basement and it was really only a question of converting it."

The conversion consisted of walling off and finishing in knotty pine a main unit measuring 50 by 18 feet. Adjoining this is a second room measuring 18 by 18 feet, to serve as a kitchen.

An outside entrance allows for free use of the quarters whether the bank is open or not. The meeting rooms are available to local groups at no cost. The rooms have been in almost constant use since completion and more than 21 different meetings have been booked.

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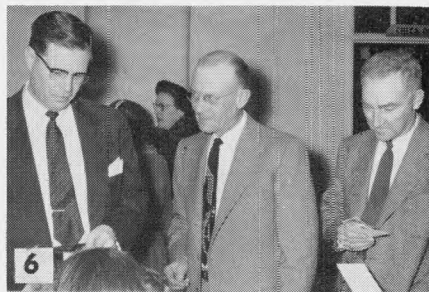
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VALLEY BANK AND TRUST COMPANY
DES MOINES

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Ralph Eastburn Named Chairman of Group 11



GROUP ELEVEN bankers of the Iowa Bankers Association met in Burlington last month. Some of those in attendance are shown in these photos, left to right:

1. **Ed Ebersole**, vice president and cashier, State Central Savings, Keokuk, and retiring group chairman; **Ralph Eastburn**, president, Iowa State Bank and Trust, Fairfield, new chairman, and **John B. Kee-line**, president, Central Trust and Savings, Cherokee, Iowa Bankers Association vice president.

2. **Larry H. Vardaman**, executive vice president and trust officer, State Bank of Wapello, new group secretary, and **Warren Hayes**, director of the same bank.

3. **Mrs. F. E. Breitenstein**, Gertrude Egley, Ann Goetz, Arline Dupy and Marge Lemon, all of State Central Savings, Keokuk. In foreground is **Jack Rigler**, assistant cashier, Northern Trust, Chicago. Center is **Bob Kline**, and at right **Les Siems**, assistant manager, bond department, both of Northern Trust. Standing are **Vern Richardson** (left), manager, Bonaparte office, and **F. E. Breitenstein**,

assistant cashier, both with State Central Savings, Keokuk.

4. **R. S. Kirkpatrick**, president, West Liberty State, West Liberty.

5. **Jacque C. Frost**, second vice president, Chase National, New York (foreground), **Dale C. Smith**, vice president, Central National Bank and Trust, Des Moines; **A. M. MacLaughlin** of Vieth, Duncan and Wood, Davenport; **Frank A. Johnson**, senior vice president, First Trust and Savings, Davenport, and **Frank Fuchs**, vice president, First National, St. Louis.

6. **Art Lindquist**, vice president, Merchants National, Cedar Rapids; **J. R. Taylor**, Mt. Pleasant, and **Gene Stephens**, director, Ainsworth State, Ainsworth.

7. **Harold Gugeler**, director; **Charles Wagner**, vice president, and **Paul Keller**, director, all of Danville State Savings, Danville.

8. **Willis F. Johnson**, U. S. Check Book, Omaha; **F. C. Spaethe**, assistant cashier, **C. R. Crawford**, and **J. E. Henson**, cashier, all of Louisa County National, Columbus Junction.

MORE than 425 bankers turned out for the Group 11 meeting of the Iowa Bankers Association at Burlington, Iowa, on Washington's birthday last month. The record registration taxed the hotel facilities to the fullest and was ample evidence of the excellent program prepared by outgoing group officers.

Elected to head the group for the next two-year period were Ralph Eastburn, president of the Iowa State Bank and Trust Company, Fairfield, as chairman, and Larry H. Vardaman, executive vice president, State Bank of Wapello, as secretary. Mr. Eastburn succeeds Ed A. Ebersole, vice president and cashier, State Central Savings Bank, Keokuk, as chairman. Mr. Vardaman succeeds Mr. Eastburn as secretary.

Chairman of the nominating committee was Frank Crone, president of the National Bank of Washington.

The principal speaker from outside the state was Herbert V. Prochnow, vice president, First National Bank of Chicago, who recently was appointed head of his bank's correspondent division. He told his audience that prospects for good business during the first half of 1955 were backed up by high spending, high savings and high production.

Parts of Economy

To add a little sober reflection to the optimistic views he discussed three parts of the economy that could possibly cloud the present bright outlook. They are: 1. The stock market, with economists expressing some concern over possible speculation. 2. Automobile production, which is now hitting 165,000 cars per week, excluding trucks, for a total estimated annual production of eight million cars, while the market can absorb only about six million. 3. Home production, which is proceeding at a pace of 1,450,000 units per year, while families are being formed at the rate of 600,000 per year. This means more labor from this source will eventually be thrown on the market when overproduction ceases, unless this labor can be diverted to construction of schools, highways, utilities and similar projects which must continue at a high rate.

He said the advisory council of the Federal Reserve Bank (he is secretary of the council) feels that shorter maturities should be adopted on home and mortgage loans, with high down payments required. These steps would strengthen the economy, reports the council.

State Bank Superintendent N. P. Black reported on the excellent condition of Iowa's chartered state banks which now have an all-time high deposit total of \$1,823,000,000, assets of \$2,000,000,000 and loans of \$681,000,000. He said that 21 applications for chartering new banks were received in 1954 but only one was granted. To date in 1955, 10 applications for new banks have been filed but no charters have been granted, he said.

Other speakers on the program included Frank Warner, secretary of the Iowa Bankers Association, who gave a most interesting report on the 1955 legislature, particularly with reference to legislation in which Iowa bankers have an interest.—End.

New Cashier

B. K. Peterson has been elected cashier of the Iowa State Bank, West Bend, Iowa, succeeding Eldon R. Zachman, who has purchased controlling interest in the Security State Bank of Wells, Minnesota. Mr. Zachman is taking over the active management of the latter bank.



B. K. PETERSON

Mr. Peterson obtained his bank training in the First State Bank of Belmond and was employed as assistant cashier in the Andrew Savings Bank, Andrew, from 1949 through 1953. He has been employed as a loan officer in the personal loan department of the First Security Bank and Trust Company, Charles City, since August, 1953.

The directors at West Bend contacted Mr. Peterson through the Bankers Service Company, Des Moines, which company specializes in selling interests in banks and supplying experienced bank executives.

Senior Bank Examiner

J. Harland Collinson, formerly of Tama, has been promoted from junior to senior bank examiner for the southwest Iowa territory. Mr. Collinson has been with the state board of bank examiners the past nine years, entering this work after his return from service with the armed forces overseas. Mr. Collinson and his family have moved from Marion to Atlantic, Iowa.

Allerton Changes

Glen Greenlee, cashier of the Security State Bank at Allerton, Iowa, has announced that Earl Booth, Sr., will serve as member of the bank's board



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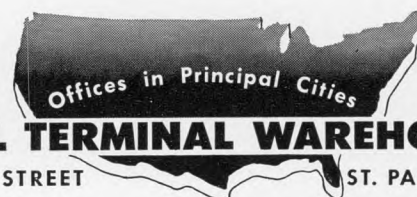


**George V. Mickelsen, Dist. Mgr.
Call 2-1208**



**Russell V. Peterson, Dist. Mgr.
Call Atlantic 7190**

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of directors to fill the vacancy created by the recent death of Carl Binau, longtime Allerton business man.

Also, Thomas Alley started last month as assistant cashier at the bank, Mr. Greenlee said.

Harold C. Bryant

Harold C. Bryant, 47, assistant cashier of the Vinton State Bank, Vinton, Iowa, died at his home recently after a long illness. He was a victim of cancer.

After 28 Years

Mathias Reiff resigned as a member of the board at a recent meeting of the board of directors of the Early Savings Bank, Early, Iowa. He had been a member of the board since 1927, when the bank was organized. He will be succeeded by Paul L. Dick.

To National Post

Ralph Storrs, trust officer and assistant cashier at the City National Bank, Council Bluffs, Iowa, was appointed a member of the 11-man accounting commission of the National Association of Bank Auditors and Comptrollers.

Mr. Storrs was appointed to the commission by G. L. Sheldon, comp-

troller of the Bank of New York, New York. Mr. Sheldon is chairman of the national committee.

Jesup Stock Sold

David Toussaint has announced that he has sold his majority interest in



C. R. DUROE
Buys Farmers State Bank, Jesup, Iowa

the Farmers State Bank of Jesup, Iowa, to C. R. Duroe of Jefferson, Iowa, and that Mr. Duroe has suc-

ceeded him as president and active manager of the bank. Mr. Toussaint said the sale was negotiated by Bankers Service Company of Des Moines, Iowa.

The bank's published statement for December 31, 1954, shows capital accounts of \$220,637 and deposits of \$2,225,956. Under Mr. Toussaint's direction the bank recently completed extensive remodeling operations.

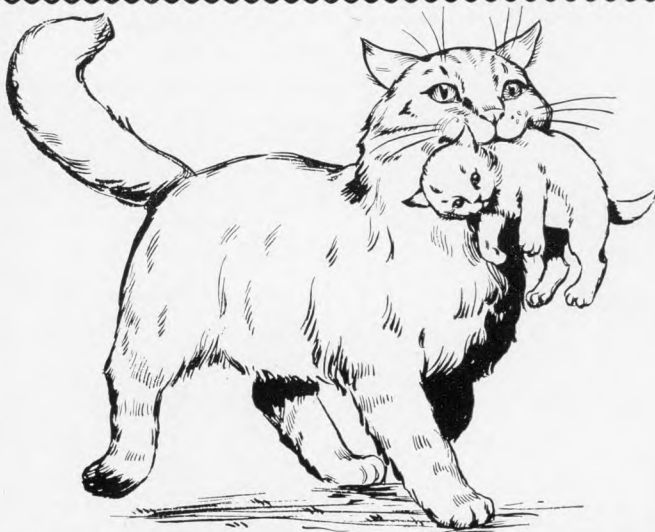
To Indianola

W. H. Brenton, president of the Warren County Bank and Trust Company, Indianola, Iowa, has announced that William G. Beatty has been elected cashier of the bank, to succeed Clark Mahr, who has been elected executive vice president. Mr. Mahr succeeds S. M. Hogshead, who resigned to accept a position with the City National Bank and Trust Company of Chicago.

Mr. Beatty went to Indianola from the Palo Alto County State Bank, Emmetsburg.

G. B. Baker

G. B. Baker, 83, prominent Ottumwa, Iowa, merchant and banker, died recently in an Ottumwa hospital. He was a director of the Farmers and Merchants Savings Bank.



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Of course, the 1st National offers many other advantages—years of experience, complete, efficient service, convenient location at the hub of a 4-state area — but the personal interest we take in the banking needs of our correspondents wins us many new friends.

Our personal interest in serving can result in a better correspondent banking arrangement for you.

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President
HAROLD V. BULL
Senior Vice Pres.
WILLIAM L. TEMPLE
Vice Pres.
EARL E. SNELL
Vice Pres.
HAROLD H. STRIFERT,
Cashier
EDWARD V. HOFFMAN
Asst. Vice Pres.

ERNEST A. JOHNSON
Asst. V. Pres.
ERNEST A. KENNY, JR.
Asst. Vice Pres.
HOMER V. GARRETSON
Asst. Cashier
GEORGE D. VINSON
Asst. Cashier
MERLE H. JOHNSON
Trust Officer

J. A. Rohwer To Head Group One

JULIUS A. ROHWER, president of the Farmers State Bank, Schleswig, Iowa, was elected chairman of Group 1 of the Iowa Bankers Association at the group's annual meeting held last month in the municipal auditorium in Sioux City. John Porter, president of the Lyon County State Bank, Rock Rapids, was named secretary.

About 800 bankers and their wives registered for the meeting and heard a number of outstanding speakers, including Dr. J. Carroll Bottum, assistant chief of the department of agricultural economics at Purdue University; George W. Cloos, economist for the Federal Reserve System; N. P.

Black, superintendent of banking; Byron L. McKee, president of the association, and Frank Warner, secretary of the association.

Farm Outlook

Dr. Bottum gave his views on the future agricultural outlook, mentioning that there should be a slightly better demand for farm products in 1955, although prices will be slightly less than last year.

Taking a "long run" look at farming, Dr. Bottum said he expects prices to continue "at competitive levels" at sometimes above and at other times below the present, but with an average below 100 per cent of parity, "re-

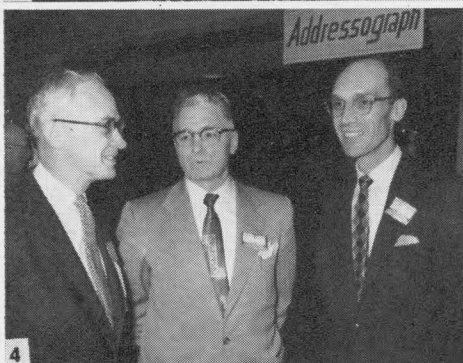
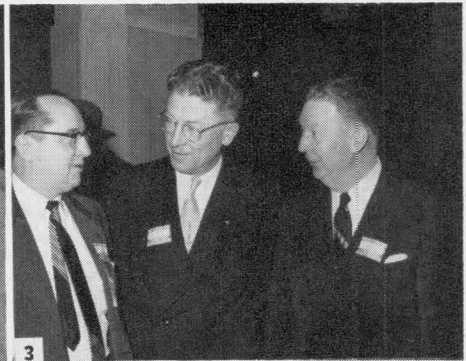


NEW OFFICERS of Group 1 are, left to right, Chairman Julius Rohwer, president of the Farmers State Bank, Schleswig, and Secretary John J. Porter, president of Lyon County State Bank, Rock Rapids.

gardless of the government farm program."

Barring war, he declared, the efficient farmer will get "reasonably good return" on his investment and work.

Mr. Cloos, in the second major address of the afternoon, stated that the immediate statistical outlook in regard to American industry is good. In a



BANKERS OF GROUP ONE had their day last month when they met in Sioux City's new auditorium for their annual meeting. A number of those attending the business session were snapped by the NORTHWESTERN BANKER camera, and they are pictured above, left to right in each photo:

1. **Fred D. Cummings**, vice president, Drovers National Bank, Chicago; **W. M. Goodyear**, vice president, Lake City State Bank, Lake City; **Robert M. Moehn**, vice president, Commercial Savings Bank, Carroll, and **R. K. Popple**, vice president, Bankers Trust Company, Des Moines.

2. **Lewis P. Bolton**, manager of transit department, Toy National Bank, Sioux City; **W. L. Karlson**, cashier, Farmers Savings Bank, Pierson; **Stanley Evans**, vice president, Live Stock National Bank, Sioux City, and **J. W. Cravens**, president, Sanborn Savings Bank, Sanborn.

3. **Joe Grant**, president of the First National Bank, Sioux City and president of the Sioux City Clearing House; **H. P. Knuth**, president of the Holstein State Bank, Holstein, and **E. D. Mickelson**, president of the First State Bank, Battle Creek.

4. **J. William Van Dyke**, vice president, Toy National Bank, Sioux City; **Elmer J. Knebel**, vice president, and **Lloyd A. Tymeson**, cashier, both of the Commercial Trust & Savings Bank, Storm Lake.

5. **E. C. Spengler**, president, Ocheyedan Savings Bank, Ocheyedan, and **Carl Fredrickson**, president, Live Stock National Bank, Sioux City.

6. **C. H. Walcott**, vice president of the Security National Bank, Sioux City, and **Tom Collins**, publicity director, City National Bank & Trust Company, Kansas City, who was dinner speaker at the annual banquet.

chart talk, he traced trends of the economy in regard to agriculture, and then compared those tendencies to trends in other industries.

Tom Collins, publicity director of the National Bank and Trust Company of Kansas City, Missouri, and a popular humorist, was banquet speaker.—End.

C. A. Frasier

C. A. Frasier, 68, former president of the Grinnell State Bank, Grinnell, Iowa, died last month, only one month after retiring and selling his interest in the bank to F. A. Jones, now president of the bank.

Clifford L. Niles

Clifford L. Niles, 76, business man and Republican party leader of wide acquaintance over the state, died last month in Anamosa, Iowa.

He was a director of the Citizens Savings Bank in Anamosa.

New President

D. J. Schnittjer was elected president of the Delhi Savings Bank, Delhi, Iowa, at the annual election of officers last month at the bank. Other officers elected are: H. L. Stone, vice president; A. A. Schmidt, cashier; E. G. Schmidt and A. J. Schmidt, assistant cashiers, and Betty Guetzko, bookkeeper.

Bank Buildings Sold

The Union Bank & Trust Company, Ottumwa, Iowa, has sold both its buildings on East Second Street under contract for transfer when the bank

is moved into its new building to be constructed at the corner of Market and Third Streets.

"Outstanding Boss"

Mortimer Goodwin, president of Union Story Trust and Savings Bank, Ames, Iowa, recently received the Outstanding Boss award for 1954 from Don Jans, employee at the bank. The award was presented at the annual JayCee awards banquet at Memorial Union, Iowa State University.

Free Personalized Checks

To celebrate its 25th birthday the First State Bank in Brunsville, Iowa, now headed by Mrs. Katherine Dickman, who has been associated with the institution throughout most of its history, announced it was giving all its regular customers 200 personalized checks free, plus a checkbook holder with the customer's name printed on it in gold.

The bank's total assets have climbed from \$174,187 at the end of 1929 to \$1,000,305 at the end of 1954.

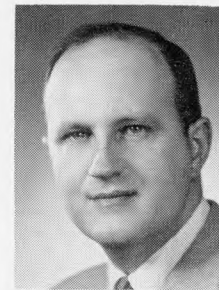
Jefferson State's Open House

More than 1,500 people accepted the invitation of the Jefferson State Bank, Jefferson, Iowa, recently to attend the bank's open house. The open house was held because of the bank's recent remodeling program.

Chief points of interest were the new vault, the drive-in window and the new check imprinting equipment. The bank took orders for and imprinted 500 personalized check pads during the day.

Le Mars Changes

Gordon L. Mennen was advanced from executive vice president to president of the Le Mars Savings Bank in Le Mars, Iowa, at the annual meeting of directors as reported last month by



G. L. MENNEN

the NORTHWESTERN BANKER. He is also president of the Farmers State Bank at Merrill.

The Le Mars Savings Bank has begun a complete remodeling program, including a new front, new fixtures for the entire lobby and a new bookkeeping room in an air conditioned room in the basement.

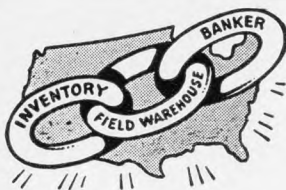
Bank Women to Meet

The second meeting of the Iowa Group of the Association of Bank Women is to be held in Des Moines, April 2 and 3 at the Hotel Savery.

Registration will be held on the Mezzanine Floor of the hotel at 5:30 p. m. on April 2. A reception and banquet will follow at 6:00 in the Terrace Room. W. H. Brenton, president of the State Bank of Des Moines, past president of the American Bankers Association and the Iowa Bankers Association, will be the guest speaker. His topic will be "Opportunities Unlimited."

The meeting will reconvene at 10:00 a. m. on Sunday morning for a brunch, followed by presentation of the Eisenhower Prayer Award by the State Savings Bond department. Miss Virginia Rehme, national vice president of the National Association of Bank Women and savings bond chairman for the NABW, will be present and address the group at this morning session.

Any women executives in Iowa interested in attending the meeting and who are not members of the National Association of Bank Women, may address their inquiries regarding the meeting and membership to the Iowa secretary, Miss Margaret Hendry, Home Trust and Savings Bank, Osage, Iowa.



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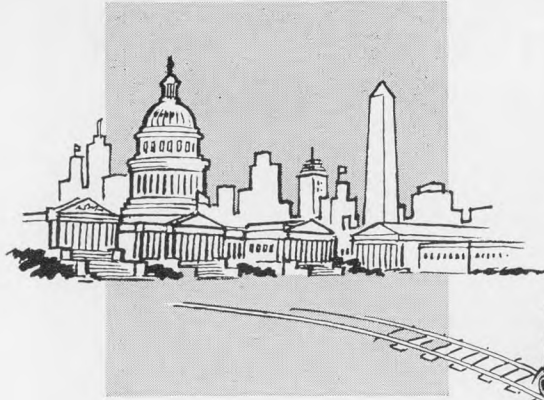
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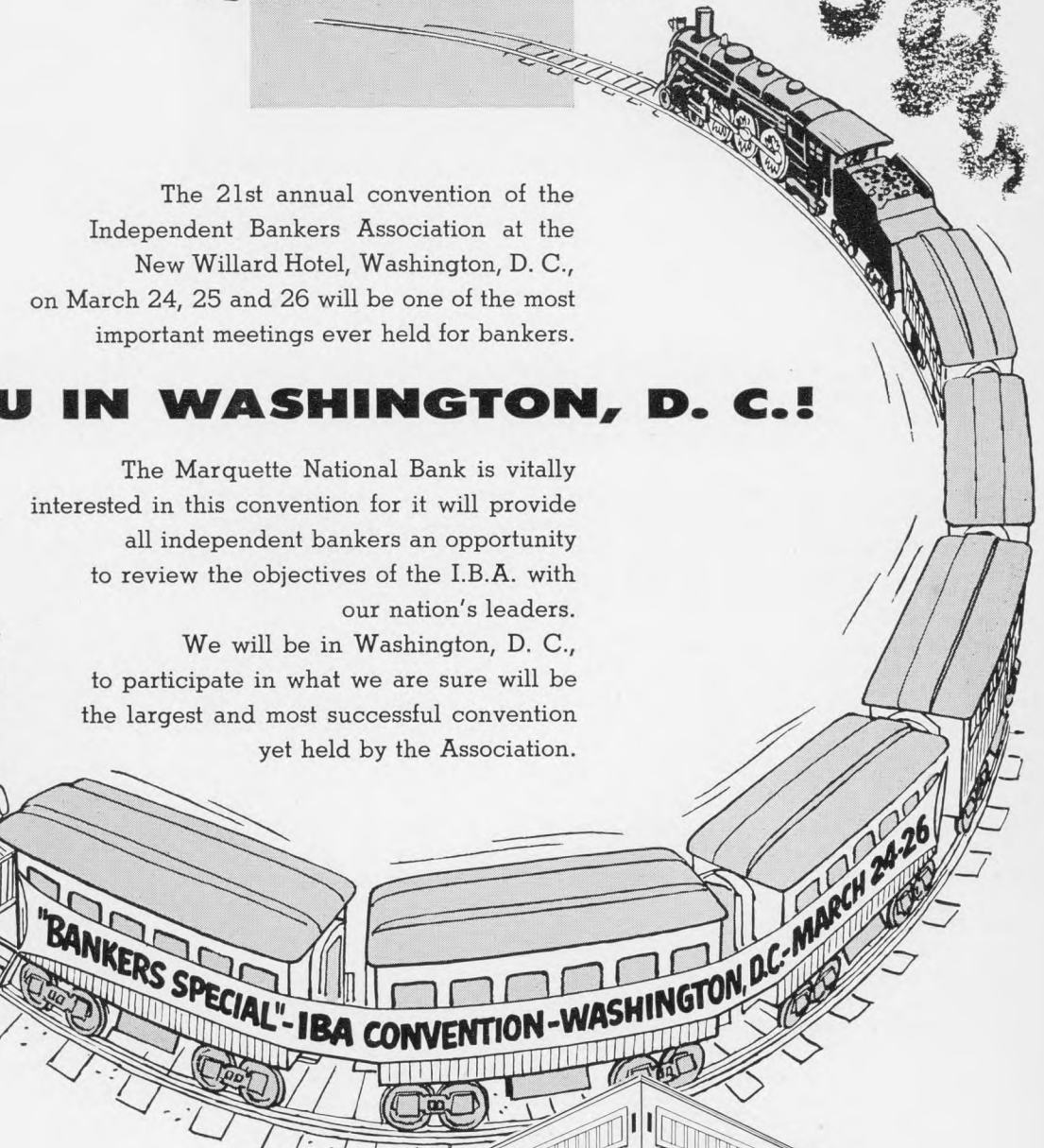
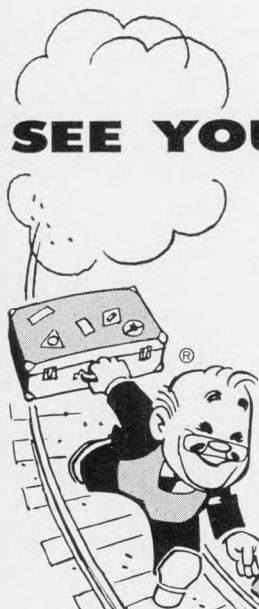


The 21st annual convention of the Independent Bankers Association at the New Willard Hotel, Washington, D. C., on March 24, 25 and 26 will be one of the most important meetings ever held for bankers.

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Strong Friend of the Independent Banker

Northwestern Banker, March, 1955

Des Moines News



H. C. WINDER, vice president and cashier of the Central National Bank and Trust Company, Des Moines, filed as a candidate last month for the office of school board treasurer at the election to be held this month.

F. C. Atkins, vice president and cashier of the Bankers Trust Company, who has held the office for the last four years, said he is not a candidate for re-election.

"The five banks which are members of the Des Moines Clearing House pass this job around and each bank selects its man, who usually is re-elected for a second term," explained Mr. Atkins.

Dr. Arthur A. Smith, vice president and economist for the First National Bank of Dallas, Texas, addressed the opening meeting of Drake University's third annual executive development program early this month.

Mr. Smith discussed "The Problem of Internal Markets." Theme of the 1955 program was "Managerial Challenges of Today and Tomorrow."

Paul Huelback, mortgage loan department, Bankers Trust Company, won the new bowling ball offered as main prize at the American Institute of Banking men's meeting held last month at the V.F.W. Club, Des Moines. Many other prizes were awarded shortly after the fried chicken buffet supper.

Three nights later, also at the V.F.W. Club in Des Moines, A.I.B. members and their husbands, wives and guests attended the annual A.I.B. Valentine dinner-dance.

The Rev. J. Hamilton Dawson, 75, retired Des Moines minister and vice president of the Iowa State Bank, died recently at Iowa Lutheran Hospital.

He returned to Des Moines in 1942 after a three-year pastorate in New York to head the public relations department of the Iowa State Bank. In 1943 he became a vice president of the bank.

The Central Iowa Conference of the National Association of Bank Auditors and Comptrollers will conduct a one-day clinic at the Hotel Fort Des Moines, Des Moines, on April 21.

Warren Garst, executive vice president of the Home State Bank of Jefferson, Iowa, chairman of the committee planning the clinic, says there will be two sessions. The morning session will cover banking operations, while the afternoon session is devoted to bank auditing as pertains to smaller country banks. The meeting will begin at 9:00 a. m. and will be adjourned at 4:00 p. m.

James W. Hubbell, chairman of the board of directors of the Bankers Trust Company, Des Moines, departed

the last part of last month on a four weeks vacation in Florida. Following his vacation, much of which was spent at the Mardi Gras in New Orleans, Louisiana, **Scott C. Pidgeon**, president of the bank, has returned to Des Moines.

Three officers of the Iowa-Des Moines National Bank attended the National Trust Conference in New York City last month. They were **C. W. Aurand**, bank president; **Clyde H. Doolittle**, senior vice president, and **C. Ream Daughrity**, trust officer.

Mr. and Mrs. Edward Burchette are spending their vacation in Florida. Mr. Burchette is chairman of the board of the Valley Bank and Trust Company, Des Moines.

J. R. Astley, vice president of the Valley Bank and Trust Company, Des Moines, last month attended the meeting of mortgage bankers in Chicago. —End.

National City Merger

Howard C. Sheperd, chairman of the board of The National City Bank of New York, and Alexander C. Nagle, president of the First National Bank of the City of New York, announced early this month that a plan to merge the two banks had been agreed upon by the respective boards of directors, subject to approval of the shareholders of each bank on March 30 and of the Comptroller of the Currency.

Under the merger plan the National City Bank will pay to the shareholders of the First National Bank \$550 per share in cash for its capital stock, a total of \$165,000,000 for the 300,000 shares outstanding. No change will be made in the capital stock of National City, which consists of 10,000,000 shares of \$20 par value, a total of \$200,000,000, or in its surplus, which is \$300,000,000. To reflect the merger, the name of the National City Bank will become The First National City Bank of New York, by amendment of its charter.

The number of directors of First National City Bank will be 25, including 20 members of National City's board and five from the board of First National. The new members of the board will be: George F. Baker, Jr., Percy Chubb II, Edward S. Moore, Jr., Alexander C. Nagle and William C. Stolk.

All members of the senior management of National City will continue in their present positions. Mr. Nagle will join the group as chairman of the executive committee and Grant Keehn, executive vice president of First National, will hold the same title in First National City.

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Bond Men Elect

Blair A. Phillips, Jr., president of White-Phillips Company, Chicago, has been named 1955 president of The Exempters, Chicago organization of municipal bond men.

Mr. Phillips succeeds Robert E. Simonds, Jr., of Halsey, Stuart & Company, Inc.

New Tulsa Director

R. W. McDowell, president of the Mid-Continent Petroleum Company, has been elected a member of the board of directors of the First National Bank & Trust Company, Tulsa, Oklahoma. Mr. McDowell becomes the 25th member of the bank's board.

New Proof Manual

A comprehensive study of commercial proof department operations and an explanation of basic principles involved in its successful operation are the subjects covered in a new 121 page manual entitled *Commercial Proof Department Operations* published by The National Association of Bank Auditors and Comptrollers, according to an announcement by the association's president, Robert H. Shepler, who is vice president and cashier, The Denver National Bank, Denver, Colorado.

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Stock Dividends Increase Capital

The following changes took place recently in the status of Iowa State Chartered Banks:

Bank	Location	From	To
Alton Savings Bank, Alton.....		\$ 25,000	\$ 35,000
Atlantic State Bank, Atlantic.....		100,000	150,000
Farmers Savings Bank, Frederika.....		20,000	30,000
State Savings Bank, Cantril.....		25,000	50,000
Security Savings Bank, Ireton.....		30,000	45,000
Livermore State Bank, Livermore.....		25,000	50,000
Monticello State Bank, Monticello.....		400,000	400,000*
New Albin Savings Bank, New Albin.....		25,000	50,000
Sheffield Savings Bank, Sheffield.....		25,000	50,000
Waukon State Bank, Waukon.....		100,000	125,000
Citizens State Bank, Wyoming.....		50,000	100,000

*Retired all preferred stock (\$50,000) and issued common stock dividend for like amount.

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More North Dakota News

Mr. Wallander joined the banking staff in 1915 as a bookkeeper and was named president of the bank at its recent annual meeting.

Park River Activity

Gordon S. Larson, cashier of the First State Bank, Park River, North Dakota, for several years, has been elected vice president. Robert Bork has succeeded Mr. Larson as cashier.

Jamestown Changes

E. W. Hauser, vice president and cashier, First James River National Bank, Jamestown, North Dakota, was promoted to first vice president at the recent annual meeting. Other promo-

tions were: Dorothy Falk to auditor, C. A. Thorkelson to cashier, K. B. Cummings to manager of the installment loan department, and Robert Miller to assistant manager of the installment loan department.

The capital structure of the bank was increased \$50,000 by adding to the surplus account increasing the surplus to \$250,000 and bringing the capital structure up to approximately \$550,000.

Co-Sponsor Contest

The bankers of Grant county, North Dakota, plan to help sponsor a soil and water conservation scrapbook contest for the school children of the county. Other sponsors are the superintendent of schools and the Grant County Soil Conservation District. The banks of the county will offer cash awards of \$20 for first prize, \$10 for second prize, \$5 for third prize, and five honorable mention prizes of \$2 each.

Named Chairman

Edward L. Olson, cashier, First National Bank, Grand Forks, North Dakota, has been appointed chairman of the industrial committee of the \$198,000 Y.W.C.A. Community Center completion campaign in Grand Forks.

Valley City President

Harry Lundholm, cashier, First National Bank, Valley City, North Dakota, has been elected president and executive officer of the bank.

Mr. Lundholm began his banking career at First National in Minneapolis in July, 1930.

Two Leave Board

Paul E. R. Abrahamson and Edward Traynor left the board of directors of the Ramsey County National Bank, Devils Lake, North Dakota, recently when the number of directors was reduced from seven to five.

\$50,000 Increase

The National Bank of Jamestown, North Dakota, has increased its surplus account by \$50,000 to give it a total surplus account of \$250,000, according to an announcement made following the annual meeting of the stockholders.

The bank's capital remains at \$100,000. Year end deposits amounted to \$7,317,000, a slight increase over 1953, according to officials.

Lisbon Surplus Change

Surplus of the Farmers State Bank, Lisbon, North Dakota, was increased \$10,000 at the recent annual meeting. All officers and directors were re-elected.

Retires at Northwood

Alvin A. Halvorson, vice president, Northwood State Bank, Northwood, North Dakota, has retired after 49 years in the banking business in Northwood. He was vice president of the Citizens National Bank from 1925 until that bank was absorbed by the Northwood State Bank in 1931, at which time he became the vice president of the latter institution.

Named Vice President

Edward F. Spencer was elected vice president of the First National Bank, Bismarck, North Dakota, at the bank's recent annual meeting.

Remodeling in Bowman

Remodeling of the First National Bank, Bowman, North Dakota, was started recently and the bank's business is being conducted in the former postoffice room.

Leaves Mandan Bank

Resignation of John Daschle as assistant cashier of the First National Bank, Mandan, North Dakota, was announced by J. R. Madsen, bank president.

More South Dakota News

Surplus Doubled

The surplus of the Commercial Trust and Savings Bank, Mitchell, South Dakota, was raised from \$100,000 to \$200,000 at the recent annual meeting of the board of directors and stockholders.

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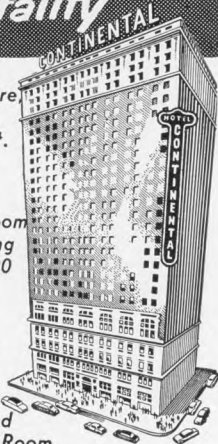
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In other action at the meeting Glen Ritterbush was elected assistant cashier, a job he will hold in addition to that of farm service director.

To Rapid City Board

Eugene Pester, vice president and trust officer, Rapid City National Bank and Rapid City Trust Company, Rapid City, South Dakota, has been elected a director of the bank.

Board Number Increased

Expansion of the board of directors of the Aberdeen National Bank, Aberdeen, South Dakota, to include two new members was announced recently by President L. H. Ickler, Jr., following the annual stockholders' meeting.

The new directors are Olwin Ackley, president and co-owner of the Olwin Angell Store, and Henry J. Schmitt, editor and publisher of the *American-News*, and president of radio station KSDN.

K. L. Syzmanski

K. L. Syzmanski, 66, president, Farmers State Bank, Tabor, South Dakota, died of a heart attack suffered recently at his home.

More Montana News

MBA President Elected

L. A. Christiansen, owner and president, Bank of Glacier County, Cut Bank, Montana, has been elected president of the Montana Bankers Association, succeeding for the remainder of the year, J. F. Kumpf of Conrad, who died recently.

Mr. Christiansen's election was an-

nounced at a recent meeting of the association's executive council in Great Falls, Montana. About 30 bankers were present and set the following dates and places for the association's group meetings:

Group 6, May 6, Anaconda. Group 7—May 7, Bozeman. Group 2—May 9, Glendive. Group 4—May 10, Glasgow. Group 1—May 11, Havre. Group 5—May 12, Great Falls. Group 3—May 14, Libby.

Helena Changes

Fred Heinecke, president, First National Bank and Trust Company, Helena, Montana, has announced the following changes at the bank: Nels Turnquist was advanced from assistant cashier to assistant vice president; Harold Ormseth, an examiner for the First Service Corporation the past seven years, to assistant vice president; J. A. Brooks, manager, consumer finance department, to assistant cashier; Carl Wiest to assistant cashier, and Burton Felder, cashier, to continue as cashier with the new position as assistant trust officer.

Advances to Chairman

Dr. L. R. Packard was promoted from president, Whitehall State Bank,

Whitehall, Montana, to chairman of the board at the bank's recent annual meeting. A. W. Robert was advanced from vice president to president and Wilbur Manley and Marian Poff were named assistant cashiers.

Two Advance at Glasgow

C. R. Tvedt, cashier, was promoted to vice president and Leroy Whittle, assistant cashier, was advanced to cashier of the Farmers-Stockgrowers Bank, Glasgow, Montana.

Red Lodge Changes

Joe Bailey was promoted from cashier to executive vice president, United States National Bank, Red Lodge, Montana, at the recent annual meeting at that bank. William R. Larkin, Jr., was named cashier.

R. B. Zachary was elected executive vice president at the recent annual meeting at the Meyer and Chapman State Bank, Red Lodge, Montana.

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In the DIRECTOR'S ROOM



Tough Bird

They are telling this one in New York.

An Englishman walked into an animal shop in London and asked for a parrot.

"Why, yes," said the shopkeeper. "Here's a magnificent bird."

"How much?" asked the Englishman.

"Fifty pounds," said the shopkeeper.

"That's ridiculous," said the Englishman.

"But he speaks seven languages," explained the shopkeeper.

"I don't care what he speaks," replied the Englishman. "Is he tender?"

What Else

A mother, testifying on behalf of her son, swore that he "worked on a farm ever since he was born."

Triumphantly the opposing lawyer leaned over to her and thundered, "You tell this court that your son worked on a farm ever since he was born?"

"I do."

"What did he do the first year?"

"He milked."

No Backtalk

Two men were discussing their home life. "Honestly, now, who is really boss at your house?" asked the one.

"Well, naturally," admitted the other slowly, "Mary takes complete charge of the children, the servants, the dog and cat, and the canary, but I can say just about anything I please to the goldfish."

I Confess

A conductor was driven crazy at rehearsals because at least one member of the orchestra was always missing. After the last rehearsal he tapped his baton for attention and said, bitterly, "I want to thank the first violin publicly for being the only man in the orchestra who had the decency to attend every rehearsal."

The first violin hung his head and looked sheepish. "It seemed the least I could do," he said in a deprecating tone. "You see, I don't expect to show up for the concert tonight."

Politics

Old Lady (to little boy smoking a cigarette): You had better stop doing that, otherwise you'll never become president.

Little Boy: Oh, that's all right, lady. I'm a Republican anyway.

Battery Mates

A young medical lieutenant who walked past the psychiatric ward each morning and watched one of the inmates go through the motions of winding up and pitching an imaginary ball, was finally asked by one of his friends why he stopped daily and watched the screwball go through his act.

"Well," he answered, "if things keep going the way they are, I'll be in there some day catching for that guy, and I want to get on to his curves."

Dandy Job

Mike was smiling all over his face. "I've a dandy job now, Pat," he told his friend.

"Who is it ye work for, Mike?" asked Pat.

"Casey's, the contractors," said his friend.

"Phwat is it ye're doin'?" said the other.

"Diggin' a well," replied Mike, with an artful wink. "I've dug down so far now that th' boss can't see if I'm workin, or not."

Who Won?

A British father took his young son on a trip to Germany. When he had finished his first meal, the son asked, "Daddy, if we lose the next war, can we have food like this, too?"

CONVENTIONS

March 21-23, ABA Instalment Credit Conference, Jefferson Hotel, St. Louis, Missouri.

March 24-26, Independent Bankers Association, Annual Convention, New Willard and Washington Hotels, Washington, D. C.

April 18-20, Associates of Reserve City Bankers, El Mirador, Palm Springs, California.

April 18-22, Nebraska Group Meetings.

April 28-30, American Safe Deposit Association, John Marshall Hotel, Richmond, Virginia.

May 3-6, First Week of Iowa Group Meetings.

May 13-14, South Dakota Bankers Association, Annual Convention, Aberdeen.

May 17-20, Second Week of Iowa Group Meetings.

May 27-28, North Dakota Bankers Association, Annual Convention, Gardner Hotel, Fargo.

May 30-June 3, American Institute of Banking, 53rd Annual Convention, Miami, Florida.

June 3-4, Wyoming Bankers Association, Annual Convention, Sheridan.

June 8-10, Illinois Bankers Association, Annual Convention, Jefferson Hotel, St. Louis, Missouri.

June 13-15, Minnesota Bankers Association, 65th Annual Convention, Radisson Hotel, Minneapolis.

June 13-25, Graduate School of Banking, Rutgers University, New Brunswick, New Jersey.

June 16-18, Colorado Bankers Association, Annual Convention, Colorado Hotel, Glenwood Springs.

June 16-18, Montana Bankers Association, 52nd Annual Convention, Canyon Hotel, Yellowstone National Park.

June 20-22, Wisconsin Bankers Association, Annual Convention, Schroeder Hotel, Milwaukee.

July 24-August 6, School of Financial Public Relations, FPRA, Northwestern University, Chicago.

September 25-28, American Bankers Association, 81st Annual Convention, Chicago, Illinois.

October 10-13, National Association of Bank Auditors and Comptrollers, Denver, Colorado.

October 11-12, Nebraska Bankers Association, Annual Convention, Cornhusker Hotel, Lincoln.

October 13-16, National Association of Bank Women, Westward Ho, Phoenix.

October 23-26, Iowa Bankers Association, 69th Annual Convention, Hotel Fort Des Moines, Des Moines.

November 13-16, Robert Morris Associates, Annual Fall Conference, Dallas, Texas.

November 14-18, Financial Public Relations Association, Hollywood Beach Hotel, Hollywood, Florida.

LEGAL

Can Old-Age Payments Be Recovered From Recipient Now Owning House?

Q. A bank employe sought to buy a house in Nebraska belonging to Fellows in 1952. Fellows has received old-age assistance from the State between 1947 and 1951 of \$1,500 and from 1951 to 1952 of \$500. He had acquired the property from a relative in 1951. The State sought to establish a lien against the property for \$2,000, that is, its full payments between 1947 and 1952. A law creating lien rights had been passed in 1947. Fellows contended its lien should be for only \$500, the amount paid him from 1951 when he came to own the property. Should the State prevail?

Yes. It is the position of the Supreme Court of Nebraska in old-age assistance cases of this character that liens attach for all amounts paid to recipients from the date the lien statute became effective irrespective of the time the property was acquired. The law contemplates a lien for the full amount on any real estate then owned and subsequently acquired.

Q. A Minnesota bank director owned a store in that state which was managed by an employe on whom a fidelity bond had been obtained. The bond read that it would protect the owner against dishonesty and other fraudulent acts of the employe. Losses occurred at the store due to the manager's mistakes and negligence. Could the owner recover on the bond?

No. In so ruling on an analogous situation recently, the Minnesota Supreme Court pointed out that to recover on such fidelity bonds the burden of proof rests with the plaintiff-employe to establish that the loss was caused by an act of dishonesty or fraud. Acts of dishonesty and fraud are not established by mere proof of mistakes and negligence, and where mistakes and negligence only exist, no recovery can be had for dishonesty and fraud.



LEGAL DEPARTMENT of the NORTHWESTERN BANKER

Q. Two Nebraska residents went to Missouri in 1945 and had a marriage ceremony performed for them. At the time, due to a non-final divorce decree, one of them could not be married. Later they lived together in Nebraska as husband and wife for seven years. During that time they took three vacation trips of a couple of weeks each to Colorado. There they also lived as husband and wife. Colorado recognizes common law marriages. Nebraska does not recognize any entered into since 1923. Inasmuch as the original ceremony was invalid, did the trips to Colorado bring into being a valid marriage?

No. Temporary trips or sojourns into Colorado or any other state recognizing common law marriages by the parties in which they held themselves out to be husband and wife were not sufficient to bring into being a valid marriage. They did not change, or intend to change, their domicile or residence to that jurisdiction. The Nebraska Supreme Court has so ruled recently in a decision involving similar facts.

Q. The trust officer of an Iowa bank was confronted with a situation where an elderly lady customer had made a will in circumstances where she had mind enough to know in a general way the natural objects of her bounty, the nature and extent of her estate, and the disposition she wished to make of it. She was not, however, quite competent to make contracts and transact business generally. Could the lady make a valid will?

Yes. In a recent decision the Iowa Supreme Court specifically stated that it is not necessary that one be competent to make contracts or transact business generally to be able to dispose of his property by will. As long as a testatrix has mind enough to know in a general way the natural objects of her bounty, the nature and extent of her estate, and the disposition she wishes to make of it, she may make a good will.

Q. An elderly woman executed a deed to Jones of a South Dakota farm she owned in circumstances where it was subsequently contended that the document had been obtained through the use of undue influence. As an incident to the execution she simply had called in her lawyer to prepare the form, had told him of her decision, and had instructed him to go ahead. There is a rule of law to the effect that undue influence will not be held to exist where one has competent, independent advice. Would such rule be applicable here?

No. The South Dakota Supreme Court has so ruled recently, saying that the lawyer had not been dealt in on the matter for counsel, but as a draftsman and that "The theory of law that removes the cloud of undue influence on a showing that the one allegedly overpersuaded had independent advice involves actual advice that is neither incompetent nor perfunctory."

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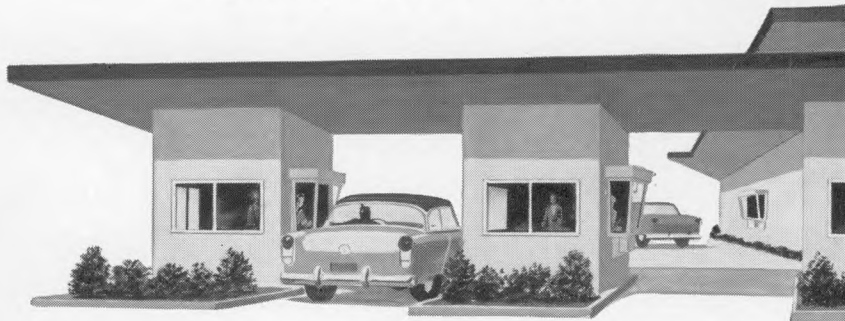
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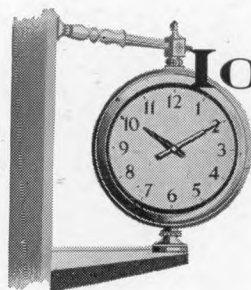
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