OVER HALF OF ALL IOWA BANKS ARE MERCHANTS NATIONAL CORRESPONDENTS

The Merchants National’s micro-film service is another reason. Every check cleared through the Merchants National is recorded on micro-film for immediate identification and duplication in case of loss in transit. Whatever your correspondent needs may be, you can rely on the Merchants National. Your call will be welcomed.
How digging for business brought this banker a new account

One of our correspondents in a midwestern city heard an interesting report—mining properties located nearby were being considered for development.

The bank asked us to investigate. The report was true, and we immediately contacted the mining company. We told them of our correspondent’s interest in doing business with them, and arranged a personal introduction between the bank’s officers and the executives of the mining company.

Result: the mining company opened an account with our correspondent bank, and an important new relationship was established. “Digging for business” to help correspondent banks is one of our most important services.

As a correspondent of the Northern Trust, you too can count upon this ready cooperation. It’s an important “plus” that goes along with our full range of banking, credit, bond, trust, and operating services. May we be of help to you? If you are not already acquainted with us, call N. Hall Layman, Vice President, or one of his associates in the Banking Department.

The Northern Trust Company

50 South La Salle Street
Chicago 90, Illinois
Fl 6-5500 • Member F.D.I.C.

Northwestern Banker, June, 1961
Gain more time in the field to build more business

with CHASE MANHATTAN’S SPECIALIZED BANK PORTFOLIO REVIEW SERVICES

Does the management of your bank’s portfolio take too much of your time from other equally important tasks? The Chase Manhattan Bank’s portfolio review department — set up solely for this purpose — is ideally geared and staffed to ease your burden, back up your judgment with skill and understanding. It can be your working partner either for continuous advice or spot reviews . . . or an informed and interested contact to answer occasional questions.

When you use Chase Manhattan’s bank portfolio review services, you benefit from the same extensive investment experience and facilities that guide Chase Manhattan in managing its own portfolio. Moreover, regular use of these services by hundreds of correspondent banks, large and small, has made Chase Manhattan a clearing house for investment ideas. Every resource of Chase Manhattan is focused on bringing each correspondent the kind of investment counsel that will prove most effective in solving its particular problem.

Whatever your bank’s investment needs may be, investigate our bank portfolio review services. Or better yet, let us send you a newly prepared booklet showing how many ways your bank can benefit. Ask for our “Portfolio Review Booklet”—call HAnover 2-6000, or write to Roger A. Lyon, Vice President, 1 Chase Manhattan Plaza, New York 15, N.Y.

THE CHASE MANHATTAN BANK
Correspondent Bank
Portfolio Review Department
Head Office: 1 Chase Manhattan Plaza
New York 15, N.Y.
Member Federal Deposit Insurance Corporation
Dear Editor

"Tellors Can Sell Service"

"I have just read with interest your advice to Joe H. Davis, V. P., First National Bank, Memphis, Tennessee, which appears in your 'Across the Desk from the Publisher' page in the May issue of the Northwestern Banker. I have long wished that bankers would use the facilities of their tellers to sell banking services. Tellers are the people who come in direct contact with the public and in many cases are in a position to give friendly advice. Generally, people will confide their financial problems to a teller with whom they have a more personal acquaintance than to an officer who appears somewhat forbidding if only because of his title. I believe if more bankers would put these natural salesmen to work and as you so aptly advise, advertise the benefits of their services themselves, the 'banking business will,' as you say, 'go only where it is invited and stay only where it is well treated.'"

Rita E. Rawll, Vice President, Christmas Club, a corporation, 230 Park Avenue, New York 17, New York.

Honor George Watts

George J. Watts, vice president in charge of advertising and public relations for the Republic National Bank of Dallas, Dallas, Tex., last month was elected president of the Dallas Advertising League.

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Northwestern Banker, June, 1961
Major Expansion for NCR

A MAJOR expansion of marketing facilities for NCR electronic data processing systems is announced by The National Cash Register Company.

Robert S. Oelman, NCR president, said the expansion would result in coast-to-coast coverage of business, industry and government in the marketing of NCR’s 304 electronic data processing system and the recently announced 315 system which features the new NCR Card Random Access Memory (CRAM).

The broadened marketing program will give the company local representation by computer specialists in approximately 60 major cities by the end of the year. In addition, 950 NCR accounting machine representatives will receive intensive training in the company’s EDP systems.

Under the program eight regional offices have been opened. The offices and respective managers are as follows: Henry Fokens, New York; George Nesmith, Chicago; J. S. Summer, Los Angeles; L. M. Solganik, Philadelphia; W. R. Coleman, Dallas; G. S. Muething, Atlanta; H. D. Conlin, Hartford, and R. E. Prouty, Dayton.

The expanded computer marketing organization will be under the supervision of H. R. Wise, manager of data processing sales. Dr. E. C. Yowell is director of sales support.

T. R. Bitterly is director of the company’s data processing center operations.

Mr. Oelman said the company has just completed a new EDP headquarters building in Dayton which houses administrative and supporting personnel for the marketing of electronic systems and services. This facility also provides for various customer services, such as management seminars, programming seminars and program research.

Joins La Salle National

Clyde V. Hackney has been appointed assistant vice president at La Salle National Bank, Chicago, according to Harold Meidell, president. He joins the bank’s installment credit department, dealer service division.

Mr. Hackney has had wide experience in installment credit with finance companies and banks. Before joining La Salle, he served as vice president and manager of the installment loan department of the Florida National Bank and Trust Company at Miami, Fla.

Eleet Chemical Executives

Sherrill P. Newton and John G. Reedell, investment trust officers, have been elected vice presidents of Chemical Bank New York Trust Company, New York, Chairman Harold H. Helm announced. Messrs. Newton and Reedell are with the bank’s Trust Investment Department at 100 Broadway.

Charles W. Carson, Jr., Robert K. Jennings and William P. Terry, former assistant secretaries, have been named assistant vice presidents.

Mr. Carson is with the bank’s International Division-Far Eastern Territory; Mr. Jennings is Chairman Helm’s assistant, and Mr. Terry is with the bank’s personal trust department.
FLORIDA MAN FINDS THIS EMBLEM LEADS THE WAY TO FINANCIAL SUCCESS

Here, in part, is the letter that won for Mr. N. of Florida a prize in Christmas Club a Corporation's 1960 Competition:

“Eleven years ago I opened my first Christmas Club account. At first I was somewhat confused about the purpose of a bank account which does not pay interest. But as time went on, I became convinced that interest on the deposits was not the purpose of Christmas Club.

“The real purpose of the club began to stand out with each deposit I made. It was the ‘habit of pre-decided and weekly systematic savings.’

“My first club helped my start in business, and my yearly Christmas Club checks have paid many tax bills or house repair bills which saved me many dollars in carrying charges. Christmas Club has also helped my credit rating in my bank. In fact, my Christmases are now really merry ones!”

Mr. N., in learning to save and to use the services of his financial institution, is a living example of the two most important reasons for Christmas Club!

1. It is the “kindergarten” that starts people on the road to financial responsibility.

2. These people often become customers for the other services you offer.

We would like to talk to you personally about about these and other advantages of Christmas Club. Our staff member for your area can give you complete information. A note to us will put him in touch with you. There is no obligation, of course.

Christmas Club
a Corporation

230 Park Avenue, New York, N. Y.

Founded by Herbert F. Rawll

Builds Character  •  Builds Savings  •  Builds Business for Financial Institutions

Northwestern Banker, June, 1961
**Bank Building Firm’s Progress**

**RECORD** sales and profits were reported for Bank Building and Equipment Corporation of America in 1960 by L. J. Orabka, president. Presenting his report at the firm’s annual meeting, Mr. Orabka stated that sales climbed to $28,300,000, an increase of $5,350,000 over 1959. Current orders total over $35,000,000, and new contracts sold during recent weeks should assure 1961 sales to be at least equal to the record reported in 1960.

The company is, of course, continuing as a leader in the bank building field. In addition, it has diversified its efforts, going into the design and construction of motels and cooperative apartments. The company is currently working on a 10-story building project in St. Petersburg, Fla., which will cost $3,500,000. Today, the company has over 300 architectural contracts in progress and 95 building and interior work contracts that are firm and finalized, located throughout 42 states.

**Name Chase Officers**

Albert C. Bossert and Joseph J. O’Brien have been appointed vice presidents in the trust department of the Chase Manhattan Bank, David Rockefeller, president, announced recently.

Mr. Bossert, who joined the bank in 1923, has been associated with trust operations since 1933 and now heads the division.

Mr. O’Brien heads the corporate and agency operations division of the trust department. He has been associated with the department since he joined the bank in 1929.

**On Advisory Board**

Howard C. Sheperd, former chairman of First National City Bank, has been appointed to the bank’s Trust Advisory Board, New York.

Since his retirement from the bank on November 1, 1959, Mr. Sheperd has continued to play an active role in welfare and civic activities. He is chairman of the board of the Greater New York Fund and in recent months has headed a group of citizens who seek to purchase WNTA-TV and convert it to educational television.

**Name Centennial Chairman**

Leslie R. Shope has been named executive secretary of the Centennial Commission of The American Bankers Association, according to a joint announcement by Ben H. Wooten, Commission chairman, and Dr. Charles E. Walker, A.B.A. executive vice president.

Mr. Shope will coordinate planning for national, state and local observance of the 100th anniversary of the nation’s dual banking system in 1963.

A native of Pennsylvania, Mr. Shope was in charge of advertising and public relations of The Equitable Life Assurance Society of the U. S. in New York for the past 15 years. Prior to joining Equitable as sales promotion director in 1934, he specialized in aviation advertising.

---

**PLANNING A NEW BANK?**

**Use St. Paul’s service**

AVAILABLE WITHOUT EXTRA COST, the St. Paul offers banks a special service as a plus factor in our Bankers Blanket Bond Policy. Many banks, large and small, consult with the St. Paul about the design and construction of protective equipment; we regularly assist banks in developing safeguards to handle currency. Just one more reason why most Upper Midwest banks carry St. Paul’s Bankers Blanket Bond coverage.

For more information call your St. Paul Agent today

**HOME OFFICE:**
385 Washington St.
St. Paul, Minn.
When a man comes to you for help in starting a business, you ask certain questions, to which you expect satisfactory answers.

You ask: "What kind of business are you going into? How will you run it? What's the potential? How much money can you reasonably expect to make?"

If the would-be business man is a prospective Gamble Dealer, he comes to you pre-screened and pre-selected. Gamble's dealer recruitment methods have already established that he has the ambition and the ability to succeed as a Gamble Dealer. He has qualified for the opportunity of becoming a full-fledged member of the fastest-growing retail organization in mid-America.

This prospective Gamble Dealer has other qualifications that will keep his cash register ringing year-in and year-out. Gamble's unique Dealer Assistance Plan gives him a head start toward success with experienced merchandising help, efficient warehousing, prepaid delivery of merchandise, dynamic national advertising, accounting services and store planning, proved in more than 2,300 Gamble stores.

This combination of the right man, the right company and the right business methods makes a Gamble Dealer franchise an unbeatable investment opportunity... an investment you can share with confidence. Gamble-Skogmo, Inc., 15 North 8th Street, Minneapolis 3, Minn.
**New Low Cost Microfilm Unit**

RECORDAK CORPORATION, the Eastman Kodak subsidiary in the microfilm and business systems field, has announced the Recordak Starlet, the first low-cost motorized film reader developed for viewing microfilm images. The Recordak Starlet accepts 16mm. microfilm contained in Recordak film magazines, or with a simple adapter, can also accept microfilm spooled on conventional reels. This versatility, plus its light weight (only 32 pounds), permits organizations using microfilm in either form to retrieve records more quickly and easily than with hand-operated units.

Designed for applications in which speed of retrieval and frequent data lookup are characteristic requirements, the new Starlet is all but automatic in operation. In combination with the Recordak film magazine concept and Kodamatic indexing, the Starlet can sharply reduce retrieval time from minutes to seconds, speeding accessibility to such active files as billing records, catalogues, directories, credit records, parts lists, etc.

The Starlet is available in two models to meet the electrical requirements of office or mobile installations, such as bookmobiles, service trucks, etc. Its reader screen, 12x10¾ inches, is self-contained in a ruggedly constructed cabinet measuring 21½x19½x14 inches.

In announcing the new Recordak product, Van B. Phillips, vice president in charge of sales and advertising, added the comment, “The introduction of the Recordak Starlet marks new advances in simplicity and operator efficiency which are expected to win wide acceptance in our markets. Access to any desired record-in-microfilm, with greatly reduced operator effort and search time, are afforded by the motorization feature, simple controls at operator hand level, superb image quality, all compacted into an efficient desk-top unit. Especially in high reference applications the Starlet should soon pay for itself in time savings and in greater work capacity of the operator.”

**To Head Midwest Exchange**

Norman Freehling of Chicago has been named official candidate for chairman of the board of governors of the Midwest Stock Exchange, it was announced by James W. Pope, a partner of Glore, Forgan & Company and chairman of the nominating committee.

Nomination is tantamount to election. Balloting among the exchange's 400 members will take place Monday, June 5.

Mr. Freehling is a partner of Freehling, Meyerhoff & Company, a member firm of the Midwest Stock Exchange since 1947. A native of Chicago, he has been active in the securities business since 1927.

Herman J. Sheedy, partner of McDonald & Company, Cleveland, has been nominated for vice chairman of the board.

---

**No axe to grind!**

With offices of our own in all 3 states, we can and do supply prompt, on-the-spot, objective information and service in California, Oregon and Washington.

SAN FRANCISCO and other California cities... PORTLAND, Oregon... SEATTLE and TACOMA, Washington • HEAD OFFICE: 400 CALIFORNIA STREET, SAN FRANCISCO 20

---

**THE BANK OF CALIFORNIA**

NATIONAL ASSOCIATION

Member Federal Deposit Insurance Corporation

---

Northwestern Banker, June, 1961
we* provide banking connections
for correspondents wherever they may be needed.

* THE FIRST NATIONAL CITY BANK OF NEW YORK, of course!
Member Federal Deposit Insurance Corporation, naturally

Northwestern Banker, June, 1961
They looked beyond scare headlines to
Bank Building Corporation is creating new quarters for these 17 institutions

To many U.S. businessmen, the 1960-61 recession was a signal to trim sail. But to the farsighted men who run the banks shown on the facing page, it was only a temporary setback in America’s long-term growth. Unpanicked, they proceeded with long-laid plans to expand into new quarters. Their decisiveness is paying off today.

These men looked beyond the scare headlines. They saw 31 million more Americans by 1970 (and 18 million more wage earners) . . . a GNP up a whopping $250 billion . . . capital expenditures doubling. They saw a banking system keeping pace, with over $340 billion in deposits, handling a doubled paper load. They saw the years ahead ripe with opportunity for the banks able to attract new business and to handle it efficiently and profitably. They realized that cramped, inadequate quarters put an inflexible limitation on growth and profits.

Building costs were another factor in their refusal to delay. Up 55 per cent between 1950 and 1960, costs are still rising, have already left last year’s peaks behind.

Between September, 1960 and March, 1961, each of these bankers gave the green light to Bank Building Corporation to proceed with his new quarters. Despite rising costs, each knew at the earliest possible planning stage exactly where he was going and how much it would cost to take him there, because of Bank Building’s guaranteed cost estimate. And within months each will be capitalizing on his confidence in the future.

Now is the time to move ahead with your own plans for growth. Now is the time to talk to Bank Building Corporation, creator of over 3,600 financial projects. It could be the most profitable decision you’ve ever made. Call us in . . . there is no obligation.
Dear Robert K. Wilmouth:

Assistant Vice President,
First National Bank of Chicago.

Automation is changing banking methods every day and will continue to do so more rapidly in the future.

With all of the new electronic devices, the basic idea of a close personal relationship with the customers of banks must not be overlooked or reduced.

The machines must not put a barrier between the depositor and the bank officials. Actually they should do just the reverse, by making the “mechanics of banking” easier and quicker and thus allow banking personnel more time to be of service to their customers.

“The dynamic world of automation,” as you put it, Mr. Wilmouth, “has made a dramatic entrance into financial circles and, in particular, has placed banking on the threshold of an exciting new age. Tubes, transistors and tapes—cores, calculators and computers—this is the latest jargon in the banking evolution of electronic data processing equipment.”

For banks which feel that they are too small to install automatic equipment you said:

“It is not necessary to have any equipment installed in your bank to receive the benefits of automation. There are or will be service centers available with specialists and the necessary hardware for those who do not desire to make an investment in equipment, space or trained personnel. For the very small banks, it may be helpful to band together to use automated equipment on a combined basis. A separate company may be formed by the participating banks for the sole purpose of running the automation center. A sharing of costs achieves automation with no great capital outlay, and such a program also reduces the concern of some banks considering this arrangement that other cooperating banks might be tempted to ‘steal’ their accounts.

In any event, the collective utilization of electronic units or the individual adoption of specific phases of a data processing system will benefit all banks.

“Of one thing we can be certain—the effects of automation are going to change banking more in the next five to ten years than banking has changed in the previous one hundred years. Automation is with us. It is a reality and, despite the inevitable conversion problems, it will work.”

Banking methods are changing but the same elements of human relations which can lose customers or win them will always exist and no “machines” can ever take their place.

Dear Howard J. Stoddard:

President, Michigan National Bank,
Lansing, Michigan.

The question of fair and equitable taxation between commercial banks and savings and loan associations has long been a source of discussion and dispute.

It is your belief and that of many other bankers that savings and loan associations should be regulated by the same tax laws as are applied to banks.

“Tax justice, in a substantial measure,” you have stated, “can be accomplished by repealing the 12 percent loss reserve provision, which never should have been written into the tax law. Savings banks and savings and loan associations, like commercial banks, should go to the Commissioner of Internal Revenue and obtain only that reserve as a deduction for losses which they can prove by experience they are entitled to have.”

As you have further emphasized, Mr. Stoddard, “The heart of America’s financial system is its magnificent commercial banking organization operating in every section of the country, with more than 25,000 banking offices. It must be preserved and improved. It must not be destroyed by unjust taxation.”
SECURITY SERVICE IS PEOPLE LIKE JACK STINE — honest-to-goodness third generation Californian, career banker, bowler, bridge enthusiast, active in community affairs. 24 years with Security Bank, starting as messenger in 1936. Now with Central Division, Bank and Customer Relations Department. Jack Stine is the man to know when you want fast, sure banking service. He delivers the complete facilities and services of one of the nation's leading banks. SECURITY FIRST NATIONAL BANK

HEAD OFFICE — LOS ANGELES
Bank Earnings Show Increase

Net current operating earnings of the nation's 13,126 insured commercial banks (excludes 325 insured mutual savings banks) amounted to a record $3,791 million in 1960, Erie Cocke, Sr., chairman of the board, Federal Deposit Insurance Corporation, announced recently. Net profits after taxes rebounded from a mild setback in 1959 to post a 35 per cent increase over that year.

Total current operating earnings reached $10,724 million in 1960. Almost two-thirds came from loans, and about one-fifth from securities. Income from loans increased 14 per cent over the 1959 level, and averaged 5.96 per cent of loans outstanding.

Current operating expenses amounted to $6,933 million in 1960. Salary and wage payments were 8 per cent higher, while interest paid on time and savings deposits increased 13 per cent above 1959 due to both higher average rates of interest paid and a greater volume of such deposits.

Talcott's billion dollar SERVICE

VOLUME OF CLIENT RECEIVABLES PROCESSED PER YEAR

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The value of Talcott's Financing Service to American industrial and commercial business is reflected in the growth of client sales volume it processes annually, now well over the billion dollar per year mark. Our clients find it profitable to use Talcott funds. A very substantial part of this growth is attributable to bank referrals and Talcott cooperation with its banker friends over many years.

When your customers' loan requests cannot be accommodated, we continue to suggest "if you can't say 'yes', say Talcott." Talcott will do its utmost to provide the interim secured financing required and your bank may participate if you desire. When the interim financing needs are over, your customer returns to you for his normal loan needs.

James Talcott, Inc.

Assistant Secretary

James Talcott Promotion

Richard A. Adams, operations manager of the Chicago office of James Talcott, Inc., has been elected an assistant secretary of the company.

He has been with the Chicago division of C.I.T. Corporation for the past eight years, where he was an assistant secretary. He had previously been connected with the Continental Illinois Bank and Trust Company of Chicago for 15 years.
NORTHERN CALIFORNIA—The nation’s most unique pattern of plenty!

Why does Northern California have the country’s greatest growth potential? Because it offers a rare combination of abundant resources and burgeoning activity, of enviable climate and explosive development. From San Francisco to the Sierra, from the redwood forests to the Salinas Valley lies a land both historically stable and prophetically booming. This is the challenging economic complex long served by Wells Fargo Bank American Trust Company — the bank of Northern California.

HEAD OFFICE: SAN FRANCISCO • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

WELLS FARGO BANK
18 52
AMERICAN TRUST COMPANY

Northwestern Banker, June, 1961
"We are indeed proud to announce the opening of our new Interchange Motor Bank here in Wichita," says Mr. A. W. Kincade, Chairman of the Board and President of the Fourth National Bank and Trust Company, Wichita, Kansas.

Into a New Era with Mosler

"The banking business recently entered a new era. The by-word in this new phase in banking is service—efficient service. Our new Interchange Motor Bank is the very reflection of Fourth National’s intention to give this kind of service.

"Fourth National has a proud record of service. We intend to continue this kind of service by adding the very latest equipment for efficiency and customer convenience. Our new Interchange Motor Bank is the last word in banking design and is completely Mosler-equipped.

"Bank of banks"

"A most important part of our operation is our building’s south wing. This structure is a ‘bank’ of six Mosler Drive-In Windows. We like to think of it as our ‘bank of banks’.

"These six Drive-Ins offer the ultimate in customer convenience and service. With six units, we can easily handle peak traffic flow. We believe this structure is designed to offer our customers service beyond the usual drive-in.

The Choice of Mosler Equipment

"Our choice of Mosler equipment, particularly the Drive-In Window, was based in part on two factors: (1) customers' comments, and (2) preliminary sur-
Architect's schematic drawing of Interchange Motor Bank and grounds. Note efficient traffic flow through line of Mosler Drive-In Windows.

Architect's conception of modern Interchange Motor Bank lobby. Drive-In Windows seen through lobby windows.

The critical point in efficient modern auto banking—serving the customer through the Mosler Drive-In Window.

veys of leading banks which have the Mosler Drive-In Window. These surveys showed unanimously that customers were impressed that Mosler Drive-Ins were the latest and the best.

"In developing our main office, we put our faith in quality. Vault doors, around-the-clock equipment, safe deposit boxes, teller units, etc., all bear the Mosler name. We are applying what we learned in the main office to our choice of equipment in the new Interchange Motor Bank— it's all Mosler."

**Problem Solving — a Mosler Specialty**

From auto banking to safe deposit boxes, Mosler design and manufacturing experience are at your service. If you are considering a new branch or expansion, write for Mosler's "AUTO BANKING IDEA BOOK" and information on any problems involving banking equipment. Mosler is the world's largest manufacturer of safes, vaults, and banking equipment.

The Mosler Safe Company
320 Park Avenue, New York 22, New York
More Than Ever...

*  
Iowa's Favorite Correspondent Bank

as indicated by the increasing number of accounts served

CENTRAL

National Bank and Trust Company

5th and Locust--Phone CHerry 3-8181

DES MOINES, IOWA

Member Federal Deposit Insurance Corporation
If you would like extra copies of this picture we will be glad to send them to you with our compliments.—Northwestern Banker.
Investigate this EXCLUSIVE National Development...

Magnetic Cards to Cut Data Processing Costs

The National 315 will cut costs in any EDP system... both small and large-scale. National has taken a reel of magnetic tape—and in effect converted it into a deck of magnetic cards. Each deck of cards contains more information than can be stored in over 69,000 punched cards. In a single, magnetic card file system, National has combined all the advantages of all types of external memories.

National CRAM (Card Random Access Memory) does more work for less money. Here's how!

Flexibility: data can be quickly selected at random or sequentially... over 88,000,000 alpha-numeric characters.

Speed: the data on each card—instantly available—can be transferred at the rate of 100,000 alpha-numeric characters a second.

Convenience and Economy: each deck of 256 cards is housed in an easy-to-remove card file that can be changed in less time than it takes to change a reel of magnetic tape.

National's Exclusive Magnetic Card File is only one of the outstanding features of the National 315 System. Learn why the National 315 is today's most economical computer investment. Call your nearby National Representative. Or write: Data Processing Systems and Sales, Dayton 9, Ohio.

THE NATIONAL CASH REGISTER COMPANY • Dayton 9, Ohio

1039 OFFICES IN 121 COUNTRIES . . . 77 YEARS OF HELPING BUSINESS SAVE MONEY
Central City, Nebraska

Central Bank

COMPARATIVE STATEMENT OF CONDITION


ASSETS

This is how we employ the funds that our customers deposit and our stockholders invest.

$415,204.20 $527,766.60

LOANS AND LOANS

(a) Grain Loans $260,395.35

(b) Other Loans to Farmers in Aberdeen Area 727,619.64

(c) Commercial & business loans to agriculturists 403,224.76

(d) Monthly installment loans to individuals for family, household, and other personal expenses 437,341.22

(e) Property improvement loans 116,770.35

(f) Farm mortgage loans 49,846.49

(g) Real estate loans on Aberdeen homes 603,337.30

(h) Real estate loans on business and other property 90,880.59

(i) Other loans 49,846.49

(Other resources not just listed on bank publications)

U. S. GOVERNMENT BONDS $986,605.67

MUNICIPAL BONDS $641,676.31

CASH AND Due FROM BANKS $353,685.49

TOTAL RESOURCES $2,996,479.81

LIABILITIES

These are the funds our bank owes its depositors and stockholders.

$918,119.42 $1,200,956.00

DEPOSITS

(a) Cash invested $100,000.00

(b) Due from banks 25,000.00

(c) Surplus 14,420.37

(d) Undivided profits 5,657.41

(e) Surplus earned in 1960 that is retained for future expansion and improvements.

(f) Other accounts for payment of dividends.

(Loans & discounts not just listed on bank publications)

RESOURCES

$2,996,479.81

(Other resources not just listed on bank publications)

M ANY banks are making their published statements serve double duty. First, for the usual purpose of complying with legal requirements that such statements be published when a call is made. Second, as a means of really telling customers what the bank is doing for them by reporting the statement figures in much more understandable language.

In addition, a number of banks accompany the statement with a friendly, informal review of local business conditions, as seen by the bank, or perhaps a chatty newsletter on matters of current interest to all.

The two statements above, for instance, were issued at the end of December by Central Bank of Central City, Neb., and Farmers and Merchants Bank of Aberdeen, S. D. Marcus W. Dittman, president of Central Bank, decided to give an explanation behind each of the customary formal terms found in every bank statement. The result can be noted above.

In addition, Mr. Dittman, who had organized his bank less than two years previously, wanted to let customers and other residents know what services his bank offered. To accomplish this, he printed on the statement the series of questions and answers shown at the bottom of his statement.

Farmers and Merchants Bank of Aberdeen gave similar treatment to details in its year end report, printing beneath each item in the statement an explanation in plain language.

MAKE YOUR STATEMENT . . .

(Turn to page 42, please)

Northwestern Banker, June, 1961

Make Your Statement

Draw Interest
APPROXIMATELY 81 per cent of the banks in the north central states that have added drive-in banking facilities have experienced an increase in business from the added facility. The remaining 19 per cent indicated their drive-in facilities either had not increased business appreciably or that it was impossible to determine the source of new business.

This information, along with other important facts, was obtained through an exclusive survey conducted by the editors of the Northwestern Banker. A special questionnaire on drive-in banking facilities was sent to a cross-section of banks in Iowa, Nebraska, Minnesota, North Dakota, South Dakota, Montana, Colorado and Wyoming.

In general, results of the survey indicate that banks would need one additional teller window inside the bank for every four now in operation if the drive-in and walk-up facilities should be eliminated. Bankers report they have an average of two drive-in windows and one walk-up facility. Only one of the replying banks reports no drive-up window and only a walk-up unit, while 19 indicate they have drive-up facilities but no walk-up units. Very few of the banks, even the larger ones, indicate they have more than two drive-up units.

Chart No. 1

Chart No. 1 shows the location of the drive-in facility. A total of 24 per cent of the replying banks have more than one facility. Another 24 per cent have detached units only, while 41 per cent have facilities built into the main building. Another 11 per cent have their drive-in facilities located on property adjacent to the bank.

Chart No. 2

In addition, banks reported an average of 25 per cent of their business is carried out at their drive-in units. As shown in Chart No. 2, 64.9 per cent of this business is from personal accounts and 35.1 per cent is from commercial accounts.

Replying officers are divided evenly on providing additional hours at the drive-in facility: 51 per cent report they do provide extra hours, and 49 per cent report they do not. Banks providing additional hours of service report an average of 2.5 extra hours per day at the drive-in facility.

Chart No. 3

Perhaps the most significant information is shown in Chart No. 3. This chart shows that 81 per cent of the replying banks feel their drive-up services have helped increase business of the bank. Only 19 per cent report no increase or do not have information available to show that the drive-up services had increased business.

Chart No. 4

Another significant portion of the survey dealt with the services offered at drive-in facilities. Results of this portion of the survey are summarized in Chart No. 4. Checking account deposit and withdrawal services are provided by all banks with check cashing service provided by nearly 100 per cent of the banks replying.

Looking at this summary, it appears that some of the banks with drive-in facilities could perhaps increase the usefulness of the unit by providing additional services, often at little extra expense to the bank.
Drive-In Facilities

Survey

Need for additional space and limited expansion possibilities of present inside banking facilities were most often mentioned as the reason for starting drive-up services. In many instances, it was reported that competition made it necessary to add the services and that business has increased as a result. Public demand also was cited as a strong force in reaching the decision to add the services.

**Drive-In Problems**

Major problems brought on from drive-in facilities are those of loss of customer contact and increased overhead. Most replying bankers do not feel these are too serious and that increased business more than offsets this problem. Following are some representative replies regarding the problems presented by drive-up facilities:

- P. M. Hefti, executive vice president and cashier, Bank of Chadron, Chadron, Neb.—Drive-in facilities require top tellers who are able to make decisions and who understand all the fundamentals of banking. The only real problem we find is that the officers and personnel of the bank lose contact with customers. Some regular customers never come in the main lobby for weeks at a time and a constant check must be made to see that these customers are not drifting away from the bank.

- Baxter R. Smith, assistant vice president, Union Bank & Trust Company, Ottumwa, Iowa—Our main problem has been the complete lack of contact between drive-in customers and bank officers. These customers are a group apart, merely names and not people. Also, the selection of tellers for drive-ins is and must be a highly selective process. The importance of the work of these tellers is not connected only to the technical performance of their jobs, but also to the bank’s image as seen by the public.

- J. H. Meyer, president, The Longmont National Bank, Longmont, Colo.—Complicated work schedules cause some personnel problems since the hours do not always meet with the employee’s approval. Some part-time help has worked out quite well in solving this problem. The addi-
... drive-in banking survey

R. D. Ledbetter, cashier, Fergus Falls National Bank, Fergus Falls, Minn.—We have only one window and a relief teller is necessary, but this is not too large a problem. Our drive-in is very busy and sometimes we do not have enough room for waiting cars.

James A. Johnson, assistant cashier, First National Bank & Trust Company, Helena, Mont.—We must use a more experienced teller in our drive-in unit and our officers do lose some contact with customers. Also, the overhead is greater than normal.

Adequate space should be provided for customer parking—decide what is needed and then double it. A careful study should be made so that waiting traffic will be off the street if at all possible.

W. C. Talen, president, Farmers & Merchants Bank, Watertown, S. D.—Our sidewalk drive-up facility has the usual advantages and disadvantages of a walk-up window. We have had to hire an extra guard in order to carry deposits from the curb to the window during bad weather. Also our reserved parking area has proven to be too small and four spaces should have been provided instead of the present three.

A. J. Peterson, cashier, Lander State Bank, Lander, Wyo.—It has been necessary to increase our staff by one person. Remaining open in the evenings has increased our customer contact and is serving as a possible solution to this problem.

L. M. Stuckey, president, Lexington State Bank, Lexington, Neb.—At present we do not have the teller cash control we should have as a relief teller comes on at noon. We think a solution to this might be having a teller in the morning who will balance at noon and then the relief teller will take over for the balance of the day.

There is some extra overhead with the facility, but this is more than offset by customer satisfaction. Much to our surprise, farmers are our best users and then older people who still drive but dislike driving down town.

R. M. Wilson, executive vice president, Security Savings Bank, Marshalltown, Iowa.—The initial cost was higher than the additional facilities within the bank would have been, but the results have been very satisfactory. Being attached to the bank by tunnel creates no operating overhead or personnel problems.

Drive-In Suggestions

Of particular interest to bankers planning to add drive-in or walk-up facilities are suggestions made by bankers who already are operating such units. Following are some helpful suggestions resulting from this survey:

John F. Gronstal, cashier, Carroll County State Bank, Carroll, Iowa—I feel that a bank in an agricultural community might do well to consider a parking lot facility as important to customers as a drive-up or walk-up window. Our parking lot, in my opinion, accounts for the fact that we have a very small percentage of business through our drive-up windows.

Neal C. Tennis, vice president, First National Bank, Sioux City, Iowa—We decided against “saw-tooth” windows attached to the main building because we could not feed two lines of traffic to the four windows. This turned out to be the best decision we made. Our communications are through the regular telephone system. The drive-in tellers dial “9” to reach the main bank.

Ben E. Summerwill, vice president, Iowa State Bank & Trust Company, Iowa City, Iowa—Use plenty of signs and arrows. We have an “in-line” type building and people tend to use the first window only, stacking up traffic. However, we are still in favor of this design since it is less expensive to build and tellers are not isolated in islands where they can’t see or talk to each other.

W. F. Meiburg, president, Northwest Bank & Trust Company, Davenport, Iowa—Pressurize the building to prevent carbon monoxide fumes from reaching tellers. Also, provide plenty of space for waiting cars. The driveway between tellers’ windows should not exceed eight feet wide. Also, include intercommunication by telephone or television.

E. P. Lantau, executive, vice president, Bettendorf Bank & Trust Company, Bettendorf, Iowa—In a small bank it is important that space be provided for other work which a teller can do while not occupied with customers.

Max C. Gisel, executive vice president, Iowa State
Savings Bank, Clinton, Iowa—Serious study should be given to the size and an attempt should be made for possible expansion.

Secondly, traffic pattern is a major item. Every attempt should be made to keep it as convenient and simple as possible. We have carried a peak load of 345 autos during a Saturday morning and congestion can become a very difficult problem.

J. W. Randall, vice president and cashier, First National Bank, Arvada, Colo.—Our drive-up windows are between buildings, requiring one window behind another on the same wall. Estimated efficiency of this system is about 70 per cent.

Off-street space for traffic during rush hours is a problem and should be considered. Inter-bank communications also is a necessity. If a bank has a large amount of commercial business, it might consider a special type window with a larger drawer for these accounts. We have had trouble with this type of transaction holding up the flow of traffic.

J. Y. Castle, president, McDonald State Bank, North Platte, Neb.—We feel our arrow shaped lot is ideal for the drive-in facility. Also the interior of the facility is large enough for easy operation. The driveway is angled so that anyone can drive through without confusion. We call our unit almost perfect, and attribute our 15 per cent growth in deposits to the customer appeal of the auto bank.

My stock advice to all is: Rather than go to the expense of an auto bank, and ours was $50,000, go out and build a new and modern building and have the auto bank under one roof with the other services.

K. A. Maier, executive vice president, First National Bank, Linton, N. D.—We have our window opposite a regular teller so he can operate both. This works out quite well and we do not need extra personnel.

M. M. McMichael, vice president, Iowa-Des Moines National Bank, Des Moines, Iowa.—We would suggest that anyone contemplating construction of motor bank facilities should visit other banks that have this type of service. Visited banks should be of similar size so that common problems can be discussed.

C. E. Paulson, assistant cashier, First National Bank of Omaha, Neb.—Provide more than enough space for traffic flow.

O. N. Stenehjem, president, First International Bank, Watford City, N. D.—Our drive-in has not been too successful up to now. We have closed our bank on Saturdays, giving service only at the drive-in on Saturday mornings. It looks like this is going to be a service that we will continue if it keeps up current activity. I would hesitate to recommend a drive-in in a city of less than 2,500 persons.

F. M. Ganey, president, First National Bank, Great Falls, Mont.—This type of banking is here to stay and a bank that does not offer drive-in service suffers a competitive disadvantage. Customers who use this type of service are very pleased with it. Our business has evolved to the point where it is quite important to give the customer what he wants in the way of service.

Theodore L. Rask, president, State Bank of Virginia, Minn.—Our customers are very well pleased with walk-up and drive-up service. I would, by all means, want all facilities on adjacent property.—End.

The Englewood State Bank of Englewood, Colo., has opened its unique new drive-in "patio bank" with a grand opening celebration attended by more than 4,000 persons.

The new facility, located diagonally across the street from the main bank, has three drive-in windows, 24-hour depository, a 24-hour walk-in lobby depository which is temperature controlled the year around, and two walk-up windows inside an enclosed patio with fireplace and fountain. This addition provides the bank with a total of 10 windows for drive-in and walk-up service.

Design of the contemporary structure is unique in that it has five sides, permitting cars to be serviced at any of the three windows without interference from one another.
The 40-Year Mortgage Proposal

ALBERT RAINS, congressman from Alabama, and chairman, subcommittee on housing of the House committee on banking and currency:

I THINK it is obvious that a large part of the solution to our housing problems must come from a reduction in monthly housing costs by one means or another.

I believe the risk involved has been greatly exaggerated. Our experience under FHA and VA programs have proved that the American homeowner is reliable and responsible. Low foreclosure rates have shown that home buyers have a sense of obligation toward their debts, whether mortgage maturity is long or short.

FHA Requirements

There are some who argue that homes now being built won't last 40 years. I am surprised there has not been more vigorous rebuttal to this charge. These houses must meet FHA construction standards and be approved by FHA appraisers, so any home built according to FHA requirements can be expected to last well beyond 40 years with reasonable maintenance.

Actually, in most cases where there is excessive decline in value the cause is neighborhood change rather than inadequate construction. FHA is aware of this and has taken an active part in improving land and neighborhood planning.

Some people have been throwing a lot of figures around on how much extra interest must be paid over the life of a loan with extended maturity. I am not in favor of paying interest just for the sake of paying interest. Total interest on a 40-year loan is 40 per cent greater over the full life of the mortgage than it would be with a 30-year maturity, but let me remind you that most loans are paid off in 10 or 15 years. If paid off in 10 years, the home buyer will have paid only 5 per cent more in interest than he would have on a 30-year maturity. During this time he has had the advantage of a reduction of about 10 per cent in his monthly payments.

For Value Received

Lenders argue against increased interest payments, seeming to say that interest is a sterile expenditure for which the borrower gets nothing. Interest is paid for value received—the value of having the use of the money for some period of time. There is greater value for having the use of money for 40 years instead of 30 and the interest costs reflect this economic fact.

MILES L. COLEAN, housing economist, and former technical director, assistant administrator, F.H.A., 1934-40:

IF ENACTED, the pending Housing Bill would broaden home ownership only at great risk. It would undermine integrity of home buyers, responsibility of mortgage lenders and tend to reduce rather than augment mortgage fund supply . . . and possible volume of home building.

Take a $12,000 mortgage for full value at 5% per cent (land at $1,850 and house, $10,150). If the house is depreciated over a 50-year period, the outstanding amount of the mortgage exceeds the probable value of the house 29 years. If the useful life of the house is 40 years, it will be the 36th year before the owner begins to have any equity.

With a 30-year, no-down-payment mortgage, equity accumulation would begin the 10th year on a 50-year depreciation basis and after the 16th on a 40-year depreciation basis. Depreciated value of the same property with a 25-year mortgage would manage to keep close to slightly above the outstanding mortgage amount even during the first perilous years. Actual depreciation need not follow any standard curve, and there may for a time be appreciation of value, but this happy situation cannot be assured.

Obligated for 123 Per Cent!

Without inflation, depreciation will occur and that life of 40 to 50 years for the average house is all that should be counted on.

Under these circumstances, the owner of our typical house, with its 40-year mortgage, with the wish or need to sell after 10 years, might find his remaining mortgage obligation as much as 115 per cent of realized value and, in 15th year, as much as 123 per cent.

Such a prospect makes little economic sense . . . and little sense in view of social responsibility. It is an invitation to the borrower to walk out on his obligation . . . it may be a necessity. A lending institution making such a loan—even if protected by full guaranty now proposed—can hardly be said to be acting responsibly. The government itself is guilty of promoting irresponsibility on the part of both borrower and lender—and to ease its guilt, the next step would be to protect the borrower from his folly by carrying his defaulted payments (such proposals already have been introduced).

"YES" ON 40-YEAR MORTGAGE . . .

"NO" ON 40-YEAR MORTGAGE . . .

Northwestern Banker, June, 1961
"YES" . . .
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I believe this housing bill will make an important contribution toward improving housing conditions and will help get home building back to a more adequate level. It doesn't answer all of our problems, however. Home building and home financing are tied up completely with the rest of the economy and are affected by changes in employment conditions and prices . . . and, of course, are extremely sensitive to changes which occur in any part of the money market.

In 1952, the interest rate of FHA home loans was 4½ per cent. FHA moved to a high of 5½ per cent and was cut back to 5¼ just this year. This is still far above earlier levels and naturally bears heavily on housing demands. Often families with modest incomes must pay so much interest they cannot afford to buy the home they need. This is one reason it is necessary to extend mortgage maturities. The increase from 30 to 40 years has about the same effect on monthly payments as reducing the interest rate of FHA loans to about 4½ per cent.

When Lenders Compete

It would be ideal if interest rates could be reduced to lower the cost of housing, but an important factor for mortgage interest rates being stickier than most others is the competition for savings among different types of lenders. There is little evidence that the level of interest rates does little to influence aggregate savings. Instead, their main importance is to divert savings from one place to another.

It is apparent that savings and loans find it difficult to reduce the rates they charge for mortgage loans they make as long as they feel committed to a given structure of dividend payments on the savings they hold. I want to see savers get a fair return on their investments, but we cannot afford to let interest rates be pushed so high that they stifle home building, create unemployment and thwart our efforts to provide decent housing for our people.

I am amazed that a lending official in your (banking) industry recently argued for an increase in the rate banks can pay for time and savings deposits. Apparently, those who hold this view are willing to see the whole structure of interest rates pushed up another notch at a time when we have more than 5,000,000 unemployed and our real need is to stimulate construction and other forms of business investment. I hope bankers turn thumbs down on this as far more people would be hurt where it really counts—in their jobs and ability to buy the homes they need—than would be helped by the slight increase they would earn on their time deposits.

"NO" . . .
(Continued from page 28)

Another drawback: Rugged interest. Carried to maturity, the 40-year no-down-payment mortgage will have about 150 per cent of the original house price in interest. The 40-year borrower will, after the 17th year, have paid as much interest as the 25-year borrower will pay to maturity— the 22nd year as the 30-year borrower will pay to maturity.

In spite of this heavy interest load at 5½ per cent (40-year), the monthly payment (plus insurance) is only 8 per cent less than that of the 30-year loan and 15 per cent less than that of the 25-year. On a $12,000 mortgage this would mean the payment on a 40-year loan would be only $5.92 less than that on a 30-year loan, and $11.29 less than on a 25-year. This is a large price for a small advantage.

A.B.A. President's Opinion on . . .

That 40-Year Mortgage Plan

CURRENT home mortgage problems will not be answered by large infusions of "easy credit" and extended loan maturities, says Carl A. Bimson, president of The American Bankers Association.

"The real need confronting the housing market is not for liberalization of credit terms but for lower housing costs and housing innovations," Mr. Bimson told the final session last month of the A.B.A.'s First National Mortgage Conference at the Shoreham Hotel.

The Phoenix banker, president of the Valley National Bank of Arizona, criticized the administration's proposal for a no-down-payment 40-year mortgage loan. The purchaser of a $10,000 home, under this program, "would have to pay a total of $26,066.95 in principal and interest before obtaining a clear title to his home," he said.

"In fact, after making monthly payments of $55.75 (exclusive of insurance and taxes) for 10 years, he would have an equity of only $919.81. During this period of 10 years he would have paid in $6,690 in order to accumulate this equity of under $1,000. The home buyer, Mr. Bimson said, would have paid $21,070 to accumulate an equity of $5,268.42 after 30 years.

Terming the present housing market a replacement market, the A.B.A. president stated, "The problem is to build homes at a cost, in a location, and of a type which will have the needed appeal to the present home owner as a replacement prospect, or to the senior citizen as a retirement home, or to that increasingly large percentage of our population which can afford and, under the proper circumstances would buy, a second home.

"It is in one of these three areas that we must look for the greatest percentage of housing starts in the next few years."

He said he anticipates "a sufficiently strong and continuing demand for housing to maintain a prosperous building materials and trades industry through private initiative—without an overly liberal and expensive federal program of crash proportions."

The 40-year mortgage has grave implications for the whole mortgage structure. About 40 per cent of the gross supply of mortgage funds (exclusive of financing) comes from repayments. Anything that slows the rate of repayment slows the total amount available. It is a great hogger of funds.

Startling Comparisons

By the time a 25-year loan is paid in full, less than 40 per cent of the 40-year mortgage has been repaid, assuming regular amortization. By the time the 30-year mortgage has been fully paid, the 40-year still has more than 55 per cent left to pay.

It is argued that home mortgage repayment is much less than stated maturity, but with stabilization of prices and general rise in interest rates, the average repayment period is creeping up from an estimated eight years a few years ago to 14 today.

Assume an average repayment period of 12 years. The 25-year mortgage will have been reduced by 1.4 times as much as a 30-year and 2.7 times as much as the 40-year mortgage. Over a 12-year period the same

"NO" . . .
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Northwestern Banker, June, 1961
The end of the honeymoon of the Kennedy Administration finds the investment market unsure of where to go. The stock market, despite the circus heights of recent months, is disinclined to go down. And the bond market, despite the downward nudging of long-term interest rates at the urging of political Washington, is disinclined to go up.

True, certain adjustments to the contrary have taken place in stocks and bonds. In stocks, the bad political news about the abortive counter-revolution in Cuba, the success of Soviet Russia in orbiting the first astronaut, and the backing and filling of the Western Free World alliance in dealing with communist military penetration of Laos—all these developments have tended to sap the West's assurance and to touch off stock market selling.

Nevertheless, the underlying demand for equities continues to be persistent and rugged. The men who handle the market tape for a living have respect for the bearish forces in the market but they nevertheless sense that the secular trend of stock prices still is up.

It is a like story with bonds. No one in the financial district is disposed to belittle the vast powers of the Federal Reserve System to lower interest rates, as it has been doing lately. Nor is anyone disposed to discount the bias of certain economic advisers of the Kennedy Administration for still lower interest rates. Still, the basic skepticism about holding down interest rates in a free economy—once the free economy is in a boom cycle—persists. The bond community is bullish about bond prices, yes, but only for the time being.

Profit Margins

Of the big problems before the United States economy, one is the erosion of the profit margin for business. A second is the persistence of unemployment in the face of historically high industrial production. A third is the need for the United States to dis pense financial aid on a vast scale to the underdeveloped world—particularly to Latin America—in the face of a lasting imbalance in the United States international payments.

Probably it is the combined weight of these problems that imposes the hunch that Washington will not be able to cope effectively with the whole task. That even if the United States dollar is guarded against debauchment, it will still have to yield ground: that stocks must needs go up until Washington takes a real stand in behalf of the dollar, and that thereafter bond prices must needs go down.

Taxation

As the Kennedy Administration faces these problems, crucial decisions will have to be made in the field of taxation, money and credit policy and guns-and-butter spending. Should taxes be changed to help or penalize businesses? Should credit and money be managed to encourage or discourage saving? Should the social goals of the Kennedy Administration—subsidies for education, for the aged, for housing and urban rebuilding—be adhered to at the cost of supplying to our Western Hemisphere associates the military equipment—jet planes and tanks—that they might otherwise receive in the guise of support for the Communist Axis?

The dilemma of Washington is not unlike that of the underdeveloped nations. Some day both Washington and the underdeveloped lands will have to make up their minds whether they really prefer the traditional institutions of western life—the free elections of political democracy and the economic democracy of the capitalist marketplace—over the officially administered politics and prices of the authoritarian states.

As it is, both the backward areas that need capital and official Washington, the fountainhead of the needed capital, are caught in the toils of double talk. Leaders of the underdeveloped lands in one breath plead for foreign capital to develop their countries, and in the next breath they voice reservations and denunciations about the evil influence of foreign capital as an exploiter and plunderer.

Washington is not untainted by the double talk. Although committed abroad to the spread of capitalist institutions—the free public marketplace for consumption goods and a financial marketplace for building capital through savings—Washington at home continues to press tax policies whose effect is to curb private enterprise and to foster money and credit policies whose effect is to discourage private saving. No wonder both Washington and the needy capitals abroad wonder what the other is trying to prove.

Fed Activity

In financial markets, perhaps the major development of recent weeks has been the steadiness of the Federal Reserve System in its new activity—"Operation Nudge." Although the outflow of gold to foreign earmark has momentarily spent itself, and although the investment yields of the short-term investment markets of London and Frankfurt no longer place the New York market at a disadvantage, the Federal Reserve System is sticking to its new policy—one adopted at the urging of the Kennedy Administration—of buying in the open market Treasury securities of other than short-term.

For many weeks after the introduction of this policy in late February, the effect on intermediate-term and long-term market yields was negligible. Now, after more than two months of persistent application, the effect is becoming visible. In late February, the Treasury's 5 per cent notes due in 1964 were selling at 1014 1/4 to yield about 3.76 per cent; early this month they sold at 105% to yield about 3.11 per cent. Among the longer-term Treasury obligations, the 3½s of 1990 were selling in late February at around 91¾ to yield about 3.78 per cent; as this is written, they are quoted at 95% to yield about 3.74 per cent.

Treasury Bills

It should be pointed out, however, that Treasury bill yields have declined by like or even greater extent, despite the professed purpose of the new policy to maintain short-term yields in the New York market high enough to compete with those abroad. The 91-day bills in late February were selling at a yield of about 2.55 per cent; early this month the rate was less than 2¼ per cent.

There is a lot of disagreement both in Washington and Wall Street about whether any useful purpose is served by harnessing Federal Reserve power to reducing the long-term interest...
rate. If the economy becomes buoyant again, whether by reason of normal recovery or as a consequence of guns-and-butter spending, the Federal Reserve's experimentation with "Operation Nudge" will likely have to be called off.

The current understanding between the Federal Reserve and the Kennedy Administration was pointed up significantly by an announcement that the new administration did not regard the 4½ per cent long-term borrowing cost ceiling imposed by Congress during World War I as barring the Treasury from borrowing on a paid discount basis at a higher cost.

The Administration had viewed the limitations of the law in the same way, yet had taken the position that the sale of long-term Treasury securities at discount at a cost of above 4½ per cent would violate the intent of the Congress.

The new ruling obviously intended to yield a point to the Treasury's No. 1 braintrust, Robert V. Roosa, a former Federal Reserve officer. Mr. Roosa, like other Federal Reserve specialists, is on record as opposing the 4½ per cent ceiling. The point yielded was a quid pro quo to Federal Reserve thinking in consideration for the active market support the central bank had been giving to the Kennedy Administration's move to reduce long-term interest rates.

It is of more than passing significance, however, that while the Federal Reserve support to the administration has been active and substantial, the Kennedy Administration's concession to the Federal Reserve's has been only rhetorical.

There is no present prospect of long-term borrowing by the Treasury to test the commitment to bypass the 4½ per cent ceiling. More pointed is the fact that the Administration did not pledge itself to propose to Congress a law abolishing the ceiling. In this passage between central banking orthodoxy and political expediency the central bank may be leading from orthodoxy and political expediency the central bank may be leading from one point to the other.

FOLLOWING the theme of "Car gone sour? Then let us help you step into a new one with a Northwest Bankplan Auto Loan!" the Northwest Security National Bank of Sioux Falls kicked off a spectacular auto loan promotion on Monday, April 10, and continued the promotion for a period of five weeks.

The focal point of the kick-off ceremony was the release of 500 helium filled balloons in front of the bank by John Moore, executive secretary of the South Dakota Auto Dealers Association. C. A. Lovre, president of the Northwest Bank, and C. Oliver Nordby, vice president and manager of the bank's Installment Banking Department, also participated in the ceremony. Following the release of the balloons, the bank hosted the Sioux Falls auto dealers to coffee and doughnuts in the bank lobby.

A colorful lobby display was an integral part of this promotion. This display included several artificial lemon trees on which real lemons were hung; large colored posters showing various makes of automobiles, which were secured from local auto dealers, and a display in which approximately 200 lemons were stacked.

The advertising on television and in newspapers featured a cartoon character driving a lemon, with the caption "Car Gone Sour? Get a Northwest Bankplan Auto Loan!" In keeping with this characterization, Northwest Bank tellers and receptionists handed out real lemons to all customers during this period. These lemons were rubber-stamped with the slogan, "Car Gone Sour?" We feel that the lemons were tremendously effective as a hand-out item. The minor inconvenience of needing cool storage was more than offset by the uniqueness of the item. The provoked quite a lot of conversation, some perhaps in a humorous vein, but all effective, and we feel that the retention value was outstanding, a lemon being an item that will hardly be discarded once a person steps outside the bank.

While the primary purpose of the promotion was to procure auto loans, a desirable side effect was the good will gained with local auto dealers through our efforts to stimulate car sales.—End.

"NO" . . .

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funds would finance 2.7 times as many 25-year mortgages as 40-year mortgages of equal amounts. In view of this, promotion of 40-year mortgages would seem to be a strange way to increase the volume of housing. If widely used, it would seem to be a sure way of reducing volume.

The 40-year mortgage puts the honest buyer at hazard, encourages de-
60-Story Bank: Completed By Chase Manhattan

TOP EXECUTIVES of the Chase Manhattan Bank, President David Rockefeller and Board Chairman George Champion, are shown in the new head office building, located at 1 Chase Manhattan Plaza. CENTER—One of the six 20-inch thick doors that lead into the world's largest single bank vault. Located 90 feet below ground, vault is 350 feet long, 100 feet wide, weighs 985 tons and is built into the bedrock beneath the 60-story skyscraper. RIGHT—World's largest automated check processing center, located on fourth underground level. This center will process more than a million checks a day.

THE Chase Manhattan Bank officially opened its new 60-story head office building, 1 Chase Manhattan Plaza, last month. It is the largest banking operation ever assembled under one roof.

David Rockefeller, president, pointed out that the new building is the sixth tallest in the world at 813 feet and the largest commercial office structure built in more than 25 years. Construction was started four years ago. The first departments moved in January 15, and the massive moving operation continued until May 1, when the senior executives occupied their offices on the 17th floor.

Chase Manhattan's head office staff of 7,500 persons occupies 30 floors and six underground levels. With tenants occupying the 24 upper floors (six floors are filled with mechanical equipment), the building will have a working population of 15,000 when fully occupied. Total gross floor area is 2,250,000 square feet. There are 8,800 windows.

Wrecking crews began recently to demolish seven buildings on the block adjoining the tower building in preparation for the construction of a plaza area covering three-fourths of an acre fronting on Pine Street. The plaza, which will roof over three floors, will include trees, a large sculpture and a sunken light well. A smaller section of the plaza, on which a grove of hawthorne trees has been planted, faces Nassau Street.

Upon completion of the plaza in 1963, it is estimated that the total cost of the land, site preparation and construction of the basic building and plaza will be approximately $120 million.

George Champion, chairman of the bank's board of directors, listed other distinguishing features of the building as follows:

The world's largest bank vault, 350 feet long, 100 feet wide and weighing 985 tons, which is situated on the fifth underground level 90 feet below the street.

An art collection which includes works ranging from primitive Americana to examples of abstract expressionism. Chosen with the assistance of a committee of experts in the art field, the works decorate private offices and reception areas in the portion of the building occupied by the bank.

The world's largest automated check processing center which, when it is fully operative, will be capable of handling more than a million checks a day from the bank's 106 New York offices.

The largest air conditioning unit ever installed in a commercial building with a capacity of 9,100 tons of refrigeration.

A direct inward dialing telephone system with a capacity of 5,000 extensions, half the size of a central telephone exchange.

First of Tulsa Progress

Plans to increase the capital and surplus to $25,000,000 were announced last month by the First National Bank and Trust Company, Tulsa. R. Elmo Thompson, chairman of the board, said First National directors have approved the transfer of $1,000,000 from undivided profits to surplus.

Surplus will now total $17,700,000, he said. The bank's capital is $7,300,000. Its capital and surplus is the largest of Oklahoma banks.

This increase will permit First National to raise its loan limit from $2,400,000 to $2,500,000.

Mr. Thompson said First National's surplus has more than tripled and capital more than doubled in the past 10 years.

The bank has installed the first components of a 20-unit, fully automatic system to begin processing the thousands of checks and deposits handled daily. The complete system, including an electronic computer, will be in operation this summer. The new "bookkeeper" will outperform any other bookkeeper in the state. It will sort checks at the rate of 54,000 an hour, and it will allow the bank to process up to 125,000 checks daily.
OUR MODULAR DESIGN CONCEPT MAKES IT POSSIBLE . . .

custom design your counters for the cost of stock components

Without question, the best counter equipment installation for you, is one that’s tailored expressly to your traffic patterns, methods and procedures. Such custom-designing can be prohibitively costly but it need not be, for you can realize the same benefits and advantages by assembling our counter equipment components exactly to fit your requirements. The Diebold and Herring-Hall-Marvin line of counter equipment components is so extensive and comprehensive that there’s virtually no application problem that cannot be solved to your complete satisfaction with components assembled to match your requirements. In addition, our design department is at all times ready to consult with you and your architects on the most efficient ways you can use components in your operations. You’re invited to make use of these advisory design capabilities at any time without obligation. For complete information without obligation, use the coupon below.
A PROGRAM aimed at making professionally prepared advertising economically feasible for use by small banks in meeting non-bank competition will be launched this fall by The Independent Bankers Association.

The program is unusual in that while the ads are being prepared under IBA supervision, each bank will purchase the ads of its choice on a voluntary basis directly from the Franklin Advertising Agency in Milwaukee, Wis. The IBA will assume no cost of either developing or selling the program.

Ralph Zaun, chairman of the IBA’s savings and loan committee, said in this way member banks who do not want to participate will not be sharing indirectly in the cost.

A booklet will be sent to member banks in September containing facsimiles of 13 newspaper ads and six direct mail pieces or envelope stuffers.

A majority of the ads will emphasize the differences between banks and non-bank financial institutions, with two or three on the subject of tax equality. The direct mail pieces will all be in two colors. An order blank will accompany each booklet.

The ads are designed so that they can be used by banks individually, or on a cooperative basis with other banks in the area.

Honor LaMonte Executive

George V. LaMonte, chairman of the board of George LaMonte & Son, Nutley, N. J., was honored at a dinner given on the occasion of his 50th anniversary with the noted safety check paper manufacturing firm. H. Douglas Davis, a director of the company and president of the Plainfield Tr. & S, Natl. Bank, Plainfield, N. J.

Promoted by Drovers

William B. Lennan has been named assistant vice president of Drovers National Bank of Chicago, it was announced by Leo R. Gruber, president.

Mr. Lennan joined the Drovers Bank on January 5, after four years with the First National Bank in Fort Lauderdale, Fla.

Prior to moving to Florida in 1957, he was vice president of Northwest National Bank of Chicago.

New Chicago Directors

W. W. McCallum and S. M. Kennedy have been elected directors of the National Boulevard Bank of Chicago.

Mr. McCallum is chief executive officer of John Morrell & Company. He is a member of the board and executive committee of the American Meat Institute.

Mr. Kennedy is president of Consolidated Foods, an organization which he joined in 1939.

Earle D. Atwater, treasurer-retired of Wm. Wrigley, Jr. Company, has been named an honorary director of the bank.
Man-on-the-spot...in Mexico City. Need new sales outlets south of the border? Here's your man. Market reports from England? Ask our people in London. From Sacramento to Saigon—in California, across the U.S.A., or around the world—BANK OF AMERICA can provide you with first-hand banking assistance of every description. If you need the services of a man-on-the-spot, get in touch with Bank of America—first in banking.
New Building for Security-First

The Security First National Bank has announced plans to construct a six-story building in downtown Los Angeles.

According to bank officials, the new building, to cost more than $1,500,000, will be erected on the present parking site adjacent to the bank's Farmers & Merchants office, located at 401 South Main Street.

The edifice will cover more than 90,000 square feet of office space, and also will have three levels of parking—basement, street, and mezzanine—which will accommodate more than 100 cars.

Officials pointed out that the new building is the result of the bank's continued growth and service in southern California. It will house several of Security's operating departments.

Construction is scheduled to start this month, with a tentative completion date set for mid-1962. Architect is Albert C. Martin and Associates of Los Angeles.

In BANKING...

Dominant feature of the facade will be massive four-story, pre-cast concrete panels rising directly above the parking levels. These panels will be faced with small exposed white quartz aggregate accented with a mixture of brown and ochre hues.

Between the new structure and the existing building to the north will be a narrow vertical glass curtain wall, forming a necessary three-dimensional transition from the older building.

Joins Mosler Safe Company

Allan C. Root has joined The Mosler Safe Company as manager of business planning. He will headquarter in New York.

Mr. Root has been in government service and industry for more than 11 years, most recently as manager of marketing research with International General Electric Company.

Bank of America Promotes Two Key Executives

Selection of Vice President James V. Minehan to head a new staff development department of Bank of America was announced recently by Clark S. Beise, president.

For the past four years Mr. Minehan has served as vice president in charge of the administration opera-

Men on the go from the First National Bank of Kansas City, Missouri, are actually your bankers working in our bank. Each member of this highly trained "Men on the Go" team has the experience to handle practically any banking problem you may have. Simply call on your "Man on the Go" and the entire bank personnel of the First and its national and international network of bank associates will serve you. Make the FIRST your bank in Kansas City.

J. V. MINEHAN  R. E. BOYNTON

Northwestern Banker, June, 1961

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
It was one of those days sparkling with the first suggestion of the year's turn toward spring. No one could be blamed for letting his mind drift into visions of fresh-turned earth, blue water and sails, budding trees . . .

A ringing telephone—the return to reality—and suddenly—chestnuts! Not "chestnuts in blossom," but chestnuts on the fire—ripe chestnuts—imported chestnuts—causing no end of trouble and worry and embarrassment.

"There are barrels and barrels of them," said our correspondent friend morosely over the long-distance wire. "Perishable, too," he added, "and worst of all they've arrived 'way past the selling season in this locality."

You get the picture: a shipment financed, delivery delayed, a market season lost, an investment in danger...

Truth is, we were stumped. These chestnuts looked more like hot potatoes. What to do?

Well, we hesitated and then decided to turn the problem over to some of our resourceful people in Credit Analysis and Investigation. There was just a chance that they could find a solution. Combing through wholesalers and importers, they luckily found a merchant whose chestnut market happened to be still active. They put him in touch with our harried friends and helped work out a sale satisfactory to both.

"For a moment, we were chestnut brokers," is the way they told the story in Credit Analysis and Investigation.

But by that time they were following through on the next query—answering one of the 8,000 a year we get at Bankers Trust.

Fortunately, extremely few of the problems we receive are ever as knotty as "Operation Chestnuts." But we mention this one—unusual as it was—as an example of the type of help we try to offer at Bankers Trust.

Naturally, we can't always guarantee a solution, but you'll find that every avenue of approach will be exhausted, speedily and efficiently, before you receive a report. And once in a while, we may even tackle a question as difficult as "Operation Chestnuts."

BANKERS TRUST COMPANY
16 Wall Street, New York 15, N. Y.

Member Federal Deposit Insurance Corporation
Hanover Starts Move Uptown

The Hanover Bank opened a new branch office at 350 Park Avenue in New York last month, marking the bank's initial move into its 30-story uptown headquarters building, now nearing completion.

At the same time, Hanover temporarily moved the staff of its Plaza Office, Fifth Avenue and 60th Street, to the Park Avenue location. The Plaza branch will reopen at the Fifth Avenue address as soon as new quarters are ready in the modern, air-conditioned building planned for that site.

Thomas H. Bennett, vice president, will be in charge of the 350 Park Avenue office. The modern decor of the office includes teak desks and columns, Travertine marble walls and floors, luminous ceilings and royal blue carpet.

Hanover expected to move its personal trust division to the uptown headquarters building in late May. The bank's city and out-of-town divisions and related departments are scheduled to move to Park Avenue in early June.

To London Office

A retired officer and a former British bank official have been named vice presidents by the Continental Illinois National Bank and Trust Company, Chicago, to be a part of the management nucleus for the bank's new London branch.

Re-elected by directors was Carl I. Johnson, who had retired as vice president in the commercial banking department last October after more than 36 years of service.

The other new vice president is H. Norman Laughland, a native of Scotland, who had managed the London branch of the Bank of Baroda Limited (India) until his retirement a year ago.

The Continental Bank first announced its plans to open a London branch a month ago. Opening date for the branch will be established after Federal Reserve Board approval has been obtained.

Set Trial on Merger

Shareholders of The Philadelphia National Bank have approved a proposed merger of Philadelphia National with Girard Trust Corn Exchange Bank.

Completion of the merger is subject to outcome of an action brought into Federal Court by the Department of Justice in February seeking to bar the planned consolidation.

The proposed merger was originally approved on November 15 last year by the boards of directors of both banks. The Comptroller of the currency approved the merger on February 24, but the following day the Department of Justice went into the U. S. District Court in Philadelphia and filed an action to block the merger. Subsequently the Justice Department took similar action against other bank mergers in various parts of the country.

The proposed Philadelphia merger would result in an institution to be known as Philadelphia Girard National Bank and Trust Company.

Judge Thomas J. Clary will preside in the Philadelphia action. The trial is scheduled to start June 5. At a pre-trial conference in mid-March the judge approved an agreement among the attorneys for the holding of special shareholders' meetings, provided that the merger would not be consummated pending a final court ruling.

Select Insurance for Bankers!

- GOOD HEALTH MEANS GOOD INCOME!
  Our Accident and Sickness Policies Will Pay You Additional Income During Periods of Disability.

- READY CASH FOR HOSPITAL AND SURGERY
  Bills Means Speedier Recovery!
  Our Hospital and Surgery Policies Are Designed for Individuals and Their Family Groups

Over 56 Years of Successful Service to Many Bankers

Write for Application and Literature

MINNESOTA COMMERCIAL MEN'S ASSOCIATION

PAUL CLEMENT, President

2550 PILLSBURY AVENUE
MINNEAPOLIS 4, MINNESOTA
Buying or selling governments? Meet your investment officers at the Harris. They’re as near as your phone. This is one way we help our correspondents. How can we help you?

HARRIS Trust and Savings BANK

Organized as N. W. Harris & Co. 1882—Incorporated 1907—Member Federal Reserve System... Federal Deposit Insurance Corporation

111 WEST MONROE STREET—CHICAGO 80

Northwestern Banker, June, 1961
THE STUDLEY, SHUPERT TRUST INVESTMENT COUNCIL PROVIDES COMMUNITY BANK TRUST OFFICERS WITH SERVICE AS PERSONAL AND INDIVIDUALIZED AS YOU GET FROM YOUR FAMILY PHYSICIAN

It's true! As a member of the Studley, Shupert Trust Investment Council, you are an individual, a personality known by name to the Council Staff . . . and the individuality, the trust objectives of each of your accounts is equally well known.

Indeed, the relationship of Council Staff and Members becomes so intimate and confidential that it actually is closely akin to your relationship with your family physician. And, like your family physician, the Council Staff is available to you at all times, whenever an account problem arises.

Unlike your family physician, however, the Staff is not composed of general practitioners. Instead, it is a group of competent, experienced, trust-minded specialists. And their research facilities for studying and analyzing the complications of individual account problems from a trust viewpoint are second to none.

Also, unlike your relationship with your physician, your Council Membership is not just an aid in times of emergency. Again and again at frequent intervals, month after month, the Council sends you its easy-to-understand, up-to-the-minute trust investment guide material designed to help you keep all of your accounts in good health.

We will be happy to tell you more about the advantages of Council Membership without you being obligated. Write today to Dept. NW-DB.

STUDLEY, SHUPERT TRUST INVESTMENT COUNCIL
1617 PENNSYLVANIA BLVD., PHILADELPHIA 3, PA.
155 BERKELEY STREET, BOSTON 16, MASS.

Honor American National

The American National Bank and Trust Company of Chicago last month became the recipient of an American Heritage Foundation Outstanding Citizenship Award. The bank was selected for "top performance by a bank in the 1960 Inform Yourself and Vote Campaign."

The award was presented to Robert E. Straus, American National presi-

SPECIAL AWARD is presented to Robert
E. Straus (right), pres., American Natl.
Bk. & Tr. Co., by John L. McCafferey,
pres.-elect of the American Heritage Foun-
dation.

dent, by John L. McCaffrey, president-elec-
t of the American Heritage Founda-
tion and chairman emeritus of In-
ternational Harvester Company, at a luncheon attended by the bank's board of directors.

The bank's "Get Out the Vote" program included a series of special bulle-
tins to employees on such subjects as Voter Eligibility, How to Register, Know Your Constitution, Working at the Polls, Inform Yourself, Volunteer Services to Your Party, Contribute Financially and Remember to Vote. In addition, the American National staff magazine ran a survey on the question, "Should the voting age in Illinois be lowered to 18?" designed to in-
crease employee interest in the impor-
tance of voting.

First of Chicago Election

Three promotions in the official staff and the election of three new officers have been announced by the First National Bank of Chicago.

John E. Corrigan, Jr., assistant vice 
president in Division "J," was elected vice president.

R. Spencer Davis, assistant cashier in Division "B," and Otto F. Hass, 
trust officer in the trust department, were elected assistant vice presidents.

The newly-elected officers are: An-
drew G. Reid, assistant cashier in the credit department; Herbert V. Prochnow, Jr., assistant attorney in the law department, and Fred J. Ruopp, as-
sistant secretary in the trust depart-
ment.
His pencil writes financial plans with a double point of view

What comes out of a pencil depends on the man who's holding it.

When it's in the hand of the man from Chemical New York, it writes financial plans for your customers with a double point of view.

It writes with a local flavor because the man at the thinking end has the hometown touch. He travels in particular regions of the country, and gets to know their problems, trends and industries firsthand.

And it writes with the know-how and financial experience that can come only from a banker based in New York, the financial capital of the world.


Chemical Bank
New York Trust Company

Northwestern Banker, June, 1961
Ralph Eastburn, president of the Iowa Bankers Association and president of the Iowa State Bank and Trust Company at Fairfield, emphasized the need for more understandable terms when he addressed group meetings in the state last month. He asked bankers to “bring the story of our banks and what they are doing to your customers in plain words that will be understood by all. With understanding comes a greater desire to cooperate, and cooperation will eventually bring you more business in return, so it only makes sense to let people know in their language what is being done in our banks.”

Other Uses
Other banks have used statements successfully to tell about services they have to offer, the progress being made behind the scenes in the bank, and even annual newsletters written from the local angle for the benefit of the community.

The First National Bank in St. Louis, for instance, has included for several years in its year end statement a very readable summary of where the money comes from and how it is spent by the bank. Pie charts give visual assistance to the explanation, and one of the most interesting parts of the report for all staff members is the analysis of employee benefits that have been paid by the bank. This keeps the employee sold on the “extras” he is receiving so he doesn’t lose sight of the benefits beyond the pay check.

One bank that has mailed a warm, newsy letter with its annual statement to all customers and stockholders each year is the Oakland Savings Bank of Oakland, Iowa.

Facilities Listed
For many years, banks in larger cities were about the only ones who printed an annual statement of condition with more than just the figures and the list of officers and directors. Because these statements by city banks were distributed to hundreds of large corporate accounts where it was vital to have all facilities of the bank made known, they became an excellent medium for selling the bank to potential customers.

More and more smaller banks have taken the lead of the city banks and have adapted this idea to their own institutions. Many times this takes the more personalized form of pictures and story about staff members and the work they do. Most statements of this type also list somewhere all the services available at the bank.

From the evidence of continually growing interest in improved bank statements it is obvious that many banks are making these reports a part of the sales team. When you prepare your next statement of condition you may wish to consider how you can make it a better investment so it will draw added interest for you.—End.

New Dallas Building
The Republic National Bank of Dallas, which moved into a new $25,000,000 building only seven years ago, has announced plans for another multiple-story building adjacent to its present structure.

Advance announcement of plans for the new building was made jointly by Karl Hoblitzelle, chairman of the board, and James W. Aston, president of Republic.

The new building will occupy 35,000

TOMORROW is made to order
at CITY NATIONAL

The Trust Department at City National is always ready to extend its many banking services to our correspondent banks, in the planning of estates, trusts, employee benefit programs, and in the continuing management of these plans for tomorrow. In this vitally important aspect of modern banking, you're invited to draw upon the facilities and the services of Kansas City's most progressive bank.

CITY NATIONAL BANK
and Trust Company of KANSAS CITY, Missouri
10TH & GRAND • KANSAS CITY 41, MISSOURI

Established 1913 Member Federal Deposit Insurance Corporation

Northwestern Banker, June, 1961
Twice as useful!

New RECORDAK RELIANT 500 Microfilmer features unique interchangeable film units . . . lets 2 (or more) departments keep separate film records the way they would with individual microfilmers.

Bankers tell us it's almost like getting an extra microfilmer for the price of an accessory film unit. Takes only a second to slide out one unit . . . slide in another for a different job, a different department, or a different branch.

Not only is this microfilmer more useful, it is also the fastest for general office use . . . speeds the work of all departments.

For example, in one minute your Transit Department can microfilm the fronts and backs of 500 checks . . . or your Bookkeeping Department can photograph 186 statements. And in the same high-speed automatic operation the film record is indexed and the originals can be cancelled or endorsed, using an accessory endorser.

Write today for informative folder describing the new RECORDAK RELIANT 500 Microfilmer in detail . . . or better still, call in your local RECORDAK representative to show you all the advantages the new RELIANT 500 offers over older and slower microfilming equipment.

Recordak Corporation, 415 Madison Avenue, New York 17, N. Y.
When George La Monte invented safety paper in 1871, he satisfied the urgent need of banks for protection of their checks against alteration and counterfeiting.

Today, ninety years later, the same kind of resourcefulness is being used to solve the new challenges presented by banking automation. Through a continuing program of research and testing, La Monte has produced a safety paper that meets all printability and sortability standards set by the American Bankers Association.

To insure the success of your MICR program, specify La Monte Safety Paper for your checks. You can be confident they will be both safe and sortable.

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90 YEARS YOUNG

Features Bicycle Display
Exhibited only once before—at the Leonardo da Vinci Exposition in Milan, Italy—"Bicycles in Miniature," a collection of tiny working models depicting the history of the bicycle, is now on display at The Hanover Bank's Union Carbide Office, 47th Street and Madison Avenue, New York. The models are one-twenty-fifth actual size of prototypes and were handcrafted in brass and gold plate by Enzo Tardini, 45-year-old Florence manufacturer now on a business trip in this country. All parts of the minute reproductions—wheels, pedals, brakes, chains, sprockets and springs—are fully operational. The collection of more than 150 different models is housed in 56 clear plastic cases, each 12 x 6 x 8 inches. Most of the cases contain three models. One 10-seater, however, requires its own showcase because of its length. Arranged in chronological order, the collection begins with stilts, "man's first means to lengthen his steps and outdo himself," Mr. Tardini explains, and includes Australian prototypes as far back as 10,000 B.C.

Observe 40th Anniversary
Security First National Bank's "Monthly Summary of Business Conditions in Southern California" marked its 40th anniversary last month. Since May 21, 1921, the bank's Research Department has reported, without interruption, on the business conditions of the southern half of California. The publication has grown from a circulation of a few hundred to more than 40,000 today. It has readers in every state and in 50 foreign countries.

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Your bank name goes here...

then it goes everywhere!

The First National Bank of Chicago Travelers Checks come in tens, twenties, fifties and hundreds—each denomination a different color for positive identification.

To prevent forgery, our checks are printed so the cashier must cover the original signature when countersigning. And there’s a full refund if lost or stolen.

Call us for travelers checks, or any other correspondent service you need. Remember, you get banker-to-banker service from The First National Bank of Chicago.

The First National Bank of Chicago

Dearborn, Monroe, Clark and Madison Streets • Building with Chicago since 1863

MEMBER F.D.I.C.

Northwestern Banker, June, 1961
Among other things... ANICO has special facilities for administering your credit insurance program...

- prompt, unsurpassed service
- sound, continuing growth

P. O. BOX 149 • AMES, IOWA

Credit Insurance Division
Dallas 5, Texas

AMERICAN NATIONAL INSURANCE COMPANY
of GALVESTON, TEXAS

Announce New Drive-up Drawer

DRIVE-UP BANKING at its “level best” is now possible with the New Diebold Direction Controlled Drive-Up-Teller Drawer shown here installed in a Diebold Panoramic Drive Up Window.

Photograph at top right shows drawer extended straight out. Rubber bumper on face of drawer protects surfaces of vehicles on contact, stops drawer automatically. Bottom left shows drawer at low level, 31 inches above roadway. Bottom right drawer at high level, just over 50 inches above roadway.

Horizontal and vertical movements are controlled by teller by two rocker switches on counter surface. Press of “in” button retracts drawer from any position. Drawer glides through full in and out cycle in only seven seconds, including a pause for inserting or removing deposit.

DRIVE-UP banking at its “level best” is now possible with the new Diebold Direction Controlled Drive-Up Teller Drawer. The unique, trend-setting drawer with elevator action moves up and down to adjust for vehicles of differing heights. “Drive-up banking is essentially convenience banking and this direction controlled drawer is the ultimate in convenience,” said Raymond Koontz, president, in announcing the new drawer. “It not only moves in and out electrically but up and down, seeking the most convenient level for the customer whether he is in a ground-hugging, compact, conventional family car or a high-riding truck.”

The new Diebold drawer has an extreme range of 19 inches, moving upward from just over 31 inches from the roadway to over 50 inches. Tellers are in control of the drawer movement with fingertip touch of convenient rocker switches. Soft rubber bumpers on the drawer face stop action immediately upon contact, insuring safety and correct positioning.

For further information on the new Diebold Direction Controlled Drive-Up Teller Drawer, write Gene Stoney, Diebold, Incorporated, Canton, Ohio.

Speeds Stock Transfers

City National Bank has become the first bank in the Kansas City area, acting as transfer agents for the stocks of other companies, to employ data processing equipment for the issuance of engraved stock certificates in continuous form.

One of the bank’s corporate customers voted a two for one share stock split recently. Just 12 working days later, over 20,000 new engraved certificates were issued, checked, countersigned, registered and mailed to stockholders.
On June 12, 1961, our Out-of-Town Division moves to Hanover’s new Uptown Headquarters Building at 350 Park Avenue.

Next time you’re in New York City, be sure to visit us in our new quarters... convenient to all transportation terminals... completely numerical telephone number—simply dial 350-3300!

Member Federal Deposit Insurance Corporation

Collections / Wire Transfers / Foreign Transactions / Safekeeping

Northwestern Banker, June, 1961
New Finance Service

A new inventory financing service covering all types of commodities was announced by Bank of America recently.

President S. Clark Beise said it is called the I.D.F. (Inventory Distribution Financing) Plan and is now available in all the bank’s 713 branches in California.

“This new service makes it possible for us to finance many more types of inventory than was previously practical. It includes products ranging from specialized metals to air conditioning equipment, clothing or children’s toys,” Mr. Beise said.

Mr. Beise pointed out that through purchase agreements from manufacturers and warehouse receipts from their customers the I.D.F. Plan would facilitate quantity buying in advance of peak periods and assure ample supply to meet demand.

The package plan available on a mass basis and offering credit up to 90 per cent of invoice price provides a ready sales tool for manufacturing firms, nation-wide, seeking to expand distribution of their product in California.

Shipping and freight handling costs can be reduced through ordering in greater quantities at one time. Manufacturers’ customers using the service will be in a better position to take advantage of cash purchase discounts.

Largest Sale

WHAT DOES $190 MILLION feel like? California State Treasurer Bert A. Betts (above right) knows as he accepts a check for the largest single sale of state bonds in California’s history from Earl Lee Kelly, representative of Bank of America, which headed the syndicate buying the bonds along with Bankers Trust Company, New York.

Mr. Kelly handed Mr. Betts the check inside the giant vault at the State Capitol in Sacramento before Bank of America took delivery of the bonds—$140,000,000 in Veterans bonds and $50,000,000 in state construction bonds.

BERGSTROM PAPER COMPANY
NEENAH, WISCONSIN

Almost...

... IS NOT GOOD ENOUGH

Failing short carries a penalty which may cost the game... but the loss is usually only pennies and pride.

In customer relations, however, the stakes are high... there can be no “failing short” without inevitable risk. That is why many banks specify Bergstrom safety papers for their checks... check papers produced in a wide range of pleasing colors, with fine writing surface and strength to withstand the rigors of high-speed machine handling — and they are safe.

Samples from your bank stationer, or wire...
Your man
at the Irving takes your point of view

What businesses or industries are important to you? . . . More than likely you’ll find a man at the Irving who shares your interests and whose particular experience can point to greater profit opportunities for you and your customers.

His approaches are both flexible and informed and he can draw upon the resources of Irving men familiar with operations in many fields—Paper, Electronics, Drugs, Steel, Coffee and Rubber...to mention a few.

Besides the routine banking services, your Man at the Irving is also ready to assist you in developing new business connections, advise you about the establishment of a new or branch plant, or put you in touch with the key individual of a national manufacturer—all with your business development efforts in mind.

Constantly making calls on bankers and businessmen both here and abroad, Irving representatives are able to work directly with you. When questions come up, your Man at the Irving can be reached readily on his own direct dial phone. Just call him as though he were a member of your own staff.

IRVING TRUST COMPANY

Capital Funds over $150,000,000  One Wall Street, New York 15, N.Y.  Total Assets over $1,750,000,000

GEORGE A. MURPHY, Chairman of the Board
WILLIAM E. PETERSEN, President

H. MILLER LAWDER, Senior Vice President in Charge

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, June, 1961
An exclusive *National*® development to cut data processing costs!

What is CRAM?
National Card Random Access Memory (CRAM) is an unequalled advance in external memory used with the National 315 Data Processing System.

How does it work?
Each CRAM file controls a deck of 256 magnetic cards capable of storing over 5,500,000 alpha-numeric characters. Information stored on the cards can be directly addressed for high-speed random or sequential processing.

What are its advantages?
- For the first time a random memory device can be effectively utilized for both random and sequential processing.  
- For the first time it is economical and practical to employ multiple random access units in one system.  
- For the first time it is possible to store, sort, update, and report — using a single, magnetic file.  
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Learn how CRAM can benefit you. Call your nearby National Office, or write to Data Processing Systems and Sales.
MR. LAING, right, discusses a few interesting sidelights of a recent embezzlement with Glenn B. Morris of Des Moines, general manager for the Iowa and Nebraska area for Aetna Casualty & Surety. They were hosts last month at an Aetna C&S-sponsored dinner-meeting for bankers and CPA's of the Des Moines area. After relating several specific and true examples of ingenuity used in recent embezzlements, Mr. Laing told his audience about various safeguards and insurance coverages designed to protect their banks against loss by unknown “partners” who have their own unauthorized profit-sharing plan.

What bankers should know about... Insurance Against Embezzlement

WHERETER or not an employee has access to the firm's funds, or authorized to buy, sell or store goods, he should be bonded in an amount calculated to offset potential thefts. The larger the firm's assets and turnover in volume of business, the more probable that losses may be concealed over a long period and the more urgent it is that the firm safeguard against such losses through fidelity bond protection as well as good internal control.

Various forms of fidelity insurance are available, to begin with, the individual bond. If the firm has only one or two employees, it can purchase for each an individual bond issued on behalf of a named employee and for a stated amount. The bond may not be amended to cover any other employee.

Schedule Bonds

If there are several bondable employees, a schedule form of bond might be advisable. There are two types of Schedule Bonds: Name Schedule Bond and Position Schedule Bond. The Name Schedule Bond covers the employees by name, in respective amounts set opposite their individual names.

The Position Schedule Bond provides protection against the dishonest acts of employees while occupying the positions listed on the schedule and in the amounts stipulated opposite each position.

Blanket Fidelity Bond

If there are a larger number of employees to be bonded, a Blanket Fidelity Bond is recommended. There are two forms.

The Commercial Blanket Bond covers all officers and employees collectively, and in the event of a loss, regardless of whether one or more employees are involved, the aggregate amount collectible is the bond penalty. This bond is issued in a minimum penalty of $10,000 and has no maximum or ceiling.

The Blanket Position Bond also covers all employees, but in the event of a loss the bond penalty applies to each identifiable employee involved in the loss, from a minimum penalty of $2,500 to a maximum of $100,000.

Both forms automatically cover all new employees during the term of the bond without notice to the surety and without additional premium charge.

Collusive Loss Feature

Principal advantage of the Blanket Position Bond over the Commercial Blanket Bond is its collusive loss feature. Obtainable in this form only, it permits recovery for the full amount of the bond on each employee identified as participating in a collusive loss.

If a concern has a large employee exposure or could conceivably be subject to a catastrophic loss from the dishonest acts of one employee or a group of employees, the Commercial Blanket Bond is preferable in an amount estimated to cover possible losses. If a concern has a relatively

Embezzlements Increasing

Bank embezzlement losses in the $10,000-and-over category numbered 111 and aggregated $10,109,698 during 1960, according to a semiannual report of The American Bankers Association's Insurance and Protective Committee. In 1959 there were 86 such losses aggregating $8,826,948, said Committee Chairman Thomas F. Glavey, vice president, The Chase Manhattan Bank, New York.

By PHILIP P. LAING
Assistant Secretary
Bond Underwriting Department
Aetna Casualty & Surety Company
Hartford, Connecticut

Northwestern Banker, June, 1961
restricted exposure and losses may be expected to run within a reasonably limited area, the Blanket Position Bond appears the logical selection, particularly in view of its collusive loss feature.

Where the bond amount under a Blanket Position Bond is $10,000 or more, the larger firm would find advantageous a Blanket Position Bond as primary coverage and a Commercial Blanket Bond as excess. Thus the Blanket Position Bond provides basic protection against loss caused by employees acting in collusion, and if this proves insufficient, the Commercial Blanket Bond would provide excess coverage for a larger loss whether caused by one of several employees.

The Greatest Protection
Where a number of employees are to be bonded, Blanket Bonds are made to order, since they offer the greatest protection for the premium dollar and compare favorably premium-wise with the more limited Individual and Schedule Bonds. Furthermore, the danger of an unbonded loss is minimized since all eligible employees are covered to the full amount of the bond and there can be no possible failure through oversight to include individual employees under a Blanket Bond. All premium rates are on an annual basis, but any fidelity bond may be written on a three-year premium plan. If fully paid in advance, the three-year premium is two and one-half times the annual premium, thereby affecting a substantial saving in the cost of the coverage which is reasonable enough to begin with.

Of more recent origin are two other types of comprehensive insurance policies. One is popularly called the 3-D policy because it gives comprehensive dishonesty, disappearance and destruction coverage. This covers employee dishonesty as well as other hazards.

Five Basic Agreements
This policy has five basic insuring agreements, with other insuring agreements available by endorsement. Coverage may be written under any one or more of these five basic agreements, each independent of the others as to specific protection and amount of coverage.

Two of these insuring agreements are especially of interest to employers who wish protection against employee defalcation. One covers loss of money, securities and other property caused by the dishonest acts of any officer or employee, and it is advisable under either of two forms, to be selected by the employer. Form A, which is the Commercial Blanket Bond type of coverage, and Form B, or the Blanket Position Bond type, both of which have already been discussed.

The other pertinent agreement covers loss through forgery or alteration of checks, drafts and other specified instruments issued by the insured. A great many of the very substantial employee dishonesty losses include elements of check forgery and therefore many concerns purchase this type of forgery coverage as inexpensive and supplemental employee dishonesty coverage. Of course, it covers non-employee forgeries, too.

Other Insuring Agreements
Other insuring agreements of this policy provide specific protection in the desired amount against loss and destruction or disappearance of monies and securities within the premises of the concern, and in the custody of a messenger while being taken to a bank or other place of business. Since this form of coverage is adaptable by its separate agreements and other endorsements, it is not possible to discuss in detail the various features in this paper.

The most recent form of crime coverage is the so-called Blanket Crime policy. The Blanket Crime policy has been devised for medium-size and large businesses where protection is desired against the five most common...
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you can save as much as a day's clearing time with our around-the-clock jet mail pickup service

Special bank trucks now make regular pickups, day and night, at Chicago's O'Hare Field, as well as at Midway. Your mail can reach us one hour after the plane is unloaded... which means that even if you're on the West Coast, cash items sent by jet are available funds in just a few hours! We'll gladly send you a supply of labels that will assure you this special service. Whether your cash items come by jet or not, you'll find Continental's speed of processing (1,000 a minute!) a tremendous advantage. STate 2-9000, Chicago.

CONTINENTAL ILLINOIS NATIONAL BANK
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Lock Box H, Chicago 90, Illinois

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Northwestern Banker, June, 1961
criminal losses. This policy protects against all of these losses in a level amount as follows:

1. Loss through any fraudulent or dishonest act committed by employee.
2. Loss through destruction, disappearance or wrongful extraction within premises or inside the bank or safe deposit box of monies and securities.
3. Loss through destruction, disappearance or wrongful extraction away from the premises while conveyed by messenger or armored vehicle company of monies and securities.
4. Loss through acceptance in good faith of bogus post office or express money orders, or counterfeit paper currency when exchanged for merchandise, money or services.
5. Loss through forgery or alteration of checks, notes and drafts actually or supposedly issued by your company.

Protects Other Properties

In addition to protection against loss of money and securities, protection is also extended to loss of other properties, such as merchandise, furniture, fixtures, office equipment as follows:

1. Loss through any fraudulent or dishonest act committed by any employee.
2. Loss through safe burglary or robbery within the premises, including damage to the premises themselves if you are the owner of are legally liable.
3. Loss through actual or attempted robbery away from the premises while in the custody of a messenger or armored car vehicle.
4. Loss through destruction, disappearance or wrongful extraction within premises or inside the bank or safe deposit box of monies and securities.

The disadvantages of the Blanket Crime policy to the medium size or large business are the following:

1. The business enterprise decides its own basic exposure as to monies and securities, and this level limit applies to all features of the crime losses outlined previously.
2. There is one policy covering all of these features and one premium is paid for that policy.
3. Since the one policy covers all features, there is only one claim adjustment and one company with whom to make claim and to whom to report necessary information for coverage.

How Much to Carry?

Management cannot hazard a guess at its dishonesty loss potential because it cannot know how long or at what rate a trusted employee will steal his funds, burrowing into the foundation of the firm's financial strength.

For that reason, a long and painstaking study of management's exposure to employee dishonesty has been made by a committee of Fidelity Bond Underwriters, representatives of member companies of the Surety Association of America.

Formula Developed

A survey revealed that in 65 per cent of the losses studied, the insured did not carry a bond large enough to cover the loss. It was apparent that there was no gauge whereby the maximum possible loss which might be sustained could be determined, since there simply is no limit to the possibility of employee dishonesty. It was possible, however, to relate certain factors to the amounts which have been stolen in a large number of actual instances. These factors have been utilized in a formula designed to gauge the minimum coverage appropriate for a commercial risk of any size.

The formula so developed employs an Exposure Index for determining the minimum amount of honesty insurance, or fidelity bond coverage, for the insured. The index is not an estimated amount of actual exposure but a weighted base related to exposure to which the recommended bond amount is keyed. The Exposure Index is derived from two principal elements of exposure to large dishonesty losses: (1) Current assets and (2) gross sales or income. The current assets represent a measure of values subject to loss at all times, while the gross sales or income reflects turnover in such values.

How Formula Works

The formula for any size or type of commercial firm operates in the following manner:

1. Enter the firm's total current assets (cash, deposits, securities, receivables, goods on hand, etc.).
2. Enter the value of goods on hand (raw materials, materials of process, finished merchandise or products). Then take 5 per cent of this latter figure.
3. Enter gross sales or income. Take 10 per cent of gross sales or income.

Totaling all of these factors you will arrive at the firm's dishonesty Exposure Index.

There is then available a chart which has carefully been worked out relating the Exposure Index to the minimum bond penalty which should be covered.

85 Per Cent Under Insured

The study further developed that the under insurance of the smaller insureds is most significant. The losses reported which fell into the first two brackets of the Exposure Index ($125-000 or less) were fully covered by the bond in only 15 per cent of the cases. In other words, 85 per cent of those risks were under insured.

As for the larger loss amounts, the situation represents further interesting aspects. Of the total number of losses reported in the amount of $50-000 or more, 22.2 per cent were fully covered by the bond, whereas 77.8 per cent were under insured. This is rather startling, and points up strongly the need of improved counsel and guidance in determining reasonable, realistic and adequate minimum bond amounts.

It must also be stressed that the minimum amount recommendations are basic guides, and in the final analysis, it is management itself, in consultation with the firm's insurance agent or broker and with the further assistance of the firm's certified public accountants, who must decide the employee dishonesty loss potentialities of the concern and the needed amount of honesty insurance with which to protect it.
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79 Wall Street
They grow a lot more out in Iowa than corn and hogs and top-ranked football teams. The most important crop is growing at the University of Iowa and at the other great colleges and universities which dot the Hawkeye state.

From this magnificent Administration Building (the original Iowa State Capitol) on the campus at Iowa City comes the planning and direction which make the University of Iowa one of the truly great institutions of higher learning in the United States.

Across the street from the campus lies the Iowa State Bank and Trust Company.

Banker Ben E. Summerwill told us, “In a sense, our bank is part of the University of Iowa. Over the years, we’ve made loans to thousands of students to help finance their education.”

And bank president Bill Summerwill added, “We like to encourage students to open savings and checking accounts... and naturally, we’re always ready to make loans to members of the faculty and to assist new faculty members in finding housing and helping solve their financial problems.”

The Iowa State Bank and Trust Company was the first correspondent bank of the American National, many years ago. We asked Board Chairman Ben S. Summerwill why he still likes to do business with American National. His reply:

“The American National has always done everything we wanted them to do and frequently much more than we expected them to do. No bank we have ever worked with gives us better service. American National men have an unusual knowledge of the cattle business and agriculture... and we frequently call on them for advice about making loans. We just have faith in the good judgment and the people at the American National.”

Here at American National, our facilities are yours for the asking, too. We’d like to do business with you.

FIRST CLASS BANKS HELP GROW
FIRST CLASS CITIZENS

American National Bank
and Trust Company of Chicago
La Salle at Washington, Chicago, Illinois
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
We'll be seeing you!

During June we will visit with Bankers in Wyoming at Jackson Lodge on the fabulous Snake River in the Grand Teton National Park, at Hotel Schroeder in Milwaukee, Wisconsin, on Lake Michigan and at the St. Paul Hotel, in St. Paul, Minnesota, on the mighty Mississippi.

Yes, the Men of Marquette look forward to visiting with you and invite your discussion of particular trends and developments affecting all Correspondent Bankers in Mont., Wis. and Minn.

The Men of Marquette are eager to provide every possible service to bankers at all times.
Expect 1,500 at
Minnesota Bankers Convention

... June 6-7 at St. Paul

EARLY estimates, based on advance registration, of attendance at the 71st Annual Convention of the Minnesota Bankers Association, are well above 1,500 persons. Bankers and wives, who will meet June 6-7 at the Hotel St. Paul, will find an excellent program arranged by Donald L. Smith, assistant vice president, First National of St. Paul, general chairman of the convention, and his various committees, all of whom, it has been reported, have done an outstanding job.

Many of this year's speakers are well known nationally and will stir the imaginations, tickle the funny bones and tug at the heartstrings of Minnesota bankers who will remember their remarks for years to come.

The following is the schedule of events:

**OFFICIAL PROGRAM**

**Tuesday, June 6**

**A.M.**

9 to 9:30  Registration—Hotel St. Paul Lobby.
7 to 10:30  Golf—North Oaks Country Club.

**P.M.**

2:00  Call to Order—Continental Room, Hotel St. Paul, George M. Reppe, MBA president, presiding.
Committee reports.
Greetings—George J. Vavoulis, mayor of St. Paul.
President’s Address—George N. Reppe.
Address—Carl A. Bimson, ABA president, and president, Valley National Bank, Phoenix, Ariz.
“Free Enterprise or Disaster”—Dr. Nicholas Nyaradi, director, School of International Studies, Peoria, Ill.
4:15  Announcements and recess.
6:30  First Nighters' Party—Continental Room.
Entertainment—Glyde Snyder.

**Wednesday, June 7**

**A.M.**

8 to 8:30  Registration—Hotel St. Paul Lobby.
8:15  Minnesota Club Breakfast—Queens Room.
9:15  Call to Order—Continental Room.
Resolutions.
Election of officers.
“How to Keep Off the Psychiatrists' Couch”—Dr. Henry M. Johnson, First Methodist Church, Fort Worth, Tex.
“Your Chance to Fight Communism”—Clifford C. Sommer, presi-
dent, Security Bank & Trust, Owatonna.

11:30 Announcements and recess.

Noon Agricultural Luncheon—Paul W. Gandrud, chairman, MBA Ag Committee, presiding.
“Agriculture Is Big Business”—C. B. Ratchford, dean and director, College of Agriculture, University of Missouri, Columbia, Mo.

Style Show—Dayton’s, St. Paul.

P.M.
2:30 Call to Order—Continental Room.

“Cave Man to Space Man”—J. Lewis Powell, Alexandria, Va.
“Your Human Relations Are Showing”—Dr. Carl S. Winters, Oak Park, Ill., courtesy of General Motors.

5:30 Social Hour—Arizona Room, The Prom Ballroom, St. Paul.
Annual Banquet—The Prom Ballroom.
Invocation—The Rev. John G. Lewis, Fairmount Avenue Methodist Church.
Installation of Officers—George N. Reppe.
Response—P. R. Kenefick.

9:30 Dancing—Wayne King Orchestra.—End.

Minnesota Convention Chairmen


Complete Waterville Merger

Formal approval to consolidate the Security State Bank of Waterville with the Citizens State Bank of Waterville has been received from the Minnesota Banking Department and the Federal Deposit Insurance Corporation, Washington, D. C., of which both banks are members.

Capital account of the Citizens State Bank of Waterville has been increased by $50,000, so that now the total capital accounts of the bank are in excess of $250,000.
Two new directors have been added to the board of directors of the Citizens State Bank. They are D. T. (Woody) Palmer, manager of Fahning Supply Company, Waterville, and B. W. Rademacher, cashier of the Security State Bank of Waterville. Mr. Rademacher will also be vice president of the Citizens State Bank.

Lakefield Stock Increase

Capital has been increased at the First National Bank, Lakefield, from $50,000 to $100,000 through a stock dividend.

Barrett Remodeling

The Citizens State Bank, Barrett, recently completed an extensive remodeling of the bank interior, according to O. R. Olson, president. Walnut paneling was used to give the counter, teller windows and background a “new look” at the bank.

E. W. Wise

E. W. Wise, 59, vice president of the Citizens State Bank, Brainerd, died recently in a Brainerd hospital. He is survived by his wife and son.

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Nominees Named

Three top posts and three of nine council of administration positions will be filled at the MBA convention in St. Paul. Here is the slate of candidates just released by the nominating committee:

P. R. Kenefick, president, National Citizens Bank, Mankato, for president; Wayne Blackmarr, president, Wayzata State Bank, vice president, and R. M. Gesell, president, Cherokee State Bank, St. Paul, treasurer.

The nine councilmen are elected from districts coinciding with Minnesota's present legislative districts on a rotation basis so three are elected each year.

P. W. Gandrud, president, Swift County Bank Benson, has been nominated in the 7th district; Charles E. Taylor, president, First National Bank, Hibbing, the 8th district council post, and David E. Hanson, president, First State Bank, Fertile, the 9th district.

E. O. Habberstad

E. O. Habberstad, chairman of the board of the Farmers and Merchants Bank of Blooming Prairie, died recently at the age of 78.

Honor George Buscher

Employees and directors of the Alexandria State Bank surprised George E. Buscher, president of the bank, recently with an anniversary party honoring Mr. Buscher's 25 years service with the bank. He became president of the bank in 1947.

Plan Mankato Building

The National Citizens Bank of Mankato has announced plans for construction of a modern new bank building in downtown Mankato.

P. R. Kenefick, president, said it is planned to have the new 80 by 132 foot structure joined to the present Central Motors building, which is located a block from the present bank building. Construction is scheduled to start later this year.

Larson and McLaren of Minneapolis and Pass, Rockey and Church of Mankato are the architects.

Stillwater Open House

Nearly 2,800 people visited the newly remodeled quarters of the Cosmopolitan State Bank during an open house held recently, according to S. W. Welshons, president.

At the same time, the bank paid honor to A. G. McCormick, who has retired after 41 years as an officer of the bank.

W. B. Frank

Wenzel B. Frank, president of the Citizens State Bank, Fairfax, died recently at age 59. He had been in the bank 43 years, beginning work there in 1918. Mr. Frank was an avid sports fan, having managed the Fairfax baseball team at one time.

Ledyard Completes Remodeling

A remodeling program has been completed by the State Bank of Ledyard, according to W. E. Wiemer, vice president and cashier.

The modernization included lowering of the ceiling and installing acoustical tile and recessed lighting. Walls have been paneled with mahogany and three new teller counters have been installed.

William M. Jensen

William M. Jensen, 67, president of the Waldorf State Bank, died recently in a Minneapolis hospital. He had been ill for two years. He had been with the bank since 1950. Previous to that time he was president of a bank in Rapidan, Wis.

Fred Schwanke

Fred Schwanke, 61, president of the First National Bank, Deerwood, died last month in a Minneapolis hospital.

Located at the Gateway to the Northwest Livestock Market

As the pioneer livestock bank of the northwest, we are in a strategic position to give you speedy and efficient service in connection with all livestock items.

We invite you to visit us when you come to the Minnesota Bankers Convention—and to ask for an extra helping hand whatever you correspondent banking needs may be.

STOCK YARDS NATIONAL BANK

South Saint Paul, Minnesota

AFFILIATED WITH NORTHWEST BANCORPORATION
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, June, 1961
ELECTION of Wallace A. Erdahl as comptroller of the Marquette National Bank of Minneapolis, is reported by Carl Pohlad, president.

Mr. Erdahl was previously associated with Arthur Young & Company as an audit manager in their Chicago and Minneapolis offices and with Arthur Andersen & Company in the same capacity.

Copies of the 1961 edition of the Family Fishing Guide are being distributed by the Northwestern Banks in Minneapolis. The booklet gives a complete synopsis of Minnesota fishing laws and a condensation of laws in Wisconsin, South Dakota, Iowa, North Dakota and border provinces in Canada. Many helpful fishing hints are included in the new edition.

The 40th annual Twin City Bond Club picnic is scheduled for the White Bear Yacht Club, June 15, according to Geo. J. Freeman, chairman of the event. An informal buffet supper will be held at the Nicollet Hotel the preceding evening.

Farmers & Mechanics Savings Bank of Minneapolis is embarking on a $5 million expansion and remodeling program for its building at Sixth Street and Marquette Avenue in downtown Minneapolis.

John de Laittre, president, said the project will raise the bank’s structure to 11 stories, adding 113,000 square feet of space to the present 73,000. Completion is set tentatively for January, 1963.

The Franklin National Bank of Minneapolis plans to open for business July 1. The bank is the first new nationally chartered bank in the city in 34 years.

Franklin National, headed by John A. Price, president, will share quarters in a four-story mansion at Franklin and LaSalle Avenues with Guaranty Security Insurance Company.

The bank has capital of $200,000, surplus of $200,000 and undivided profits of $200,000.

Mr. Price is executive vice president of Guaranty Security Insurance Company. He also is president of several other firms and secretary of North Central Properties, Inc.

Other officers of the bank are Dale O. Gustafson, instructor in corporate finance and securities markets at the University of Minnesota, executive vice president, and William Ryan, vice president and cashier. He has been managing officer of the New Richmond (Wls.) State Bank.

Directors, in addition to the three officers, are Vance Johnson, David Ramsay and A. D. Darling.

Jon Bjornson of the Northwestern National Bank of Minneapolis has been elected treasurer of the Advertising Club of Minneapolis.

High school seniors from Minnesota, Iowa and Wisconsin received tips on savings, educational financing and investments at the Minnesota Economic Conference for Young Adults in Minneapolis recently. First National Bank of Minneapolis was a co-sponsor of the conference.

Hopes for easier bank credit are being dashed by the continuing “snugness” of money conditions, William R. Chapman, president of the Midland National Bank of Minneapolis, reported to Northwest Bancorporation directors recently.

William G. Carpenter, manager of the IBM education center in Endicott, N. Y., spoke at the annual banquet of the Minneapolis chapter, American Institute of Banking.

Margaret Roland, Midland National Bank, retiring president, turned over the gavel to Charles Bard, Northwestern National Bank’s new president. Other officers are Wallace O. Paradise, Federal Reserve Bank, and Vern Skallerud, Marquette National Bank, vice presidents, and Jack Herrick, First National Bank, treasurer.

Robert S. Piecha, chief examiner in the Twin Cities area for the Minnesota state banking department, retired recently at the age of 67. He had been a bank examiner since 1915.

Leonard Ferneusius of the Federal Reserve Bank was named scholarship winner in the 1960-61 standard certificate class of the Minneapolis Chapter, American Institute of Banking.

The 1961 fall conference of the Minnesota Bankers Association will be held October 11 and 12 at Hotel Saint Paul. Henry N. Snyder of the First National Bank of St. Paul is chairman of the arrangements committee.

Alfred P. Pepper of Central Northwestern National Bank of Minneapolis has been elected president of the Minnesota Safe Deposit Association. George T. Povey, Cherokee State Bank of St. Paul, was elected vice president. Marcella A. Truen, First National Bank of St. Paul, was re-elected secretary-treasurer.

Northwest Bancorporation and affiliated banks had consolidated net operating earnings of $3,992,438 in the first quarter of 1961, a 6.8 per cent gain over a similar period in 1960.

Loans totaled a record $1,024,108,000, up 4.6 per cent. Deposits reached $1,737,477,000, a 7.1 per cent gain.

Directors declared dividends of 30 cents per share on common stock and $1.12¼ per share on preferred stock, both payable June 1 to stockholders of record May 5.

Consolidated net operating earnings...

Executive Vice President, First National Bank, St. Paul, was re-elected president. Midwest National Bank, St. Paul, was named scholarship winner in the 1960-61 standard certificate class of the Minneapolis Chapter, American Institute of Banking.

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Consolidated net operating earnings...
Men who value their time—on the job and at leisure—fly Ozark ... the airline that measures the midwest in minutes. So check your travel plans ... check Ozark’s fast, frequent service between 53 cities in nine states. Two minutes spent now on a call to Ozark or your travel agent can save you many valuable hours.
Baseball Drawing

DRAWING for 1,400 baseball prizes in the American National Bank of St. Paul's “Greet the Minnesota Twins” promotion is started by Rollin O. Bishop, president. Grand prize was two box-seat season tickets to Metropolitan Stadium. Other prizes were 178 pairs of box-seat tickets for individual games, 200 autographed baseballs, 300 Minnesota Twins “T” shirts, and 342 miniature Twins' baseball bats.

Educational Committee members organized 27 study groups in the fall of 1960 and 47 classes were conducted within these groups. Courses were offered for work toward Pre-Standard and Standard Certificates, and Graduate Courses were given by a few Study Groups.

Always the national leader in the number of Study Groups organized, Minnesota established an all-time record of 34 groups organized a few years ago. The American Institute of Banking had its origin in Minneapolis at the turn of the century, and the state has contributed five national presidents to the AIB, educational section of the American Bankers Association.

Associate councilmen who assisted Chairman Snyder this year were C. E. Bjork, Federal Reserve Bank, Minneapolis, and Arthur A. Erpelding, Farmers & Mechanics Savings Bank, Minneapolis. After six years’ active service as associate councilman for Minnesota, including holding the committee chairmanship, Mr. Bjork resigned, effective June 1.

Joins Marshall Bank

Sidney Storm has joined the Western State Bank, Marshall, as an assistant cashier. He was formerly in a similar capacity at the Rosholt Community Bank, according to A. E. Persons, president.

Mr. Storm replaces Florence Le Beau, retired.

St. Charles Cashier

D. J. Laudon, 52, has been named cashier of the First National Bank, St. Charles, and will assume his new duties on July 1.

For the past 12 years he has been with the FDIC, residing in Ironton. He had previous banking experience at Winona and Dover.

Duluth AIB Election

Duane C. Gronlund of the Northern City National Bank, Duluth, was elected to the presidency of the Duluth Chapter of the American Institute of Banking recently. He succeeds Robert R. Skinner of the Northwestern Bank of Commerce.

Other officers are: First vice president, Harry W. Gooch, First American National Bank; second vice president, Mrs. Genevieve Johnson, Northern City National Bank; secretary, Mrs. Marie Schwanz, Northern City National Bank; and treasurer, Richard L. Gronlund, Duluth National Bank.

Appoint S. J. Kryzsko

S. J. Kryzsko, president of the Winona National Savings Bank, has been nominated to a three-year term on the board of trustees of the Foundation for Commercial Banks.

Mr. Kryzsko replaces Robert D. Banks, president of the First National Bank, Superior, Wis., who resigned recently. Mr. Banks has served for three years and has been an active supporter since the start of the organization.
Owatonna Bank Award
Larry Gasner, senior scholar at the Owatonna High School, was honored at a luncheon last month at the Owatonna Hotel. Officers of the Security Bank and Trust Company were hosts at this important awards event. It was announced earlier that Larry had been awarded the coveted Merit Scholarship, and the official presentation of the framed scholarship certificate was made by Donald Murphy, vice president of Northwest Bancorporation.

MEMBERS of the Security Bank staff hosting the luncheon were Mark H. Alexander, chairman of the board; Clifford C. Sommer, president; Norman L. Wicklow, vice president and cashier, and T. Kelly II, assistant vice president.

The four-year Merit Scholarship is sponsored by banks affiliated with the Northwest Bancorporation and the Security Bank and Trust Company is a part of this area-wide program aimed at supplementing each bank's individual efforts to encourage maximum utilization of educational facilities.

Larry intends to major in chemistry at the University of Minnesota and plans a career as an industrial or government chemist.

Promoted in Duluth
Robert F. Poirier has been elected a vice president of the First American National Bank, Duluth.
Since 1958 he has been assistant vice president in the credit department. He has formerly held positions with the Northwest Bancorporation, Federal Housing Administration, First National Bank, St. Petersburg, Fla., and First National, Virginia, Minn.

Crookston Ag Consultant
Dr. Diedrich Reimer has been appointed as agricultural consultant for the Crookston National Bank, according to an announcement by Donald T. Lawler, president.

A PROGRAM as broad and sweeping as the great plains of South Dakota highlighted the 69th annual convention of the South Dakota Bankers Association at Rapid City last month.

The 450 persons attending heard such outstanding speakers as Carl Bimson, O. D. Hansen, Frederick Deming, Judge C. William O’Neill, Tilford G. Gaines of the First National Bank of Chicago, and many others discuss topics of importance to bankers and their customers.

Topics ranged from politics to agricultural banking with liberal amounts of economic forecasting and legislative proposals thrown in for good measure.

During the final general session Chester C. Lind, president, First National Bank of Aberdeen, moved up to the presidency of the association, succeeding Robert H. Frei, president,

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The Live Stock National Bank
Sioux City, Iowa
The Only Bank in the Yards

Northwestern Banker, June, 1961
Rapid City Convention

Commercial State Bank, Wagner. Newly elected first vice president is C. F. Stilgebouer, president, First Potter County Bank, Gettysburg, who moved up from the second vice presidency. Newly elected second vice president is Scott Lovald, executive vice president, First National Bank, Phillip. A. S. "Barney" Gullickson continues as executive secretary.

At a meeting of the South Dakota A.B.A., Erling Haugo, president, Sioux Valley Bank, Sioux Falls, was elected to the executive council. Morris Winter, president, First State Bank, Armour, was named to the nominating committee, and Tom Brisbane, vice president, Sanborn County Bank, Woonsocket, was named as alternate.

Outlook

One of the most encouraging aspects of the convention was a talk on "The Outlook for Business Conditions and Interest Rates" by Tilford G. Gaines, vice president, First National Bank of Chicago.

He pointed out that the business indicators show the recession, one of the mildest ever experienced, is over and that recovery is well on the way. He said one reason for the mildness of the recession was that the recovery just prior to the business dip had not carried through to expected levels.

He pointed to an adjustment in inventory policy of businesses as a prominent reason for the recent recession.

Mr. Gaines summarized his business outlook in four points:

1. The recovery has begun.
2. The present recovery will be stronger than expected.
3. The Federal Reserve will adjust policies to conditions.
4. Interest rates will begin rising later this year but will not reach 1959 and 1960 levels.

He also dispelled any fears of changes in Federal Reserve policy by stating that the Fed will remain independent and will not pursue inflationary policies regardless of the pressures. Mr. Gaines drew on his past experience as a staff member of the Federal Reserve Bank at St. Louis to substantiate his predictions in this respect.

In his talk entitled "A Banker's View of Agriculture," Mr. Bimson pointed out that recent congressional
proposals to increase federal funds for marginal farmers could have the effect of postponing solutions to the farm problem.

"Growth in the size of the average farm is changing the credit needs of farmers," Mr. Bimson said, with the result that "we can expect our farm customers to look to our banks for a different type of credit.

"Marginal farmers need to make fundamental adjustments in their operations. To extend easy credit without, at the same time, raising income possibilities is simply to perpetuate an untenable situation.

Mr. Bimson suggested that "perhaps more emphasis needs to be placed on cash flow and the ability to repay. Certainly with the changes which have been taking place in farm operations in the face of the cost-price squeeze, we need to place more emphasis on the ability of our borrowers to pay out. The security offered or a net worth which may be substantial does not necessarily mean the borrower has the ability to repay his bank loan without selling off some, or all, of his property."

Experience indicates that a lasting solution of the farm problem will be provided by the individual rather than the government, Mr. Bimson said.

Prior to giving his remarks on agriculture, Mr. Bimson commented on legislation recently introduced in Congress. He pointed out the dangers in the so-called "disclosure bills" and discussed aspects of a bill calling for the removal of interest ceilings on foreign certificates of deposits and elimination of the 25 per cent gold reserve.

**Audits**

Another topic of considerable interest was "Internal Safeguards for Smaller Banks."

Discussing this topic, Robert Winninger, technical division, NABAC, Chicago, pointed out that there is little or no auditing in banks with less than $10 million in deposits. This would include 90 per cent of the banks in South Dakota.

Mr. Winninger also pointed out that auditing is the responsibility of bank directors, and that while directors can delegate the job they cannot delegate the responsibility.

Basic internal safeguards, Mr. Winninger said, should include the following:

1. Adequate records.
2. Rotation of employees.
3. Segregation of duties so no one person dominates an entire transaction.
4. Require at least two weeks' vacation for all employees.
5. Check outside activities of personnel.

**Economic Growth**

A close look at economic growth in the United States was presented by Frederick L. Deming, president, Federal Reserve Bank of Minneapolis. In his discussion Mr. Deming compared the meanings of economic growth in three groups of countries: the western capitalist countries, the communist countries and the underdeveloped countries.

He pointed out that the economic growth of the United States was at a much higher rate than that of the Soviet Union today when the United States was at a similar stage of development.

Mr. Deming also reminded his audience that investment capital is a prime necessity for economic growth in any country. In the underdeveloped countries it is necessary that the capital come from an outside source since wages are not high enough for savings.

Comparing the U.S. system with that of the Soviets, Mr. Deming said that under free market economy moderated by price, the growth rate is a result instead of a plan. In the Soviet Union the opposite is true. As an example of what the capitalistic system can do, Mr. Deming pointed out that the growth rate of Formosa has been much higher than that of Russia. He cautioned, however, that the Soviet system does represent a very real challenge and that while the Soviet growth is greatly exaggerated, it is a danger and must be recognized as such.

Turning to the area of interest rates and the central bank, Mr. Deming said that the Fed has three main objectives. They are to maintain high levels of employment, provide flexibility for economic expansion and maintain the stability of the dollar. Interest rates, he said, should be low.
to attract and hold top-notch people

to improve employee efficiency and courtesy

to provide an incentive to do a better job

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profit-sharing arrangement for your particular needs. Write or call Adolph
Lodmell, Vice President and Trust Officer.

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SIOUX FALLS, SOUTH DAKOTA

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
enough to stimulate investments and high enough to stimulate savings, while remaining flexible enough to meet changes. Interest rates cannot be termed good or bad just because they are high or low, and they are the result of policy, not the objective, he said.

Although he was not listed on the formal program, O. D. Hansen, president of the Bank of Union County Elk Point, and past president of the Independent Bankers Association, was called upon to address the convention.

Mr. Hansen discussed the tax inequity between banks and savings and loan associations, and said he felt there was a good chance for obtaining some favorable action. The climate in Washington, he said, is becoming more favorable for the independent bank and with the I.B.A. and A.B.A. working together for tax equity, results should be forthcoming.

Politics
In the field of politics, Judge C. William O'Neill, former governor of Ohio, who was the youngest person (age 34) ever elected attorney general of a state, discussed "Bankers and Politics." He called for participation in politics by bankers for better government and pointed out the important job bankers have in keeping the public informed on important issues. He also asked bankers to make education in public affairs an important part of bank employee training.

Also, he said, bankers should have the courage to speak out in a public service manner, not necessarily on a partisan basis.

Entertainment
A social hour and buffet was featured the first evening of the meeting. A luncheon was held for the women on Friday noon and the annual banquet rounded out the convention Friday night. Many of the bankers remained in Rapid City for a tour of Ellsworth Air Force Base just east of the city Saturday morning.

Athletic bankers also had a chance to flex their muscles during the annual golf tournament held Thursday morning. Robert H. Walrath, president, First Citizens National Bank, Watertown, again took top honors, winning at the second hole of playoffs. Leonard Palm, cashier, Security Bank, Madison, S. D., was awarded a transistor radio given as a door prize by the NORTHWESTERN BANKER.—End.

Featured Speaker
Maynard Kambak, assistant cashier, First National Bank of Aberdeen, was the featured speaker at a recent meeting of the Aberdeen chapter of the National Forensic League.

Joins White Lake Office
Carl W. Fuhr, commercial teacher at the Parker Public School, has joined the staff of the White Lake office of the Farmers & Merchants State Bank, Plankington, S. D.

Raymond A. Pankow
Raymond A. Pankow, who retired as vice president and trust officer of the First National Bank of Sioux Falls, January 1, died last month at a Sioux Falls hospital. Mr. Pankow had been active in banking for more than 40 years.

Department Approves Banking Changes
Oscar Brosz, superintendent of
banks for South Dakota, has announced the approval by the State Banking Commission for an increase in the number of directors to nine at the First State Bank, Buffalo, and conversion of the Kodoka branch of the Belvidere State Bank from a Type "A" branch to a branch bank.

Also approved were these changes in capital stock:

Farmers State Bank, Canton, from $100,000 to $150,000; Hand County State Bank, Miller, from $25,000 to $50,000; Farmers and Merchants Bank, Aberdeen, from $100,000 to $200,000; Dakota State Bank, Colman, from $50,000 to $70,000; Bank of Kimball, from $50,000 to $100,000; Langford State Bank, from $25,000 to $50,000; Bank of Lemmon, from $100,000 to $125,000; Okaton State Bank, from $25,000 to $50,000; Farmers and Merchants Bank, Watertown, from $220,000 to $250,000; Union Savings Bank, Sioux Falls, from $150,000 to $250,000; Farmers State Bank, Marion, from $25,000 to $50,000; Dakota State Bank, Milbank, from $75,000 to $150,000; Belvidere State Bank, from $75,000 to $100,000; Farmers State Bank, Estelline, from $25,000 to $50,000.

Opens Drive-In

The National Bank of South Dakota at Vermillion has opened a drive-up teller window. The window is located at the rear of the bank and is reached through a paved alley.

Spearfish Changes

James D. Jelbert, vice president, Spearfish office of the First National Bank of the Black Hills, has been named vice president and manager, effective June 1, succeeding Walter E. Dickey, who is retiring after 45 years of Black Hills banking.

Mr. Jelbert, 44, is a graduate of Lead High School and the University of Washington and has been a Spearfish resident for the past 14 years. He started his banking career with the First National at Rapid City in 1941 as a bookkeeper. He was named assistant cashier in the Spearfish office in 1947 and in 1958 was elected vice president.

Mr. Dickey will remain on the board of the bank, a position he has held since 1947. He started his banking ca-

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Sioux Falls

Curtis A. Lovre, president, of the Northwest Security National Bank, has been named the State University of South Dakota's "Alumnus of the Year." He graduated from the University in 1935 with a bachelor of science degree in business administration.

At the age of 30, Mr. Lovre became one of the youngest executive officers in South Dakota when he was named manager of the Brookings branch of the Northwest Bank in 1943. He joined Northwest Bancorporation as a contact officer in 1950 and was a vice president with Northwest Banco when he was named vice president of the Northwest Security National Bank in 1957. He was elected to the board in 1958 and became president June 1, 1960.

Walter E. Stevens, a former Sioux Falls banker, died last month in Los Angeles. He was 81.

Mr. Stevens started a bank at Claremont, S. D., in 1902 and for a number of years was president of the State Bank & Trust Company, now the Northwest Security National.

Tentative Approval for Move From Sterling to Bismarck

George H. Russ, Jr., state bank examiner, has announced that "tentative approval" has been given an application for removal of the State Bank of Burleigh from Sterling to Bismarck.

Incorporators and principal officers in the application included: H. E. Wildfang of Sterling, president of the bank; T. W. Sette, manager of the Bank of North Dakota, and Lee M. Stenehjem, executive vice president, First International Bank, Watford City.

Mr. Russ said Mr. Stenehjem is a member of the banking board and disqualified himself in the board's deliberation. Membership on the board also includes Mr. Russ and Sharpe Pruett, president, Kulm State Bank, Kulm.

"Spruce Up" Promotion At Mandan Bank

An "all out" home improvement loan promotion, built around the theme "May We Help You Improve Your Home?" was sponsored last month by the First National Bank of Mandan.

"This program," said W. E. Tooley, Jr., president, "was scheduled to coincide with the beginning of spring and nice weather to encourage home owners to spruce up their homes."

The lobby of the bank was decorated with "spruce up" displays and helpful hints on how to improve one's home as well as where to get the money to do it.

Strasburg Ag Representative

Glen Norberg, with the Minnesota Valley Breeders Association, has been appointed agricultural representative of the Strasburg State Bank, Strasburg. He will retain his present position with the Breeders Association, working on a part time basis with the bank.

Promoted in Grand Forks

Leslie K. Kruse, assistant cashier, Red River National Bank, Grand Forks, since January of 1957, has been elected cashier of the bank. He has been at the Red River National since January of 1953.

Lyle W. Anderson, who has been vice president and cashier, continues as vice president.
North Dakota Bankers' Convention

EARL WEYDAHL of Killdeer was spending his last two days in office, as president of the North Dakota Bankers Association, presiding at the Association's Annual Convention as the Northwestern Banker went to press with this, your June issue. This important meeting will be reported in the July issue with a complete roundup of news and pictures.

Fargo 1st National Expansion

THREE buildings, one to the south and one to the north of the present six-story building of the First National Bank of Fargo, have been razed and all-new wings are to be constructed for the bank building. There will be drive-in windows with entrance off Broadway and exit onto N.P. Avenue. The Western Union building also will be razed, with part of the land being used for driveway and parking.

The new wings will be two stories high with basement and the front will be modern, setting the pace for a remodeling of the front of the present building so all portions of the bank frontage will be new and attractive. Frontage will be 125 feet.

In addition to this, the entire interior of the bank is to be remodeled and the lobby will be about 100 feet wide.

It was announced recently also that capital stock at the bank has increased from $600,000 to $1,200,000 via a stock dividend.

Killdeer Bank Extension

The North Dakota Banking Board recently approved the application of the Bank of Killdeer for renewal of corporate existence for a period of 25 years.

G. H. Russ, Jr., state examiner, said there were no changes in liquidations, consolidations or closings of banks during April.

Two applications for permission to increase common stock were approved.

They were for the Farmers State Bank at Maddock, from $50,000 to $100,000, and the First State Bank of Regent, from $25,000 to $50,000.

Bowman Grand Opening

The First National Bank of Bowman moved into its new building recently and held a grand opening late last month.

Joins Staff at Elgin

Harold Lothspeich, cashier of the First Bank of Langdon since 1955 and a member of the bank staff since May 1, 1949, has resigned to become cashier of the Farmers State Bank of Elgin.

ND Bankers Trust Company

FORMATION of a new corporation, North Dakota Bankers Trust Company, offering trust services to independent banks and their customers, has been announced by Glenn Peterson of Fargo, president and founder.

The board includes 13 men prominent in banking, financial, farming and other activities throughout the state.

The organization is attracting national interest in financial circles as a new concept in the trust field, Mr. Peterson said.

The corporation offers such services as executor, trustee under wills, trustee under “living” trusts, agency accounts, management services, guardianships, pension profit sharing plans and related functions.

Officers are:
John Hjellum, Jamestown, of Hjellum, Weiss, Nerison & Ottmer, law firm, chairman of the board.
Mr. Peterson of Fargo, president, Glenn Peterson & Associates and general agent for Crown Life Insurance Company of Toronto, president.
Walter Sayler, president, Security State Bank of Wishek, vice president.
Fred Hoghaug, president, Ramsey National Bank of Devils Lake, vice president.
L. E. Smith, president, West Fargo State Bank, treasurer.
Oliver A. Elde of Fargo, member of Elde & Helmke, certified public accounting firm, secretary.

The board of directors includes:
C. Norman Brunsdale of Mayville, former governor and U. S. senator.
Ben Meier, president, Mandan Security Bank and North Dakota secretary of state.
Robert Keogh, Beulah rancher and banker.
John E. Brunsdale, Finley farmer and banker.
Theodore Kellogg of Dickinson, member of Mackoff, Kellogg, Muggli & Kirby, law firm.
Obed M. Olsen of Fargo, member of Glenn Peterson & Associates.
Manfred Ohnstad of West Fargo, member of Ohnstad, Twitchell & Maxwell, law firm.

Officers of the corporation will serve as the executive committee and a full time trust officer will be appointed.

The majority of the stock of the corporation will be held primarily by the officers, directors and stockholders of independent banks in North Dakota.

Capitalized at $1 million, initial paid-in and subscribed capital stock amounts to more than $100,000. Sale of stock to the general public is not contemplated.

Home offices of the corporation will be in Fargo, with service offices to be established later at Bismarck, Williston, Minot and Jamestown.

A trust company charter was granted by the state on April 20 and articles of incorporation filed on that date by its counsel, Richard W. Anderson, Fargo attorney, and Levitt, Palmer & Rogers, Minneapolis law firm.

Northwestern Banker, June, 1961
Employees Honored
Service award pins were presented to all Montana Bank, Great Falls, employees, officers and directors with a year or more of service at a special dinner party last month.

Guest of honor was Anne Black who had headed the safety deposit department for 11 years and retired May 1. “Anne Black Day” was conducted by the bank in her honor.

At the awards dinner, Charles J. Thronsen, president and chairman, and Howard H. Stanley, honorary director, each received quarter-century pins. J. George Graham, vice chairman, made the presentation.

Cut Bank Open House
First National Bank of Cut Bank, which opened for business last January, held open house recently. One highlight of the grand opening was a coin collection display, courtesy of the Cut Bank Coin Club. Free gifts were given to all visitors.

OFFICERS AND DIRECTORS

Installs Sign
A. W. Johnson, president, First National Bank of Lewistown, Mont., announced that the bank has purchased a time and temperature sign to be attached to the bottom of the present sign on the corner of the bank building.

Wibaux Remodeling
A modernization program has been completed at the First National Bank of Wibaux, Mont. New teller windows, a new floor, private office areas, and other redecorations are included. An open house is planned for the near future.

Harlowton Remodeling
An extensive modernization and remodeling project was started recently at the Continental National Bank in Harlowton, Mont.

Retires at Bozeman
Hollis Elliott, after 45 years in the banking business, retired April 30 as vice president of the First National Bank of Bozeman, Mont.

Plan New Building
Bids on the new Valley State Bank building at Billings were opened last month. A. E. Omdahl, president, has not as yet announced who has been awarded the contract.
Among the Speakers

R. M. WATERS
President

R. C. WALLACE
Secretary

L. B. LUNDBORG
A. G. BRADT
W. DRENNER
DR. WINTERS

Montana Bankers
Meet June 23-24
... at Beautiful Grand Tetons

OFFICIAL PROGRAM

A.M. Friday, June 23
10:00 Call to Order—Robert M. Waters, president.
Invocation—The Rev. E. C. Dickens, Church of Transfiguration, Moose, Wyo.
Welcome—Harthan L. Bill, superintendent, Grand Teton National Park.
President’s Address—Robert M. Waters.
Address—Louis B. Lundborg, executive vice president, Bank of America, NT & SA, San Francisco, Calif.
A.B.A. Meeting—J. D. Street, president, Security Bank & Trust, Bozeman, Mont.
Address—Hugh Galusha, attorney, and director, Union Bank & Trust, Helena, Mont.

P.M.
2:00 Address—Dr. Carl S. Winters, PR department, General Motors Acceptance Corporation, Detroit, Mich.
Group Presidents’ Reports.
Address—A. Gordon Bradt, vice president and comptroller, Continental Illinois National, Chicago.
7:00 Annual Banquet.
Address—Richard L. Evans, Salt Lake City, Utah.

A.M. Saturday, June 24
9:00 Address—William Drenner, president, City National Bank, Fort Smith, Ark.
Committee reports.
Address—Robert C. Liebenow, president, Board of Trade, Chicago.
Election and installation of officers.—End.

JACKSON LAKE LODGE, at the foot of the fabulous Grand Teton Mountains and separated from them by beautiful Jackson Lake, is the site for the 58th Annual Convention of the Montana Bankers Association. The financial leaders from throughout Montana will meet June 23-24 at the plush resort to hear some of the best speakers in America—coming from seven states—Montana, Wyoming, California, Michigan, Utah, Arkansas and Illinois—to address Montana bankers.

This is definitely a “family” convention as there is plenty to see and enjoy and there will be social events and a fine program for the ladies as well as regular convention sessions... and fine fishing on Jackson Lake!

Events have been scheduled as noted in the program above.

Our 64th year of experience in providing superior correspondent facilities for Montana Banks

UNION BANK AND TRUST COMPANY
HELENA MONTANA

Member Federal Deposit Insurance Corporation

Northwestern Banker, June, 1961
A NEW BANKING HOME for the First National Bank of Miles City, Montana, is in its first stages of construction and is expected to be completed by year-end. At the corner of Main and Seventh Streets, it will have a 100-foot frontage on Main Street. A. G. Miller, president, said the new quarters—the bank's third home since its founding in 1882—will feature a large paved parking area, second entrance for motorists' convenience and drive-up teller service. Plans call for brick and floor-to-ceiling plate glass plus mosaic tile panels. All three floors will be served by an automatic elevator and additional conveniences are night depository service, an employees' lunch room and community meeting room.

Record Growth Shown By State Chartered Banks

The nation's state-chartered banks enjoyed record growth in 1960, according to a report from the State Bank Division of The American Bankers Association.

The A.B.A. study, an annual review of asset and liability changes of state-supervised banking institutions, covered 8,863 commercial banks and 514 mutual savings banks. It also analyzed earnings and current operating expenses of 8,840 state banks engaged in the commercial banking business.

"Although the number of state-supervised banks at the end of 1960 was seven less than in 1959, deposits, loans made, assets held, and capital funds were at new highs at the close of 1960," the A.B.A. report said. "Assets totaled $159.5 billion, an increase of $8.2 billion, or 5.4 per cent over 1959. Of this amount, state commercial banks held $118.7 billion and mutual savings banks held $40.8 billion, gains of 5.7 per cent and 4.8 per cent, respectively."

The principal asset item listed in the annual review was loans and discounts. These aggregated $81.7 billion, a gain of $5.4 billion or 7.0 per cent more than in 1959. State commercial banks held $54.4 billion of this total at year-end 1960 and mutual savings banks held $27.3 billion, signifying gains of 6.3 per cent and 8.6 per cent, respectively.

Trade Fair Exhibit

International banking's role in financing world trade and development will be the theme of Continental Illinois National Bank and Trust Company's exhibit at the 1961 Chicago International Trade Fair July 25-August 10.

The display, featuring five international financial institutions, will explain how each of them functions either under direct sponsorship of the U. S. or as an international organiza-
assistant to the vice president-marketing at Burroughs and held that position until his appointment as executive assistant to the president in February, 1960.

Three New Directors
Lawrence F. Stern, chairman of the American National Bank and Trust Company, Chicago, has announced that the bank has increased the number of its directors from 14 to 17. Presidents of three well-known Chicago based companies have been elected to the board.

They are: B. E. Bensinger, president, The Brunswick Corporation; Graham J. Morgan, president, U. S. Gypsum Company, and Edward W. Wilson, president, Armour & Company. Interestingly, all three men have spent their entire business careers in their respective companies.

ARTIST'S SKETCH shows Continental-Illinois National Bank and Tr. Co. exhibit at Trade Fair.

The institutions are the International Bank for Reconstruction and Development (World Bank), Inter-American Development Bank, Inter-American Finance Corporation, Export-Import Bank of Washington and the Development Loan Fund.

Elect Burroughs Officer
Donald E. Young, executive assistant to the president of Burroughs Corporation in Detroit, has been elected assistant vice president-general.

Mr. Young joined Burroughs in 1957 when the corporation acquired The Todd Company. He had held various marketing and executive positions with Todd. Mr. Young was named
Group Elections
Officers elected at the annual meeting of Group 3 of the Wyoming Bankers Association last month are as follows:

President, R. F. Rust, assistant cashier, Stock Growers National Bank, Cheyenne; vice president, Robert C. Muhm, vice president, Citizens National Bank, Torrington, and secretary-treasurer; George Hutt, vice president, First National Bank, Rawlins.

In the Northeast Group of the association, Robert W. McBride, vice president, First National Bank, Buffalo, was elected president. New vice president is Frank Blakeman, assistant cashier, Sundance State Bank, Sundance, and W. H. Brown, assistant vice president, First National Bank, Casper, is secretary-treasurer.

Lander Open House
The First National Bank, Lander, Wyo., held open house last month at its new building.

Exterior of the new building features red brick and a cream-colored cast stone. One corner of the building includes a dramatic two-story plate glass section through which can be seen a self-supporting stairway and the entire interior.

Inside, fixtures and furnishings are designed to harmonize with walnut paneling and furniture, accented by yellow lounge chairs and green plants in modern white accessories.

The building was designed by Cody architect George Tresler from original plans made by President Harold H. Parks.

Close Saturdays
Sheridan, Wyo., banks have announced they will close Saturdays during June, July and August, as in the past two years.

However, the banks will be open from 9 a.m. to 5 p.m. Friday, instead of closing at 3 p.m.

Honor Leon Harmon
Leon Harmon, president, First National Bank, Riverton, has been made an honorary member of the Riverton High School Future Farmers of America chapter.

Gives Flower Seeds
The American National Bank, Cheyenne, again this year distributed flower seeds with checking account statements mailed to customers between April 15 and May 15.

Over 10,000 packets of seeds were sent out this year, the fourth since the American National initiated the plan.

Candidate for Mayor
Mrs. Harold Parks, wife of the president of the First National Bank of Lander, was a candidate for election as mayor of Lander. Elections were held in May but results were not available for this issue of Northwestern Banker.

Basin Bank Sold
Mr. and Mrs. A. C. Meloney have announced their retirement from the Security State Bank at Basin, Wyo., and have sold their interests to Del Crouse of Worland.

Mr. and Mrs. Meloney have been residents of Basin and active managers of the Security State Bank since it was organized in 1929.

Mr. Meloney has been president of the Wyoming Bankers Association and state chairman of the Savings Bond Sales. Mrs. Meloney was Republican National Committeewoman from Wyoming for 12 years, national vice chairman of the Republican National Committee, and treasurer of the 1956 and 1960 Republican national conventions.

Mr. Crouse also has been president of the Wyoming Bankers Association and is now a member of the executive council and the Agricultural Committee of the A.B.A. He is a director and former executive vice president of the Stockgrowers State Bank in Worland, which he has been associated with for the past 15 years.

Bank Women Meet
The Wyoming Group of the National Association of Bank Women met recently in Cheyenne. Attending were some 40 women bank executives from Wyoming, Colorado, Utah and Nebraska.

To Add Electronics
The Denver United States National Bank has selected the NCR-315 electronic computer for automation of its demand deposit accounting, according to Neil F. Roberts, executive vice president.

The system being leased has an immediate capacity far in excess of the present volume of more than 13,000,000 checks annually. Reader-recorder units can be added to accommodate volume growth for many years in the future.
A

AN INTERESTING and entertaining program has been scheduled for the 53rd annual convention of the Wyoming Bankers Association to be held at Jackson Lake Lodge, Moran, Wyo., June 15 to 17.

John W. France, W.B.A. president and president, The Rawlins National Bank, Rawlins, will preside until the final session Saturday morning when new officers will be named.

Many outstanding speakers and the usual fine hospitality and entertainment will highlight the program. Following is the complete program:

## CONVENTION PROGRAM

### Thursday, June 15

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>P.M.</td>
<td>Registration—Lobby, Jackson Lake Lodge.</td>
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<tr>
<td>2:00</td>
<td>5:00 Social Hour (casual clothes).</td>
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<tr>
<td>5:30</td>
<td>Social Hour—Hotel convention area.</td>
</tr>
<tr>
<td>6:15</td>
<td>Indoor Picnic—Hotel convention area.</td>
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### Friday, June 16

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>A.M.</td>
<td>Call to Order.</td>
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<tr>
<td></td>
<td>Invocation.</td>
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<td></td>
<td>Welcome — Raymond C. Lillie, vice president, Grand Teton Lodge Company.</td>
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<td>President’s Address and Annual Report—John W. France, W.B.A. president, and president, The Rawlins National Bank, Rawlins.</td>
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<tr>
<td>P.M.</td>
<td>Peeps Breakfast.</td>
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### Saturday, June 17

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>A.M.</td>
<td>Call to Order—W. Robert Dubois, vice president and trust officer, The Stock Growers National Bank of Cheyenne.</td>
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<tr>
<td>9:30</td>
<td>Peeps Breakfast.</td>
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<tr>
<td>12:30</td>
<td>Ladies’ and Men’s luncheons.</td>
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<tr>
<td>1:30</td>
<td>Report of Committees:</td>
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<tr>
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<td>Legislative—Carl Robinson, president, Star Valley State Bank, Afton.</td>
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<td>Emergency Operations—Harmon H. Watt, vice president, First National of Riverton.</td>
</tr>
<tr>
<td></td>
<td>Audit—R. E. Bryans, executive vice president, First National of Casper.</td>
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<tr>
<td></td>
<td>Address—“The Atlantic City Story,” John B. Potter.</td>
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<tr>
<td>5:30</td>
<td>Social Hour.</td>
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<tr>
<td>7:00</td>
<td>Banquet.</td>
</tr>
<tr>
<td>8:00</td>
<td>Address—Gene Flack, sales and advertising counsel, Sunshine Biscuits, Inc., New York.</td>
</tr>
</tbody>
</table>
We're all packed to go to the conventions ... and we're packed with services for correspondents ... all of the usual ones in addition to fast overnight check clearance. There are also those personal, specialized services we're delighted to give when we're offered the opportunity.

See you at the convention!

Northwestern Banker, June, 1961
Colorado Bankers to Convene

... June 22-24 at Glenwood Springs

SCENIC Glenwood Springs is the site for this year's 60th Annual Convention of the Colorado Bankers Association and bankers and wives from the Rocky Mountain state will meet there June 22-25 to hear some outstanding speakers and enjoy interesting social get-togethers. The latter includes pool-side social hours, chuck wagon dinner, banquet, floor show and dancing.

The governor of Idaho, president of the A.B.A., and other dignitaries from all parts of the nation are scheduled to talk to Colorado bankers ... as the ladies of the convention are entertained at their own series of social events.

The two full days of business and over a three-day period — half of Thursday, all day Friday and half of Saturday — so the financial leaders of communities throughout Colorado will have ample time to visit with old friends and make the acquaintance of new ones.

The program has been scheduled as follows:

OFFICIAL PROGRAM

Thursday, June 22

A.M.

10:00 Call to Order — L. E. Fitzgerald, C.B.A. president — Glenwood Room, Hotel Colorado.

Invocation — The Rev. W. O. Richards, St. Barnabas Episcopal Church, Glenwood Springs.

Welcome — E. L. Busby, mayor, Glenwood Springs.

Response — A. E. Fordham, first vice president, C.B.A.

President's Address — L. E. Fitzgerald.

"There Is a Way Home" — Robert E. Smylie, governor of Idaho, Boise.

Presentation — New members of 50-Year Club will receive membership plaques.

P.M.

6:00 Social Hour — Patio at pool side (inside if weather inclement).

7:00 Chuck Wagon Dinner — Patio at pool side (inside if weather inclement).

Past Presidents' Dinner — Palomino Room.

Entertainment.

Friday, June 23

A.M.

7:30 to 9 Breakfast — Colorado Room, courtesy of Central Bank & Trust of Denver.

10:00 Call to Order — A. E. Fordham, first vice president, C.B.A. — Glenwood Room.


Saturday, June 24

A.M.

10:00 Call to Order — Eugene H. Adams, second vice president, C.B.A.

"As the C.U.'s See You" — David M. Molthrop, secretary, Committee on State Sovereignty, Inc., Washington, D. C.

"Cave Man to Space Man" — J. Lewis Powell, Alexandria, Va.

"Thank You for Your Support" — 4-H Club Representatives.

Election and installation of officers — End.
U. S. "Lab Service" for Bond Account Analysis

A banker was studying his bond list when a U. S. correspondent man walked in. He was asked for an opinion. Our man didn’t consider himself a bond expert . . . but explained that the U. S. has highly trained and experienced bond specialists who provide this service to correspondents.

The banker gladly submitted his bond list. A few days later he received the U. S. analysis and recommendations for his consideration.

Whatever the need, you’ll find the friendly service of the U. S. National is yours for a phone call — 341-8765.
Bank Management Conference to Study Deposits and Loans

The 15th Annual Bank Management Conference of the Nebraska Bankers Association will be conducted on June 14-16 at Doane College, Crete. H. W. Hendriksen, chairman of the Nebraska Bankers Association committee on bank management and vice president of the First National Bank, Fremont, announced that this year’s program will be for junior and senior officers.

A special feature this year will be a golf tournament and “cook out” on Wednesday evening, June 14. The program:

**Tuesday, June 13**

**P.M.**

7:00-9:00 Registration.

**Wednesday, June 14**

**A.M.**

9:00 Opening Session—H. W. Hendriksen, presiding; chairman, Committee on Bank Management, and vice president, First National Bank, Fremont. Welcome—Dr. Donald M. Tyler, president, Doane College, Crete.

Greeting—Minor Baird, president, Nebraska Bankers Association, and president, Farmers State Bank, Superior.

Department of Banking—Ralph E. Misko, director of banking, state of Nebraska, Lincoln.

**10 to 11** Deposit Administration—C. L. Van Horne, president, First National Bank, Hastings.

**11 to 12** Loan Administration—H. D. Kosman, president, Scottsbluff National Bank, Scottsbluff.

**P.M.**

**1:00 to 4:00** Afternoon Session—Herman Broekmeier, presiding; member, Committee on Bank Management, and vice president and comptroller, National Bank of Commerce, Lincoln.


**H. D. KOSMAN
C. L. VAN HORNE
R. FREDERICKSEN**

**7:00** Evening Session—Golf tournament and cook-out.

**Thursday, June 15**

**A.M.**

9:00 to 12:00 Morning Session—Ralph Fredericksen, presiding; member, Committee on Bank Management, and vice president, First National Bank, Omaha.


**P.M.**

1:00 to 4:00 Afternoon Session—H. L. Gerhart, Jr., member, Committee on Bank Management, and vice president, First National Bank, Newman Grove.

Agricultural Loans:

N. T. Tiemann, president, Commercial State Bank, Wausa.

Roger L. Cunningham, vice president, First Continental National Bank & Trust Company, Lincoln.

**7:00** Evening Session—Minor Baird, presiding; president, Nebraska Bankers Association, and president, Farmers State Bank, Superior.

“How to Raise Cain, Kids and Cows”—John Acres, humorist, world traveler and lecturer.

**Friday, June 16**

**A.M.**

9:00 to 12:00 Morning Session—L. H. Mahling, presiding; member, Committee on Bank Management, and vice president and cashier, The American National Bank, Sydney.

Installment Loans:

D. J. Fouquette, president, St. Cloud National Bank, St. Cloud, Minn.

Perry S. Francis, vice president, Stock Yards National Bank, Omaha.

**Noon** Luncheon. Adjournment. — End.
W. DALE CLARK, chairman of The Omaha National Bank, announced the election of Gilbert C. Swanson to the board of directors of the bank early last month.

Born in Omaha, Mr. Swanson attended Omaha schools, Dartmouth College, and Iowa State College. He joined his father's firm, the former Jerpe Commission Company, in 1926. When it became C. A. Swanson & Sons in 1936, he was vice president until 1949, president until 1954, and chairman until 1955, when it was sold to the Campbell Soup Company.

He and his late brother Clarke purchased Butter-Nut Foods Company in 1958, of which he is now both chairman and president. Other business interests include shopping centers in Los Angeles and Buena Park, the Pauley-Phillips Offshore Oil Venture in Santa Barbara, and Holiday Inn and Thunderbird Park in Palm Springs. Headquarters for the Swanson interests is the Swanson Building at 8401 West Dodge Road in Omaha.

Mr. Swanson has long been associated with the civic life of Omaha. He is a director of the Creche and of the Y.M.C.A. Other directorships include the board of the Northern Natural Gas Company, Nebraska Consolidated Mills, Northwestern Bell Telephone Company, and Merchants Refrigerating Company of New York.

The Outstanding Individual Award, awarded annually to an outstanding bank president in Omaha banking, was presented recently to Arthur L. Coad, president of the Packers National Bank.

Richard Kurtz, president of the Omaha Chapter, AIB, said one of the duties of each bank president is to induce his personnel to better themselves educationally through AIB.

The three new members of the board of governors are: Dan Spencer, Federal Reserve Bank; Marvin Jablonski, First National Bank, and Bob Roberts, U. S. National Bank.

Stockholders of the Union Pacific Railroad re-elected 10 directors at the annual meeting in Salt Lake City, Utah.

Among those re-elected were Omahans W. Dale Clark, chairman of the board, Omaha National Bank, and board chairman of The World-Herald; Arthur E. Stoddard, Union Pacific president and an Omaha National director, and Elgin Hicks, U. P. executive vice president.

Richard H. Mallory, vice president of The United States National Bank of Omaha, was among the 11 recipients of the Omaha Sales Executives Club Distinguished Salesman's Awards. Mr. Mallory, who has done an outstanding job of heading the U. S. National's business development and public relations departments for many years, was the first member of a bank staff to be so honored.

The 1961 annual award ceremonies were held at the Sheraton-Fontenelle Hotel in Omaha. On hand to present the award and extend congratulations was Edward W. Lyman, president of the U. S. National.

Capitalization of The Center Bank has been increased from $300,000 to $400,000, it was announced by M. S. Livingston, chairman of the board.

This increases the capital structure of the bank to more than $900,000. In addition to capital stock, surplus is $200,000, and undivided profits and reserves are $315,000.
Bud Dutch, Manager, Transit Department

He works for you . . .

Bud Dutch’s job stated simply is — to see that correspondent trans­actions are handled as quickly and efficiently as possible. Trained oper­ators working with modern equipment give speed and accuracy in the processing of your transit items. Fast presentation time and the use of direct sending points mean the best transit service possible.

THE OMAHA NATIONAL BANK

17th and Farnam Streets

Member Federal Deposit Insurance Corporation

Northwestern Banker, June, 1961
Bill McDonald Will Be 100 June 14

NEBRASKA'S "grand old man" of the banking fraternity, W. H. "Bill" McDonald, will celebrate his 100th birthday this month—appropriately enough on Flag Day, June 14. Born in the administration of Abraham Lincoln, Mr. McDonald's life span has witnessed the settlement of the west as perhaps no other living man has seen.

Until this past winter, he was a regular visitor at McDonald State Bank in North Platte where he began his banking career in his father's bank in 1882 at the age of 21. He was named cashier in 1885, president in 1919 and in 1926 at age 65 moved up to chairman of the board, the post he has held ever since.

Mr. McDonald's colorful career reads like a story book of the old west—first white child born in what is now Lincoln County, first schooling in a dug-out, riding horseback by the time he was six, driving three yoke of oxen and doing a man's work at age 10, log school at North Platte, and lifelong friend of numerous Indians and the famous Colonel William F. "Buffalo Bill" Cody, as well as acting as banker for the latter.

W. H. Pierce Sells Banks

The First National Banks of Shelby and Osceola have been sold by W. H. Pierce to J. A. and Roy Dinsdale. Mr. Pierce is retiring due to ill health and is presently on a trip to the Orient.

Roy Dinsdale has been elected president of both banks to succeed Mr. Pierce. J. A. Dinsdale has been elected vice president. The two brothers also own the National Bank of Neligh where J. A. Dinsdale is chairman and Roy is president. In addition they own the State Bank of Palmer in conjunction with George Dinsdale, who serves that bank as president (inactive), and Roy is vice president there.

Roy Dinsdale is active in the management of each of the banks, while J. A. Dinsdale devotes his time to other interests of Dinsdale Bros., Inc. The latter corporation operates cattle feeding, farming, grain and fertilizer businesses in Merrick, Greeley, Polk and Nance counties.

Glenn Yaussi Elected President
At National Bank of Commerce

TOP level management promotions were announced late last month by National Bank of Commerce, Lincoln, following a meeting of the board of directors. Byron Dunn was elected to the newly-created position of chairman of the board and Glenn Yaussi was named to succeed him as president. Mr. Yaussi formerly was senior vice president and trust officer.

Albert A. Held was named to the new post of vice chairman of the board. Succeeding him as executive president is Myron Weil.

Mr. Dunn, 72, started with National Bank of Commerce in 1906 as a collector. During his 56 years of service with the bank he progressed through every position of responsibility and was elected president in 1945.

Mr. Yaussi, 48, began his banking career with National Bank of Commerce in 1934. His varied duties as he was advanced through several officer promotions gave him an opportunity to gain experience in practically every department.

Mr. Held, 69, has been with National Bank of Commerce since 1927 and has been closely associated with Mr. Dunn and Mr. Yaussi in executive responsibilities.

Mr. Weil, 43, will take over many of the duties of Mr. Held. He was promoted to vice president in June, 1950. Mr. Weil is a grandson of Morris Weil, who founded the National Bank of Commerce in 1902.
Bank operations become more electronic every year. But there's still no substitute for people... nor for the personal banking service we can give you.

FIRST NATIONAL BANK OF OMAHA

16TH & FARNAM • OMAHA, NEBRASKA • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

OPERATIONS
THE National Bank of Commerce hopes to have its new Patio Office at the corner of 10th and O Streets open by July 1, according to Byron Dunn, president of the bank. The drive-in office is located on the ground floor of the new Crossroads Hotel which is nearing completion. The Patio Office will serve customers from three drive-in windows and a walk-up facility.

In the meantime, construction has been started on the new parking building and drive-in immediately behind the main bank building. The bank’s former drive-in occupied this area, but has been demolished to make room for the much larger parking ramp, with the newer drive-in teller facilities on the ground floor. This unit will have five drive-in windows and one walk-up window. The bookkeeping-printing supply area in the basement of this area has been shored up to support the new building.

Merlyn Minderman, assistant cashier of the Gateway Bank, has been elected president of the newly organized Gateway Sertoma Club.

No decision had been announced at press time by State Banking Director Ralph Misko on the application for a charter for the Southwest Bank of Omaha at 80th and Center Streets in Omaha. A hearing was held May 10, with objections to the new bank raised by First Westside Bank in the Crossroads Shopping Center, the Ralston Bank of Ralston and Farmers State Bank of Millard.

Applicants contended the new bank would not affect the protesting banks. The new bank would have $275,000 capital, surplus and undivided profits. Applicants include: William Fraser, Jr., F. F. Nebergall, Edwin N. Van Horne, Edward Owen, Edward Miller, Sr., Victor Toft and Marvin G. Schmid, all of Omaha.

Two other charter applications from Omaha are still under consideration by Mr. Misko’s department.

* * *

LB608, which increases from $10,000 to $25,000 the amount of minimum paid-up capital stock required for chartering a bank in Nebraska, was passed last month by the state legislature 40-1 on final reading. It increases from $2,500 to $5,000 the surplus required for a new bank, and from $500 to $1,000 the amount of unsecured loans that can be made by a bank without obtaining a written property statement. The bill also revises the schedule of fees payable to the state banking department for various services.—End.
Little Chiefs organizer ... movie tycoon ... and “banker-on-the-job” for you ...

ROGER CUNNINGHAM

Roger Cunningham was one of the half dozen organizers of Little Chiefs baseball in Lincoln. Now Lincoln’s program serves over 2,000 boys each summer. He’s recorded his four youngster’s activities with home movies since the first was born—and also enjoys woodworking “away from it all” in his basement. Ask Roger about woodworking or home movies, baseball or banking. Especially banking. You’ll like his answers.

FIRST CONTINENTAL NATIONAL BANK & TRUST COMPANY 12TH & N STREET LINCOLN, NEBRASKA

MEMBER FDIC
Group Meetings Well Attended

By BEN HALLER, JR.
Editor

During the final three group meetings of the Nebraska Bankers Association the last week in April, attendance continued at a high level. More than 1,500 were registered for the six meetings. Interest in the immediate future of livestock also was sustained just as it was during the first week of meetings as reported last month.

Groups 4, 5 and 5 met at Scottsbluff, Hastings and Grand Island in that order. Newly elected officers for the groups are pictured on the opposite page. NBA President Minor Baird, NBA Secretary H. V. Osterberg and State Banking Director Ralph Misko gave talks at each meeting as they did the first week. Their remarks were brief in last month's issue in the report on the first week of meetings. Mr. Osterberg emphasized again the threat that credit unions offer to commercial banks and urged all member banks to consider means to offset this growth.

At Scottsbluff, bankers learned of "General Development in the Packing Industry" from R. R. Green, agricultural research division of Swift and Company, Chicago. He said two revolutions closely associated with the food business have taken place: 1. Supermarkets and the modern buyer. 2. Modern highways and trucks.

The new highways have given the livestock producer greater flexibility in his marketing, he said, especially with refrigerated trucks that can move meat anywhere fast. The new type of stores, the new trucks and firms that operate them all offer new customer possibilities to banks, he said, both for loans and deposits.

N. T. Tiemann, president of Commercial State Bank at Wausa, told Group 5 bankers at Hastings they could market the excellent grain crop of their area more profitably through livestock than by selling it or sealing.

John M. Shonsey, executive vice president of the Omaha National Bank, discussed "Livestock Outlook and Financing" for Group 5 bankers at Grand Island. He said 500,000 more head of cattle are expected this year than last in total cattle population. More cattle are expected to be marketed this fall, he said, and noted that with an increase in numbers of hogs, chickens and turkeys, all forms of meat would be competing with each other at the same time, tending to have a depressing effect on prices. He reported that sales on chickens, probably 35 to 40 cents per pound, are coming up. (Ed. Note: Prices of dressed, cut chickens, ready for the frying pan, in some Des Moines stores have already dropped to as low as 29 cents.)

Pictures from Nebraska Group Meetings

(From left to right in each photo)


Helping Nebraska Grow...

AS A MORTGAGE BANKER

Serving in the capacity of a Mortgage Banker, the Mortgage Loan Department originates loans, arranges interim financing, sells loans, and services loans.

In a position to make all types of mortgage loans, we are helping Nebraska and Nebraskans grow and prosper. May we help you on commercial, industrial or residential loans?

THE FIRST TRUST COMPANY of LINCOLN, NEBRASKA

10th & O Sts. First Trust Bldg. Chartered 1911

Northwestern Banker, June, 1961


Springfield Expansion

Extensive remodeling and expansion of the Springfield State Bank is now in progress. A 20 by 26 foot addition is being added on the south and will house a directors' room, storage and bookkeeping machines. The exterior will be covered with unglazed tile after eight feet is taken off the top of the building. All new fixtures will be installed. One new teller window and central air conditioning will be added. The project should be completed by this summer.

Try U.S.

For your Banking Needs . . . .

- Complete Line of Bank Supplies.
- Check Imprinting.
- Office Equipment & Supplies.
- Office Furniture.
- Stationery.

We're happy to serve you . . . .

UNITED STATES CHECK BOOK CO.
1311 HOWARD STREET
OMAHA 2, NEBR.

Joins Bank at York

L. V. Lane has been named cashier of the First National Bank of York. He fills the position left vacant by the recent resignation of J. E. Shelbedy. Mr. Lane has moved to York from Beaverton, Ore., where he held a similar position in the Peoples Bank of Oregon. He is a native Nebraskan and started his banking career with the Blue Springs State Bank in 1935.

75th Anniversary

The Lexington State Bank passed the 75-year milestone recently, according to Lyman M. Stuckey, president. Organized in Plum Creek in 1886 under the name of Plum Creek Bank, it started out with original capital of $30,000. In 1889 it was changed to the Lexington Bank and the present name in 1914. Present deposits total more than $45 million.

Bank of Verdigre Sold

V. W. Marshall and son, Charles, have purchased controlling interest in the Bank of Verdigre from Mr. and Mrs. Louis A. Pavlik. V. W. Marshall succeeds Mr. Pavlik as president and his son is vice president and cashier. Mr. Pavlik has moved to Washington, D. C., where he has taken a position in a government legal division.

Joins Kearney Bank

Jim Lutes has been named a vice president of the First National Bank at Kearney. A graduate of the University of Nebraska College of Agriculture, Mr. Lutes has been farm loan representative in southeastern Nebraska for Travelers Insurance Company the past six years.

Capital Increased

Directors of the Boelus State Bank voted recently to increase capital stock from $40,000 to $50,000, according to Anders H. Jensen, cashier.

C of C Delegate

G. W. Taylor, executive vice president of the McDonald State Bank, North Platte, attended the convention of the United States Chamber of Commerce in Washington, D. C., as president and delegate from the North Platte Chamber. While in Washington he also attended the convention of the Independent Bankers Association.
We're proud of the changes we've made as we've grown up with the community and the dynamic livestock industry, but our pride is limitless when it comes to the change we haven't made. For seventy-five years—now and all the years in-between—we've offered expert information and service on livestock and community business for the South Omaha businessman, the rancher, the feeder and the country banker. We look forward to assisting you with this one thing we haven't changed—our service.

STOCK YARDS NATIONAL BANK
THE ONLY BANK IN OMAHA'S UNION STOCK YARDS
OMAHA, NEBRASKA
It Pays to Have an Effective Connection

When transmitting messages — or money — you need an effective connection for best results. From long experience, Iowa bankers have found that the Bankers Trust is a highly effective connection in Des Moines.

Correspondent Bank Department

Bankers Trust Company

The Des Moines Bank for YOU

Member: Federal Deposit Insurance Corporation • Federal Reserve System
Governor Norman Erbe has announced the appointments of four well-known Iowa bankers to serve on the Iowa State Banking Board, effective July 1.

They are: Max von Schrader, president, Union Bank and Trust Company, Ottumwa; Ralph K. McKee, president, Clarke County State Bank, Osceola; W. A. Kneeland, president, Postville State Bank, and H. P. Knuth, president, Holstein State Bank.

The new board will consist of these four men and Superintendent Clay W. Stafford, who acts as chairman of the board.

Reginald Figge Resigns

Reginald Figge, executive vice president of the Merchants National Bank, Cedar Rapids, announced his resignation from the bank last month.

He has been associated with the Merchants National since 1951, when he was named a vice president. Since 1958, he has been executive vice president.

In the banking business for about 28 years, Mr. Figge is a member of one of Iowa's pioneer banking families. He said that he has not yet completed his future plans, but hopes to remain in Cedar Rapids.

Mr. Figge is a director of the Ossian State Bank and Iowa State Bank, Calmar. He has been serving as a director of the City National Bank, Cedar Rapids.

Mrs. William Groote

Mrs. William Groote, wife of the vice president of the Grundy National Bank, Grundy Center, died recently after an extended illness. Directors of the bank served as pallbearers.

Mrs. Groote was a native of Galva. For 17 years prior to her marriage she served with the Massachusetts Mutual Life in Des Moines, and was the company's office treasurer.

Gibson Open House

The Gibson Savings Bank held open house recently observing the complete remodeling of the front and interior of the bank.

The building has been made eight feet longer, making space for a work room, furnace room, rest room and storage space. The front has a self-supporting aluminum-faced canopy, new sign, new windows and a new door.

The floor is of latex terrazzo, the ceilings are of acoustical tile, and the walls are of pre-finished plywood panels.

Bank Directory Correction

Capital stock for the Farmers Savings Bank, Keota, should be $90,000 instead of $45,000 as shown in the 1961 edition of the Iowa-Nebraska Bank Directory, according to Thomas B. Mills, cashier.

CONSTRUCTION was started recently on a new bank building for the Cherokee State Bank, according to Loren Anderson, president. Architects are Atherton, Dean and Herbert, Des Moines.

The beautiful new one-story brick structure will encompass 6,000 square feet, and auto bank facilities will be provided on one side of the bank. Customer parking will be planned in the rear of the building.

General contractor for the project is Grundman-Hicks in Cherokee.
New Bank Building for Dubuque

ARCHITECT'S DRAWING of new bank planned by the First National Bank, Dubuque.

Waldo Adams, president of the First National Bank, Dubuque, announces that contracts have been let for the construction of a new $750,000 bank building, to be located at Seventh and Locust Streets in Dubuque.

General contractor will be the Conlon Construction Company and the architectural firm of Mayo and Mayo, Chicago, has been retained.

The new building will be two stories above grade and a lower level, comprising a total of about 20,000 square feet. It will be air conditioned and have a modern passenger elevator. Local stone will be used on the exterior. Doors and windows will be trimmed with aluminum and spandrel panels and fluted piers in color.

Off street parking for 20 cars is to be located on the rear of the property. Access to two drive-up windows, the night depository and parking will be from Locust Street.

Moves to Colo Office

Wendell Bengston, who has been manager of the McCallsburg office of the State Bank and Trust Company, Nevada, has been transferred to the bank's Colo office. The move was made following the resignation of Stan Squires. Robert Rullestad is temporarily working at McCallsburg.

Sac City Opening

Clark T. Arnott, president of the Sac City State Bank, reports that over 2,000 people attended the open house held recently in observance of the completion of an extensive remodeling.

When the expansion and remodeling began some time ago, the bank purchased and took over the former Nedrow Drug building to the west, increasing the size of the bank about 1,600 square feet.

The new area is devoted to the officers' quarters and the bookkeeping department, which was formerly in the basement, and now all of the facilities of the bank are on one floor.

By doing this, the lobby room was greatly increased.

Hawkeye Entertains 1,000

Over 1,000 people attended the grand opening in the newly remodeled Citizens Savings Bank in Hawkeye recently.

The interior of the bank has been paneled with teak and walnut. The four new teller windows are also done in walnut with marble bases. A decorative planter divides a customer table and area at the rear of the bank. Two private offices furnished in modern walnut designed furniture and two coupon rooms have been included. Also, the bank has remodeled the basement for community meetings.

R. M. Hecker

R. M. Hecker, vice president and director of the Postville State Bank, died last month after an extended illness.

He became associated with the bank in 1918 as assistant cashier and became a director in 1919. He was elected vice president in 1950. In 1934, he gave up an active role in the bank, joining the operation of the family automobile business. In all, he served 43 years in business in Postville.

Heads Tama County Group

Donald Gates, cashier of the Farmers Savings Bank, Traer, has been elected president of the Tama County Bankers Association, succeeding Charles A. Grover of Clutier.

LaVern Staker, cashier of the Farmers Savings Bank, Garwin, is the new vice president, and Frank Meggers, assistant cashier of the Farmers Savings in Traer, is the secretary-treasurer.

At the June meeting the association will discuss a possible merger with the Benton and Iowa County Associations.

A. J. Cruise

A. J. Cruise, 68, president of the Farmers Savings Bank, Massena, died last month of leukemia at a Creston hospital.

He had been president of the bank since 1946, having started with the bank in 1916 as a teller. He served as assistant cashier and cashier previous to being elected president.

Churdan Open House

OPEN HOUSE was held recently at this beautiful new banking home for the First State Bank of Churdan, according to Yates E. Allen, president.
Still young in spirit and appearance, Dick Dunlap, vice president, has been in correspondent banking longer than any other Kansas City banker.

His close personal contacts can mean much to you when you want something done in a hurry anywhere in the United States.

Dick's eagerness always to be helpful has done much in instilling that same philosophy throughout the staff of Commerce Trust's correspondent division.

Dick's banker friends number into the thousands. He's equally at home with the banker from Wall Street as he is with bankers from countless Main Streets all over the country.
Keynote Speech At 1961 Iowa Group Meetings

By MALCOLM K. FREELAND
President
NORTHWESTERN BANKER

Campaign to "Sell" Banking Suggested By President Eastburn

SPEAKING on "Banking in the Sixties" at Iowa's annual May group meetings, Ralph Eastburn, president of the Iowa Bankers Association, suggested that an intensive campaign is needed to sell banking to the people of Iowa.

President Eastburn recommended that bank customers be better educated as to banking terms and services. He stated that the logical leader for community salesmanship is the banker, and that it is time bankers stop sitting idly by, letting other financial institutions take over.

Joe H. Gronstal, state superintendent of banking, appeared before the various groups, paying high tribute to the career people in the banking department. Mr. Gronstal completes his term on July 1, and will be succeeded by Clay Stafford of Ames.

Glenn L. Ingle, state director, U. S. Savings Bonds program, told Iowa bankers that the Hawkeye State continues to lead the nation in the sale of Savings Bonds, and complimented them for their fine cooperation.

Frank Warner, secretary of the IBA, had special praise for the 51 Iowa bankers comprising the association's legislative committee, headed by Charles Spies, president, Iowa Trust and Savings Bank, Emmetsburg. Mr. Warner commented on a number of bills passed by the recent legislative session that are especially important to Iowa banks. They are:

**S.F. 144:** To exempt interest bearing savings accounts and other interest bearing deposits in Iowa banks from the money and credits tax except for the one mill necessary to retire the Korean War veterans' bonus bonds.

**S.F. 145:** To permit Iowa incorporated banks to make 20-year amortized loans on improved real estate up to 75 per cent of the appraised value. Present limit for national banks is already 75 per cent. Limit for state banks has been 60 per cent.

**S.F. 146:** To permit state banks with approval of state banking superintendent to enter a corporation to buy electronic equipment for bank bookkeeping work.

**H.F. 212:** To define an "inland bill of exchange" as one which is, or on its face purports to be, both drawn and payable to the U. S. Any other bill is to be classed as a foreign bill.

Mr. Warner mentioned that there were 1,337 bills introduced in the 1961 legislative session and that 256 measures passed. A complete report will be sent out from the secretary's office in the near future.

Verne R. Martin, retired sales manager of the Maytag Company in Newton, spoke to Groups 5, 10, 7 and 6. Dr. R. C. S. Young of Birmingham, Mich., spoke to Groups 8, 4, 3 and 2. Several groups featured individual speakers. Richard Stageman, Iowa representative, spoke to Group 5; Evan Hultman, attorney general of Iowa, spoke to Group 7; Herb Howell, professor of economics, Iowa State University, Ames, spoke to Group 6; J. R. McNaughton, Des Moines manager, Ernst & Ernst, spoke to Group 4, and the publicity director of the Minnesota Twins baseball team spoke to Group 3.

EDITOR'S NOTE

A report with pictures of the second week of Iowa group meetings will be published in the next issue. The last meetings were in progress at press time.

Ladies Luncheon at Group 5 was arranged by the wives of Council Bluffs bank executives. Shown from left are, Mesdames LaVerne Tollinger, Robert Turner, Fred Turner, Roland Tomblom, L. W. Ross and Jack Eakin. RIGHT: New officers of Group 5 are, Secy. Eldon Nielson, asst. v.p., St. Sav. Bk., Council Bluffs, and F. J. Lewis, pres., Harlan Natl. Bk.


Treasury Medallions Presented


A STATE-WIDE dinner and program celebrating the 20th anniversary of the United States savings bond program, and honoring volunteer workers associated with the program, was held at the Hotel Savery in Des Moines last month.

Activities in Des Moines not only marked the anniversary, but also focused attention on the goal of a 10 per cent increase over 1960 in savings bonds purchases in Iowa during 1961.

Iowa is already well on the way toward its goal. Governor Norman Erbe announced that Iowa now leads the nation with 41 per cent of its quota for the first four months, compared with a national average of 29 per cent.

Directly or indirectly, at least 5,000 Iowans were honored at the ceremonies, State Director Ingle said, pointing out that is the number of persons acting as volunteer workers in promotion of United States savings bonds.

But, at the banquet attention was focused on the 21 volunteer campaign leaders of World War II who are still active in the savings bond program.

Special Bank Service
Russell G. Holt, vice president and cashier of the Jefferson State Bank, reports that his bank mails out reminders of the expiration dates of drivers' licenses to Greene County motorists.

The bank mails the cards four weeks prior to the license expiration date. Iowa motorists must renew their licenses within the 30 day period prior to birthdays every other year. Mailing records are taken from lists available in the sheriff's office.

Charles R. Carpenter
Charles R. Carpenter, 94, president of the State Bank of Fayette, died of a heart ailment last month. He was Iowa's oldest living bank president.

Mr. Carpenter had been with the bank for 74 years and had been president for the past 20 years. At the 1957 convention of the Iowa Bankers Association he was presented with a special certificate in recognition of his many years in banking.

Traer Building Progress
Work is continuing on the new bank building being constructed by the Farmers Savings Bank, Traer. The bank will have drive-up service and free parking. Completion is scheduled for late summer.

Buys Bank at Royal
Larry L. Olson, assistant cashier in the First National Bank in Manning, has purchased the E. H. Kruse and Winfield Bailey stock in the Home State Bank, Royal. He has been elected vice president and cashier of the Royal Bank and he will also serve as a director, replacing Mr. Bailey.

Peter Beck, formerly vice president, has been named president, succeeding E. H. Kruse.

Mr. Olson was born and reared on a farm near Terril in Dickinson County. After graduating from Iowa State University, Ames, with an A.B. in agriculture and business, he was employed for two years as assistant cashier in the Mechanicsville Trust and Savings Bank before entering the employ of the First National Bank in Manning. The Bankers Service Company, Des Moines, negotiated the sale.

Winfield Bailey has been actively associated with the Home State Bank for 35 years. For the present, he has no definite plans other than to take a rest and vacation.

A SPECIALIST
IN FINANCE INSURANCE PROGRAMMING FOR BANKS
CREDIT LIFE INSURANCE CREDIT HEALTH INSURANCE HOME SAVER MORTGAGE REDEMPTION

National Fidelity Life

KANSAS CITY MISSOURI

Charles A. Gustaveson

Northwestern Banker, June, 1961

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Federal Reserve Bank of St. Louis
CARS THAT MADE HISTORY

A popular car of the “roaring twenties,” this 1923 Nash was offered by the maker as the “economy” car of the line. It cost $1,000 and was powered by a 30-horsepower motor.

In 1923 when this car was new, the Valley Bank had been a part of Iowa banking history for 51 years . . . with progressive, forward-looking service to banks throughout the state.

VALETTI BANK AND TRUST COMPANY
Walnut at Fourth Des Moines, Iowa

FDIC.

Northwestern Banker, June, 1961
Latimer Opens New Quarters

NEW EXTERIOR of Latimer State Bank is shown as it appears after building job was completed.

P. H. BORCHERDING, president of the Latimer State Bank, and his associates are justly proud of the new bank building which they moved into recently.

Located a half block south of the former building, the modern bank is 28 by 80 feet with a carport in the rear. The inset front is attractively designed of Wisconsin rubble stone, with spacious doors and ample windows for lighting.

The interior of the building is conveniently arranged for customer service and private booths near the safety deposit box section. The officers' and directors' area is beautifully finished in black walnut, as are the service counters. The drop ceiling with fluorescent and shadow lighting adds to the attractive interior as does the shadow block pattern of the south wall and the interesting planter at the entrance. The terrazzo floor is not only functional, but attractive as well. The building has baseboard hot water heating and is air conditioned.

Joins Plainfield Bank
Russell Spearman has resigned as auditor of the First National Bank, Mason City, to accept the position of cashier in the Farmers State Bank, Plainfield.

Sioux City Retirement
Albert C. Eckert, vice president of the Security National Bank, Sioux City, retired recently.

He had been with the bank for 47 years, and as a senior officer for many years, he has earned the respect and affection of his associates and friends. Mr. Eckert will have an office at 210 Security National Bank Building and can be reached by phone through the bank's switchboard.

Bedford’s 90th Year
The Bedford National Bank observed its 90th year last month by holding a special open house for the public.

The bank was established in 1871 by John R. Van Fleet and W. E. Crum with a capital of $5,000, under the name of Crum and Van Fleet Banking House. In 1898 the bank was reorganized to become the Bedford National, with W. E. Crum as president. Due to failing health, W. E. Crum resigned as president on June 3, 1915. W. E. Crum, Jr., was then made president. In January, 1956, W. E. Crum, Jr., "demoted" himself to vice president to allow his son, W. E. (Bill) Crum III to be elected president, the position he now holds.

W. E. Crum, Jr., remained active in the Bedford National Bank until his death on March 18, 1961 less than two months before the bank’s 90th anniversary.

C. H. Cummings, cashier, has been with the bank since 1925. Miss Lucile Trumbo, assistant cashier, has been with Bedford National since 1941.

Opens Drive-In Facility
L. G. Hix, vice president of the First National Bank, Waverly, reports the opening of a new drive-in banking facility and free parking area.

The installation includes a drive-up window on the north side and the south side of the special building known as the “First National Auto Bank.”

The exterior of the new structure is of buff Roman brick and mottled green mosaic tile. Traffic lanes enter and exit from both directions and are on property owned by the bank. In addition to the facility, there are 12 parking spaces for customer use while transacting business in the bank. The building and lot are located at 117...
First Street S.E., which is immediately across the alley south of the bank’s building.

Promote Ames Executives
Officers of the Ames Trust & Savings Bank were promoted at a special meeting of the bank’s board of directors held last month. The changes were prompted by the recent appointment of Clay W. Stafford as state superintendent of banking.

G. Roger Alley was elected president to succeed Mr. Stafford. He has been vice president of the bank since 1951. He joined the bank in 1921 following graduation from Grinnell College.

Mr. Stafford was named to the new position of chairman of the board. He joined the bank in 1915 and has served as president since 1942. As reported in the May issue of the Northwestern Banker, he will assume the duties of state superintendent of banking on July 1.

In other actions, Robert W. Stafford was elected vice president, and Paul L. Klingseis, cashier, was named to head the installment loan department. William G. C. Boyken, assistant cashier and auditor, will be in charge of bank operations.

Mr. Alley and Robert Stafford will continue to serve as trust officer and assistant trust officer respectively.

Wanted To Purchase
Controlling interest in Iowa bank having footings of $1,500,000 to $3,000,000. All replies held in strict confidence. Write X 122, Northwestern Banker, 306 15th Street, Des Moines, Iowa.

Decisions! Decisions! That never-ending task of making decisions. A profit or a loss, a customer retained or lost, often rides on what is decided.

When it comes to agricultural matters of any kind, you have friends to help you at The Live Stock National Bank of Chicago. In no more time than it takes to pick up your phone and ask for our Correspondent Service Department, you can present your question or problem to a Live Stock Bank specialist. He won’t make your decision for you. But when you finish talking to him, you’ll be on firm ground to make the right one.

If you’re on the fence right now and could use some experienced advice from knowledgeable people, we invite you to give our offer a test. Just phone YArds 7-1220.
On the Cover

**Observes 90th Year In Ottumwa**

A **N OPEN house celebrating the 90th year of the Union Bank & Trust Company, Ottumwa, was held for a three day period last month, according to President Max von Schrader.**

Residents of the area were invited to visit the bank where the main lobby was decorated to resemble the banks in 1871, complete with old-time tellers' cages. Hostesses attired in period costumes served over 1,600 cups of coffee and more than 1,200 pieces of cake.

Complimentary brochures telling the history of the bank, illustrated with old photographs and lithographs plus modern photographs, were distributed to visitors.

As pointed out in the special brochure, the Union Bank & Trust Company had its beginning when a charter was received by the old Iowa National Bank in 1871. Among original stockholders receiving the charter was Robert Todd Lincoln, son of Abraham Lincoln.

During the ensuing years Ottumwa also was being served by the Ottumwa Savings Bank and the Ottumwa National Bank. On July 13, 1931, the three banks merged to form the present Union Bank. Heading the new corporation as board chairman was the late Frank von Schrader, father of the current president.

**OLD-TIME BANK display in lobby of Union Bk. & Tr. Co., Ottumwa, was feature of recent anniversary celebration.**

In 1956, the Farmers and Merchants Bank merged with the Union Bank.

At present, the bank has more than 20,000 regular customers. Since 1932, its deposits have climbed from around $4,000,000 to upward of $25,000,000.

The anniversary booklet contains a series of pictures of the bank's 70 employees and the outstanding building constructed in 1956.

**Kalona Community Room**

The community room in the new building occupied by the Farmers Savings Bank in Kalona is being given extensive use.

The annual banquet for the National American English Rabbit Show was held in the bank's room last month, following the show held in the Kalona Sales Barn.

**Iowa Field Day**

The 26th annual Field Day of the Iowa Investment Bankers Association will be held June 8 at the Cedar Rapids Country Club in Cedar Rapids. Ernest Kosek, president of the state association and in charge of arrangements for the Field Day, reports that 150 are expected to attend the event.

An Early Bird Party will be held at Roosevelt Hotel in Cedar Rapids on Wednesday night, June 7.

**BANKS BOUGHT and SOLD**

All Negotiations Confidential
A NATIONAL CLEARING HOUSE
FOR EXPERIENCED BANK EXECUTIVES
WITH CAPITAL TO INVEST

**Northwestern Banker, June, 1961**
OPEN house was held in the new home of the Onawa State Bank last month, according to President A. E. Muir.

Located on a 110 foot frontage on Highway 75, the beautiful one-story building is the latest in banking equipment.

The front is of Roman brick with mosaic tile above and below the windows. The lobby and vestibules are floored with marbelized vinyl tile, while the officers' quarters and conference rooms are carpeted. Walnut panels and softly toned drapes adorn the main floor. Eight new teller windows and a note payment window are included as a part of the modern facilities. A drive-in window, installed by Mosler Safe Company, is also available. The vault features a Mosler seven inch door, and about 1,000 boxes have been installed.

The basement of the new building includes a meeting room big enough to accommodate 150 people, the bookkeeping department, and an employee lounge. Background music has been installed for the pleasure of customers and employees.

Joins Freeport Bank

Douglas F. Graves has resigned as assistant vice president of the Harris Trust and Savings Bank, Chicago, to accept a position as vice president of the First National Bank, Freeport, Ill.

Mr. Graves has been with the Harris Bank's correspondent bank department, traveling Iowa and Illinois. He was associated with the Chicago National Bank previous to that bank's merger with Harris Trust and Savings last year. Mr. Graves is a graduate of Iowa State University, Ames, and he is widely known for his work as an agricultural specialist. Before joining the Chicago National in the fall of 1957, he supervised the management of 40,000 acres of land through the midwest.

Drovers Service Provides
IMMEDIATE CREDIT
on Livestock Proceeds

Your customers can have the net proceeds from their livestock sales credited to their accounts in your bank from one to three days sooner, when they use Drovers collection service.

Drovers “Yellow Boy” advice is well and favorably known by both bankers and shippers. It is on its way to you within minutes after the sale is completed. Be sure your livestock customers receive this time-saving service. Have them fill out a Drovers Shippers Order. We'll gladly send a supply upon request.

BERNARD MILLER, Assistant vice president, representing The Drovers Banks in Iowa, will be happy to show you how Drovers can offer immediate credit.

Drovers National Bank • Drovers Trust & Savings Bank
UNION STOCK YARDS, CHICAGO 9, ILLINOIS

MEMBERS, FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, June, 1961
FRANK R. WARDEN and Emmett E. Johns are retiring as vice presidents of the Central National Bank and Trust Company under the bank’s retirement income plan, according to Robert K. Goodwin, chairman of the board. Mr. Warden will continue as a member of the board of directors.

Mr. Warden began his banking career as a messenger boy with the Central State Bank on September 1, 1915.

His service has been continuous with the exception of 19 months with the 89th Aero Squadron A.E.F. during World War I.

He was successively transit clerk, bookkeeper, receiving teller, paying teller and note teller. He was transferred to the investment department in 1922 and has remained with that department since that time. He was elected to the board of directors in 1945.

Mr. Warden is a past president of the Des Moines Chapter, A.I.B. and holder of the Standard Certificate; a member of the board of directors of the National Travelers Life Insurance Company, Greater Des Moines Chamber of Commerce, a past board member and treasurer of the Better Business Bureau of Des Moines, Iowa Children’s Home Society, past president of the Iowa Investment Bankers Association, served three terms as board member and on the senior advisory council of the FPRA, treasurer emeritus of Za-Ga-Zig Shrine Temple and local co-chairman of the Shriners’ Hospitals for Crippled Children.

Mr. Johns came to the Central State Bank as a collector in 1919 and worked in the proof and savings departments. He left the bank in 1920 for a bookkeeping position with a beet sugar factory at Waverly, Iowa. He returned to the bank in June, 1922, and has worked in almost all departments. He was elected assistant cashier in 1926, assistant vice president in 1937 and vice president in 1942.

Other than his banking affiliations, Mr. Johns is treasurer and director of the Square Deal Insurance Company, secretary-treasurer of the John P. Abramson Construction Company, and a director of Webster Life Insurance Company. He is an active member of the Des Moines Consistory and Za-Ga-Zig Shrine and has served as treasurer of the Uniform Bodies of the Shrine for many years. He also is secretary-treasurer and a director of The Bohemian Club, and a member of the Des Moines Club and Wakonda Club.

The Central National Bank and Trust Company recently displayed in its lobby the silver service from the Battleship Iowa. The display was in connection with Armed Forces Day.

Holmes Foster, who left last fall as assistant to the Iowa superintendent of banking to join the staff of the Federal Reserve Bank, returned to his former position in the Iowa department the middle of last month, reports Joe Gronstal, Iowa superintendent of banking.

Newly-elected officers of the Des Moines Chapter of A.I.B. were installed at last month’s annual business meeting-dinner-dance as follows:

Clarence Dickson, Central National, president; Bonis Cobb, Jr., Iowa-Des Moines National, first vice president; Keith Eaton, Valley Bank & Trust, c.l.dickson second vice president; Gene Riley, Bankers Trust, treasurer; Mary Holstad, Central National, secretary, and Sarah W. Walsh, Northwest Des Moines National, chairman of the women’s division.

Retiring officers left late last month to attend the national A.I.B. convention in Seattle, Wash. Upon their return the new officers assume their duties. At the Seattle meeting were: Don Hammer, Bankers Trust, president; Clarence Dickson, Central Na-
Soviet Editors Visit Des Moines

The public open house for the entire new bank building will be held in approximately a month at a date to be announced later.

Storm Lake Drive-In

The Citizens First National Bank, Storm Lake, has opened its new drive-in Iowa last month on a “good will” tour, sponsored by the Manufacturers and Wholesalers Bureau of the Greater Des Moines Chamber of Commerce.

NINE RUSSIAN newspaper editors chose the Iowa-Des Moines National Bank as one of the places they would like to visit on their recent three day visit in Iowa on May 13, 14 and 15.

The Russians, invited to this country by the New York Times, were given a tour of the bank by Lloyd Roe, assistant cashier who explained the various operational procedures. After the tour the guests were greeted by C. W. Aurand, president; Harold P. Klein, senior vice president, and M. M. McMichael, vice president, and were invited to ask questions.

Mr. McMichael is at far left and next to him is Arkadi Ognivtsev, editor, Soviet Information Bureau and interpreter. The others shown are Russian newspaper editors.

Mr. Thompson is a member of the board of Iowa Power and Light, Bankers Trust Company, Greater Des Moines Chamber of Commerce, Y.M.C.A., Iowa Methodist Hospital, United Community Services, Tall Corn Council-Hoy Scouts of America, and Wesley Acres.

Winners of the recent A.I.B. contests in Des Moines were: Gene Riley, Bankers Trust, adding machine contest; Doris Olson, Iowa State Bank, typing; Dean Minor, Capital City State, money counting, and Marvin Hiddleston, Iowa-Des Moines National adding machine for contestants with less than two years’ experience.

More than 100 participated in the contests, open to all employees of member banks of the American Institute of Banking here.

Other winners were:
- Adding machine contest, Kurt Wayne, Bankers Trust Company, second, and Norma Wilson, Central National Bank, third.
- Typing, Carma Overmyer and Dean Minor tied for second.

Adding machine, two years or less experience, Robert Kuefner, Capital City State Bank, second, and Betty Bingman, Bankers Trust, third.

Keith P. Eaton, assistant vice president, Valley Bank & Trust, attended the 65th Annual Credit Conference of the National Association of Credit Management last month in Denver.

Ed P. Kautzky, executive vice president, spent three days in northern

FIRST DEPOSIT at new drive-in is handled by Harry Schaller, pres., Cit. First Natl. Bk., Storm Lake.
ROLF'S NEWLY REMODELED BANK

An open house was held in the remodeled banking quarters of the Rolfe State Bank last month with more than 800 persons attending, according to Robert Van Norstrand, cashier. Area bankers were also invited to a special function, and about 65 were present.

The building project was designed by Walter Becker & Associates, Alta. It consisted of remodeling an existing building and making a new 500 square foot addition. Robert Dixon is president of the bank, which has deposits of $2 million.

PLAN DRIVE-IN BANK

John T. Hamilton II, president of the Merchants National Bank, has announced that the bank has just completed transactions for long term leasing, with option to buy, additional property on Second Avenue, across Third Street, east of the present bank building in Cedar Rapids. The newly acquired property includes the building at 312 Second Avenue, formerly occupied by the DeVar Restaurant and the building at 314 Second Avenue, presently occupied by the Square F Electric Company.

Mr. Hamilton said that the Merchants National plans to convert these buildings on Third and Second Avenue East, across from the present bank structure, into drive-through banking and parking facilities. It is expected that demolition will begin at an early date.

CONVENTIONS

June 6-7, Minnesota Bankers Association, Annual Convention, Hotel St. Paul, St. Paul.
June 14-16, Nebraska Bankers Association Bank Management Clinic, Doane College, Crete.
June 15-17, Wyoming Bankers Association, Annual Convention, Jackson Lake Lodge, Wyoming.
June 22-24, Colorado Bankers Association, 60th Annual, Hotel Colorado, Glenwood Springs.
June 22-24, Montana Bankers Association, Annual Convention, Jackson Lake Lodge, Wyoming.
July 9-12, FPRA School of Financial Public Relations, Chicago Campus, Northwestern University, Chicago.
September 11-13, NABAC 37th annual national convention, Conrad Hilton Hotel, Chicago.
October 9-12, National Association of Bank Women, 39th Annual, Sheraton Hotel, Rochester, N. Y.
October 15-18, American Bankers Association, Annual Convention, San Francisco.
October 29-November 1, Iowa Bankers Association, Annual, Hotel Fort Des Moines, Des Moines.
November 13-14, 10th National Agricultural Credit Conference, The Statler-Hilton, Dallas, Texas.
November 26-30, FPRA 46th Annual, Americana Hotel, Bar Harbour, Fla.

POSITION AVAILABLE

Opening in top management in $20 million bank located in midwest. Applicant must have experience in commercial loans and thorough knowledge of bank operations. Opening created by rapid growth of bank. Salary will be commensurate with person’s background and experience. State qualifications. Write XOB c/o NORTHWESTERN BANKER.

POSITIONS AVAILABLE

for bankers of all skills and experience. In absolute confidence write to BANK PERSONNEL CLEARING HOUSE and Employment Agency 503 N. Washington Naperville, Illinois
HOW many times have you looked at the back of your canceled checks and wondered how anyone could possibly read the bank endorsements stamped there?

Sometimes no one can, or at least couldn’t until the Chase Manhattan Bank and the Ednalite Optical Company decided there was a partial solution to the problem.

For years bankers have been plagued with the expensive and time-consuming problem of identifying bank endorsements. Sometimes it was days before a certain bank’s endorsement could be identified and sometimes identity was impossible, forcing the bank to write off the value of some smaller checks as a loss.

Last fall, Chase Manhattan’s equipment research department took up the problem with the Ednalite Optical Company of Peekskill, N. Y., who shortly came up with the prototype of what is now known as the Endors-O-Scope. The instrument proved so effective that the bank has purchased three of them and has been using them for several weeks with excellent results.

The Endors-O-Scope works on a principle of magnification and color separation. A check is centered under a brightly-lighted magnifying lens by placing it on a flat plate attached to the bottom of the Endors-O-Scope. This enlarges the different colored bank endorsements to several times their normal size. One of six colored lenses set in a metal disc is then rotated into position directly over the magnifying lens. The colored lens filters out all of the endorsements except the one in question, leaving it more readily identifiable.

The Manufacturers Trust Company is distributing copies of its semi-annual “World Time Chart” showing the time differences in over 100 countries throughout the world as compared with New York Daylight Saving Time.

Also included is a map of the time zones in the United States, including Alaska and Hawaii, and a listing of states and communities observing Daylight Saving Time. Copies of this chart may be obtained from the International Department of Manufacturers Trust Company, 55 Broad Street, New York 15, N. Y.

AN INFORMATIVE and instructive booklet dealing with alternate methods of check canceling under present day conditions has been announced by Cummins-Chicago Corporation, manufacturers of bank and business machines for the control and processing of documents. Entitled “Check Canceling Procedure,” it is an authoritative analysis of canceling techniques, suggesting the best methods to use for each different system of check processing. It was written by Fred W. Dilsher, formerly assistant cashier of First National City Bank and now Cummins’ manager of Research and Product Planning. His 27 years of experience in all phases of bank operations have given him a background in methods and equipment that thoroughly qualifies him as an authority.

“Check Canceling Procedure” explains, for the first time, why careful consideration is now required to arrive at the canceling method which will work most efficiently with whatever general system of processing may be in use. It covers completely automated check processing systems, and the handling of punched card checks as well as traditional procedures.

Fully illustrated with photographs of the operations discussed, it completely covers the why, how and when of check canceling. A free copy can be obtained from Cummins-Chicago Corporation, 4740 Ravenswood Avenue, Chicago 40, Ill.
It's Sooo True!

Mother: What did you do when Tom kissed you?

Daughter: When I wanted to scream, I couldn't; when I could scream, I didn't want to.

That Time of Year

"What do you mean your husband was put in jail for something he didn't do?"

"He didn't pay his income tax!"

Kagaroons?

Jack: What do you hope to get by crossing kangaroos with raccoons?

Mack: Fur coats with pockets.

Oops!

Guide (pointing to metal memorial marker on deck of battleship): And this is where our gallant captain fell.

Visitor: No wonder, I nearly tripped over the darned thing myself.

 indexed for FRASER

Federal Reserve Bank of St. Louis

In the DIRECTORS' ROOM

Sharp Gal

He: May I join you?

She: Am I coming apart?

Good Question

Golfer: I don't seem to be playing my usual game today.

Caddie: What game do you usually play, sir?

---TRY THIS ONE---

A duel was fought in Texas by John S. Nott and James Shott. Nott was shot and Shott was not. In this case it was better to be Shott than Nott.

There was a rumor that Nott was not shot, but Shott avows that he shot Nott, which proves that either the shot that Shott shot at Nott was not a shot, or that Nott was shot notwithstanding.

The Worm Terns

Hear about the man who was fined here last week for throwing rocks at birds? Well, his neck left no Tern unstoned. And did you hear about the Heron that took a bride for himself. They say he took a Tern for the worse. And of course there's the one about the lady who felt sorry for the boy next door and his lonely pet Tern. She bought him another, saying "One good Tern deserves another."

Why Not?

An old car was found near the railroad tracks. The glass was broken in front and there was blood on the steering wheel. A gun was under the front seat. It looked like foul play of some sort. Oh yes, there was a full case of whiskey in the trunk.

Nothing has been found of any survivors, but Marshal Jones said he is working hard on the case.

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Northwestern Banker, June, 1961

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Federal Reserve Bank of St. Louis
...is the bank doing its part?

In hundreds of communities, banks help their customers guard against financial set-backs when medical care is needed.

Central States BANK HEALTH program — excellent insurance protection — is made available to bank customers in good standing. Central States representatives explain the program to the prospects. No high pressure is used.

When the customer signs an authorization, the bank deducts premium payments monthly from checking accounts. Central States sends the bank a list for these deductions each month. Banks retain a liberal fee for performing this service.

“But, is there a need,” you ask?

Usually. A Missouri bank, for example, found that more than 70% of their eligible customers signed up when the program was offered . . . moreover, 17 new checking accounts were opened!

For additional details — without obligation, of course, please write, wire, or phone:

CENTRAL STATES
HEALTH & LIFE Co.
OF OMAHA
T. LESLIE KIZER, President

UNDERWRITERS OF CONSUMER CREDIT INSURANCE
AND LIFE, HEALTH, ACCIDENT AND HOSPITAL INSURANCE
THROUGH FINANCIAL INSTITUTIONS.
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Making the wires hum-m-m is one of our specialties.

We have direct connections with 225 key banks throughout the United States. Working for you, we can transfer funds, for example, or report payments almost as fast as you can say, "Iowa-Des Moines National Bank." And because we are a charter member of the Bank Wire Service, we're able to extend this service to all of our correspondent banks without charge.

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