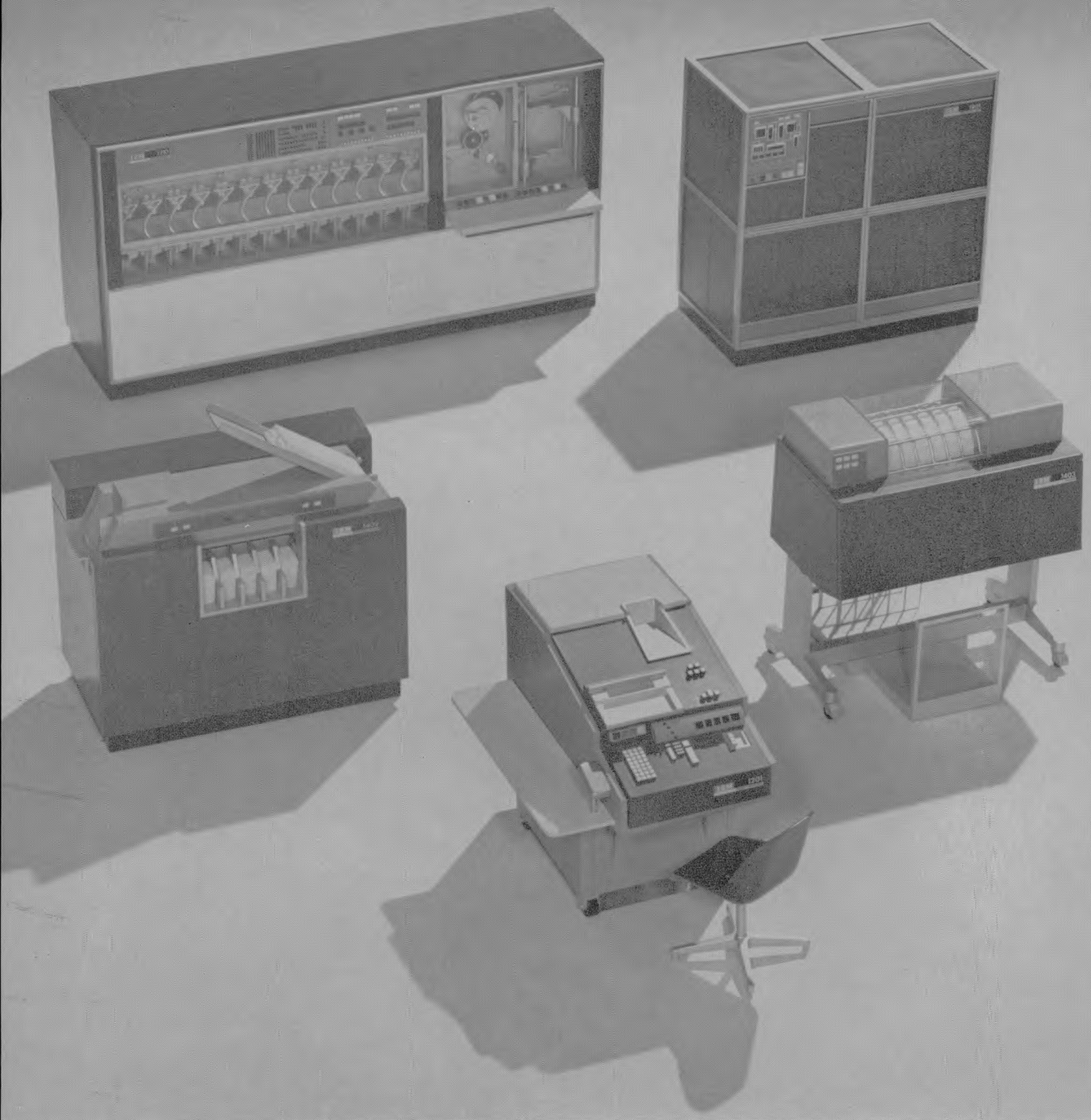


NORTHWESTERN *Banker*

SEPTEMBER
1961



BANKERS SONS RACE AWAY WITH PRIZES IN SOAP BOX DERBY—Page 5



MNB'S MODERN APPROACH TO BANKING . . . ANOTHER REASON WHY OVER HALF OF ALL IOWA BANKS ARE MERCHANTS NATIONAL CORRESPONDENTS

Here are models of some of the IBM units to be included in MNB's Electronic Datacenter. The Datacenter will be installed to provide even faster and better service to our customers. It will also be available to business, industry, and the professions. And whatever your needs, you can depend on Merchants National for the most modern, accurate, and prompt service. Your call will be welcomed.



**Merchants
National**

THE MERCHANTS NATIONAL BANK
OF CEDAR RAPIDS
MEMBER F.D.I.C.



How A Midwestern Bank Reduced Float \$100,000 Daily

Northern Trust Company specialists are frequently called upon to assist correspondents in reviewing their operating procedures. Many instances can be cited where this assistance has resulted in substantial cost reductions and improved operating efficiency.

Recently, for example, a team of Northern Trust officers analyzed the check handling operations of a Midwestern correspondent bank. Their recommendations resulted in speeding

check collections and reducing float by more than \$100,000 daily—a substantial increase in funds available for the bank to invest. Other economies were realized at the same time by eliminating unnecessary operations and by simplifying the bookkeeping procedures.

Would an operations survey help *your* bank? You are invited to discuss this service—and other advantages of being a Northern Trust correspondent—with one of our officers.



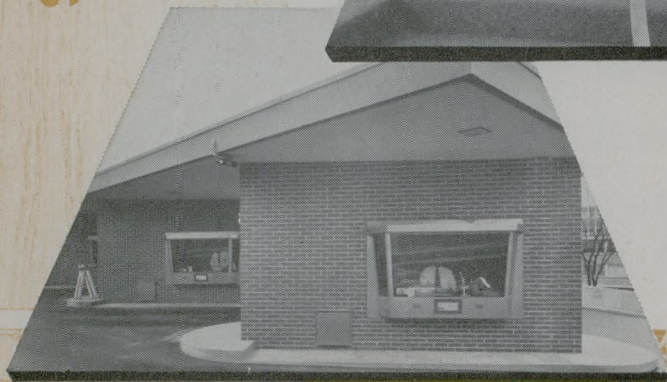
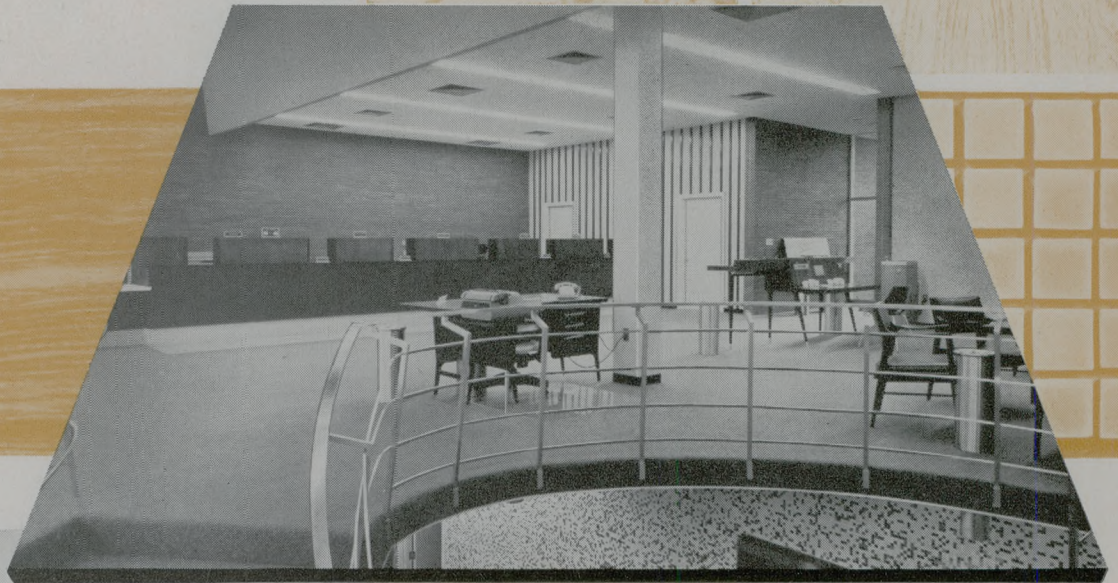
The
NORTHERN TRUST
Company
BANK

NORTHWEST CORNER
LA SALLE AND MONROE

In the Heart of the Financial District • Chicago, Illinois • Financial 6-5500 • Member F.D.I.C.

ENGINEERING...

SPACE



**more
dividends
per square
foot**

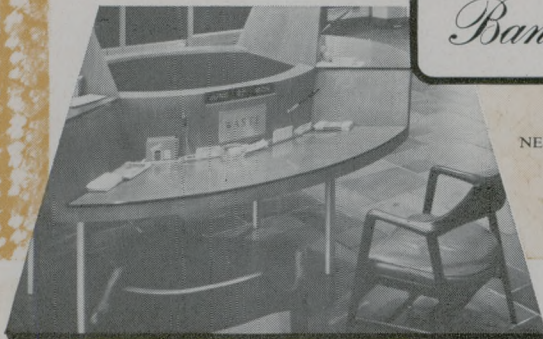
A banker, more than most men, expects his money's worth. Today, *space* is money. Especially the space you pay for in your new banking quarters. With building costs still rising, with the demand for bank services booming, no prudent banker can afford the extravagance of space that does not add to efficiency and profits.

From more than 3,500 financial projects, Bank Building Corporation has developed advanced techniques of *space engineering* that utilize every square foot of new quarters area. Our planners and designers specialize in eliminating space-waste. At the same time, they build maximum efficiency and flexibility into both public and operational areas . . . at minimum cost, initially and long-range. This practical application of specialized experience is another big reason why more bankers call in Bank Building *first*.

Space engineering—assurance of new quarters profit

Bank Building Corporation
OF AMERICA

ST. LOUIS, 1130 HAMPTON AVENUE
NEW YORK • CHICAGO • SAN FRANCISCO • DETROIT • ATLANTA • AUSTIN



ON THE COVER

Broad smiles were the order of the day for the six Council Bluffs youngsters pictured on the front cover, and with good reason. Two of their number had just raced off with first and second place in Class B of the annual Soap Box Derby held recently in Omaha. Winner was Bob Shockey, seated in his winning racer which took five months to build. Second place went to Bob Spetman, extreme right. The other four lads, from left, are: Michael Dall, Fred Bergstrom, Bill McDowell and Steve Morris.

The two winners have more than the name "Bob" in common. Their fathers are Ed Spetman, Jr., executive vice president, and E. L. Shockey, trust officer, both with Council Bluffs Savings Bank. Young Shockey had expert help from an old hand at building wooden racers—his grandfather, Lew Ross, president of the bank. The two boys won first and second in a field of 57 racers.

NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi

for your SEPTEMBER, 1961, reading

67th Year No. 890

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NORTHWESTERN BANKER

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

Northwestern Banker, September, 1961

Dear Editor

"Unusual Interest"

"This is a letter of appreciation. Appreciation for the excellent coverage given by the "Banker" to our announcement made last week.

"You are experts on the Iowa economic scene, but you made it a point to acquaint yourselves thoroughly with the new interests that are appearing in our area through the Central National Bank. You were thus able to prepare an article that will be of unusual interest to all segments of the Iowa economy. This represents a fine contribution to the future of our state!

"We were amazed that the article was published almost simultaneously with the local newspaper and well ahead of the national financial papers."

Robert K. Goodwin, Chairman, Central National Bank & Trust Co., Des Moines, Iowa.

"Two Sound Programs"

"The August issue of the NORTHWESTERN BANKER certainly has gone all out to provide all bankers with two very sound programs, namely, internal audits and the article by H. D. Kosman on 'Sound Loan Administration.' Both of these articles stress controls which today's banking in a super market competition require for the safety of the bank and the benefit of the depositors.

"Because of the number of articles in this issue that are so vitally important to our district agency supervisors and regional office managers, I would like to obtain three dozen extra copies for their use."

E. G. Webbles, Assistant Secretary, Hawkeye-Security Insurance Company, Des Moines, Iowa.

16th Century Art Used in Tulsa



NEW LOOK at First Natl., Tulsa, includes the remodeled fourth floor commercial loan and executive office area at left, and the redecorated director's room at right. President **F. G.**

McClintock, right, and Sr. V.P. **John L. Robertson** are shown as they inspect the new quarters.

COMPLETION of a major remodeling program that brings a distinctive new appearance to all its banking areas was announced by F. G. McClintock, president of the First National Bank and Trust Company of Tulsa.

The remodeling, which has been carried out over a period of 12 months,

is the first program of its type since the First National building was opened in 1950.

Mr. McClintock said the remodeling, involving the lower lobby, first floor, and third and fourth floors, will provide additional customer facilities in the bank's growing departments.

As part of the remodeling program the bank carried out a decorative motif for the executive office area that includes art objects dating from the 16th century that represent the culture of China, Japan, the Incas and Aztecs, and other early civilizations.

The installment loan department was moved from the lower lobby to the first floor. This move permitted expansion in the lower lobby of the trust department, whose volume of assets has doubled in the past five years. Trust, tax, and safe deposit departments now occupy the entire lower lobby.

With the move of the installment loan department to the first floor First National also created a customer services department, located off the building lobby, to provide additional service and information for customers coming into the building.

In order to increase the facilities of the credit and central files departments they were moved from the fourth to the third floor.

The space vacated by these departments on the fourth floor provided additional room for the executive offices and commercial loan officers, and for the discount and collateral departments.

As part of the fourth floor remodeling a third conference room was added, and the directors' room was redecorated.

St. Louis Promotions

George J. Ries has been elected vice president and Gerald K. Sandweg has been named assistant vice president by the Mercantile Trust Company, St. Louis.

Mr. Ries will head the investment account management division of the trust department. Mr. Sandweg, who has been assigned to the trust administrative department, will join Division F, banking department.

SPECIAL CHECKS

There are possibly a half million business firms in the country who buy their checks direct from printers without consulting their banks concerning format. These special checks are commonly referred to as "uncontrolled items," probably because banks are not involved in their purchase. Under MICR, however, banks have a vested interest in these checks and naturally want to exercise some control with respect to design.

The large business organizations are familiar with MICR requirements and in all likelihood have already redesigned their checks to accommodate encoding. The medium-sized firms, for the most part, still face the problem of redesign and this group could be more cost conscious. This is where considerable expense can be saved for both the customers and the banks, if their so-called "special checks" can be switched to standardized forms available from the catalogs of check printers.

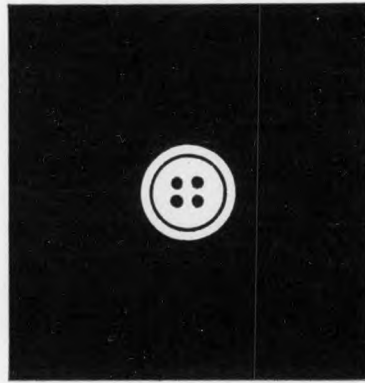
We display in our catalog a rather large selection of voucher and payroll checks which could—in most instances at lower cost—serve the needs of those who now use special

checks. For the convenience of bank people who contact corporate accounts, we have prepared two small booklets picturing these checks and we would be pleased to supply as many copies as may be needed to banks who now are engaged in approaching their customers on the question of check redesign. If you wish any copies of these booklets, simply write to our Advertising Department at 4435 West Belmont Avenue, Chicago 41, Illinois.

One of the side benefits of the MICR program will be greater standardization of check forms. Ever since 1913 the banking fraternity has been trying to standardize and simplify check layout, but at no time in the past has there existed such a need to accomplish this. Now the need exists and the opportunity is here to eliminate "headache checks." There still is room on the check for a reasonable display of individuality but it can be worked into the standard layout without affecting the check's value as a source document. If we can be of help in standardizing the check forms of your customers, please call upon us.



Manufacturing Plants at: CLIFTON, NORWALK, PAOLI, CLEVELAND, DETROIT, INDIANAPOLIS, CHICAGO, KANSAS CITY, ST. PAUL, DALLAS, CHATSWORTH, PORTLAND



THE LITTLE THINGS

A thumb in a dike . . . a lantern in a church steeple — these are memorable little things that embellish and become important to history and folklore.

The comment we receive from correspondents about our attention to the little things — the unusual, out-of-the-ordinary problems — is one of the pleasantest aspects of our business.

At Hanover, correspondent banking is a major service. We are organized to work constructively with our correspondents in every transaction, however large, however small.



Member Federal Deposit Insurance Corporation

It's here—the world's first ABA code

Designed for bankers by bankers! Our new ABA coded electronic Travelers Cheques, recently introduced in our California branches, will soon simplify and speed your whole cheque-selling operation. Within a few months they will be available to all banks—bringing you these important advantages:

Faster handling — New ABA encoding is designed to expedite clearances and handling by other banks. Gives quicker claim service. Provides simplified vault register controls and an improved automatic replenishment system!



electronic Travelers Cheque!

Faster selling—Package and loose cheques now may be sold from one single inventory. Simplified new applications—with no carbons or staples—save time and work. Exclusive Sellers' Kit containing 7 different cheque packages increases operating efficiency.

Greater customer appeal—Handsome new wallets in two styles, two colors. **The first completely integrated electronic Travelers Cheque operation — bringing you the easiest cheques in the world to sell!**



Offer your customers a choice of new red or blue wallets.

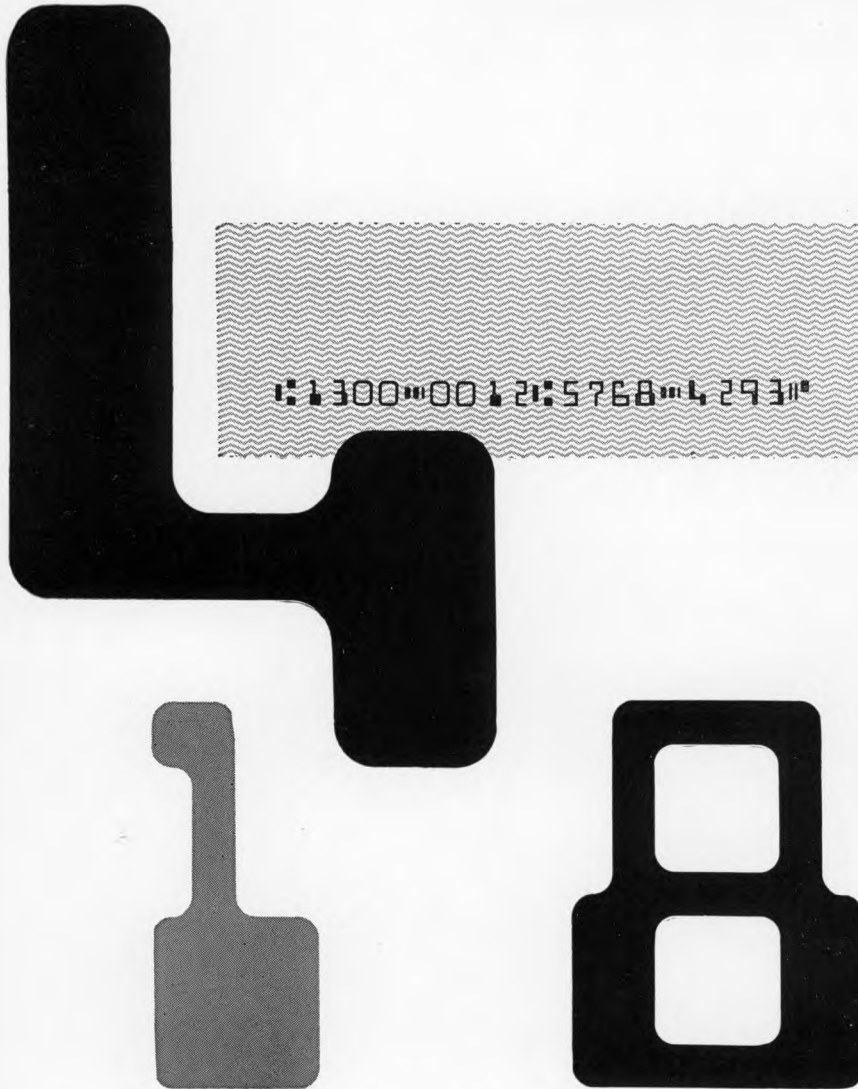
Streamlined new applications.

New compact Sellers' Kit holds everything — applications, cheques, wallets.

BANK OF AMERICA TRAVELERS CHEQUES

"Money only you can spend"

For further information on Bank of America Travelers Cheques, write Travelers Cheque Department, Bank of America, San Francisco 20, California.



Today's Costs Tomorrow

We, who make check paper, view with enthusiasm the Bank Automation Program. It has given us problems but it promises us a great future.

The machines that will automatically handle the great volume of checks in use today guarantee the maintenance of checking account costs at a lower level than otherwise possible, and we think this will increase the use of checks.

It is our responsibility to give you paper with both protection against alteration and counterfeiting, as well as the qualities necessary to meet the machine demands.



La Monte
safety paper for checks

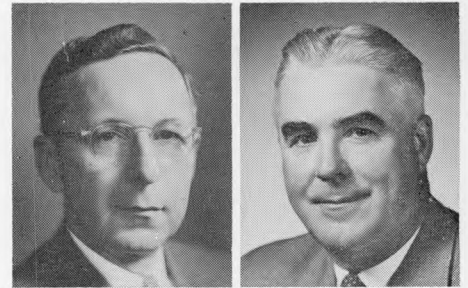
THE WAVY LINES®
ARE A
LA MONTE
TRADE-MARK

GEORGE LA MONTE & SON • NUTLEY 10, NEW JERSEY

Northwestern Banker, September, 1961

LaSalle Promotions

The LaSalle National Bank, Chicago, has named Arthur W. Glennie as vice president and comptroller; William P. Kennelly as cashier, and Edward B. Hamilton as assistant comptroller.



A. W. GLENNIE

W. P. KENNELLY

Mr. Glennie, who formerly served as vice president and cashier, joined the bank in 1948 as an assistant vice president.

Mr. Kennelly, who has been an assistant vice president, joined the bank in 1946. He is a graduate of the Stonier Graduate School.

Mr. Hamilton, who has been in the comptroller's division, came to the bank in 1946.

Moves Trust Department

Chemical Bank New York Trust Company, third largest bank in New York, plans to move its Personal Trust and Trust Investment Department from 100 Broadway to the 50-story office building at 277 Park Avenue, upon which construction is to be started within a few months by Stahl Equities Corporation.

First-Half Earnings Told

Earnings reports for the first six months of 1961 have been reported by three major equipment companies.

Burroughs Corporation reported \$184,856,000 revenue, compared with \$201,501,000 last year. Consolidated net earnings for the period were \$3,185,250 against \$5,043,000 in the first half of last year.

Sales of all products and services of The National Cash Register Company totaled \$238,846,485 for the first half of 1961, an all-time record for the period and an increase of 16 per cent over the \$205,777,334 reported for the first half of 1960. Net income for the period was \$8,135,853, compared with \$7,588,169 for the first half of last year.

Diebold, Inc., earned \$939,641 in the first half of 1961 after provision for Federal and Canadian income taxes. These earnings are about 10 per cent more than the \$856,995 earned in the first half of 1960. Orders entered were about 10 per cent ahead of last year.

the *National** 315...

new computer concept for banks!



**total systems concept...
multiplexing of sorters...
programming support**

based on experience in every banking department

The NATIONAL* 315 EDP System is fully capable of processing ALL of your bank's On Us Deposit Accounting... Time Deposit Accounting... Transit and Clearings sorting, listing and distribution... Loans & Discounts... Mortgage and Escrow Accounting... Personal & Consumer Credit Loans... Trust Accounting... General Ledger and Daily Statement of Condition.

Before you invest in electronics, call your nearby National office, or write to National's EDP Sales Division at Dayton 9, Ohio

THE NATIONAL CASH REGISTER COMPANY • Dayton 9, Ohio
1039 OFFICES IN 121 COUNTRIES • 77 YEARS OF HELPING BUSINESS SAVE MONEY

FOR THE FIRST TIME

a random memory device can be utilized for both random and sequential processing.

FOR THE FIRST TIME

the memory of a random access device can be removed and a new memory mounted in approximately thirty seconds.

FOR THE FIRST TIME

it is economically practical to employ multiple random access units in one system.

* TRADEMARK REG. U.S. PAT. OFF.

*National**

ELECTRONIC DATA PROCESSING
ADDING MACHINES • CASH REGISTERS
ACCOUNTING MACHINES • NCR PAPER

Northwestern Banker, September, 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



One RELIANT 500 Microfilmer seems like two!

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.

RECORDAK®

(Subsidiary of Eastman Kodak Company)

originator of modern microfilming

— now in its 34th year

IN CANADA contact Recordak of Canada Ltd., Toronto



Bank Uses Closed Circuit TV



VIEWING the TV camera and monitors at 399 Park Avenue are, left to right: **Robert L. Hoguet, Jr.**, sr. v.p.; **George C. Scott**, sr. v.p.; **James S. Rockefeller**, chmn. With backs to camera are **William I. Spencer**, left, sr. v.p., and **C. Sterling Bunnell**, sr. v.p. and chmn. of money committee.

CLOSED circuit television has bonded the dual-headquarters of First National City Bank, New York, into a single operating unit in spite of the more than four miles distance between 55 Wall Street and Park Avenue at 53rd Street.

First National City's daily money committee meetings are the primary

example of the value of the television system. At 10:45 a.m., the committee assembles in rooms at 55 Wall Street and 399 Park Avenue. Committee Chairman C. Sterling Bunnell, senior vice president, opens the meeting by asking that the bank's position be shown. A flick of a switch and the picture on the left becomes an image

of a paper bearing the position which is discussed briefly. The switch is thrown again and the picture of the room at 399 Park Avenue is returned. From that point, the meeting continues on its normal question and answer basis.

The two rooms are equipped identically. In front of the conference table are two 27-inch monitor type television sets. Above and between the two sets is the camera. Microphones are located on the conference tables. To the rear of the room is a special unit containing a camera for televising documents under discussion. In separate areas of both the Downtown and Uptown headquarters buildings are control panels for monitoring and adjusting the signals.

Chicago Executive Retires

Mark W. Lowell, vice president and executive trust officer, retired last month from Continental Illinois National Bank and Trust Company, Chicago, after more than 37 years of service. He will continue as a member of the board of directors.

Clair W. Furlong, vice president, will assume the senior responsibility in the administration of the bank's trust department.



No time wasted!

With private wires uniting our own offices in all 3 Pacific Coast States, direct airport pickups, and transit crews working through the night, we speed collection of your items throughout the West.

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

ED SCHOOR

... and William Jaffke, head of Mercantile's Real Estate Department, discuss participation in a real estate loan to be made by a correspondent bank.



REAL ESTATE ASSISTANCE

...one of 55 types of correspondent service requested during the past month of **YOUR MAN FROM MERCANTILE**

Other services, to mention a few, included ... bond accounting assistance ... letters of credit ... open-house planning ... group life insurance help ... and a staff orientation program. Mercantile Trust Company regularly provides more than 100 separate correspondent services. *How many has your bank used?*

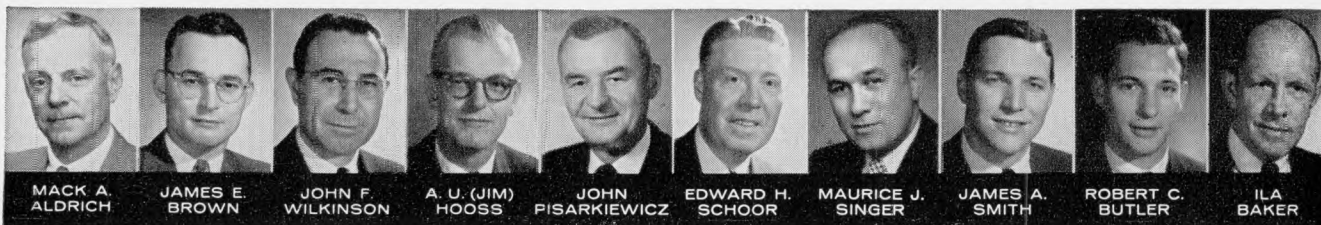
MERCANTILE

MEMBER F.D.I.C.

TRUST

COMPANY

SAINT LOUIS 66, MISSOURI



Northwestern Banker, September, 1961



BANKER-TO-BANKER SERVICE

How one bank's customer advanced into the electronics era

This is a true story, but because we always hold our relations with any customer in strictest confidence, certain minor but identifying details have been altered.

A good bank is often a company's ticket to success.

Consider the case of the small midwest radio parts manufacturer that grew into a multi-million dollar corporation. Early in the company's history, its owners developed a new process for manufacturing miniaturized radar system components.

But to expand meant more working capital than their local bank could legally lend to them. Meantime, a competitor was working around the clock to perfect the same process.

One of the officers at the local bank—a correspondent of ours—described the predicament of the company to our officer serving this territory. His quick appraisal of the company's potential resulted in an expanded line of credit being provided by

our correspondent and The First National Bank of Chicago. Almost immediately, a chain reaction began.

The small radio parts manufacturer grew by leaps and bounds. Additional personnel came from all over the country and settled there. New suppliers brought new wage-earners. The local bank acquired many personal and commercial accounts and prospered in a flourishing community.

The First National Bank of Chicago can help you help your customers, too. Assigned to separate geographical areas in all 50 states, Division F officers understand your problems and will give you banker-to-banker service.

As a correspondent of The First National Bank of Chicago, you'll benefit from fast check clearing, ten industry-specialized commercial divisions, bank planning—any or all of a complete line of correspondent bank services.

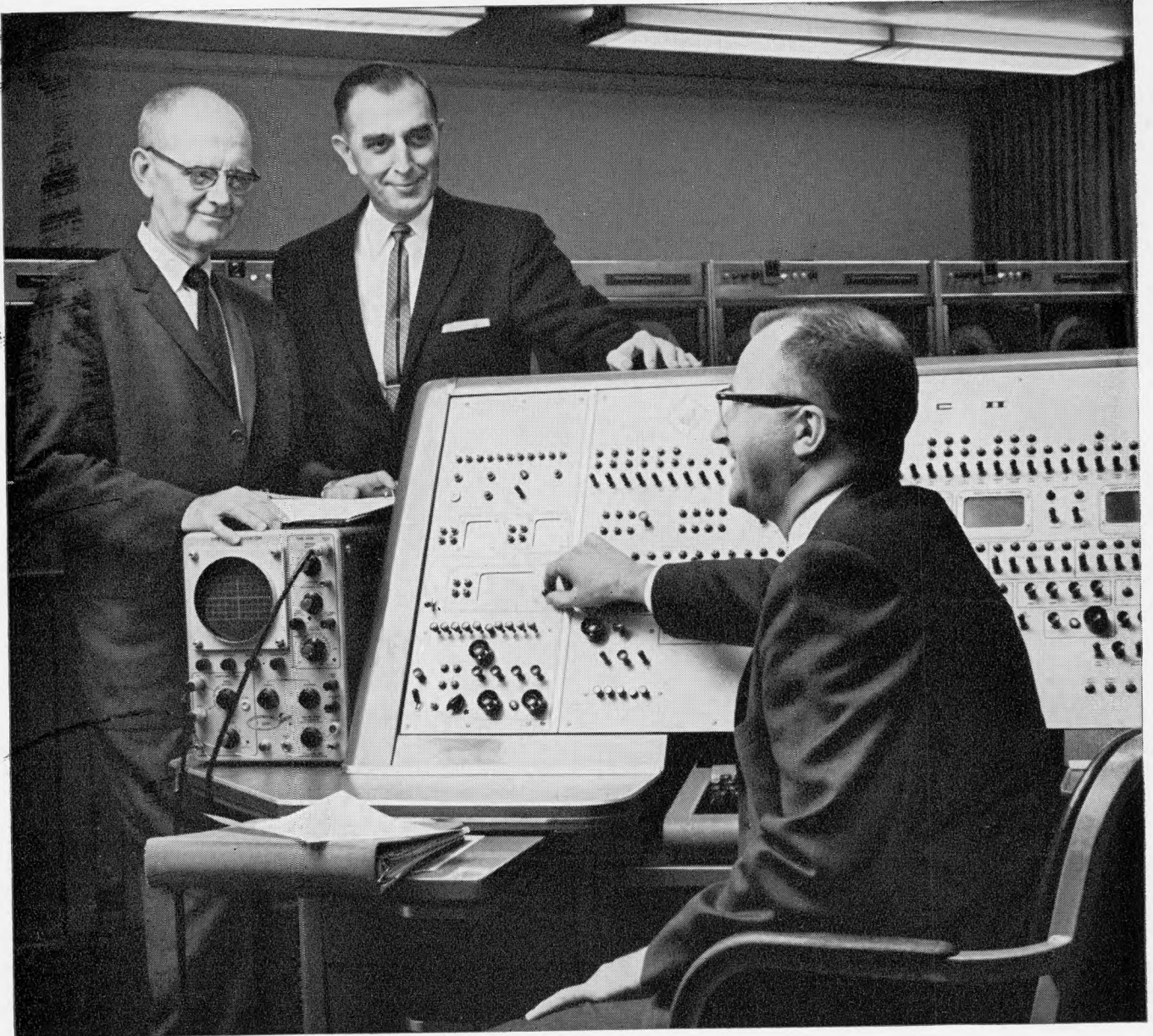
If this is the kind of service you are looking for, contact our Division F today.



The First National Bank of Chicago

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

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Their years of experience in automation can be invaluable to your bank. What the Harris has learned as a pioneer in this field can keep you ahead of the rising tide of paper work. 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 90



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

O. Paul Decker

O. Paul Decker, 58, president of the National Boulevard Bank, Chicago, died last month at his home in Chicago following an extended illness.



O. P. DECKER

Mr. Decker served as president of the bank from 1956 until his death. From 1930 to 1956 he was associated with the American National Bank & Trust Company Chicago,

where he served as vice president and chairman of the investment committee.

Born in Chicago in 1903, he attended the Todd School for Boys at Woodstock, University of Chicago, and graduated from the University of Chicago in 1924, summa cum laude. He is survived by his wife, Alice; a daughter, 18, and his mother, Matilda K. Decker, Burlington, Iowa. Mr. Decker's widow is the former Alice C. Thompson of Des Moines.

Talcott Earnings Up

Consolidated net earnings of James Talcott, Inc., the nation's largest inde-

pendent industrial finance company, were \$2,459,428 for the six months ended June 30, 1961, an increase of 15.6 per cent over earnings of \$2,127,552 for the comparable period a year ago, Herbert R. Silverman, president, reported.

Ozark Air Lines Promotion

Dave Schuetts, Minneapolis, has been promoted to district sales promotion manager for Ozark Air Lines' northern district, which includes cities served by Ozark in Iowa, Minnesota, Missouri, Nebraska and Wisconsin.

Mr. Schuetts joined Ozark in 1957 as a station agent at Minneapolis-St. Paul. He attended Kansas City Central Technical Institute and the University of Minnesota before joining Ozark.

Heads New Branch

Appointment of Thomas A. Paulson as vice president and manager of Security First National Bank's new Wilshire and Harvard branch in Los Angeles has been announced.



T. A. PAULSON

The branch, which will be located on the ground floor of the new 22-story Travelers Insurance Building, opened for business last month.

Mr. Paulson has been with Security since 1947. Prior to his new appointment he was in charge of the Bank and Customer Relations Department's Central Division, calling on customers and other banks in the mid-western part of the country.

A native of Sun Valley City, N. D., he graduated from the University of North Dakota and holds a law degree from the University of Michigan. He also practiced law in Duluth, Minn., for nearly seven years.

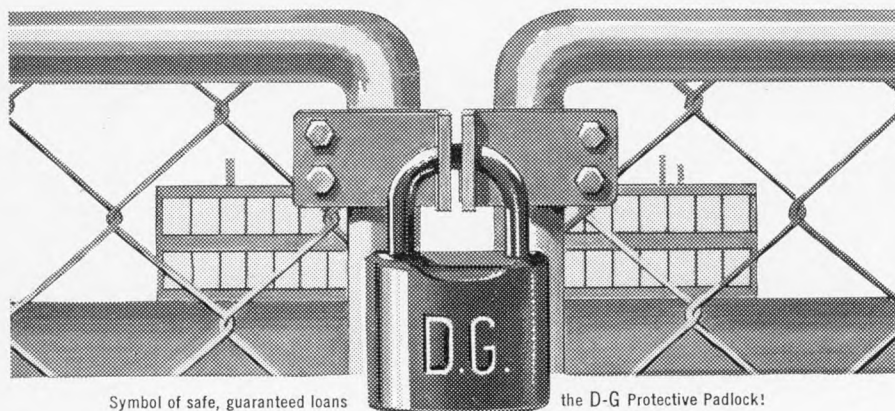
Name Burroughs Executives

Burroughs Corporation announced the appointment of two men to top executive positions in its marketing operations.

Henry F. Sherwood is special assistant to the vice president of marketing and Frank McKennett is consultant to the vice president of marketing.

Mr. Sherwood formerly was manager of the computer systems department of Touche, Ross, Bailey & Smart, international public accounting firm, while Mr. McKennett was marketing consultant in the office of the IBM director of marketing services.

"How Douglas-Guardian and Your Own Banker Can Unfreeze Your Cash!"



Symbol of safe, guaranteed loans

the D-G Protective Padlock!

With this theme, our Wall Street Journal ads are building desirable loans for you . . . helping you to make loans you couldn't make without this extra security!

We're telling business how D-G on-premise warehousing control can let you . . . the local banker . . . turn their saleable inventory into cash.

With D-G's "Traveling Credit" plan you can make *safe, guaranteed* loans on *any* inventory that has a market, from raw material to finished product!

To learn more about this *Douglas-Guardian* service, send for our booklet that explains it in detail . . . or there's a D-G man near you who'll call if you like.

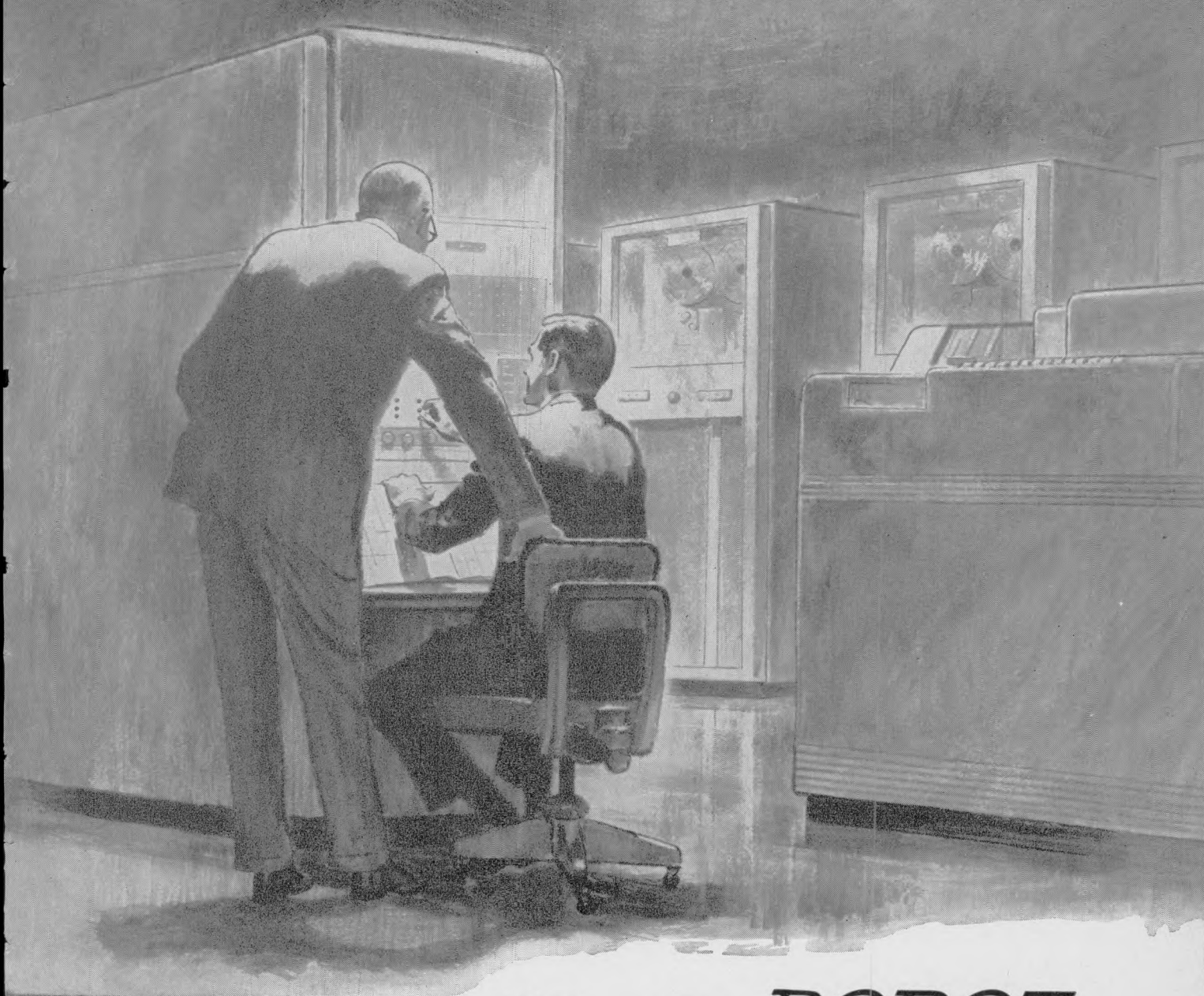
YOU CAN RECOMMEND D-G WITH CONFIDENCE!



Douglas-Guardian

WAREHOUSE CORPORATION

P.O. Box 397, New Orleans, La. BRANCHES IN PRINCIPAL CITIES



*Why the **ROBOT** couldn't make up its **MIND***

"If your giant robot is so bright," said the man from the Commercial Loan Department, "I have a million-dollar loan application I'd like to have his opinion about."

"Don't think we're not working on that," replied the Methods Research man. "And if you ever reduce that kind of decision-making to a mathematical formula, we can *teach* the machine how to make your decisions for you. But right now the 'human understanding,' 'foresight' and 'judgment' you use

in lending money—well, those things can't be taught to a machine."

Of course, electronic "brains" are only brains when they're told exactly *what* decisions to make and under what exact circumstances.

But there are still many jobs they can do within a bank. So ever since 1934, we've been increasing our use of automation to eliminate the drudgery of mounting paperwork. The idea is to give our people more time to use the talents that are peculiar to people: the exercise

of human understanding and vision.

Like every other forward-looking bank, we're always searching for ways to improve our methods and to step up the quality of our service. Our backlog of experience in data processing—reviewed in the perspective of 25 years—turns out to be a substantial story, unique in many respects. Faced as you are with the mushrooming growth of record-keeping and with rocketing costs, you may find that our years of experience will be helpful to you.

BANKERS TRUST COMPANY

16 Wall Street, New York 15, N. Y.



Member Federal Deposit Insurance Corporation

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In Chicago

Continental, City National Merge Over Labor Day



D. M. KENNEDY



A. T. LEONARD



D. M. GRAHAM



T. CUMMINGS

AN ORDER approving the merger of City National Bank and Trust Company of Chicago into Continental Illinois National Bank and Trust Company was issued last month in Washington by Ray M. Gidney, comptroller of the currency.

The two LaSalle Street banks announced immediately that they would merge at the close of business on September 1. The new institution, operating under Continental's name and charter, will begin serving the public on the next regular business day, Tuesday, September 5.

Actual physical merger was planned

for the Labor Day week end, when City National was to move across the street from 208 S. LaSalle Street into Continental's building at 231 S. LaSalle.

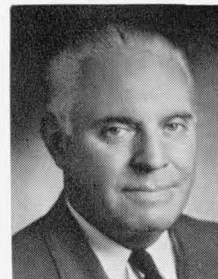
David M. Kennedy, Continental board chairman, and Arthur T. Leonard, City National president, said in a joint statement:

"The union of these two banks is strongly in the public interest. The new Continental will provide all types of services for corporations, other commercial customers, and correspondent banks. It will also provide complete facilities for personal banking customers.

Mr. Leonard will be elected chairman of the executive committee of the merged bank. Other top officers will be Mr. Kennedy, chairman; Donald M. Graham, vice chairman, and Tilden

Cummings, president.

It was previously announced that four members of City National's board would become directors of Continental at the time of the merger. In addition to Mr. Leonard they are William H. Miller, senior vice president; Rawleigh Warner, chairman of the board of The Pure Oil Company, and Clarence H. Shaver, chairman of the board of United States Gypsum Company.



W. H. MILLER

On June 30, midyear reports of the two banks showed that Continental had total assets of \$2,844,818,000, total deposits of \$2,463,394,000, and loans of \$1,357,420,000, while City National had assets of \$384,915,000, deposits of \$341,197,000, and loans of \$155,726,000.

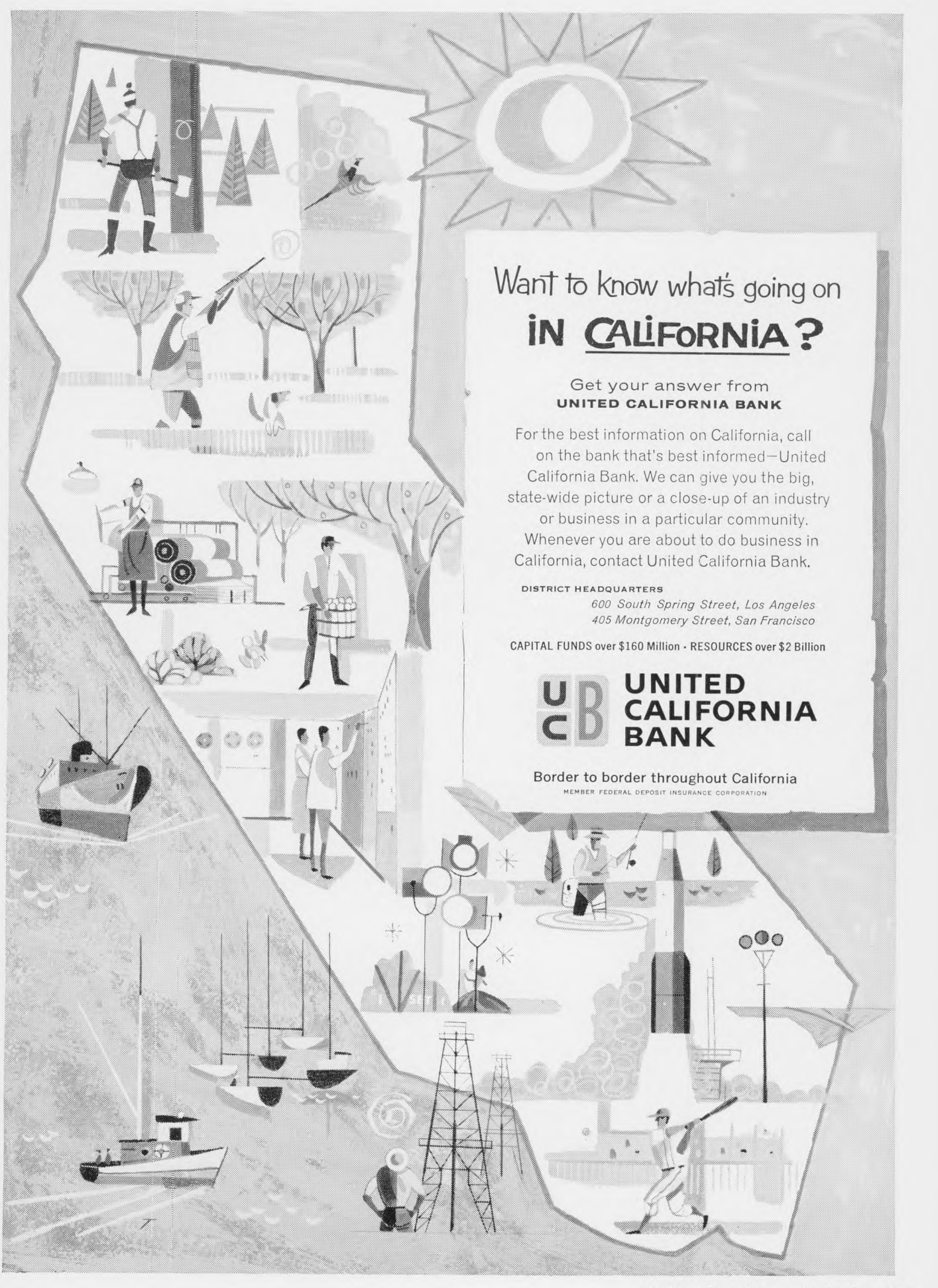
The merged bank will be the ninth largest in the country, with total assets of \$3,229,733,000 as of June 30.

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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



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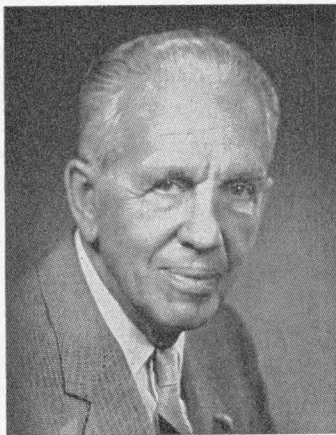
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405 Montgomery Street, San Francisco*

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UCB UNITED CALIFORNIA BANK

Border to border throughout California
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



ACROSS *the* DESK from the Publisher

Dear Monroe Kimbrel:

*Chairman, Federal Legislative Committee, A.B.A.,
and Chairman, First National Bank,
Thomson, Georgia.*

The proposed bill for a withholding tax on dividends and interest should be opposed by members of Congress because as you say:

"There is little doubt that the mass of testimony in opposition to withholding has made a great impression on members of Congress. While they might have little compassion for the problems confronting banks and other dividend and interest payers, they will probably have second thoughts about imposing such burdens upon their own constituents."

What is the purpose of this bill?

It is supposed to stop tax loopholes by withholding at the source 20 per cent of each and every dividend and interest payment, and putting the burden on the taxpayer to get a refund for overpayment of taxes.

The amount of taxes if collected is estimated to be about \$537,000,000.

What the cost would be to collect this sum and the staggering amount of work involved can only be imagined, but here are a few facts to consider:

1. It would impose unreasonable hardships and inequities upon charitable, educational, and other tax-exempt organizations, as well as on foreign and local governments.

2. Every United States citizen would have a tax number.

3. Every quarter of every year, every corporation, large and small, public or private, which pays dividends on its stock, or interest on its bonds or debentures; every government agency, Federal, State, County or Municipal, which pays interest on bonds, every bank which pays interest on deposits or loans and every savings and loan association would report to the Internal Revenue and remit 20 per cent of every such dividend and interest payment by the tax number of the individual.

4. The processing of these millions of quarterly reports would take an estimated 2 million additional clerks and officials housed in perhaps 10 to 20 regional office buildings plus all the millions of dollars invested in accounting, computing and tabulating machines.

If J.F.K. and his "off the beam" economists want to save money just let them take 1 billion dollars or more *off* of the \$20 to \$40 billions which they plan to spend on their crazy wild-eyed plan to reach the moon by 1967. The amount thus saved would more than equal the \$537,000,000 they plan to get through a withholding tax on dividends and interest.

The withholding system is neither practical nor workable and let's hope it *never becomes a law*.

Dear John Roosevelt:

*Partner, Bache and Company,
36 Wall Street, New York.*

For a number of years we thought that you stood for the issues that made America great, but when you endorse and speak for James Hoffa, president of the teamsters union, we count you *out*.

Attorney General Robert Kennedy says that "*Hoffa is a menace to the country*"—and so he is.

At the Miami teamsters convention you told them that "*If I were a delegate I would vote to re-elect Jimmy.*"

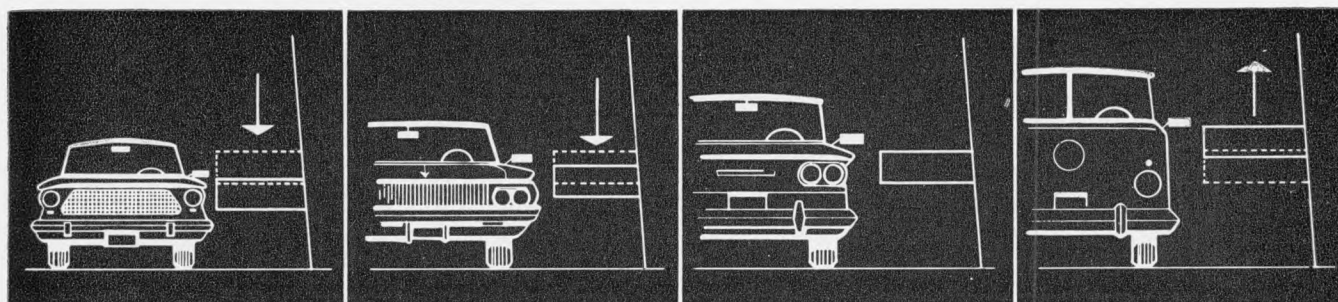
You said you solicited the teamsters business to manage their \$160,000,000 pension fund accounts, so we assume you had to "speak your piece" at the convention.

Why do you want a client who has been associated with crooks, gangsters, extortionists and murderers? Are you that desperate for business?

They put General Electric officials in prison because they agreed with other firms to charge the same price for motors and machinery, but your client Jimmy goes merrily on his way defying the law, the courts and violating all ethical standards of decency.

Sorry you are associated with such a "menace," Mr. Roosevelt.

Clifford DePuy



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Gentlemen:
Please send complete details on new Direction Controlled Drive-in Window.

Name.....

Bank.....

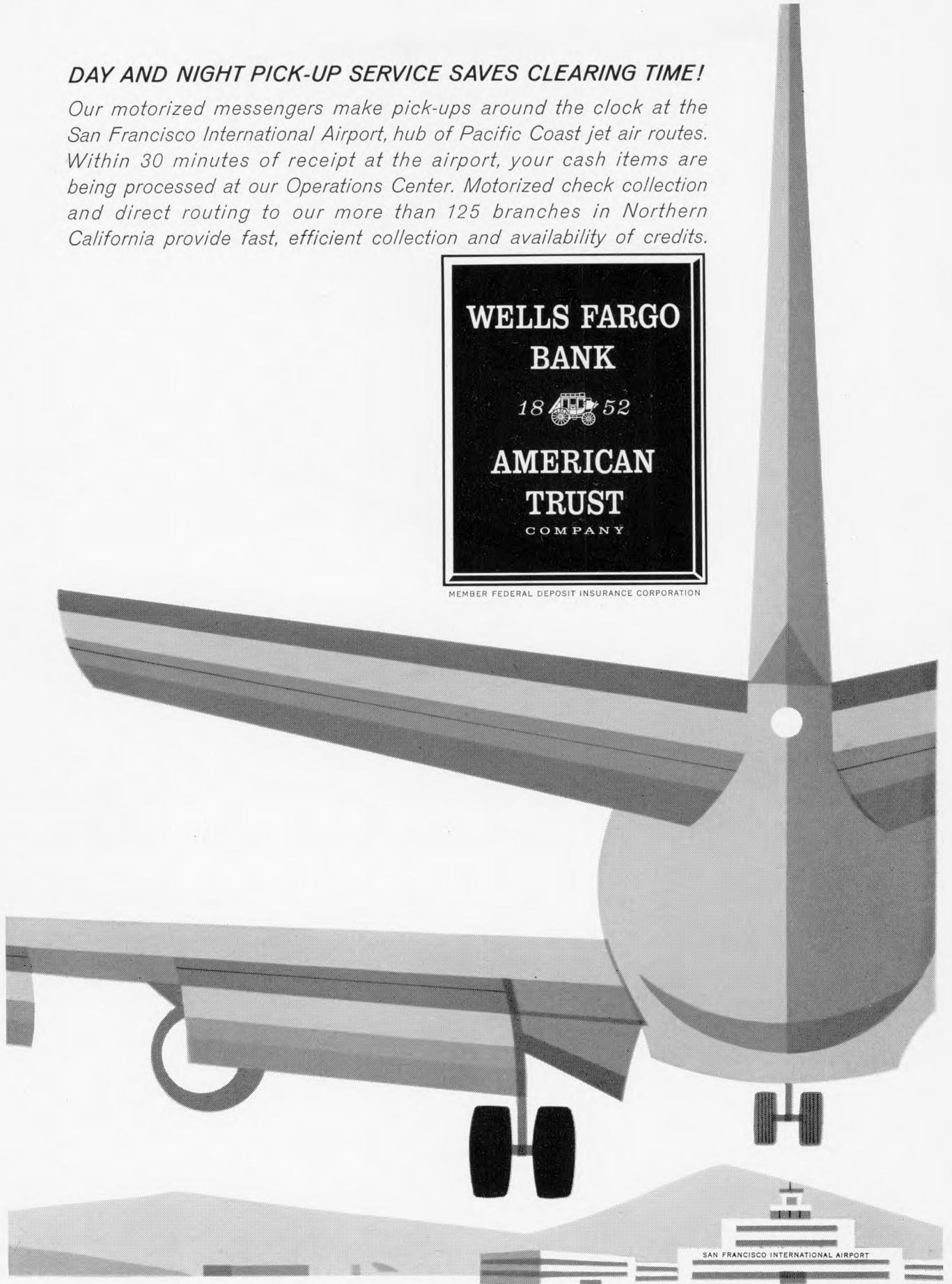
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City..... Zone..... State.....

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FOR DETAILS WRITE WELLS FARGO BANK AMERICAN TRUST COMPANY, 464 CALIFORNIA STREET, SAN FRANCISCO 20, CALIFORNIA

ARE bankers all “hard-boiled cookies” with no sense of humor? Not so, according to James H. Clarke, vice president of the American National Bank and Trust Company of Chicago, who edits his bank’s weekly bulletin *Business News Abbreviated*. “I have learned one thing for sure,” says Mr. Clarke, “that bankers have excellent senses of humor and that they like to write in to tell me that they enjoy the letter because of its light touch.”

Do bankers want to read only about rediscount rates, auto production, freight car loadings and farm surpluses? The answer is no.

Mr. Clarke has the fine ability to mix fun with financial facts, and that is why his reports are so widely read.

Here are a few examples from his recent bulletins:

Nostalgic Memories of a Small Town Guy. Those band concerts in the city park where the ladies’ society served home made ice cream and you had a choice of vanilla or strawberry. The dipper was conical shaped—what became of those? The decor? Japanese lanterns—what else? . . . The times we stood in front of the local newspaper office where the telegraphic reports on elections and sporting events were received and the editor himself came out to mark up the returns on a blackboard while you cheered or moaned. . . . And those mornings when you were down in the railway yards by 5 o’clock to see the circus pull in—and the train arrived four hours later.

Miscellaneous. We don’t ordinarily depend on the *New Yorker* for news stories, but we must give it full credit for the item on the latest advance in the forward progress of the vending machine. Hear this now! “In Laporte, Colo., you can get worms from a vending machine.” Does Automatic Canteen know about this? . . .

Our Candidate for Doctor of the Century: Milton H. Miller, M. D.! Reason? Simple enough! Read what he has to say: “Hospital patients endure emotionally damaging experiences quite similar to those caused by brainwashing techniques.” And he goes on to point out that the waking of patients at odd hours has a “disorganizing impact which slows down emotional recovery.” Which reminds us of the fellow who couldn’t get an answer from his doctor or the nurse in the hospital on how he was getting along so when no one was looking he got dressed and sneaked down the lobby, dialed the hospital, and asked how he was. He was relieved to learn he was fine.

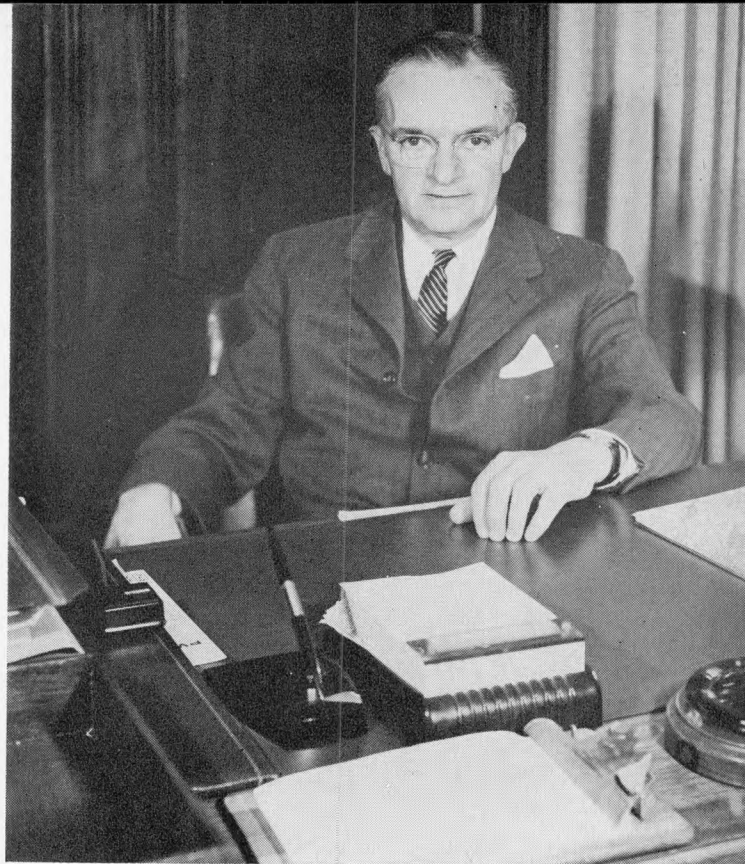
Where Have the Railroad’s Passengers Gone? “It’s a very interesting question,” says New York Central’s President Perlman, “because when the New York State Thruway was opened up, 51 per cent of our passenger business disappeared in a matter of two years. It isn’t that we want to get out of the passenger business, it’s the passengers who are deserting the railroads. It is not the other forms of common carriers that are taking it, it’s the private automobile. We are treated as a monopoly—yet we have only 3 per cent of the passenger transportation, the airlines carry 3 per cent and the bus lines the same, so the automobile gets about 90 per cent.”

America Is a Wonderful Country! And what you can’t buy in New York City you can rent. For proof go to Animal Talent Scouts Inc. at 331 West Eighteenth Street and the man there will rent you a kangaroo! Impossible, you say—well, just go there and see—and tell him that we sent you!

Today’s Question: Is there any banker of more than one day’s experience in the business who has never had

BANKERS LIKE HUMOR . . .

(Turn to page 42, please)



JAMES H. CLARKE

Bankers Do Like Humor!

As Told By
**JAMES H. CLARKE, Vice President
American National Bank and Trust
Company of Chicago**
To
**CLIFFORD DE PUY, Publisher
The Northwestern Banker**

■ James H. Clarke is head of his bank’s United States government bond division. After six years experience in bank investment counseling with Moody’s Investors’ Service, Mr. Clarke joined American National in 1935 as manager of the statistical department. Three years later he was made an officer and in 1947 was elected to his present position of vice president. He is a member of the faculty administrative committee of the School of Banking at Madison and section leader there in charge of the second year course on commercial bank investments. In addition to the School of Banking, he has lectured at other educational institutions including the universities of Northwestern, Illinois and Michigan. A graduate of the University of Michigan School of Business Administration, Mr. Clarke is an honorary member of Alpha Kappa Psi, a professional fraternity in commerce and business administration.

Northwestern Banker, September, 1961



Increase Bank Profits By

Better Reserve

IF THE country banks of the nation did the same kind of job of reserve management as is done by the city banks, about \$500 million of excess reserves could enter the money market. The fact is that the bulk of all excess reserves are in the country banks, and there is no economic or monetary reason why they should exist.

The Federal Reserve Bank of Chicago has undertaken a program of education to show member banks how to reduce these excess reserves. A simplified worksheet has been developed and is supplied free of charge to country member banks. Through the use of this worksheet, the bank is made aware of its **cumulative** reserve position each day during the reserve period. Using the worksheet and the suggested procedures any country bank which desires to do so can avoid holding excess reserves, and need run no risk of incurring a penalty.

What Are Excess Reserves?

Country banks which are members of Federal Reserve are required to hold reserves equal to 12 per cent of net demand deposits, and 5 per cent of time deposits. Cash in vault is counted as part of this reserve, the rest being held as a balance in the "reserve account" at Fed. Thus, balances greater than the adjusted requirement are "excess reserves."

The reserve account at Fed may be as active as the bank desires. Deposits may be made to it in any acceptable form, such as cash letters, currency and coin, proceeds from the sale of securities, or funds transferred from another bank. Drafts, transfers, and direct charges may be made against it for any existing liability. In these ways, the reserve account is much the same as any other account.

Excess reserves could not exist, however, in an account such as banks carry with their correspondent. That is to say, they could not exist in an exact amount which could be put into a statistical table. Only an account with a carefully defined balance requirement could have definitive excess balances. This, the Fed account does have, and in this respect it is unique.

This feature of a required balance based on deposit size is the very heart of central banking. In a free economy such as ours, with its thousands of competing unit banks and its highly complex financial mechanisms, it would be virtually impossible to maintain reasonable stability of bank credit (and also reasonable stability of industrial

production, employment and consumer prices) without it. In bringing about this stability, the System's actions to ease or tighten credit have their direct effect on the reserves of member banks.

Why Banks Hold Excess Reserves

The vast majority of member banks are in the "country" classification. They range in deposit size from \$1 million or less to over \$100 million. It is this group of banks, rather than the larger reserve city banks, which hold most of the excess reserves.

There are undoubtedly many reasons why they do so, and the relative importance of these would vary from bank to bank. One of the principal reasons, however, judged from widespread contacts in the Seventh District, is that in the past it has not seemed worth the effort to operate close to the line. Throughout the years prior to 1960 the reserve period for country banks was one-half month. The period would extend from the first of each month through the 15th. The following period would extend from the 16th through the rest of the month.

This semi-monthly period seemed to make sense because it didn't appear necessary for the smaller country banks to report as often as the every-week requirement for large city banks. Nevertheless, it had the result of making reserve management extremely difficult. The periods were of varying length; they often would close on a week end, and some might even contain three week ends. As many country bankers have stated, "It was just more bother than it was worth."

The two-week reporting period, instituted December 31, 1959, has greatly simplified reserve management, however, and gradually more and more country bankers are coming to understand the importance of this factor. Each reserve period now consists of 14 calendar days. Each period starts on Thursday and ends on Wednesday. Deposit fluctuations and cash needs are more directly geared to days of the week than to monthly dates, so forecasting reserve requirements and vault cash holdings is made easier.

Likewise, it is now possible to use a standard worksheet to compute the cumulative reserve position. It is here that the Federal Reserve Bank of Chicago has attempted to help by devising a simple worksheet which can be used by all country banks and, as previously stated, this is made available without charge.

Account Management

Written Especially for
 The Northwestern Banker
 By CHARLES G. WRIGHT
 Assistant Vice President
 Federal Reserve Bank of
 Chicago, Illinois

A close scrutiny of the accompanying illustration will show how the procedure works. Each day's deposits are carried as a running total (designated "Cum" for cumulative), and the reserve is computed on this cumulative amount. So, likewise, the vault cash and Fed balances are carried as cumulative totals. The sheet carries the closing balances as shown on the daily statement received from Fed, and therefore is equally effective whether the bank has many daily transactions at Fed, or very few. This procedure causes the bank to make computations on vastly larger dollar amounts than has been customary for computations on a daily basis. Because of this, some banks have decided to give the procedures a "trial run" for a few reserve periods in order to develop real confidence in the results. Actually, the cumulative method is the simplest and surest one. Country banks which have become familiar with its use have found it both simple and dependable.

Procedures For Reserve Management

In order to introduce the procedures which are being suggested for improved management of the reserve account, the Federal Reserve Bank of Chicago has held two conferences. One officer from each of 30 banks in the district attended each conference, the first of which was in January, 1961, and the second in April. These officers were from operating departments.

The two-day program covered (1) proper entries on the Report of Net Deposits and Legal Reserve Required, (2) use of the Work Sheet for Computing Cumulative Reserve Position, (3) formula for cash adjustment, and (4) suggestions for internal research for the purpose of forecasting cash needs. Results of the conferences were favorable, although it is true in this area of learning, as in any other, that the banker learns by experience.

Three steps are suggested for reduction of excess reserves through tighter management of the account.

1. Maintain the daily reserve position using the "Work Sheet for Computing Cumulative Reserve Position."

This is clerical work and should be done by the general bookkeeper. In this way the worksheet becomes part of the regular procedure and is prepared each day along with the general ledger and daily statement. In the larger country banks, the investment officer will, no doubt, want a daily report on the Fed position. Experience indicates that this can best be

done by inter-office memoranda.

2. Follow the check point system. This is suggested particularly for the smaller country banks. It reminds the bank to adjust frequently enough to avoid too great a deficit or excess position within the reserve period. At the Federal Reserve Bank of Chicago we suggest four check-points during the reserve period. These are (a) the first Monday; (b) the second Friday; (c) the second Monday; (d) the final Wednesday. There is a good reason for checking on these particular days. The two Mondays are sug-

RESERVE ACCOUNT . . .

(Turn to page 38, please)

WORK SHEET FOR COMPUTING CUMULATIVE RESERVE POSITION

DATE	NET DEMAND DEPOSITS (COL. 3, FORM 1-109)		TIME DEPOSITS (COL. 4, FORM 1-109)		REQUIRED RESERVE - % OF COL. 1 PLUS - % OF COL. 2		CURRENCY AND COIN ON HAND (COL. 5, FORM 1-109)		FED. RES. BALANCE NEEDED (COL. 3 MINUS COL. 4)		BALANCE FROM FED. RES. STATEMENT		EXCESS (+) OR DEFICIENCY (-) (COL. 4 - COL. 6)		DAYS REMAINING
	MIL.	THOU.	MIL.	THOU.	MIL.	THOU.	MIL.	THOU.	MIL.	THOU.	MIL.	THOU.	MIL.	THOU.	
THUR	5185	3172			781		354		427		467			+ 40	
FRI	5246	3174					293				415				
CUM	10431	6346			1569		647		922		882			- 40	12
SAT	5341	3185					271				415				
CUM	15772	9531			2369		918		1451		1297			- 154	11
SUN	5286	3151					288				415				
CUM	21058	12682			3161		1206		1955		1712			- 243	10
MON	5286	3151					288				531				
CUM	26344	15833			3953		1494		2459		2243			- 216	9
TUE	5315	3243					256				615				
CUM	31659	19076			4753		1750		3003		2858			- 145	8
WED	5421	3256					267				642				
CUM	37080	22332			5566		2017		3549		3500			- 49	7
THUR	5168	3264					274				617				
CUM	42248	25596			6350		2291		4059		4117			+ 58	6
FRI	5102	3271					308				518				
CUM	47350	28867			7125		2599		4526		4635			+ 109	5
SAT	5525	3232					315				518				
CUM	52875	32099			7950		2914		5036		5153			+ 117	4
SUN	5328	3255					276				518				
CUM	58203	35354			8752		3190		5662		5671			+ 9	3
MON	5328	3255					276				676				
CUM	63531	38609			9554		3466		6088		6347			+ 259	2
TUE	5068	3246					296				350				
CUM	68599	41855			10325		3762		6563		6697			+ 134	1
WED	5324	3192					335				362				
CUM	73923	45047			11123		4097		7026		7059			+ 33	
AVERAGE	5280	3217			794		292		502		504			+ 2	



How to

By DR. WILLIAM G. MURRAY
Agricultural Economist
 Iowa State University
 Ames, Iowa

BEFORE World War I, farm appraisal was little more than an estimate or guess made after driving past the farm or visiting briefly with the farmer in the farmyard. Such valuations have been referred to as "horseback" or "windshield" appraisals.

With the development of the professional appraiser, these incomplete appraisals have been largely replaced by detailed reports which make use of the latest scientific knowledge of soils, crops, farm structures, costs, price trends, sales value comparisons and similar data.

Today, there are many kinds of farm appraisal. The more common types are:

- 1. Appraisals for farm loans.
- 2. Appraisals for the purchase or the sale of a farm.
- 3. Tax assessments of farm property.
- 4. Appraisals made for condemnation of farm property.
- 5. Other types including inheritance tax appraisals and easements for power and pipe lines.

The main purpose of a farm loan appraisal is to provide an up-to-date valuation of a farm property. In the process the appraiser stresses long-range forecasts, because the loan agency needs a long-range valuation. When a loan is made for 20 or 30 years it is difficult to foresee developments, good and bad, which may affect the farm during the loan period. Prosperity,

depression, changes in food preferences, new crops, new production techniques and equipment, government assistance programs, erosion, floods, insects, disease, accidents and sale of the farm one or more times during the life of a loan all should be taken into consideration as elements affecting the value of farm property.

Income, risks and community morale are the three principal long-range forecasts that are usually stressed in a farm loan appraisal. Income from the farm in the years ahead is especially important because it is from farm income that the borrower will obtain the funds to pay the interest on the loan.

One of the main weaknesses of farm loan appraising in the past has been over-valuation of low-income farms and under-valuation of high income farms. Then there are the risks of loss during the loan period from such hazards as erosion and floods that may cut the income and reduce the farm value.

Finally, there is a question of community morale which indicates whether land owners will make reasonable sacrifices to save their farms from foreclosure during depressed conditions.

Appraisals for Purchase or Sale

A prospective purchaser wants an appraisal that gives an up-to-date valuation of the farm tract. A prospective seller wants the same valuation figure in an appraisal prepared for him. But, the purchaser and seller want different items stressed.

The purchaser wants detailed information on any unfavorable features, such as poor drainage, undesirable hard-pan layers in the subsoil, or alkali spots. He will want a close inspection of the buildings and improvements to detect weaknesses or depreciation in the buildings, to make sure the water supply is adequate and the pumping equipment is in good shape, and to get an accurate evaluation of fences and other improvements. He also wants reliable information on community developments that will make this a less desirable investment, such as loss of a nearby school, relocation of a highway, or selection of a nearby site for a sewage treatment plant. He also will want to know the good points about the property.

The seller, on the other hand, wants the appraiser to provide him with specific information on the favorable features, such as location with respect to markets and community institutions, areas of especially good soil, excellent features of the buildings, attractive community developments. The appraiser also should show possibilities for land uses other than those practiced by the present owner.

The final appraisal value for a given farm might be the same for buyer and seller, but there usually will be differences in the amount of information furnished on points of particular interest to each party.

Tax Appraisal

Appraisal for the tax assessor differs from that for a loan or for the sale of land in that the tax assessor

Appraise and Value Farm Land

does not need the long-range forecasts needed by a lending agency.

Condemnation Appraisal

Condemnation appraisal is highly specialized and can become a center of controversy. Fair market value is the general standard used in providing compensation to owners. The general principal is that fair market value for the property taken will make the owner "whole"; that is, it will enable him to replace what has been taken from him.

Common Features

Although there are several different kinds of appraisal, there are a set of features common to practically all types. Three important factors to be covered in any appraisal are:

1. To identify the farm by location and legal description.
2. To inventory and classify the physical features; this includes soils, topography, drainage, orchards, timber, tillable and non-tillable land, farm structures, etc.
3. To establish a money valuation for the farm tract.

Three major stages are involved in making an appraisal: Collection of materials, date and equipment; inspection of the farm and comparison with other farms; final analysis, valuation and preparation of the report.

The final step, properly termed the appraiser's "homework," will ordinarily be done in the office after returning from the inspection of the farm and comparable farms. This work is divided into three steps: Income valua-

tion, market value estimate, and final correlation and determination of value.

Income Value

Stated briefly, the income or earning statement of value is a translation of physical data into dollars and cents. In making this translation, either the rental or owner-operation form may be used, depending on which is the most common use of land in a given area. In some cases both forms should be used.

Income valuation requires several important decisions. It is assumed that the crop pattern and crop yields have been estimated. In the rental valuation statement it is necessary to divide the crop between the landlord and tenant, or show a cash rental rate for land on which no crop share division is provided. For both the rental and owner-operated forms, prices for farm products must be selected, and expenses have to be estimated. With this information an estimate of net income to the farm land and buildings can be figured.

Some appraisers and loan agencies stop with the income statement, others proceed with the capitalization of net income to obtain an income value estimate. Capitalization is calculating the worth of a property by dividing a net income figure by an interest or capitalization rate. The formula is:

$$\frac{\text{Net Income}}{\text{Interest Rate}} = \text{Value}$$

This capitalization rate expresses the relationship between an annual income and the value of the property. For example, with the current interest rate of 5 per cent, a property yielding an estimated return of \$6.50 an acre indefinitely into the future, would be worth \$130 an acre:

$$\frac{\$6.50}{.05} = \$130$$

Looking at it from another angle, farms selling for \$130 an acre on an

HOW TO APPRAISE . . .

(Turn to page 74, please)



■ This article is a condensation of the opening chapters of the fourth edition of William G. Murray's book, "Farm Appraisal and Valuation", copyright 1961, Iowa State University Press. Dr. Murray is professor of agricultural economics at Iowa State University, Ames, and formerly was head of that department. He is shown here comparing soil samples during a recent Iowa Bankers Association Agricultural Credit School, at which he was an instructor on Farm Appraisal.

A Sound Basis For Making



Loans



By **PAUL L. CARSON**
Associate Agronomist
South Dakota State College
Brookings, South Dakota

IT IS easy to lend money on a new tractor or quarter of land as you have collateral you can see and feel, but fertilizer, although it is hard to see once it is on the land, can be one of the farmer's best investments.

This can be illustrated with results from Campbell County, S. D., in 1959.

\$6 For a \$1 Investment

The yield, where no fertilizer was applied, was 10.1 bushels per acre. Where 80 pounds of 30-10-0 were applied, the yield was 19.6 bushels per acre. The fertilizer cost \$2.92 per acre. When the value of the crop is calculated at \$2 per bushel, the return on an acre of land that was unfertilized is \$20.20; whereas, that on the fertilized land was \$39.20—an increase of \$19 for the price of \$2.92. *This means a return of more than \$6 for every \$1 invested.*

I can't help you find a sure bet, but I hope I can show ways to reduce the risk in making loans for fertilizer use.

First, consider the history of yields in South Dakota. If you are more interested in yields for individual counties, you may obtain the figures from the Crop and Livestock Reporting Service in your state. By taking yields over a period of years you can determine what the average yield has been in your county. We, at South Dakota State College, have produced a yield potential map, see Illustration 1, on which we have divided the state into areas of like crop adaptations and yield potential.

Good Management Important

We have estimated what we think yields can be under the best management over a period of years. Take the southeastern area—Area E. We have estimated that the yield of corn here should be approximately 64 bushels per acre on land best suited to corn production (this is an average yield over 10 to 15 years). At present, the average yield in Minnehaha County (in this area) is 36.8. We estimate oats should be 60 bushels to the acre and it has been 33.4 the past few years.

The cost of producing an acre of corn in Minnehaha County has been estimated at \$27. When corn is worth \$1 a bushel, this gives a net profit of \$9.40 per acre. It does not include labor costs. If improved management is inaugurated to increase the yield to 64 bushels per acre, it will cost approximately \$10 per acre. This is largely

for an increased fertility program, although insecticides, weed control and the like must be considered, and increases the cost of producing an acre of corn to \$37. However, the gross income would be up to \$64 per acre for net income of \$27, as compared to \$9.40.

If you are interested in the yield potential in a specific field on a specific farm, see your local Soil Survey Map, County Extension Agent, Soil Conservation Office or A.S.C. personnel. They should be able to help interpolate the yield production goal chart into the various soil types in your local area.

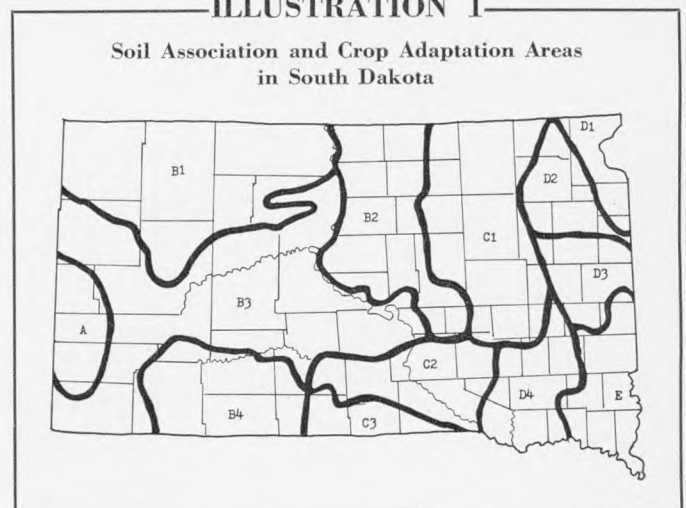
Farmers' Records

Another factor on which to base a loan on a particular field is a set of records a farmer could keep concerning the crops produced. This would be a general map of the farm with a listing of fields, crop grown and net profit of that crop each year for several years. It is merely a means of summarizing the profitability of a particular field and crop over a period of years.

A second record sheet, see Illustration 2, is called a Plant Food Balance Sheet. It provides for field identification, crop and variety grown, the yield, plant food elements recommended and by whom, the amount of plant food elements supplied, method of application and the like. The important part of this table is the means of determining the amount of plant food removed by the crop actually produced, then comparing it with the amount of plant food elements applied. This gives a balance on net removal or addition of plant food elements

ILLUSTRATION 1

Soil Association and Crop Adaptation Areas
in South Dakota



for production of that crop. If the farmer leaves a check strip where no fertilizer has been applied and checks the yield, he could compare the net income on the check (non-fertilized area) and the fertilized area.

Illustration 3 shows how much plant food is removed per bushel of corn, oats, or ton of hay produced.

Illustration 4 is the Cost of Production Chart, again having field identifications, soil type and several years over which records can be kept.

Illustration 5 gives average costs if actual costs aren't available.

If this information were kept on each field, or each soil area within a field, and brought to a banker when a loan is requested, the banker would have a sound basis for determining what the yields had been on this land, and by comparing this with the yield it is possible to produce on the land, he would know whether additional fertilizer is advisable or not.

I realize not all farmers will keep these records, but I am also aware that you, as bankers, can, by encouraging farmers to keep records, influence many farmers who want to improve their credit rating.

How to Get Yields

Let's see how to get these yields:

Number One is genetics—the inherent producing capacity of the plant. We should never relax in the program of using the best possible varieties for the production of our crops.

Number Two is climate—moisture, temperature and the like. I agree that there is seldom a growing season that we couldn't use additional moisture, but we are not taking advantage of the moisture we do receive.

The third factor is management—how to prepare the seedbed, use of weed and insect control, the timeliness of operation, and others.

The fourth factor is the soil—its moisture-holding capacity, structure, physical and chemical characteristics and its ability to supply plant food elements.

Fertility Needs

How do you determine what the fertility needs of the soil are? Soil tests are the most practical means of evaluating the supply of available plant food elements in a particular soil. The tests should be used to evaluate the productivity of the soil and to estimate its fertilizer needs. This should serve only as a guide to fertilizer use and, from there, a farmer or farm manager must ex-

ILLUSTRATION 2

Plant Food Balance Sheet

Field identification
 Year
 Crop and variety
 Yield
 Plant food recommended by
 Amount: N..... P₂O₅..... K₂O.....
 Method of application used
 Amount applied
 Grade used

Pounds of Plant Food Elements

Fertility program	N	P ₂ O ₅	K ₂ O
Pounds of plant foods needed to produce the yield obtained			
Manure* applied in tons per acre			
Fertilizer applied in pounds			
Net removal of plant food elements from the soil by this crop			

Economic Aspects of Program

Treatment	Check	Fertilized
Yield		
Cost of fertilizer		
Production, land costs		
Income**	Gross	Net

*Manure calculated to have 10 lbs. of N, 5 lbs. of P₂O₅, and 10 lbs. of K₂O.
 **Crop valued at per ton, bu., etc.

periment to determine the most profitable rates of fertilization that should be used on each field.

What can you as bankers do to encourage a more profitable agriculture in your community? You, as bankers, are important because you influence the thinking of farmers a great deal. You also influence the thinking of the people in your community—the other businessmen who are contacting these farmers and who can help influence them to accept new, more efficient methods of production more quickly.

Thus, to reduce the risk of making loans on fertilizer, I suggest that we check the past performance of crops through the Crop and Livestock Reporting Service and/or through the records an individual farmer can keep.

I've given you a way to determine the yields in your area, what these particular yields could be and a means by which you can estimate the fertilizer needed to bring soil up to maximum productivity—soil tests. With these three tools, it should be possible for you to make a well qualified decision on whether to make a loan for fertilizer use or not.—End.

ILLUSTRATION 3

Amount of Plant Foods Removed By Crops

	N	P ₂ O ₅	K ₂ O
Corn (per bushel)	1.5	0.5	1.0
Oats (per bushel)	1.4	0.4	0.8
Barley (per bushel)	1.75	0.5	1.0
Soybeans (per bushel)	5.5	1.2	1.5
Blue Grass (per ton)	30.0	11.0	42.0
Alfalfa Hay (per ton)	55.0	12.0	32.0

ILLUSTRATION 4

Cost of Production Record

Field identification	1960	1961	1962	1963	1964	1965
Soil type						
Year						
Crop and variety						
Cost of production**						
Plowing						
Disking						
Dragging						
Planting						
Seed						
Cultivation						
Harvest						
Storage						
Insect control						
Weed control						
Fertilizer						
Miscellaneous*						
Total cost						
Land cost						
Yield						
Price						
Gross income						
Net income						

Comments: (hail, worms, rust, hot winds, deficiency symptoms, weeds, moisture, dry periods).

*Miscellaneous: Manure hauled (cost), shelling, cleaning, hauling, etc.
 **Labor not included.

ILLUSTRATION 5

Cost of Producing Crops

Calculate the net income from current market value of crops which is available at the County Agent's Office. Production cost calculations are to be based upon operation costs from the following itemized table:

SEED BED COSTS	per acre	SEED COSTS	
Plowing	\$3.00	Corn (check)	\$2.25
Disking (single) .....	.65	(drill)	3.00
Harrowing (single) .....	.40	Oats	3.50
Planting, row crop	1.00	Barley	3.00
Cultivating (single)	1.00	S. Wheat	3.25
Picking corn	3.00	W. Wheat	2.50
Rotary hoeing .....	.60	Flax	4.25
Drilling small grain	1.00	Sorghum	3.00
Broadcast seeding of oats .....	.50	Soybeans	3.00
Swathing	1.00	Land (charge)	9.00
Combining	3.00	Storage & misc. (corn)	5.00
		Storage & misc. (small grain)	3.00

Focus Attention On Fed Credit Policies As Bond Yields Gain

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

THE money and bond markets are in a new phase. The background of monetary ease that has prevailed since mid-1960 is beginning to fade. Interest rates are going up.

The hardening of yields on debt securities is not so much a reaction to a greatly enlarged supply of new corporate and government debt issues coming to market, in the late spring, as it is in apprehension of new forces making for capital scarcity. These forces may be summarized as follows:

(1) The decision of the Bank of England to raise its lending rate from 5 to 7 per cent, a level touched only three times before in this century. This move was intended to rectify internal imbalance in the British economy and to attract investment funds to London from abroad. It revealed tellingly the limits of international cooperation that can be expected of central banks when the treatment of internal problems becomes pre-emptive.

(2) A growing conviction that the national economy is headed for new peaks in output, if not a period of boom and strain. The gross national product rose to a new record rate of \$515,000,000,000 in the second quarter, a gain of almost 3 per cent from the low of last winter. The Federal Reserve index of industrial production went to 110 in June, only one point below the record high of January, 1960. Business profits of representative companies rose in the second quarter nearly 20 per cent over the first quarter of the year.

(3) The economic implications of a

showdown with Russia over the future status of Berlin, and of the acceleration of the outer-space race between Russia and the United States to reach the moon.

(4) The resurging of common stock equity values to new high record levels.

The abrupt turnabout of the bond market from a brief summer respite has been felt most sharply so far in the list of United States government securities. In less than two months, yields on long-term Treasury bonds of both war and postwar issue have risen by about one-fourth of one percentage point, with 18 issues yielding 4 per cent or more. In the case of the war-issued 2½s of 1969-1964 and of 1970-1965, the yields at this writing were 4.19 per cent.

Municipal Outlook

Meantime, the market for the tax-exempt-interest bonds of local government is still extended because of a continuing heavy calendar of offerings. Pools of institutional investment money continue to buy into the market and the pricing of syndicates continues aggressive. The abrupt late-July turn in the bond market has caused much confusion among municipal bond distributors as to the size of inventories that can be maintained prudently. The average long-term yield of representative tax-exempt issues continues to approximate about 3½ per cent.

As the bond market thus enters a period of transition to a higher yield structure, the attention of the finan-

cial community is centering on the Federal Reserve System for clues as to what credit policy the Reserve can be expected to follow in forthcoming months. A shift in Federal Reserve policy away from easy money is expected. Such a shift, however, probably will be more gradual than in the past, probably it will be less sweeping.

It seems safe to say, however, that the Federal Reserve's controversial "Operation Nudge" of the late winter—an open market purchase undertaking avowedly intended to influence long-term interest rates downward—is over.

The Reserve System has made it clear that it will continue to make market purchases in the intermediate and long-term maturity area, but that its first purpose will be to supply funds in a way most suited to the needs of the market, short or long. Reserve spokesmen, moreover, not only have disavowed any effort to achieve or maintain any given level of interest rates, but have declared bluntly that if the nation's business booms again, interest rates could be expected to go up.

Thus it is that even though the Federal Reserve kept making more than token purchases of long-term Treasury bonds during recent weeks, prices of long Treasury obligations kept going down. In effect, such purchases may have been a brake on the price decline, but if so, this effect was incidental to a first purpose—namely to encourage the absorption of the heavy succession of new corporate and local government borrowings coming to market.

With the Federal Reserve standing by as a marginal buyer of long-term Treasury obligations, it became easier for savings banks and other institutional investors to sell Treasury bonds out of portfolio and put the money to work on the new corporate and municipal debt issues.

Credit Policy Clues

The prime clue to any meaningful shift in Federal Reserve policy will likely be found in the fluctuations of the excess reserves of the commercial banking system over forthcoming weeks. For a long time this pool of excess bank lending money was maintained by the Federal Reserve at about \$500,000,000.

Probably, if the business boom commonly envisioned becomes a reality, this pool of excess reserves will gradually disappear, not because of the enforcement by the Federal Reserve of

INVESTMENTS . . .

(Turn to page 62, please)

Treasury Secretary Dillon to Address 87th ABA Convention

SECRETARY OF THE TREASURY C. Douglas Dillon will be among the financial, business, and government leaders to address sessions of the 87th Annual Convention of The American Bankers Association in San Francisco, October 15-18, according to a preliminary program of the meeting announced recently by the association's president, Carl A. Bimson. Mr. Bimson is president of the Valley National Bank of Arizona, Phoenix.



C. A. BIMSON

Member banks of the San Francisco Clearing House Association will be official hosts to the convention.



R. L. REIERSON



R. W. GALVIN

In addition to Secretary Dillon, speakers scheduled to address the two general sessions on Tuesday, October 17, and Wednesday, October 18, include A.B.A. President Bimson; Robert W. Galvin, president, Motorola, Inc., Chicago; Roy L. Reierson, senior vice president, Bankers Trust Company, New York, and movie star Ronald Reagan, Pacific Palisades, Calif.

Speakers at the annual meetings of the A.B.A. divisions to be held on Monday include: George Champion, chairman of the board, The Chase Manhattan Bank, New York City; State Bank Division President Roland L. Adams, president, Bank of York, Ala.; Robert L. Myers, first vice president, National Association of Supervisors of State Banks and secretary of banking for Pennsylvania, Harrisburg; National Bank Division President Ben Wooten, chairman of the board, First National Bank, Dallas; Comptroller of the Currency Ray M. Gidney, Washington, D. C.; Congressman Thomas B. Curtis, Webster Groves, Mo.; Trust Division President Robert R. Duncan, chairman of the board, Harvard Trust Company, Cam-

bridge, Mass.; Eliot J. Swan, president, Federal Reserve Bank, San Francisco; Savings Division President Gaylord A. Freeman, Jr., president, The First National Bank of Chicago; Charles M. Williams, Edmund Cogswell Converse Professor of Banking and Finance, Harvard University Graduate School of Banking Administration, Boston; S. Edgar Lauther, president, Irwin Union Bank & Trust Company, Columbus, Ind., and Courtenay J. Moon, vice president and creative director, Johnson & Lewis, Inc., San Francisco.

All of the convention sessions will be held in the Civic Auditorium. The general sessions will be in Convention Hall of the Auditorium, while the Division meetings will be in Convention Hall and Larkin Hall.

Registration will open on Saturday, October 14, and will be in Brooks Hall, adjacent to the Civic Auditorium. Brooks Hall will also house the educational displays.

Sunday, October 15, will be occupied with executive meetings of A.B.A. committees and other working groups.

On Monday morning, October 16, a traditional convention feature will be the Agricultural Subscription Breakfast sponsored by the A.B.A. Agricultural Committee in the Gold Ballroom of the Sheraton-Palace Hotel. Committee Chairman John H. Crocker, chairman of the board, Citizens National

Bank, Decatur, Ill., will preside. W. B. Camp, president, W. B. Camp & Sons, Inc., Bakersfield, Calif., will be the speaker.

Entertainment features in connection with the convention will include an informal reception on Sunday at the Sheraton-Palace Hotel, a ladies' luncheon and fashion show on Monday, and a cruise of San Francisco Bay on Monday and Tuesday. Ernie Heckscher and his orchestra will entertain in the Civic Auditorium on Tuesday evening.

College Education Booklet

Chemical Bank New York Trust Company, New York, has announced the publication of a brochure on the subject of financing a college education.

Entitled, "A New and Better Way of Paying for College," it points out that expenses have increased more than 338 per cent since the end of World War II.

Chemical New York has been a pioneer in the development of low-cost financing plans for higher education. In the spring of 1959, the bank offered a "Tuition Loan Plan." It was immediately successful, enabling parents to borrow up to \$15,000 for a four-year course of study which could be repaid over a six-year period, with the life of the parent insured for this period. Now, in addition, the bank is offering a "Planned Education Program" which enables parents to anticipate college expenses when a child enters high school.

1,245 Attend School of Banking

A TOTAL of 1,245 banking officials from 41 states attended the 17th Annual Session of the School of Banking at the University of Wisconsin last month.

Sponsored by the Central States Conference of Bankers Associations of 16 midwestern states, the school had a faculty of more than 100 lecturers drawn from the fields of banking, economics, government, law and business.



H. V. PROCHNOW

Dr. Herbert V. Prochnow, director of the school and executive vice president of the First National Bank of Chicago, listed the record registra-

tion as follows: Class of 1961, 401; Class of 1962, 400, and Class of 1963, 444.

Dr. O. Meredith Wilson, president of the University of Minnesota, gave the address at the commencement exercises.

Centennial Appointment

Raymond M. Cheseldine, Jr., has been granted a leave of absence from his duties as secretary of the Public Relations Committee of The American Bankers Association to devote full time to the post of executive secretary of the A.B.A.'s Centennial Commission.

Mr. Cheseldine will coordinate the Centennial Commission's planning for observance of the 100th anniversary of the nation's dual banking system in 1963.

Deluxe Opens New Building



ADMINISTRATION BUILDING opened by DeLuxe Check Printers in Twin Cities area.

A NEW administration building for DeLuxe Check Printers, Inc., has recently been placed in operation in Roseville, Minn., a suburb of St. Paul. This unique structure, with 24,000 square feet on one floor, will have no actual check processing equipment but will house among other administrative functions a complete pilot plant where experimental work can be done under manufacturing conditions but on a laboratory level.

Although basic research problems associated with the development of the MICR program have largely been resolved, DeLuxe hopes to develop techniques that will insure even greater accuracy in encoding and normal check procedures. DeLuxe was one of the leaders in the check printing field in working with A.B.A. officials during the past decade to work out the basic MICR language for checks.

The new administration building also will house the treasury department, and divisions connected with research, production planning, engineering, and machine development. All of the latter operations will be tied in with the pilot plant.

An invitation has been extended by DeLuxe officials to all bankers to visit the new plant in Roseville. The company has executive offices in Chicago with a manufacturing plant there and in 11 other cities.

Drive-In Teller Contest

Four judges who will pick the finalists in the Miss Drive-In Teller Contest have been named by The Mosler Safe Company, sponsor of the contest.

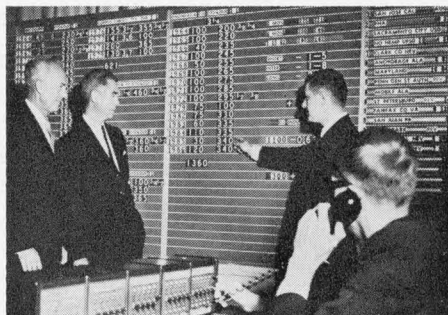
The judges, radio and stage singing star Martha Wright; radio and recording star Richard Hayes; cartoonist Milton Caniff and columnist Nick Kenny, will pick the three finalists who will be presented to the American Bankers Association Convention in San Francisco.

Northwestern Banker, September, 1961

Grand prize for the winner, selected by a vote of the bankers attending the convention, will be an all-expense Caribbean Holiday for two, including jet transportation by Trans Caribbean Airways; one week in San Juan P. R.; one week in Aruba, D.W.I., and a cash award.

Magnetic Bond Board

First National City Bank's municipal bond division is the first in New York City to install a bond quotation board with magnetic letters and figures, thus replacing blackboard and chalk in service for so many years. The trading center is located at the bank's downtown headquarters, 55 Wall Street.



BOND QUOTATION BOARD installed by First National City Bank, New York, is inspected by (left to right): **D. K. Pfeffer**, sr. v.p. in charge of bond dept.; **George E. Barnett, Jr.**, v.p. in charge of municipals, and **Franklin R. Saul**, asst. v.p. in charge of trading section.

The board was developed by Methods Research Corporation of Staten Island and is the fourth to be put in service. The others are in use in three Wall Street investment firms.

Offers Bank Training

A continuous training and refresher banking school for employees of correspondent banks is now being offered without charge by the First National Bank of Kansas City, it was an-

nounced by Barret S. Heddens, Jr., president.

The First National Bank will continue to encourage its employees to take the specialized courses offered by the American Institute of Banking in Kansas City. However, the increasing need for an understanding of the functions of the entire bank by new employees led to a formalized program starting last January for both present and new employees, Mr. Heddens said. Results of this program have been so gratifying, he pointed out, that the classes are being opened to other banks as classroom space permits.

The classroom is located in the Victor Building, immediately east of the bank on Tenth Street. Each class, lasting two weeks, consists of eight to 10 students. The students not only learn the various purposes and functions of each banking department, but also gain a familiarity with much of the equipment normally used in banking operations.

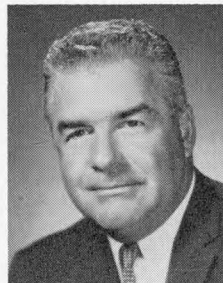
In charge of the training school is Willard L. Plummer, who for nine years was a teacher with the American Institute of Banking. Mr. Plummer has worked in nearly every department of a bank and, as a part of the two-week training course, tours are made by the students through various departments to explain and demonstrate operations.

Mortgage Interest Outlook

Eighty-seven per cent of the bankers participating in a current study of mortgage lending made by the Mortgage Finance Committee of The American Bankers Association believe that mortgage interest rates will remain steady over the next few months. Only 12 per cent of the bankers believe that rates may decline, and a negligible number think that a higher rate may prevail.

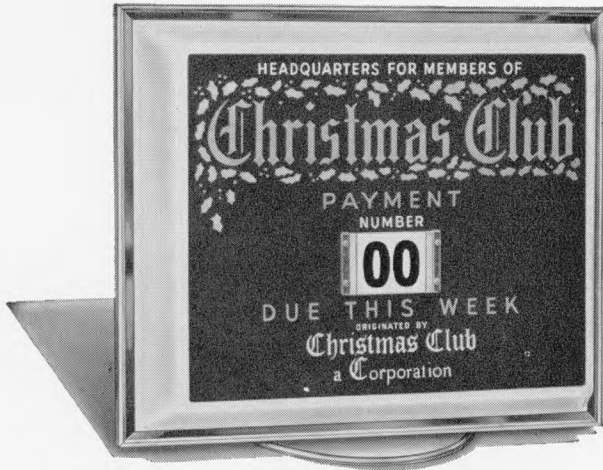
West Coast Move

Robert F. Dewey, prominent Phoenix banker, has joined the head office of The Bank of California, N.A., San Francisco, as vice president and trust officer, according to Edwin E. Adams, president.



R. F. DEWEY

Mr. Dewey was formerly vice president of the First National Bank of Arizona. He is an Illinois native and has a J.D. degree from the University of Chicago.



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, September, 1961

Reserve Account

(Continued from page 29)

gested because they represent the times when the Fed balances are "caught up" with the deposit figures. The second Friday is suggested because if a large excess has accumulated it is better to make the adjustment (that is, transfer out, invest, or sell Fed funds) on Friday than to wait until Monday. The final Wednesday check-up is essential to determine whether last day funds must be provided to avoid a deficiency.

3. Make simple but adequate studies of the bank's seasonal cash needs. This is elementary but important. Make simple graphs showing the seasonal highs and lows in deposits and in loans. These changes may be related to crops, local tax collections, seasonal industries, or other predictable movement of funds. Such studies (often simple graphs on drugstore graph paper) will provide a basis for determining an adequate secondary reserve of highly liquid securities. They will also give the bank reasonable advance estimates of the reserve needed.

Why Reduce Excess Reserves?

Judged by contacts with bankers in the Seventh District, many bankers feel that it is important to carry excess reserves. Perhaps some of them have been influenced by statements in textbooks and other literature on

monetary management which have indicated that if the banking system had no excess reserves it could not increase loans and investments except to the degree that the Fed created reserves to support the expansion. This is, of course, theoretically true. But the converse is not true, because so many country banks do not manage the reserve account carefully enough to know just what excess reserves they are holding.

Actually, there is no economic or monetary reason why banks which carry a calculated secondary reserve for seasonal cash needs should carry excess reserves. There are important internal reasons why they shouldn't, chiefly that they can with very little effort increase earnings. The same country banker who will move heaven and earth to attract a new account of, say \$25,000 average balance, will carry excess reserves averaging more than this and not move himself to take the simple steps necessary to incorporate these funds into earning assets.

Carefully managed reserve accounts also would be a help to the monetary authorities. Complete elimination of excess reserves is not likely (probably not possible), but if the accounts were managed so well that substantial excesses occurred only at such times as short term funds commanded uneconomic returns, they would then be a useful measure in money management. More importantly, bank credit would be more responsive to monetary policy. As it now is, the country banks carry substantial excess reserves even in the tightest money periods.—**End.**

First of Chicago Elects

Gaylord A. Freeman, Jr., president of the First National Bank of Chicago, has announced three promotions in the official staff and the election of three new officers.

H. Stanley Pickford was elected assistant vice president of Division "F," the correspondent bank division; Ralph Alston, Jr., was named trust officer in the personal trust administration division of the trust depart-

ment, and John L. Behr was elected an attorney in the law department.

The newly-elected officers are Franklin E. Agnew III, assistant cashier, Division "C"; Clyde H. Crooks, assistant trust officer, trust department, and John E. Thompson, assistant cashier, operating and personnel department.



it takes more than
MACHINERY
to make
ENVELOPES

it takes
IDEAS,
KNOW-HOW
and
EXPERIENCE

Heading into our third generation of HEINRICH'S we think the hard, cold facts of good business have been drilled into a family and personnel . . . it takes ideas, know-how and experience to do the job well and be successful, for any business success is dependent upon top performance for those it serves.



*Call us about our special bank envelopes!

HEINRICH

Envelope

COMPANY

BOONE, IOWA and
108 Washington Ave. N.
MINNEAPOLIS

First Award



PHOENIX photographer Herb McLaughlin (left) accepts special award presented by Valley National Bank at city's Advertising and Editorial Art Exhibition, first annual competition of new Phoenix Art Directors Club. Besides plaque, Mr. McLaughlin received \$100 check from the statewide Arizona bank for work chosen from 200 entries as "best of show." Presentation was made by Mert Reade, VNB advertising director (right). Entries are on exhibit at new million-dollar Phoenix Art museum. Valley Bank plans making award annually to honor city's outstanding commercial artist, photographer or art director, according to Mr. Reade.



“Looks and sounds as if the glass weren’t there”

with outdoor noises adding to the difficulties, it takes an excellent communications system to make a transaction easy. Mosler equipment has this kind of system. That’s one reason why The Colonial Bank and Trust Company, of Waterbury, Connecticut, chose Mosler equipment for its Drive-In Window installations.

Colonial has two Mosler Drive-In Windows and a Walk-Up Window. Mr. John H. Payne, Jr., Executive Vice President, comments on their value to Colonial: “Our customers have found using the Mosler Drive-In Window a truly ‘personal’ experi-

ence. The window looks and sounds as if the glass weren’t there. The rapidity with which the teller can operate the drawer, plus the clarity of the communications system, has truly enabled us to reach a new high in customer relations.

ence. The window looks and sounds as if the glass weren’t there. The rapidity with which the teller can operate the drawer, plus the clarity of the communications system, has truly enabled us to reach a new high in customer relations.

THE RADICAL IMPROVEMENT

“The average transaction at these windows takes about 20 or 30 seconds, with absolutely no inconvenience to the customer. The new Mosler concept in banking services has radically improved customer servicing and has up-dated banking practices.”

THE DECISION FOR MOSLER

Mr. Payne sums up the decision in favor of Mosler equipment. “In the final analysis, there were exactly

three factors which influenced us in our selection of Mosler equipment: (1) Customer needs, (2) security, and (3) over-all cost. Mosler equipment won on all three counts.”

PROBLEM SOLVING—A MOSLER SPECIALTY

From auto banking to the largest vaults, Mosler design and manufacturing experience is at your service. If you are considering a new branch or expansion, write for Mosler’s “AUTO BANKING IDEA BOOK” and information on any problem involving banking equipment. The Mosler Safe Company, 320 Park Avenue, New York 22, N. Y.

The Mosler Safe Company

World’s Largest Builders of Safes and Vaults

Northwestern Banker, September, 1961

37th Annual NABAC Convention In Chicago, September 11-13

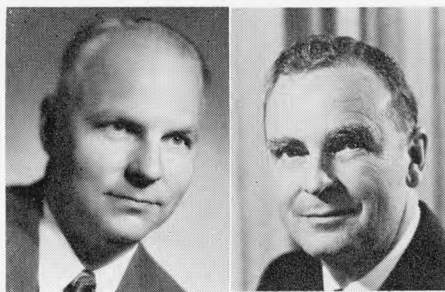
ALL roads will lead to Chicago this month for America's bankers when the 37th annual national convention of NABAC, The Association for Bank Audit, Control and Operation convenes in the Conrad Hilton Hotel, September 11-13.



W. E. PIKE

In addition to a full three-day program of technical sessions ranging from the basic banking function of auditing through automation, expense accounts and personnel to the pricing of bank services and the marketing aspects of banking, the nation's major manufacturers of bank equipment will have their latest equipment on display and in operation.

The convention will be called to order at 10:00 a.m., Monday, September 11, by NABAC National President Winslow E. Pike, vice president and controller, The First National Bank of



D. URICK

G. A. FREEMAN, JR.

Atlanta, Ga., who will introduce Chicago Mayor Richard J. Daley, who will officially welcome the more than 2,000 bankers expected to attend. Responding to Mayor Daley's welcome will be the immediate past national president of NABAC, Arthur C. Suhrbier, auditor, Continental Illinois National Bank and Trust Company of Chicago.

Opening address of the convention will be delivered by Sam M. Fleming, vice president, American Bankers Association, and president, Third National Bank, Nashville, Tenn. The keynote speaker, Gaylord A. Freeman, Jr., president, The First National Bank of Chicago, will be introduced by Con-

vention General Chairman Delbert N. Urick, vice president and comptroller, Harris Trust and Savings Bank, Chicago, Ill.

Technical sessions will start Monday afternoon with a panel "The New Look in Auditing." Moderator will be Charles A. Strahorn, president of the Winnetka Trust & Savings Bank, Winnetka, Ill.

The balance of the NABAC program consists of:

Tuesday Morning: Session I, "Automation Problems and Pitfalls"—Moderator, Richard A. Byerly, director, NABAC Research Institute, Chicago.

Session II — "Semiautomated Systems—Two Years Later"—Moderator, John N. Raleigh, Technical Division, NABAC, Chicago.

Tuesday Afternoon: Panel Session—Uncle Sam Looks at the Expense Account." Panel participants will be: Hugh W. Fraser, general vice president, The Citizens and Southern National Bank, Atlanta, Ga.; A. Elliot Pinkus, assistant comptroller, First National City Bank of New York, New York, and Charles Z. Meyer, chairman of the board, Upper Avenue National Bank of Chicago. "Personnel Evaluation Techniques," by John P. Cleaver, J. P. Cleaver Company, Princeton, N. J.

Wednesday Morning: "Developing Executives for Selling Present Day Banking Services," by Edward D. Smith, president, The First National Bank of Atlanta, Ga.; "Marketing Aspects of Banking," by James J. Nance, president, Central National Bank of Cleveland, Ohio; "Pricing Special Bank Services," by Wallace M. Davis, president, The Hibernia National Bank in New Orleans, La.

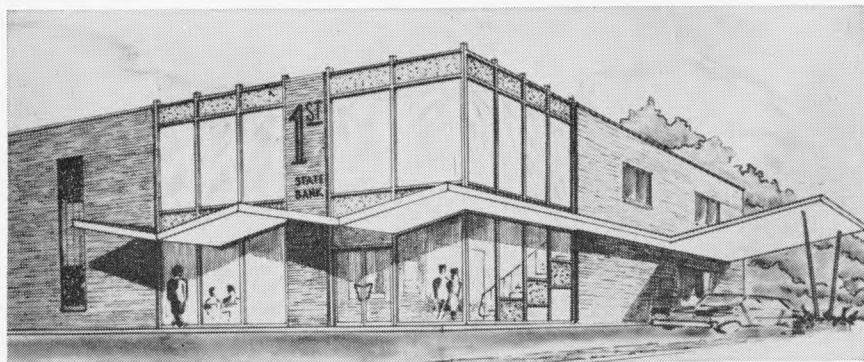
The Wednesday afternoon program will follow a "Consult the Experts" formula developed by NABAC and used at recent NABAC seminars.

Attend IBA Seminar

Bank officers from NORTHWESTERN BANKER area who attended the Independent Bankers Association's 4th Annual Seminar for Senior Bank Officers at Harvard University last month were listed as follows:

Colorado: Herbert L. Backon, United States Bank of Grand Junction, and George B. McKiley, First National Bank in Glenwood Springs.

Iowa: Rollo H. Bergeson, West Des Moines State Bank, West Des Moines; Carroll W. Grimes, The First National Bank of West Union, West Union; Ward R. Hatter, The Iowa County Savings Bank, Marengo; Alvin S. Renaas, Decorah State Bank, Decorah; Ed H. Spetman, Jr., Council Bluffs Savings Bank, Council Bluffs; Thomas



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Montana: Michael R. Kloster, The Citizens State Bank of Scobey, Scobey; Rex B. Stratton, Security Trust & Savings Bank, Billings; Albert F. Winegardner, First National Bank in Billings, Billings.

Nebraska: Wayne R. McKinney, Platte Valley State Bank, Kearney.

South Dakota: W. C. Talen, Farmers & Merchants Bank, Watertown.

Host French Study Group

A French distribution study group visited the City National Bank & Trust Company, Chicago, recently, for a conference on financing of supermarkets and shopping centers and bank advertising. The group, 15 in number, was sponsored by the French Embassy in Washington.



FRENCH STUDY GROUP included, left to right (standing): **Claude Draillard**, Centre Regionale D'Expansion Economique et de Productivite 'Marche-Limausin' Limoges, France; **Michel Lescoeur**, managing director, PUBLICIS, Paris; **Jean Decugis**, vice president, Banque Regionale D'Escompte et de Depots; seated, left to right are: **Arthur T. Leonard**, president, City National Bank & Trust Company; **Michel Cognard**, marketing consultant, A.F.A.P. (French Productive Center).

Attending an all-afternoon conference, the group heard a series of talks with question periods after each talk. The speakers were: Arthur T. Leonard, president; William H. Miller, senior vice president; David M. Sweet, senior vice president; Walter Ast, assistant vice president, and Jerry R. Germaine, advertising manager.

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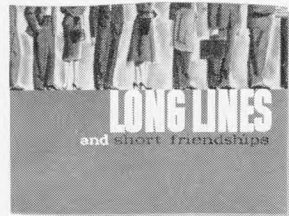
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Bankers Like Humor

(Continued from page 27)

a friend (?) ask, "Do you bring home samples?" And can you still manage a smile after the 1,000th inquiry?

* * *

Began 15 Years Ago

We asked Mr. Clarke when he began to write his *Business News Abbreviated* and he told us: "Historically, I started writing these bulletins about 15 years ago, but at that time I followed no weekly schedule, and we distributed the occasional copies only to the officers and directors of the bank, I suppose about 75 people in all. This was a letter-sized page (8½ x 11), was dittoed in a blue colored ink and probably was a bit messy.

"Some of my fellow officers spoke in a friendly way about the sheet, and a few suggested that they would be willing to read a couple of pages instead of the one. I have always felt, however, that most people much prefer one page to two, and I have kept it that way. A few years ago I increased the size to legal.

"Probably about three or four years ago some of the officers mentioned that they had customers who would like to get on the mailing list, but at the outset I discouraged it. I was afraid that if I started an outside mailing list I might have to write in a more serious vein. I knew that the

bank letters which came across my desk, at least, were very sedate and solemn as they recounted the number of freight cars which had been loaded the week before, or the billions of kilowatt-hours of electrical energy that had been generated, or the billions of dollars of Gross National Product. I wanted none of this. I wanted to write in part with my tongue in my cheek, and I knew I could do so if I kept it in the family.

Wider Circulation

"I guess the first break in this was my willingness to send 14 copies to our law firm—but I knew these fellows and they knew me, so they knew that I would not approach anything in a very ponderous way. As the pressure grew to mail out the letters, I talked it over one day with Lawrence F. Stern, chairman of the board, who said that he usually circled some item in a copy of the letter which he received and sent it out to a friend. In other words, one copy was being mailed out, so he suggested that I put anyone on the list who asked for it, but he thought it best to keep the same heading at the top. That is why the top of the letter reads as it does.

"So, from the few people who received it three or four years ago it has grown, so we now mail out 3,000 copies, and each week there are new names added to the list. Of course, we outgrew the ditto machine some years ago, and we now use multilith, which enables us to get a sizable volume. I suppose 75 to 80 per cent of these letters go to bankers, but we find that they pass them on to others who in turn write me—and I put anyone on the list who wishes to read it.

"You ask what success I have had with it? It seems that it is still growing rather rapidly, so I guess I can say that I have been lucky.

Bankers Have Humor

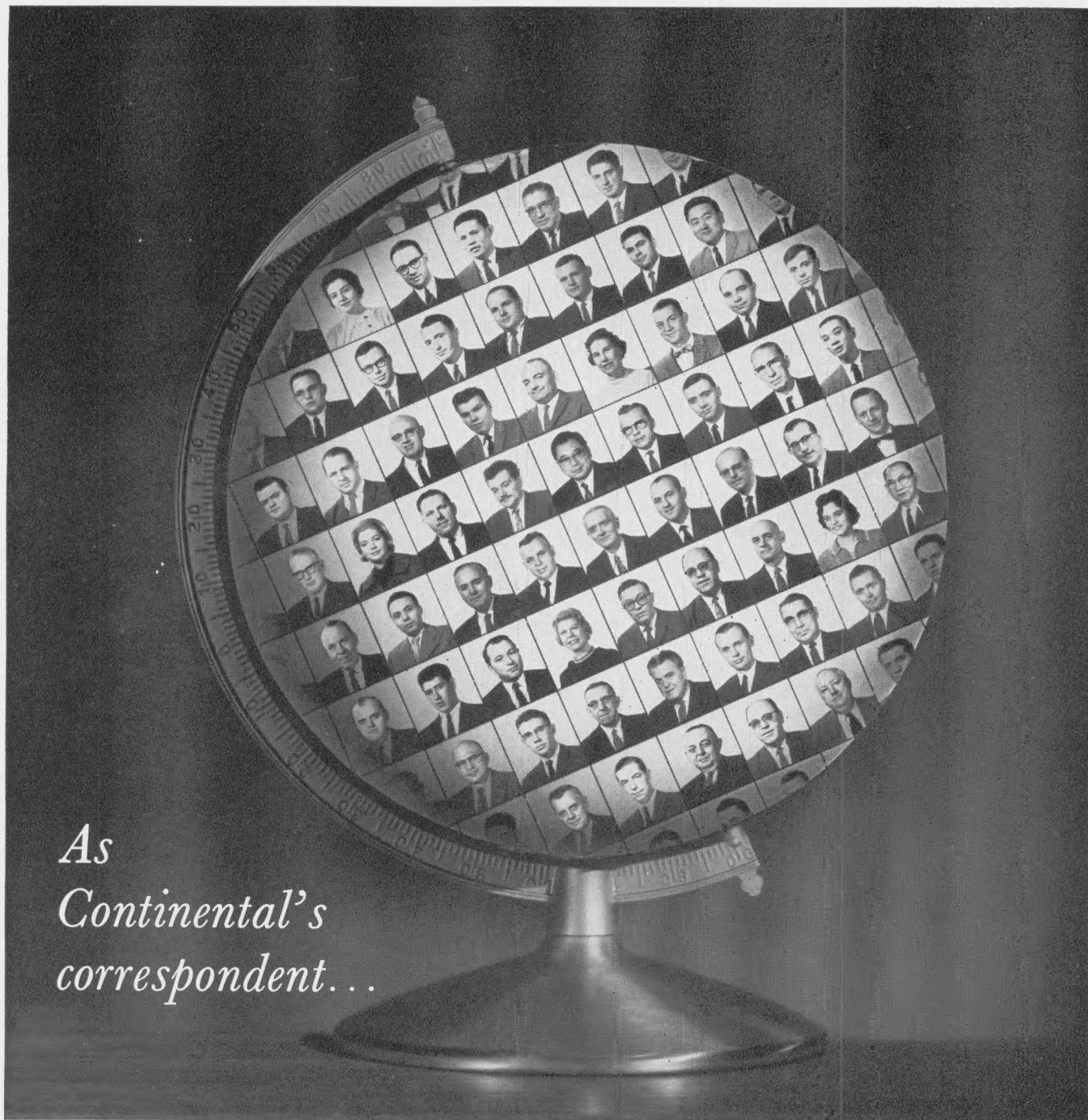
"What have I learned from it? Well, one thing for sure—that bankers have excellent senses of humor and that they like to write in to tell me that they enjoy the letter because of its light touch. It is a rare letter that does not admonish me: 'Never change your style!' Of course, I shall never change, because if I had to go completely serious I then would not enjoy writing it and would stop.

"The letter goes out to bankers not only in this country, but to over 100 bankers abroad, and I find that they, too, enjoy the light touch. Many have written to tell me that they receive a number of letters and circulars from American banks, and up to the present had always thought that when a

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customers in a host of ways. For instance: Information on foreign political and economic conditions, Commercial Letters of Credit, Export Collections, Foreign Exchange, Remittances, Credit Reports. And if you have a specialized need, we have the facilities to handle it. Your inquiry will be most welcome. Phone us at STate 2-9000, Chicago.

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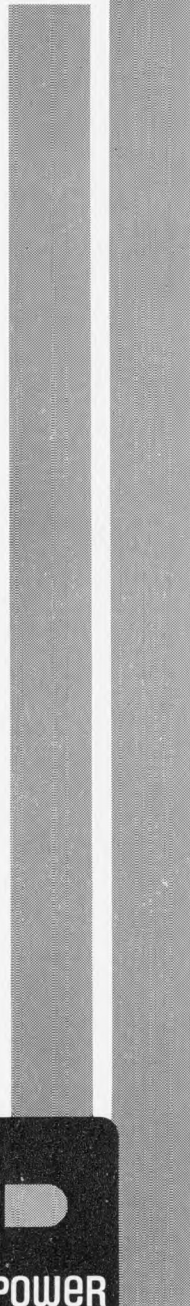
Northwestern Banker, September, 1961

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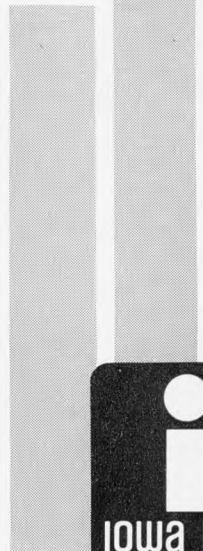
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350
%



ELECTRIC REVENUE INCREASES SINCE '47

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%
INDUSTRY'S AVERAGE
141
%



i
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banker in this country sat down to write he became a very grave fellow as he lost himself in a sea of statistics. They insist, on the other hand, that my short letter gives them a few chuckles as well as a view of America which they had not ordinarily seen.

Letters From Readers

"There are some subjects which I touch on which always seem to bring in a lot of mail. For instance, as a non-smoker, my worries about cigarettes and cancer cause many people to get in touch with me. When I mention old things, such as covered bridges, antique automobiles, or even snuff, I am almost certain to get a deluge of letters. Since I was born and raised in Beloit, Wis., I still have a feeling for the small town, and my comments along that line seem to reach a lot of others who either still live in smaller places or have a nostalgia for them.

"I am never quite sure, of course, what will arouse people's interest, but some time ago I was impressed when I read about a drive which was being started to raise money for the Kidney Fund. I mentioned this in my letter and pointed out that there apparently weren't very many organs left now for which drives could be organized, but I suggested that, so far as I knew, no one was doing anything for the

spleen, and I had decided to set up the Spleen Foundation. In the weeks that followed I received the largest collection of Confederate money, dimes which had been sawed in half, pennies with holes in them, that has ever gone through the mails. I also received a call from the president of the Kidney Fund. Apparently someone had mailed him a copy of my bulletin, and he was highly indignant about the whole matter.

Started Jelly Bean War

"Once I was disturbed by an item I read in that competitive paper, *The Wall Street Journal*, that the Pure Food and Drug fellows planned to stop the sale of black jelly beans because there was some coal tar derivative in the color that wasn't healthy. Recalling the billions of these beans that kids all over the country had devoured with no ill effects, I commented on this in my letter. I also called for a rally of friends of black jelly beans for a march on Washington, pointing out that in 1894 General Jacob S. Coxey had led an army of 20,000 men to our capital on a mission nowhere near as important as this one. Somehow this caught on, and for a long period letters poured in, as did supplies of black jelly beans. Fortunately, the Pure Food and Drug fellows called off the whole thing, so we didn't have to march, but it showed me how nice, friendly people can be light-hearted.

"On the other hand, my letter is not all light, as you know. In fact, I put a great many business items into it, since that is its main purpose, but I use the humor to make it easier to read quickly. Naturally a great many people ask me where I find the items that go into this, since many of them seem to be entirely new. All my life I have read almost every type of publication, including trade magazines and others which do not have a very wide circulation. These publications combined with the other news media, including daily papers, provide me with more information than the average person. Each one of my weekly bulletins contains about 1,200 words, which is a fair amount, of course. I do all my writing at home—do it in long-hand—usually on Sunday.

Keen Sensitivity Noted

"Another unusual development. I find that some of my readers will send the letter to the top executive officer of some corporation that I have referred to. He will then in turn write me. These letters are usually very interesting, and I am often able to use material from them for my future bulletins. It also shows, I think, how

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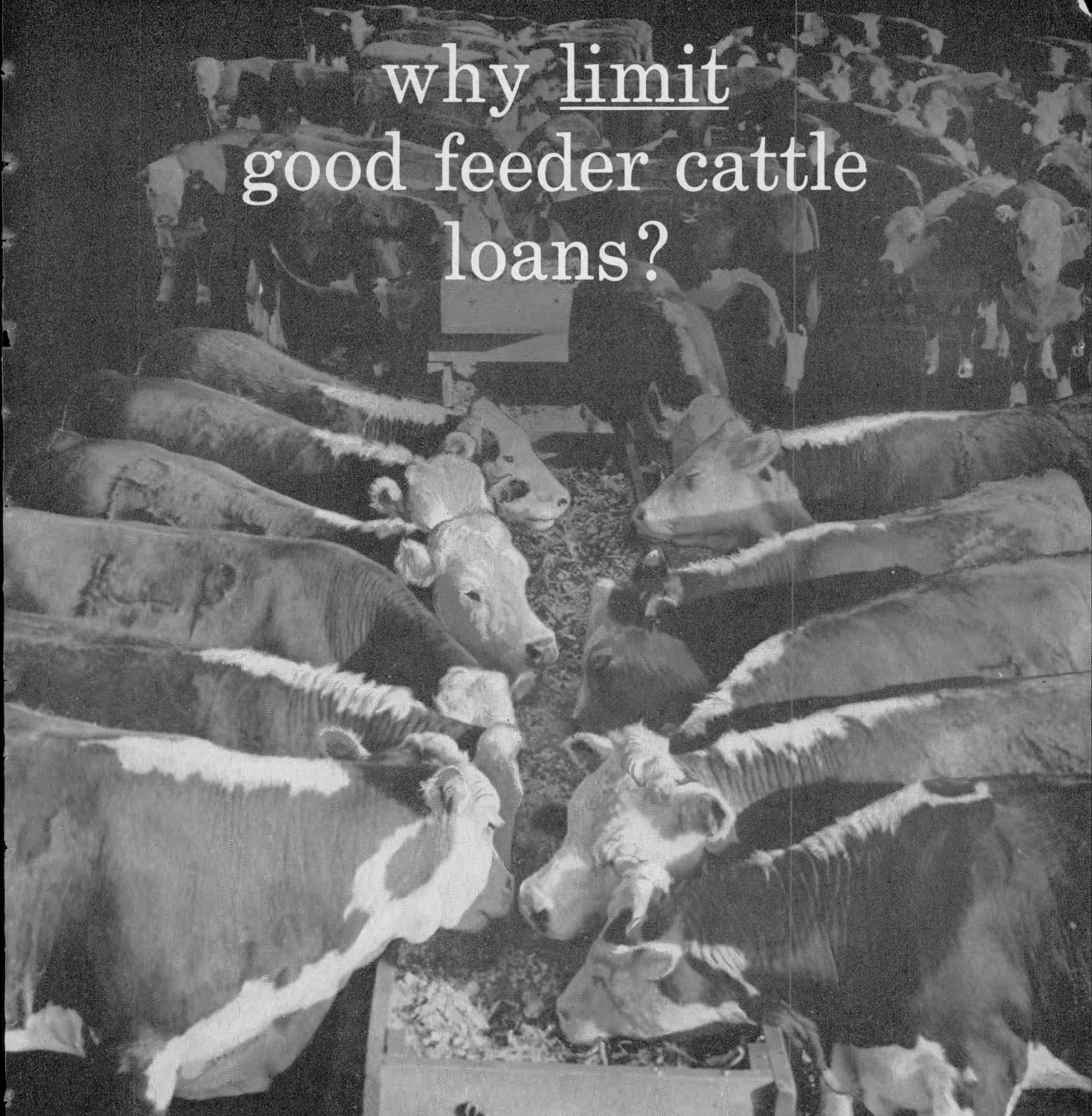
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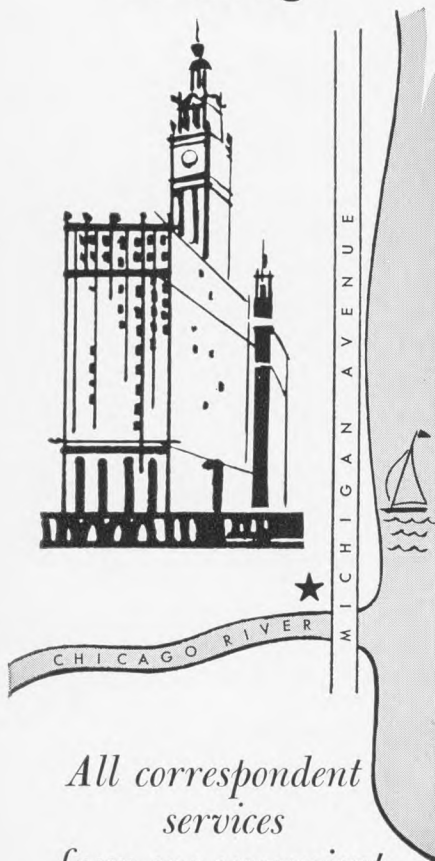
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sensitive big business is these days to any statements which are made about it, and how willing the top brass is to cooperate in every way. In almost all of these cases we end up by adding this executive's name to our mailing list."

Perhaps Mr. Clarke's success proves again that:

**Laugh and the world laughs with you,
Weep and you weep alone,
For as a rule each darn fool
Has troubles of his own.—End.**

Bankers Trust Promotions



H. A. WATKINS

E. F. EBERT

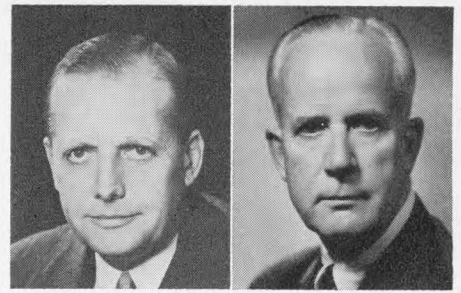
Harry A. Watkins and Edward F. Ebert have been elected senior vice presidents of Bankers Trust Company, New York.

Mr. Watkins will be in charge of the new national banking department, and Mr. Ebert will head the newly constituted metropolitan banking department.

Mr. Watkins has been with the bank since 1941. Previously, he spent some years with the former firms of J. P. Morgan & Company and Morgan & Cie, Paris. Mr. Ebert has been with the bank since 1928.

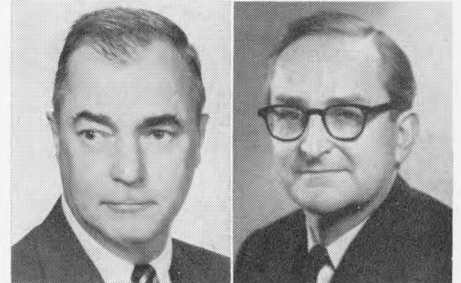
The bank has also announced that four vice presidents have been elected to the new position of first vice presidents. They are Chester Baylis, Jr., Frank Hamilton, Harold C. Strait and George T. Davies.

Mr. Baylis is in charge of the eastern division and Mr. Hamilton of the central division of the national banking department of the bank. Mr. Strait



C. BAYLIS, JR.

H. C. STRAIT



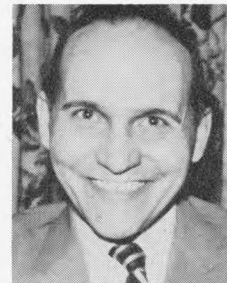
F. HAMILTON

G. T. DAVIES

will continue as head of Division I of the metropolitan banking department, while Mr. Davies is in charge of the international banking department.

New Personnel Executive

T. H. Boyd has been appointed an executive counselor in the banking finance division of Cadillac Associates, Inc., 29 East Madison Building, Chicago 2, Ill.



T. H. BOYD

He joins A. D. Johnson, head of the banking and finance division. Previously, Mr. Boyd was active as a management consultant to industry. He is a graduate of personnel management at the University of Chicago, and has held faculty appointments at the University of Chicago and at Roosevelt University.

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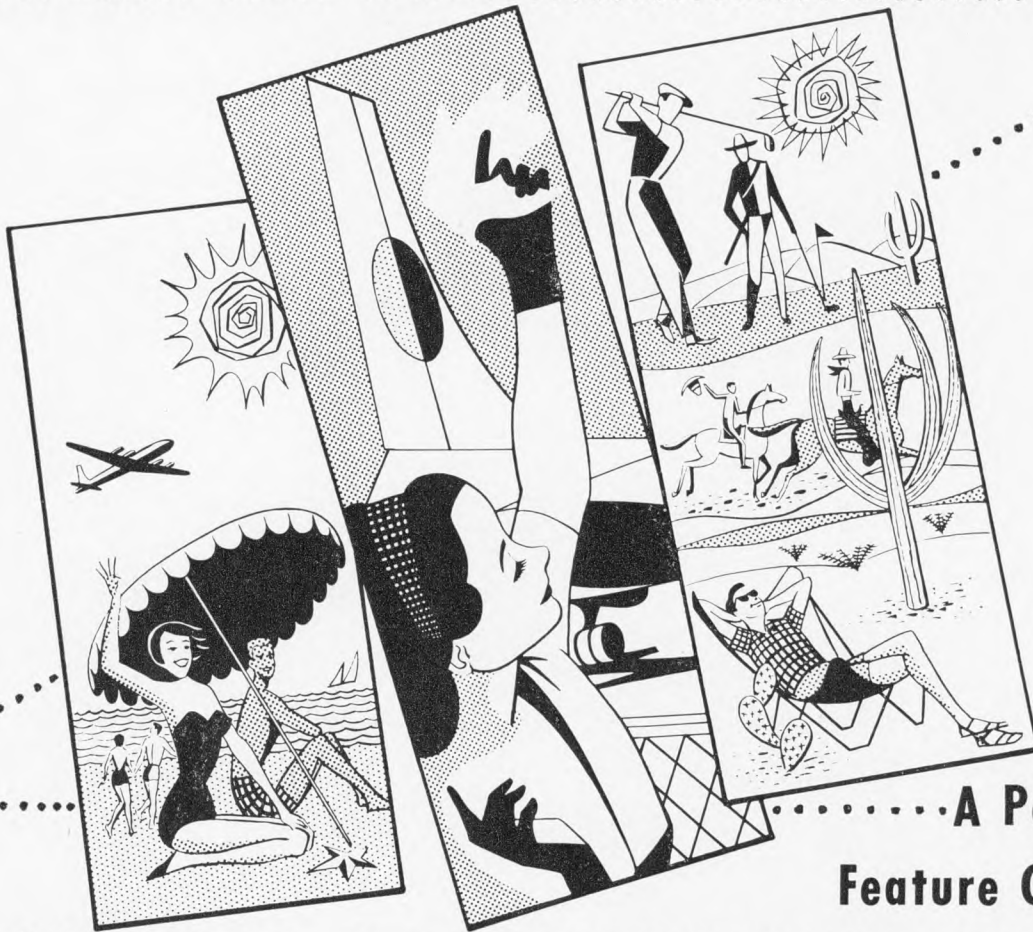
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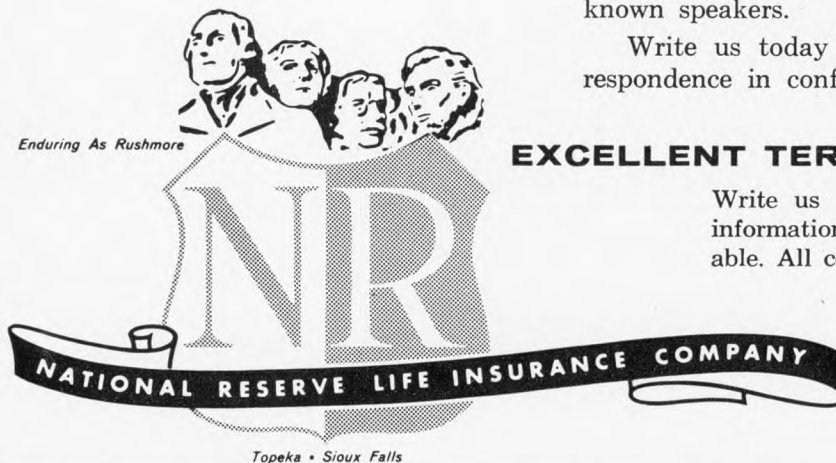
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How Agencies Increase Office Efficiency

A NORTHWESTERN BANKER Survey

AN EFFICIENT office staff is an important part of any successful business, but particularly important to the success or failure of the modern-day insurance agency.

Increasing volume of paper work makes it necessary for the agency owner or manager to have a staff that can handle the detail work, allowing him and the solicitors to make more selling calls.

In order to give you some ideas about how you can increase the efficiency of your office staff, the NORTHWESTERN BANKER surveyed some of the top agencies in the Central United States. Agencies were selected by the various state association secretaries for their efficient and successful agency staff operations.

The Average Employee

From this survey, we find that the average staff member is between 25 and 30 years old and has no prior experience in an insurance agency. She is being paid between \$60 and \$70 per week and works about 40 hours a week. She is skilled in shorthand and typing, has a good knowledge of mathematics, and some knowledge of bookkeeping, is interested in the insurance business, has a pleasing personality, is cooperative and likes to meet people.

She may receive some form of hospital insurance benefit, she receives periodic raises as an incentive, has good equipment to work with, and in some instances will have the benefits of a retirement plan. She probably will receive a bonus at the end of the year.

Since she has not had any prior insurance agency experience, she most likely has been trained on the job. She may have attended some insurance agency seminars and takes part in periodic office procedure discussions with management.

In addition, she may be taking a correspondence course on insurance and reads as many articles as possible on insurance agency operations.

Once an employee has been hired, the major problem becomes one of obtaining maximum efficiency from the new employee and other members of the staff. Following are suggestions for increasing office efficiency from leading agencies that took part in this survey. (Whenever

possible, premium volumes are listed with the name of the agency.)

■ **Gottscher Agency, Sheboygan, Wis.**—We go to the local high school business training department head each year and obtain the three *top* students. We interview them, discuss their abilities with two or three teachers and employ one. These girls start with us at \$25 higher than average wages. This has been highly successful for a very excellent staff.

■ **The Giberson Insurance Agency, Alton, Ill.**—Good equipment with which to work is absolutely essential for an efficient staff. Delegation of work and expression of confidence that the employees are capable of handling the work also adds to the efficiency of the staff. Use of part-time help where expedient also is valuable to the morale of the staff.

■ **Bacon Insurance, Eldorado, Kan.; Premium Volume \$225,000**—Every care should be taken before hiring an employee and the insurance training should be given very slowly but thoroughly. Once the basic background has been attained, let the employee rate and write policies on his or her own. At first, carefully check the policy before it is typed and then check again before the policy is delivered.

It is wise to make an employee feel independent as soon as practicable. Make them responsible for their own achievements and their own mistakes.

■ **The A & J Agency, Decorah, Iowa**—Regular conferences with the office staff will help to weed out the problems that exist, and also will help bring out new ideas.

A new member of the staff should be thoroughly grounded in office procedures and should understand why certain procedures are followed. Everything should be taken a step at a time so that there will be as little confusion as possible in the minds of new personnel.

New equipment should be considered at all times, with the purpose of increasing efficiency. All equipment should be kept in top working order at all times, and personnel should be trained to care for this equipment properly.

■ **Thorpe Bros., Inc., Minneapolis, Minn.**—We feel that a simple office procedure system is one of the most important factors for top efficiency from staff members. It is

less costly for the agency, and employees are more satisfied. An efficient layout of the office and modern equipment are important. Too many offices have antiquated and rundown equipment.

■ **The Hudson Agency, Iowa City, Iowa; Premium Volume \$200,000**—It is our feeling that the most important thing we can do to increase efficiency of office help is to make every effort to hire people who are pleasant and who help in creating an atmosphere that is conducive to an industrious and pleasant office. We have learned that people who are happy and like their work

are much more efficient and enthusiastic about their work.

It is our feeling that the employer has a great deal to do with setting the tone, or atmosphere, that is so important.

To obtain and keep good office help, it is necessary to pay the girls a little more than average.

■ **Brown & Dieckman, Waterloo, Iowa**—The six points we consider most important to increase the efficiency of our staff are as follows:

1. Have a system to handle every-

2. Take a good look at the boss, and see where he can improve.

3. Look around and see what others are doing.

4. Decide what is important and what isn't.

5. Be uniform and consistent.

6. Plan the work. List those items that must be done every day and set a time to do them. The same schedule should be followed each week and each month.

■ **Carter-Rogers, Inc., Fort Dodge, Iowa; Premium Volume \$250,000**—Our suggestions are as follows:

1. Try to encourage long employment after selecting an employee that has the proper ability and qualities. Give adequate pay or bonuses, but do this with some caution since it might become too expensive.

2. Have good equipment.

3. If possible train properly. It is unfortunate that there are no good insurance schools for clerical help in this area. It takes about three years to be completely trained in an office such as ours, so if turnover is large, it becomes a rather expensive training process.

■ **Wallace Koster, Inc., Salina, Kan., Premium Volume \$100,000-\$200,000**—We start to train the outstanding high school girl student, who will not be able to go to college, during the last six months of school by having her work in our office after school. The one new employee a year provides us with adequate efficient help.

We start these girls at \$160 per month and increase \$5 per month until they reach \$275 per month. Then we give bonuses instead of raises. In this way it is unnecessary to pay high salaries for a month or two and then have the girls leave. We find our girls are very pleased with this plan.—**End.**

The Package Policy

Combines Homeowners Needs for Protection

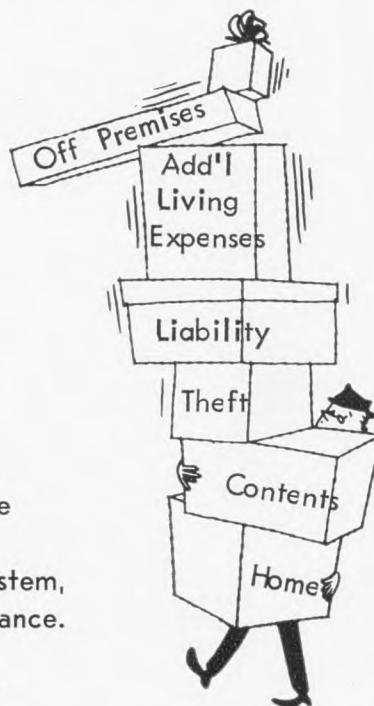
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1st National City Ups 8

First National City Bank of New York announces the following promotions of national division officers who travel in the bank's districts throughout the country:

From assistant vice president to vice president: James S. Deely, New England district.

From assistant cashiers to assistant vice presidents: Robert M. Borrs, correspondent bank department; Richard B. Dickson, New York-New Jersey district, and William F. Hohman, southern district.

From official assistants to assistant cashiers: John E. Porta, middle western district, and Donald M. Roberts, western district.

**A COMPLETE
AUTOMATION
PROGRAM**

1 2 3 4 5 6 7 8 9 0

PRESENTED BY



Central
**NATIONAL BANK
and TRUST COMPANY**
DES MOINES, IOWA

MICR + AUTOMATION = BETTER SERVICE

This brochure introduces you to some of the concepts and procedures of automation at Central National Bank and Trust Company of Des Moines.

The Key to Automation

The specially-shaped numbers on the cover are no doubt recognizable as the official characters used in the Magnetic Ink Character Recognition Program of the American Bankers Association. MICR is the key to automation at Central National, just as it is the key to automation for all commercial banks.

A Brief Review of MICR

These pages give a general summary and re-

view of the complete MICR program and specifically outline how MICR will operate at Central National.

Automation Service for Correspondents

In addition, we are announcing a plan whereby our sorting and computer equipment may be shared with our correspondents.

Some Questions and Answers

We hope this brochure will answer some of your questions about automatic check handling. We shall be happy to visit with you at any time regarding details you may wish to discuss.



The Central National Automation Center was planned by H. C. Winder, Vice President and Cashier; Jack Parmenter, Manager, Bookkeeping Department; Dewey P. Tullis, Manager, Proof Department; and Roger Hicks, Manager, Transit Department.

Q

MICR IN REVIEW: QUESTIONS AND ANSWERS

A

Q *What is the MICR program?*

A The initials MICR are an abbreviation of "Magnetic Ink Character Recognition," the name of the American Bankers Association program to develop a common machine language for banks. This machine language was designed to be readable by the human eye as well as by the electronic eyes of business machines.

Q *Why is the MICR program necessary?*

A The use of checking accounts in the United States has reached the point where one out of every three persons has a checking account. Something like 13 billion checks a year flow through the nation's 14,000 banks; by 1970, the volume of checks is expected to reach 22 billion a year. While this anticipated volume may seem unrealistic, it should be remembered that since 1954, the volume has actually increased over 50 percent. As we all know, each check must now go through many manual sorting, listing, posting and filing procedures. The MICR program removes the burden of this work by mechanizing the check-handling procedures.

Q *How does MICR work?*

A Checks and deposits are imprinted with magnetic ink characters that conform to what ABA has designated as E-13B type font. The magnetic ink contains iron oxide particles which are magnetized by machines handling the documents. Then, the documents are processed by high-speed electronic equipment.

Q *How many characters are there in the MICR system?*

A There are fourteen characters in the type font—digits 0 through 9 and four control symbols.

Q *Why are stylized numerals necessary?*

A The stylized characters resemble the digits they represent. The different shapes are necessary to create electronic wave forms of a distinctive shape to permit recognition by the machines and to prevent incorrect identification by the human eye.

Q *What makes E-13B characters usable as a common language for banks?*

A Uniformity makes MICR characters practical. MICR specifications were established as the result of a cooperative project sponsored by the American Bankers Association and business equipment manufacturers. These specifications govern the check format, type of characters, size of characters, etc.

Q Where can a bank obtain technical specifications of MICR?

A The Bank Management Commission of the American Bankers Association, 12 East 36th Street, New York 16, N.Y., has published booklets No. 147, "The Common Machine Language for Mechanized Check Handling" and No. 150, "Check Standards Under the Common Machine Language. ABA also has other material."

Q How soon will all banks be using the MICR check handling system?

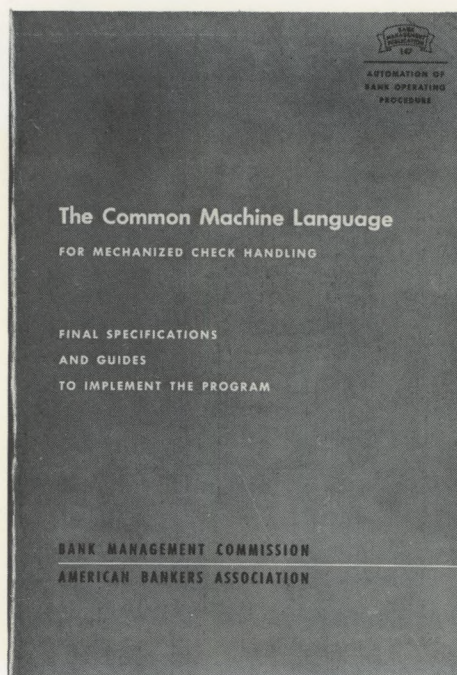
A Many banks are now using MICR encoded checks. A number of commercial banks have installed and are using automated equipment. Five Federal Reserve Banks now have pilot installations. More and more banks are entering the program each day. You have, no doubt, noticed that some checks drawn on your own bank have been encoded before being presented for payment.

Q What are the advantages to a bank participating in the MICR program?

A In general, the increasing volume of checks will flow freely, without delay in collection time. In some instances, encoded checks may receive preferred handling. For the individual bank, checks can be handled in less time; processing can be more accurate; time consumed in checking for errors can be eliminated; personnel will function more effectively, and space requirements will be reduced. Cooperative plans, such as outlined herein, where electronic equipment is shared with correspondents, result in a reduction of sorting time as well as bookkeeping time.

Q What are the first steps a bank should take to get into MICR?

- A**
1. Decide on an acceptable account numbering plan if you have not already done so.
 2. Arrange to have both ABA transit number and account number imprinted with magnetic ink on all new check orders, both business and personal. The ABA transit number and routing symbol should still appear in the upper right hand corner of each check.



Q What is involved in the redesign of checks?

A It may be that no change is necessary in your case. It is only required that a 5/8 inch band, free of magnetic imprinting, be left across the bottom edge of the check. It should be remembered that in some cases, the encoded amount on a check may partially print over a portion of the signature on checks that have not been redesigned; however, the open style of E-13B type does little to affect the legibility. There should be no need to discard any existing stocks of checks.

Q Who encodes the amounts on checks?

A Ordinarily, checks will be issued without the amount being encoded in magnetic ink and this encoding will necessarily be done by the first bank receiving the check for collection. This permits further handling in intermediate and paying banks to be automatic.

Q Do encoded checks cost more?

A Time was when this was true; however, many printers have announced that since the number of orders for magnetically encoded checks now exceed the orders for conventional, non-encoded checks, the price will be the same.

REDESIGN YOUR CHECKS AND DEPOSIT TICKETS

ACTUAL SIZE

H. C. WINDER
7115 REITE AVE.
DES MOINES, IOWA

1189

33-17
713

19

PAY TO THE ORDER OF \$

DOLLARS

Central NATIONAL BANK and Trust Company
DES MOINES, IOWA

DELOUXE CHECK PRINTERS - LH

①:0713 0017: 2139 6288 31

BANK IDENTIFICATION NUMBER

CUSTOMER ACCOUNT NUMBER

RESERVED FOR ENCODING THE AMOUNT OF CHECK

Technical information for redesigning checks and deposit tickets may be obtained from the Bank Management Commission of the American Bankers Association, 12 East 36th Street, New York 16, N. Y.

ACTUAL SIZE

DEPOSIT TICKET

H. C. WINDER
7115 REITE AVE.
DES MOINES, IOWA

1065

33-17
713

DATE 19

Checks and other items are received for deposit subject to the terms and conditions of this bank's collection agreement.

DEPOSITED IN

Central NATIONAL BANK and Trust Company
DES MOINES, IOWA

CASH			
CHECKS LIST SINGLY			
• BE SURE EACH ITEM IS ENDORSED			
TOTAL			

DELOUXE CHECK PRINTERS HD-1

①:0713 0017: 2139 6288 31

In redesigning conventional deposit tickets, leave a 5/8-inch border down the length of the left margin. For wallet and folding styles of personal check books, printers can include a horizontal type deposit ticket as illustrated.

THE CENTRAL NATIONAL AUTOMATION CENTER

A complete study by Central National over the past five years of all available bank automation equipment has produced what we believe to be the ideal transition to electronics.

The Central National system extends from the original imprinting of checks through electronic sorting, then creation of a punched paper tape by a computer, and ends with the posting of accounts on fully automated Post-Tronic bookkeeping machines. Outgoing cash letters to correspondents will be sorted and listed automatically.

Designed for People

The automation system at Central National was designed for our customers and our personnel. The automated system is not a single unit to which accounting practices and procedures must be

changed to conform, but is composed of individual machine units linked together into a complete systems network.

Computer Control

The full capabilities of electronic sorting are realized when the sorter is under control of a computer. Provision for the essential hard-copy records and individual printing lists for audit, plus punched paper tape for input to the automated bookkeeping machines are exclusive advantages provided by the Central National system.

The Central National computer operates from written instructions called a "program." A program may be changed or altered by additional instructions, thus providing considerable flexibility to the system.



QUALIFICATION PRINTER. Encodes transit routing symbols and account code numbers on unencoded items received by the bank.



AMOUNT IMPRINTER. Imprints dollar amounts on checks and deposit tickets. This machine may be linked with a proof machine or an adding machine.

AUTOMATION FOR CORRESPONDENTS

Under the Central National Plan, the benefits of automation will be offered to correspondent banks without making it necessary for the individual bank to invest in a computer or electronic sorter.

1. When the number of items encoded with the customer's account number warrants, Central National will sort into numerical sequence all checks going out in the daily cash letter to that bank.
2. Correspondent banks may deliver all encoded checks and deposit tickets to Central National after the close of business each day.

The CNB Automation Center will:

- a. Sort entries into proper sequence.
 - b. Create punched paper tape for automatic posting in your own bank.
 - c. Prepare a printed list of all entries in numerical order.
3. In the event a correspondent prefers to retain original deposit tickets, the CNB service will apply only to encoded checks.

However, the correspondent may elect to encode substitute documents for the original deposit tickets. On the documents, only the account number and amount of the deposit need appear.

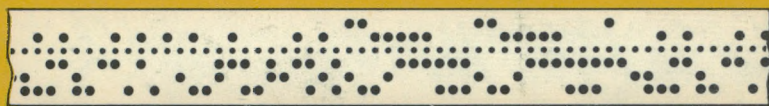
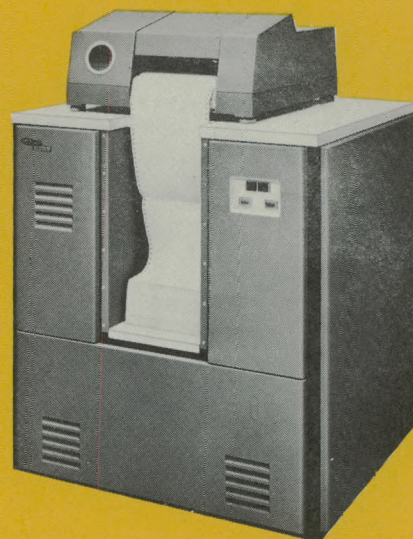
The sorted entries with the punched paper tape along with the sequenced list will be returned to the correspondent the following morning. The paper tape will then be used to automatically post the accounts on your own premises.

THE TIMETABLE—The electronic sorter and encoding equipment will be delivered in late summer, 1961—the computer, Fall of 1961. This equipment will first be used in our Proof-Transit Department.

In early 1962, fully automated bookkeeping machines will be installed in our bookkeeping department.

HIGH-SPEED PRINTER. A high-speed printer in the Central National system makes printed lists of all items that go through the electronic system. This listing of account numbers or ABA routing symbols as well as amounts, is a complete audit trail that can be used for reconciliation with the original list prepared by the proof department of a correspondent bank.

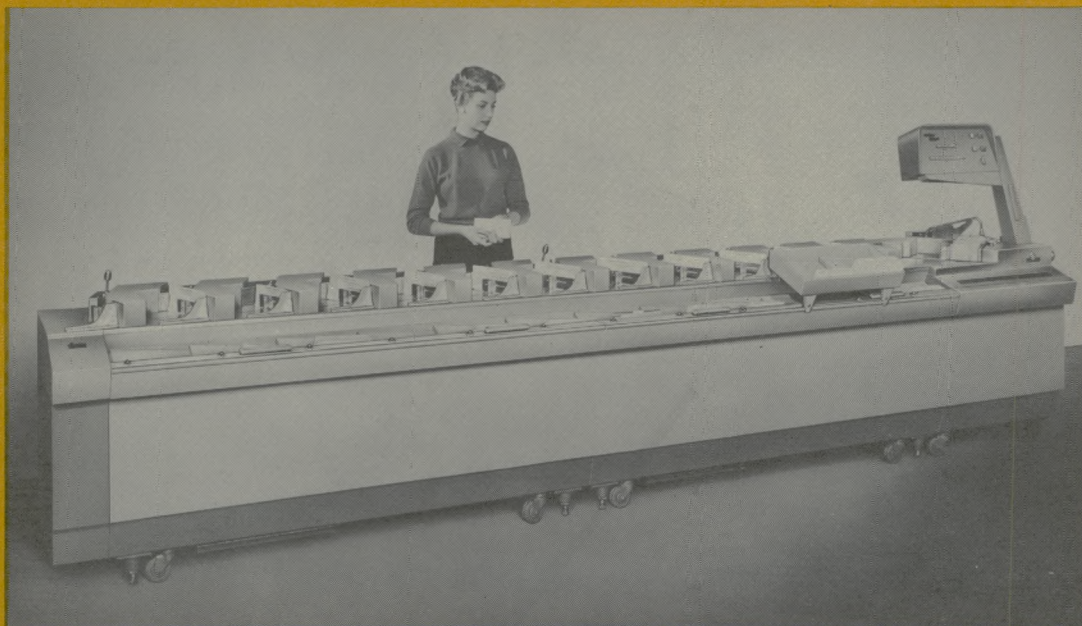
Any item can be readily located by account number, by amount, by sorter pocket destination and by proof identification. This is the electronic control established as items pass through the system.



PUNCHED PAPER TAPE. A high-speed paper tape punch is housed in the cabinet of the computer. Under control of the computer, this unit punches complete, itemized lists of checks and deposits and lists totals together with an item count. Items are listed in sequence and account numbers and transaction codes are verified electronically. The punched paper tape, 100% reliable because of electronic checking circuits, becomes the input medium for the automated bookkeeping machine. Information on tape always remains in sequence.

AUTOMATED POST-TRONIC. Full automation of the Post-Tronic bookkeeping machine was made practical by the development of the automatic feeder and the electronic tape reader. When coupled to the Post-Tronic machine, these units provide fully automatic, electronically controlled, one-run posting of checking accounts. This practical and economical posting procedure produces conventional records familiar to the depositors, the bank personnel, auditors, and the bank examiner.





THE ELECTRONIC SORTER. Specifically engineered to fit all requirements for mechanized check handling as outlined by the American Bankers Association. Operation of the sorter is controlled by computer program.



THE ELECTRONIC COMPUTER. The master control in the Central National Automation Center. Operations of the system are directed by instructions stored in the electronic memory.

Again Central National leads the banking field with another "first" for its customers. You are invited to further explore this new time- and money-saving service with one of our officers at your convenience.



Since 1895, Iowa's Friendly Bank

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION • FEDERAL RESERVE SYSTEM

Revise Correspondent Bank Areas

THE City National Bank and Trust Company, Kansas City, has announced a revision of the territories covered by the officers in the correspondent banks division.

Executive Vice President F. Phillips Giltner, in charge of the division, will



F. P. GILTNER D. R. AINSWORTH



J. M. JACKSON C. H. SCHROEDER

maintain direct supervision of all areas east of the Missouri-Kansas state line. Working under Mr. Giltner are: William Miller (northern Missouri); M. D. Ellis (southern Missouri, Arkansas, Louisiana, Mississippi and Alabama); Sam Blasco (Texas, excluding the Panhandle), and George Sherman (southeastern U. S.).

Senior Vice President Dale Ainsworth will be in charge of the western division which includes all territory

west of the Missouri-Kansas line. Working under Mr. Ainsworth are: John Kramer (southern Kansas); Roy Thompson (northern Kansas and all of Colorado); James Jackson (Iowa, Nebraska, Montana and Utah); Clair Schroeder (Minnesota, Wisconsin and North and South Dakota); Richard Pendleton (Oklahoma and Texas Panhandle); Clark McCorkle (all western states not covered by others in division), and Galen Morley (Kansas and Texas in conjunction with cattle business only).



**IF YOU CAN'T
SAY "YES" SAY TALCOTT**
...and keep your customer's good will

There are times when customers come to you with financing needs exceeding their line of bank credit. That's the time to talk with Talcott! We can work out commercial financing or factoring plans which provide the capital your customers need and help you retain their good will . . . and you can participate in the financing if you wish. Your customers continue to bank with you . . . and return to you for full borrowing requirements when their credit is again acceptable.



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DETROIT First National Building Woodward 2-4563
MINNEAPOLIS First Acceptance Division
Northwestern Bank Building Federal 9-7711

Other offices or subsidiaries: New York • Los Angeles • San Francisco • Boston • Atlanta

CONVENTIONS

September 11-12, Nebraska Bankers Association Ag Credit Conference (details on Nebraska page).

September 11-13, NABAC 37th annual national convention, Conrad Hilton Hotel, Chicago.

September 11-13, Iowa Bankers Association Installment Lending Conference, Kirkwood Hotel, Des Moines.

October 9-12, National Association of Bank Women, 39th Annual, Sheraton Hotel, Rochester, N. Y.

October 9-12, National Association of Supervisors of State Banks, The Dunes Hotel, Las Vegas, Nev.

October 11-12, Nebraska Bankers Association, Annual, Sheraton-Fontanelle Hotel, Omaha.

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 9-10, ABA Mid-Continent Trust Conference, Baker Hotel, Dallas, Tex.

November 12-15, Robert Morris Associates, Diplomat Hotel and Country Club, Hollywood, Fla.

November 13-14, 10th National Agricultural Credit Conference, The Statler-Hilton, Dallas, Texas.

November 26-30, FPRA 46th Annual, Americana Hotel, Bar Harbour, Fla.

Half-Billion Forms

The half-billionth Post-Tronic bank ledger form, part of an order for the First Edina National Bank, Minneapolis, Minn., was recently produced by The National Cash Register Company, Dayton, Ohio.

The unique form is a combination depositor's statement and bank record with a built-in magnetic memory.

According to NCR, the Minneapolis bank and 1,380 other banks throughout the nation use this type of form with the company's Post-Tronic bank book-keeping machine.

NCR states that approximately 100-



HALF-BILLIONTH Post-Tronic bank ledger form is inspected by **Charles S. Allyn**, supervisor, NCR supply division, and Miss **Beverly Hawn**.

000,000 forms have been produced in the past six months.

INVESTMENTS . . .

(Continued from page 34)

a restrictive credit policy, but because of increased lending by the commercial banks to business and industry.

By reason of the fractional reserves set-up of the banking system, a pool of from \$400,000,000 to \$500,000,000 of excess reserves could form the basis of an expansion of \$2,000,000,000 or more in business loans, that is, a five-fold expansion.

Whether the needs of business for bank credit will make a call on such

an enlarged aggregate of loans remains to be seen. With the seasonal fall expansion of business activity nearly at hand, a substantial rise of bank lending is to be reasonably expected.

In any event, no shrinkage in the pool of bank lending money is likely to be enforced by Federal Reserve moves of the credit restraint kind unless big changes take place on the production, employment and price fronts. Like political Washington, the central bank is sensitive to the thought of interest rates rising sharply while the economy is still checkered with large pockets of unemployment and unused industrial plant capacity. Only if unemployment becomes negligible and if prices start to rise unwarrantably should Federal Reserve credit policy be expected to shift to restraint.

At the moment, Federal Reserves are skeptical as to the extent that certain expansionary forces predicted for the economy—the proposed \$3,500,000,000 increase in the defense budget, for instance—will spend the full utilization of the economy's resources and send prices spiraling upwards.


Enlarged Business Loans

In central bank circles, too, it is sensed that the lessened liquidity of the banking system may require the deposit institutions to look to the Federal Reserve for more assistance in enlarging business loans over the coming period of economic expansion than in past booms.

The deposit banks are amply provided with "secondary reserves" in the form of short-term Treasury obligations, but their holdings of intermediate and long-term issues are materially less than in past periods of recovery from economic recession.

Therefore, the banks this time are not as able to augment loan funds by selling investments out of portfolio as they were in the past. Any large liquidation of short-term investments, moreover, would run the risk of bringing deterioration to prudent risk-asset ratios. Further, large blocks of short-term investments are held by the banks in pledge against certain deposits.

The Federal Reserve System, then, being aware of the lessened turning around room of the commercial banks in the expansionary period that lies ahead, will probably be liberal in making open-market purchases of government securities with a view to maintaining a pool of excess bank lending power. That is so long as the red lights of inflationary expansion—rising prices and speculative swelling of inventories—do not start flashing.—
End.



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**proven,
and
reliable
company.**

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- HOME OWNERS
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**Nonassessable
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IN OUR
61st YEAR**

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**Mutual Fire
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J. E. Wilson, President
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You

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THE WESTERN AND SOUTHERN LIFE INSURANCE COMPANY

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“SEE YOU TONIGHT”

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.



OZARK

A I R L I N E S



Northwestern Banker, September, 1961



Correspondent bankers John Ordos, and Doug Johnson are equipped to dig into another tough banking problem.

Digging up answers for correspondent banks is routine for the men from Midland. Technical problems, equipment problems, operational problems—Midland's correspondent bankers offer you the latest information, down-to-earth advice. Have John or Doug show how Midland proves friendship with special service.

THE BANK WITH THE BIG WELCOME

Midland National Bank

Federal 2-0511 • Second Ave. So. and Fourth St. • Minneapolis 40, Minn. • Member FDIC

Minnesota NEWS

P. R. KENEFICK President Mankato
K. A. WALES Secretary Minneapolis



Plans Set for District Meetings

PLANS have been completed for the annual district meetings of the Minnesota Bankers Association, September 11-19.

As in the past, registration will begin at 3:30 p.m., business meetings will run from 4:15 to 5:45, followed by a social hour at 6 with dinner at 7 p.m.

Registration fee will not exceed \$6, with the possible exception of the joint meetings of Districts 3, 4 and 5 in Minneapolis.

Local chairmen of the meetings are listed below:

District 1, Kahler Hotel, Rochester, Monday, September 11, O. U. Habberstad.

District 2, Kato Ballroom, Mankato, Tuesday, September 12, Harry M. Grant.

Districts 3, 4 and 5, Hotel Radisson, Minneapolis, Wednesday, September 13, Otto H. Preus.

District 6, Club LaGuyal, Brainerd, Thursday, September 14, G. R. Tuttle.

District 8, Rainy Lake Lodge, International Falls, Saturday, September 16, S. D. Sheldon.

District 7, Country Club, Montevideo, Monday, September 13, O. B. Rewok.

District 9, F-M Hotel, Moorhead, Tuesday, September 19, P. J. Canton.

Opens Walk-Up

The Farmers National Bank in Waseca, Minn., recently opened a walk-up teller window. Parking meters along the curb have been removed and three free parking stalls have been created for customers using the facility.

Elected President

Mrs. Jeanette Mattimore has been elected president of the Farmers Terminal State Bank, Newport, Minn., filling the vacancy created by the death of T. H. Mattimore recently. E. Milton Klohn was elected executive vice president; Raymond E. Schlemmer was named cashier, and William H. Ringold, Sr., is auditor.

Mr. Schlemmer also was elected to the board. Roy E. Bebermeyer con-

tinues as vice president, and Elaine D. Schlemmer continues as assistant cashier.

Mrs. Mattimore had been assistant cashier for 19 years and cashier for the past eight.

Plans New Building

The Forsythe State Bank, Forsythe, Minn., has awarded contracts for construction of its new home at Main and Seventh. Work started immediately and completion is scheduled for about the first of the year.

The one-story brick and steel structure will measure 80 feet wide by 59 feet deep and will face north on Main Street. Features of the new building include year around air conditioning, all new fixtures and nearly double floor space. A 24-hour depository will be located adjacent to the entrance,

with a stand-up check desk inside the vestibule. A 16-car parking lot will be located at the rear and on the west side of the building.

Joins Windom Bank

Don W. Doll, well-known as an agricultural leader in southern Minnesota, has been named agricultural representative for the First National Bank of Windom and assumed his new duties August 15.

Mr. Doll taught vocational agriculture for 10 years, one year at Foley, Minn., and nine years at Jackson, also serving as veterans' agricultural supervisor. He is a former sales representative for King Merritt & Company and fieldman for the Growers Cattle Credit Corporation.

Joins Winona Bank

A. E. Stoa, president, First National Bank, Winona, Minn., has announced the election of Loyel Hoseck as assistant vice president and agricultural representative.



L. HOSECK

He will work in the area of farm loans and other farm activities as well as assisting in the trust department with the management of farm properties.

Mr. Hoseck has been county agent in Dodge County since 1954. Before that he was an agricultural instructor at Adrian, Minn., for four years.

New at Proctor

Donald M. Hobbs has joined the First National Bank of Proctor as insurance consultant and appraiser. He has been in the insurance field since 1950 and will handle all lines of insurance for the bank.

Madison Change

Chester Stageberg has been named assistant cashier at the Klein National Bank in Madison, Minn. He formerly was bookkeeper at the Madison Farmers Mill & Elevator, according to Leo A. Nikolai, cashier.

Plans Mural

The Grand Marais State Bank, Grand Marais, Minn., has commissioned Birney Quick to paint a 7 by 16 foot mural on the bank's east lobby wall. The theme of the mural will deal with commerce as related to the history of Cook County, according to Richard I. Anderson, president.

MINNESOTA CALENDAR

September 7, St. Paul Chapter, AIB, consul dinner at Golden Steer Motel.

September 7, Arrowhead Safe Deposit Association first meeting, Virginia, Minn.

September 11, District 1, Minnesota Bankers Association, Rochester.

September 12, District 2, MBA, Mankato.

September 13, Districts 3, 4, and 5, MBA, Minneapolis.

September 14, District 6, MBA, Brainerd.

September 14, St. Paul Chapter, AIB, fall party, University Club.

September 16, District 8, MBA, International Falls.

September 18, District 9, MBA, Moorhead.

October 11-12, MBA Junior Bank Officer & Staff Conference, St. Paul Hotel, St. Paul.

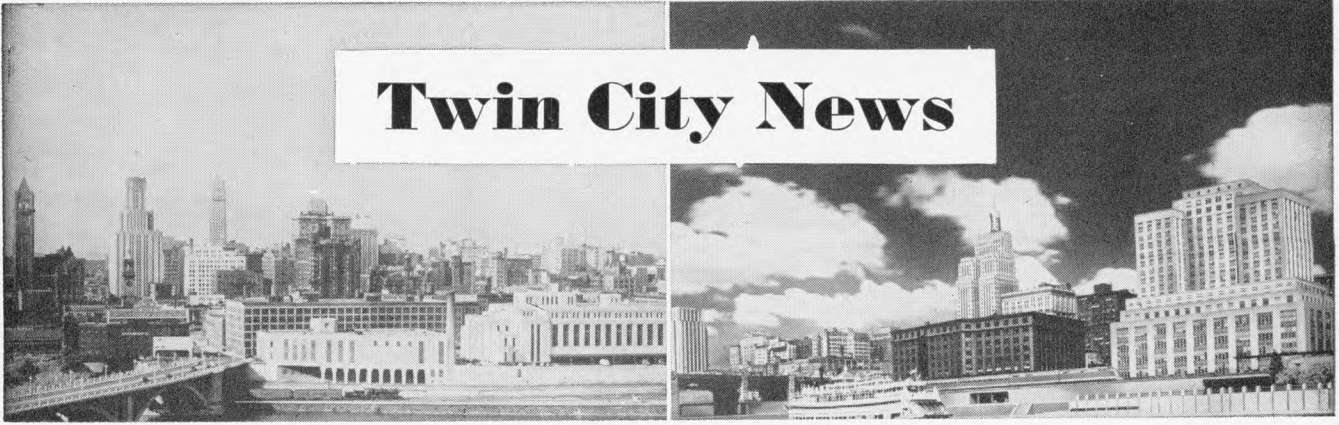
November 20, MBA Agricultural Credit Conference, Minneapolis.

1962

January 18, MBA Mid-Winter Conference, Radisson Hotel, Minneapolis.

June 5-6, MBA 72nd Annual Convention, Leamington Hotel, Minneapolis.

Twin City News



LAURENCE R. PETERSON has been elected president of the Camden Northwestern State Bank, succeeding **Reuben Nelson**, who has retired.

Mr. Peterson started his banking career in 1928 with the Northwestern National Bank. He moved to the Third Northwestern and was elected assist-



L. R. PETERSON

E. H. BYER

ant cashier in 1948. In 1954, he was elected vice president and member of the board at Camden Northwestern.

Also announced at Camden Northwestern was the election of **Edwin H. Byer** as assistant cashier. He joined the bank in 1956 to become supervisor of the bank's operations and personnel departments. He began his banking career at Northwestern National in Minneapolis in 1949. He is a native of Eureka, S. D.

* * *

Wm. R. Chapman, president, Midland National Bank, recently served as a member of the faculty of The School of Banking and the University of Wis-

consin in Madison. He lectured on accounts receivable financing and inventory financing.

* * *

The St. Paul chapter of the American Institute of Banking will be host to the annual 10th district A.I.B. conference during the summer of 1962, **George Povey** of Cherokee State Bank, chapter president, announced recently.

District 10 covers an eight-state area and has a membership of 15,000, of whom about half attended A.I.B. educational courses during the past year.

* * *

Closing arguments on a proposal to establish a new state bank at Rice Street and University Avenue in St. Paul were heard recently. The proposed bank would be known as Summit State Bank.

* * *

Construction is underway on the new Brooklyn Center State Bank in the Brookdale Shopping Center area in north suburban Minneapolis. The bank will cost an estimated \$135,000 and will have a capital structure of \$400,000. **Dallas G. Lawrence** is president and **Edward J. Hamernick**, executive vice president.

* * *

The Federal Reserve Board has blocked a proposal by Northwest Bancorporation to establish a new bank in Roseville in north suburban St. Paul. The board divided three-three in its vote. Banco needed affirmative board

action before it could establish the bank.

Another group previously had been granted permission to establish a state bank in Roseville on condition that the Banco group failed to obtain Federal approval. Applicants for the state bank are **D. K. Tyler** of the State Bank of Phillips, Wis.; **Beldin H. Loftsgaarden**, attorney, and **Armin P. Buetow**, treasurer of Waldorf Paper Products Company of St. Paul.

* * *

Two Minneapolis bankers have been named to an eight-member citizens' committee to study expansion of the Minneapolis municipal auditorium. They are **Lyman Wakefield**, vice president, First National Bank, and **L. E. Gilbert**, vice president, Northwestern National Bank.

* * *

The "free coffee" sign was out recently on the plaza of the First National Bank of Minneapolis. The bank was host to its friends as umbrella tables and chairs turned the expanse into a sidewalk cafe from 9 a.m. to 3 p.m. daily.

* * *

Directors of the Federal Reserve Bank of Minneapolis held their August meeting at the bank's branch office in Helena. The directors and the board members of the Helena branch also made a three-day inspection trip through western Montana.

* * *

First Bank Stock Corporation reported consolidated net operating earnings of \$7,430,609, or \$2.14 per share, during the first half of 1961, down 5 per cent from a similar period last year when the figure was \$7,854,099, or \$2.26 per share.

* * *

Deposits in First Bank Stock's 87 affiliated banks totaled \$1,608,539,578, June 30, a gain of 5 per cent from the same date last year. Directors declared a dividend of 47½ cents per share, payable September 11 to stockholders of record August 18.

ACCIDENT, SICKNESS and HOSPITAL INSURANCE AT COST!

Bankers are Select Risks and we have special coverage designed for Bank Men and Women. Write for Application and Information.

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

Northwest Bancorporation reported consolidated net operating earnings of \$7,752,756 for the first six months of 1961, a gain of 6.3 per cent over a similar period last year. Earnings were equal to \$1.42 per share, compared with \$1.34 per share for the first half of 1960.

Deposits in the corporation's affiliated banks totaled \$1,791,421,000, a gain of 6.5 per cent over a similar period last year. Directors declared a preferred stock dividend of \$1.12½ per share and a common stock dividend of 30 cents per share, payable September 1 to stockholders of record August 4.

Remodeling Complete

The Fairmont National Bank, Fairmont, Minn., has completed remodeling work begun several months ago.

A walk-up window and a new directors' room have been added. The directors' room will be available to small groups for meetings. The Fairmont National Insurance Agency has been moved to a new area on the north side of the building.

Hugo Open House

A total of 893 persons registered at the grand opening of the new First State Bank building at Hugo, Minn., recently. Gifts were received by all who attended and drawings were held for door prizes.

Pipestone Celebration

Open house was held recently at the First National Bank of Pipestone, Minn., marking completion of an extensive remodeling program. Grilled tellers' cages have been replaced with open counter space. A marble dividing wall has been replaced to increase open space.

A meeting room has been built in the basement and all new fixtures have been installed.

Joins LeSueur Bank

Arnold Osmundson has joined the staff of the Valley State Bank, LeSueur, Minn. Mr. Osmundson is a graduate of the University of Minnesota where he played varsity football.

Director Named

Donald B. Bahls has been elected a director of the Hastings National Bank, Hastings, Minn., succeeding his father, Ben Bahls, who resigned as an active member of the board. Ben Bahls has been elected an honorary board member.

Donald Bahls is a life-long resident of the Hastings area and is general manager of a motor and implement firm there.

St. James Promotions

Ron Reinhart, assistant cashier for over three years, has been promoted to cashier, and Mrs. Hans Kruger, a veteran of more than 40 years of banking experience, has been promoted from teller to assistant cashier.

Mr. Reinhart will continue to supervise the insurance department until a replacement can be trained.

35th Anniversary

F. W. Penrod marked his 35th anniversary with the Citizens State Bank of Fulda, Minn., recently. He is vice president. Mr. Penrod joined the bank on August 1, 1926, as bookkeeper.

Club Election

Folke Young, assistant secretary, was elected president of the 25-Year Club of the Northern City National Bank, Duluth, recently. Carroll Fisher, trust officer, was elected advisory chairman, having served as president during the past year.

10,000th Depositor

A St. Louis Park boy, John Rick, 15, became the 10,000th depositor when he opened a savings account at the Citizens State Bank in St. Louis Park recently. He received a \$100 U. S. Sav-

ings Bond for making his lucky deposit. C. T. Holberg, president, made the presentation.

Carl E. Nelson

Carl E. Nelson, retired vice president and cashier of the Farmers and Merchants State Bank, Stillwater, Minn., died recently at a Minneapolis hospital after a brief illness.

Credit Group Elects

Tom Bartholomay, assistant cashier and secretary, Merchants National Bank & Trust Company, Fargo, N. D., was elected president of the Upper Midwest Agricultural Credit Council at a recent two-day conference in Austin, Minn. He succeeds Larry Lamberty, assistant vice president, Northwestern National Bank, Rochester, Minn.

Other new officers are Vern Olson, Farmers State Bank, Spring Green, Wis., first vice president, and Gene Coombs, assistant cashier, Security Trust and Savings Bank, Billings, Mont., second vice president.

The next annual conference will be held in Rapid City, S. D., with Roland Fineran, assistant cashier, Pierre National Bank, Pierre, S. D., as convention chairman.



Do your *Clients*
have questions about
TAXATION...
in CANADA?

"Your Guide To Business in Canada," published by Canada's First Bank, includes a survey in laymen's language of the major Canadian taxes affecting your clients' business or personal interests in Canada. These include Federal and Provincial taxes, and special subsidiaries, investment companies and oil, natural gas and minerals. Your Canadian-minded clients will find it "must" reading.

To obtain your copy, write on your letterhead to our nearest U.S. office, or to the Business Development Department, Head Office.



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CHICAGO: Special Representative's Office, 141 West Jackson Blvd.

Head Office: Montreal

850 BRANCHES IN CANADA, U.S., GREAT BRITAIN AND EUROPE • RESOURCES EXCEED \$3,525,000,000

Northwestern Banker, September, 1961

Convention Committees Named

THE Minnesota Bankers Association general convention committee recently made appointments for eight committees to handle arrangements for the 72nd annual MBA Convention next June.

E. W. Engstrom, general chairman and vice president, Midland National Bank, Minneapolis, announced the appointments of committee heads and said the 1962 convention will be held June 5-6 at the Hotel Leamington in Minneapolis.

Other members of the general com-

mittee are George S. Henry, vice president, First National Bank; Otto H. Preus, vice president, Marquette National Bank, and D. E. Crouley, senior vice president, Northwestern National Bank, all of Minneapolis.

Minneapolis bankers named to committee posts are:

Banquet Committee — Kenneth T. Martin, vice president, First National Bank, chairman; Douglas M. Johnson, assistant vice president, Midland National Bank, vice chairman.

Golf Committee—R. W. Crouley, vice

president, Marquette National Bank, chairman; L. C. Simensen, Fidelity Bank & Trust Company, vice chairman.

Hotel and Utility Committee — C. Paul Lindholm, assistant vice presi-



E. W. ENGSTROM



G. S. HENRY



O. H. PREUS



D. E. CROULEY

dent, Northwestern National Bank, chairman; S. R. Omlie, assistant vice president, First National Bank, vice chairman.

Ladies' Committee—Mrs. Virgille L. Peeke, assistant cashier, Northwestern National Bank, chairman; Miss Margaret Roland, Midland National Bank, vice chairman.

First Night Party — Raymond H. Johnson, assistant cashier, First National Bank, chairman; Laurence M. Broom, vice president, Northwestern National Bank, vice chairman.

Publicity Committee—Harry C. Benson, Jr., vice president, Midland National Bank, chairman; Signor R. Silverness, assistant vice president, Marquette National Bank, vice chairman.

Speakers' Reception Committee — Leonard P. Gisvold, vice president, Northwestern National Bank, chairman; Richard O. Weyrauch, assistant vice president, First National Bank, vice chairman.

Registration Committee—Carl Bergquist, Federal Reserve Bank, chairman.

New President

A. D. Buss, formerly vice president and cashier, has been elected president of the Security State Bank, Claremont, filling the vacancy left by the death of George Vagstad, who had been president for many years.

Dr. E. H. Hartung was named vice president and James McMartin, secretary and new director.

41
4
713

The Live Stock National Bank

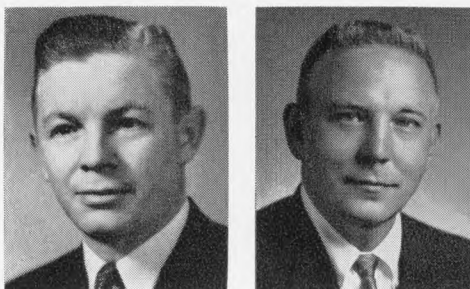
SIoux CITY, IOWA

THE ONLY BANK IN THE YARDS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

South Dakota NEWS

C. C. LIND President Aberdeen
A. S. GULLICKSON Secretary Huron



Joins Mobridge Bank

John P. Bzoski of Wyola, Mont., was elected executive vice president of the Citizens Bank of Mobridge, S. D., at a recent meeting of the directors. He has



J. P. BZOSKI

assumed active charge of the bank since the resignation of Art J. Peterson, who has been named executive vice president of the Bank of New Richmond, Wis.

At the same time, G. L. Hill was elected president and Mr. Bzoski was named to the board to replace Mr. Peterson.

Mr. Bzoski formerly was cashier of the Little Horn State Bank of Wyola and was associated with that bank for 10 years.

Carl J. Poshusta

Carl J. Poshusta, president, Underwood State Bank, New Underwood, S. D., died suddenly during a visit to Rapid City. He was 68 years old.

Mr. Poshusta started with the Underwood State Bank in 1918 as a clerk. Prior to that time he worked in banks at Calmar, Iowa, and in North Dakota.

Arthur R. Olson

Arthur R. Olson, 67, president, First National Bank, Beresford, S. D., died last month at his summer cottage at Lake Okoboji, Iowa. He had been affiliated with the First National for 43 years. He also was president of the First Federal Savings and Loan, vice president of the State Bank of Hudson, and vice president of the DeLay First National Bank at Norfolk, Neb.

Promote Centennial

Several South Dakota bankers are serving on committees to promote activities and celebrations in observance of the state's centennial.

Bankers on the Dakota Territory Centennial Commission are Francys Naslund, president, Farmers State, Faith; J. M. Lloyd, president, Ameri-

can State, Yankton, and Carl Burgess, director, First National Bank of the Black Hills, Rapid City.

Serving on local centennial committees are Carl Voigt, chairman, Northwest Security National, Sioux Falls; Carleton Gorder, vice president, First National Bank of the Black Hills, Deadwood; Fred Roesch, vice president, First National, Aberdeen; Carl Bangert, vice president, American National, Rapid City; Pat Dixon, assistant cashier, First National of the Black Hills, Rapid City, and R. J. Fineran, farm service, Pierre National, Pierre.

Joins SDBA Staff

Mrs. Elizabeth G. Snyder has been hired as office secretary at the South Dakota Bankers Association headquarters in Huron. She succeeds Mrs. Marjorie Wiese. Mrs. Wiese and her family are moving to Watertown where Mr. Wiese is employed.

Co-Sponsor Farmer Award Program

The Executive Council of the South Dakota Bankers Association has

voted to co-sponsor the Outstanding Young Farmer Program conducted by the South Dakota Junior Chamber of Commerce and the United States Junior Chamber.

The OYF program will be reviewed at the group meeting business sessions September 25-29.

New Spearfish Branch

The new Spearfish Branch of the Bank of Belle Fourche opened for business August 12.

H. M. Clarkson, assistant vice president, Bank of Belle Fourche, has been named manager. Arnold E. Domke, Parkston, is assistant manager, and Mrs. Kenneth Budmayr is teller.

Mr. Domke has been employed by the Farmers State Bank of Parkston for the past two years.

William M. Duncan

William M. Duncan, Sr., 88, president, Farmers State Bank, Flandreau, died recently after an illness of about six months.

On Sioux Falls Board

Directors of the Northwest Security National Bank of Sioux Falls have elected Jack O. Harrington, vice president and Sioux Falls manager of John Morrell & Company, as a member of the board.

C. A. Lovre, president, also announced that John F. Vander Ploeg, assistant vice president and sales manager of John Morrell & Company, has been named to the advisory board of the Northwest Bank's Stockyards branch.

Huron Bank Remodeled



REMODELED INTERIOR of Huron branch of Northwest Security National Bank.

A FULL schedule of dinners and open house celebrations marked completion of the \$225,000 remodeling of the Huron Office, Northwest Security National Bank of Sioux Falls, recently. More than 7,000 visitors

Features of the remodeling included new carpeting, a walk-up teller win-

dow, after-hour depository, employees' lounge and coffee room, conference room, additional safety deposit boxes, enlargement of all departments, background music, air conditioning, relocation of the installment loan department and a new electric time and temperature sign outside the building.

Northwestern Banker, September, 1961

New Ag Representative

Ken Johnson, vice president and manager, Citizens Bank, Colome, S. D., has announced the appointment of Eugene A. Erickson as agricultural representative for the bank.



E. A. ERICKSON

Mr. Erickson owned and operated a farm in Deuel County from 1952 until 1960. He is a graduate of South Dakota State College

and taught veterans on-the-farm training courses from 1951 to 1957 at Clear Lake.

Heads Iroquois Bank

Robert W. Habberstad has been named president of the Farmers and Merchants State Bank at Iroquois, S. D. He succeeds the late L. A. Hollenbeck, who died last June after a heart attack.

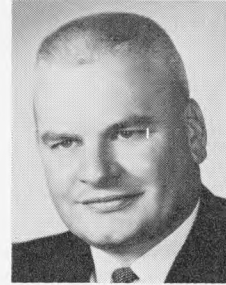
Mr. Habberstad has been with the bank for 14 years, starting as cashier and later moving up to vice president. He has been in the banking business since 1939, coming to Iroquois from the Stock Yards National Bank of

South St. Paul.

Mrs. Marian G. Hollenbeck, widow of the former president, has been named vice president, and Duncan D. Flann, assistant cashier, has been named cashier.

Heads Lemmon Bank

John V. O'Donnell, whose banking experience dates back to 1938, has been elected president of the First National Bank, Lemmon, S. D., succeeding A. O. Rolien, who retired August 1.



J. V. O'DONNELL

James Howard, assistant cashier and manager of the Timepay Department, was elected assistant vice president; Eugene C. Svihovec, assistant cashier, was named cashier, and Dale Roberts, assistant manager of Timepay, was made assistant cashier and Timepay manager.

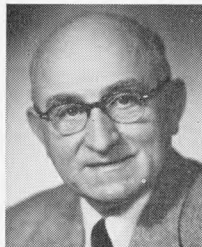
Mr. O'Donnell was named assistant cashier of the Lemmon bank in 1948 and a year later was elected cashier. He has been vice president and cashier since 1953.

Hudson Open House

Nearly 500 persons attended an open house at the recently remodeled and expanded State Bank of Hudson, S. D., recently.

The interior has been completely redecorated and a new addition houses offices of T. E. Quarnstrom, cashier, and the bookkeeping department. The 18 by 48 foot addition was constructed on the west side of the original building.

Heralding



Sir Elmo — the Banker's Banker!

Vanderbilt Glee Club . . . to rolling caissons as an artillery officer . . . to law . . . to oil . . . to banking. Those are the highlights of Elmo Thompson's career. But it all led to banking — and helping bankers . . . YOU to be more explicit. Our Chairman and all officers back our Correspondent Department in backing you. Remember, in Tulsa, it pays to . . .

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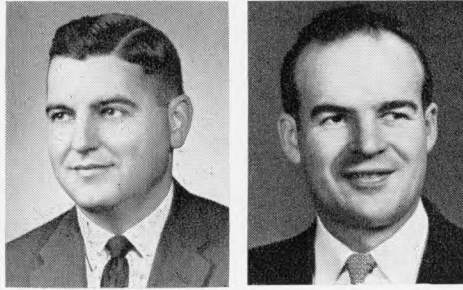
SINCE 1895

SOUTH DAKOTA CALENDAR

- September 25, SDBA Group Meeting, Sheraton-Johnson Hotel, Rapid City.
 - September 26, SDBA Group Meeting, Community Room, Mobridge Branch, First National Bank of Aberdeen.
 - September 27, SDBA Group Meeting, Flamingo Club, Watertown.
 - September 28, SDBA Group Meeting, Hotel Lawler and Mitchell Country Club, Mitchell.
 - September 29, SDBA Group Meeting, Sheraton-Cataract Hotel, Sioux Falls.
 - November 8, SDBA Bank Management Conference, Marvin Hughitt Hotel, Huron.
- 1962
- May 17-19, SDBA 71st Annual Convention, Sioux Falls.

North Dakota NEWS

GARY L. LERBERG **President** **Parshall**
BILL DANER **Secretary** **Bismarck**



W. S. Davidson

W. S. Davidson, Sr., long-time Williston banker and prominent in North Dakota politics, died recently. He was 80 years old. He was chairman of the board of the American State Bank at Williston at the time of his death.

Mr. Davison started his banking career in Williston in 1906.

55th Anniversary

T. A. Tollefson, vice president, First National Bank, Dickinson, N. D., recently observed his 55th anniversary with the First National. Mr. Tollefson recently celebrated his 80th birthday. He joined the bank in 1906, has been an officer in the bank since 1908 and a director since 1910.



T. A. TOLLEFSON

The First National recently celebrated its 75th anniversary. It was founded on July 31, 1886.

Opens Flasher Office

The Grant County State Bank, Carson, N. D., has opened a branch office at Flasher. Gideon Eckman, who has worked in the bank at Carson for several years, is manager of the new office.

New at Valley City

R. M. Hougen, president, American National Bank, Valley City, N. D., announced recently that William C. Parker has joined the bank staff as an agriculture representative.

Mr. Parker, a graduate of North Da-

NORTH DAKOTA CALENDAR

- October 2, Northeast Group, NDBA, Grand Forks.
- October 3, Southeast Group, NDBA, Fargo.
- October 4, Northwest Group, NDBA, Minot.
- October 5, Southwest Group, NDBA, Bismarck.

kota State University, taught vocational agriculture at Fessenden High School since graduating. He also taught a young farmers' class in farm accounting and an adult farm management class.

Opens Air Base Facility

The Air Base facility of the First National Bank of Grand Forks was opened recently. Herbert Stennes is manager of the facility and Mrs. Merle Schmidtke is teller.

Sell Mandan Stock

Vernon P. Weyrich, executive vice president, has sold his stock in the Mandan Security State Bank, Mandan, N. D., to Ben Meier, North Dakota secretary of state. Mr. Weyrich has resigned as executive vice president. His plans for the future have not been announced.

Remodeling Complete

Remodeling of the Peoples and Enderlin State Bank, Enderlin, N. D., was completed early last month. A new electric sign has been installed, a night depository was added and the exterior of the building has been refinished.

Carrington Construction

Construction of the new Foster County State Bank building in Car-

ington, N. D., has been completed and operations were moved to the new building recently.

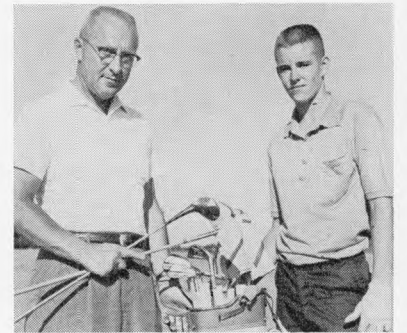
The 70 by 70 foot brick and stone structure features five tellers' windows, a spacious bookkeeping room, a large lobby and officers' area which is entirely carpeted, a drive-in window and all new furnishings.

A concrete parking lot behind the bank accommodates 14 cars.

Moorhead Promotion

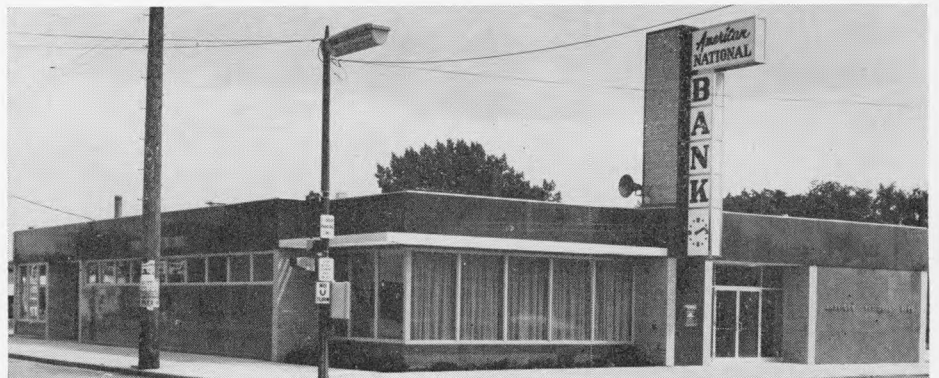
Kenneth Benson, who joined the American State Bank in Moorhead, N. D., last February, has been promoted to assistant cashier. He was assistant cashier at the Citizens State Bank, Rugby, for four years before coming to Moorhead.

Two Aces



ROBERT WALRATH, President, First Citizens National Bank of Watertown, S.D., recently scored his second hole-in-one within ten days at the Watertown Country Club. His first ace was on the 205 yard 17th with a four wood. His second came on the 179 yard seventh where Mr. Walrath used a five iron. The young man at right is Bob, Jr., who was playing with his father when the second hole-in-one was scored.

New Valley City Bank



RECENTLY COMPLETED is this new headquarters for the American National Bank of Valley City, N. D. Banking operations were moved to the new quarters in mid-July and a grand opening held later that month. It is the first bank in Valley City to provide drive-in facilities, reports Gerald L. Zinec, assistant cashier.

Northwestern Banker, September, 1961



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subjects, a school library with "thesis-like" studies on more than 400 subjects available quickly on loan, the FPRA BULLETIN crammed every month with examples of good ideas, the film library, specific answers on problems, the nationally known School of Financial Public Relations at Northwestern University, idea exchanges, workshop panels, and research projects.

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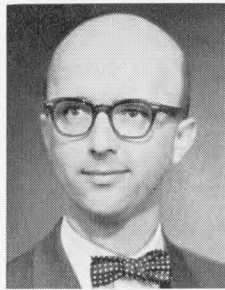
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Colorado-Wyoming News



A. E. FORDHAM, Gunnison
President
Colorado Bankers Assn.



A. E. KENDIG, Wheatland
President
Wyoming Bankers Assn.

100 Attend School

More than 100 bankers attended the 11th annual Colorado School of Banking at the University of Colorado, August 13 to 25, according to Joseph A. Frasca, director. The school is co-sponsored by the U. of C. and the Colorado Bankers Association.

In addition to regular classes, three seminars designed to expose bankers to cultural areas besides banking were highlighted. The seminars were conducted by Geoffrey M. Wilson, financial attache at the British Embassy, Washington, D. C.; Clifford Houston, professor of education at U. of C., and Dr. Bernard T. Daniels, Denver surgeon.

B. Robert Gadberry, vice president and trust officer, Fourth National Bank, Wichita, Kan., delivered the commencement address.

Capital Increased

Directors of the Denver U. S. National Bank voted last month to increase the bank's capital structure by \$3,000,000.

Of this increase, \$1 million will be added to the capital stock account, raising it to \$10 million, and \$2 million will go into the surplus account, increasing surplus from \$11 million to \$13 million.

Stockholders will vote on the proposal September 12.

Trinidad Changes

Albert J. Sardello, vice president and cashier, has been elected president of the First National Bank of Trinidad, Colo., succeeding Charles Duran, who has resigned because of ill health and pressures of private business.

Eric Arnold has resigned as vice president to join a bank in Lockley, Tex. Mr. Duran and Mr. Arnold both joined the Trinidad bank shortly after the first of the year, coming from Lockley.

At the same time it was announced that two Alamosa bankers have joined the Trinidad bank. They are Lloyd Burton, Jr., formerly senior vice president of the First National Bank in

Alamosa, who now is vice president and cashier of the Trinidad Bank, and Walter E. Carsella, formerly vice president of the Alamosa bank and now second vice president of the Trinidad bank.

Opal Gham and Margaret Eckhart are remaining with the Trinidad bank as assistant cashiers.

Boulder Increase

The First National Bank in Boulder, Colo., has increased its capital from \$510,000 to \$600,000 by a stock dividend.

Alamosa Promotions

Three employees of the First National Bank of Alamosa have been promoted. Mrs. Ruth Myers, a bank employee for the past seven years, and Roger Couture, with the bank since 1919 as a teller, both have been promoted to assistant cashiers. Don Anderson, who has been with the bank since last October, was named assistant vice president. Mr. Anderson is in charge of the installment loan department.

Joins Cortez Bank

Paul Williamson, assistant vice president, First National Bank, Durango, has joined the Citizens State Bank in Cortez, Colo., as assistant vice president in charge of the installment loan department. He had been with the Durango bank for four years.

Golden Bank Sold

Directors of the First National Bank in Golden, Colo., recently announced the sale of controlling interest to Midwest Financial Corporation, a publicly held corporation based in Colorado.

No changes in management, policies or personnel are planned.

Converts to National Bank

The First State Bank of Westminster has been converted to a national bank and now is operating under the name of the First National Bank, Westminster.

On Boulder Board

Lyle E. Quinby, well known Boulder businessman, has been elected a director of the National State Bank in Boulder, filling the vacancy caused by the death of Carl E. Buckingham earlier this year.

Aurora Promotion

R. D. Hermes has been promoted to assistant cashier in the loan department of the Peoples Bank in Aurora, Colo. He has been employed by the bank since graduating from Regis College in 1958.

Adds New Department

The First National Bank of Fort Morgan, Colo., recently opened a new installment loan department. Hugh Whitcomb, experienced installment loan officer, is manager of the new department.

Heads Utah Bank; Dove Creek Change

Jerry Havel, executive vice president, Dove Creek State Bank, Dove Creek, Colo., has been named manager of a recently chartered national bank in Moab, Utah. He will continue as executive vice president of the Dove Creek bank.

T. A. Weed, formerly assistant cashier, has been elected cashier of the Dove Creek State Bank.

Mr. Havel was associated with the First National Bank, Ogallala, Neb., prior to joining the Dove Creek bank.

Three New Services

The Montrose National Bank, Montrose, Colo., recently opened three new customer services in one day. They included a drive-in window, courtesy parking on a newly paved lot and new banking hours for the drive-in facility. Hours for the main banking quarters remain unchanged.

Ask Charter in Salida

An application for a state charter for a new bank in Salida, Colo., has been filed by a group of Chaffee County businessmen. The new bank, if approved, will be known as the Bank of Chaffee County.

Members of the group requesting the charter are F. Marion Chelf, Walter L. Cosslett, Mortiz N. Kerndt, Robert W. Nevens, Edward Toubert and S. Parker Woolmington, all of Chaffee County, and Richard K. Schumann of Denver.

It is expected that Mr. Schumann, until recently president of the Rocky Mountain Bank in Denver, will become chief executive of the new bank.

Wyoming News

Lander Bank Sold To Laramie, Kimball Men

Robert R. Bentley, formerly vice president of the American National Bank, Kimball, Neb., and R. W. Finkbiner, formerly president, First National Bank of Laramie, Wyo., have purchased controlling interest in the First National Bank of Lander, Wyo.



M. E. FISHER

The purchase was made from Harold H. Parks, president, and Harry Harnsberger, Wyoming supreme court judge.

Mr. Parks has resigned as president and is being succeeded by Mr. Finkbiner. Con-

trolling interest in the bank is held equally between Mr. Finkbiner and Mr. Bentley. Mr. Bentley becomes executive vice president.

Max Fisher, executive vice president of the Laramie Bank, has been named president of the bank, succeeding Mr. Finkbiner.

All parties in the negotiations for the sale of the Lander bank were represented by Charles E. Walters Company of Omaha.

Joins Lander State

Lester R. Pagels has joined the Lander State Bank, Lander, Wyo., as assistant cashier. He joins the bank after three years of experience in the Citizens National Bank, Wisner, Neb., where he was cashier. Before that he was a national bank examiner working out of Omaha.

Approve Scholarship

Directors of the Shoshone-First National Bank, Cody, Wyo., have authorized an annual scholarship of \$200 for graduating seniors of the Cody High School, beginning with the 1962 class.

The scholarship will be granted basically to students majoring in commerce and business administration.

HOW TO APPRAISE . . .

(Continued from page 31)

income basis netting \$6.50 an acre in rent are providing their owners with a 5 per cent return.

Market Value

By analyzing sales of comparable farms and using market value data, a reasonable market value is obtained.

County, district and state market value data are used. These are Federal census values, U. S. Department of Agriculture indices of farm real estate values, and state agricultural experiment station data on estimated values. This information gives the appraiser an over-all view of market value that will enable him to adjust individual sales to a current basis.

Another useful item in market value analysis is putting together the previous sale history of the farm. An abstract of title of the farm can be especially helpful in this task by providing leads to sales transactions which can be run down in courthouse records.

With all the various types of market value data at hand, the appraiser is in a position to set a market value estimate. In doing this he compares the farm under consideration with the farms for which he has adjusted sale price information, allowing for recent appreciation of land, and with available land market reports.

The correlation of income and sales value estimates for the determination of appraisal value is based on the judgment of the appraiser. First, income and market value estimates are compared. Then non-income features, which may account for the difference between the two estimates, are considered. The appraiser will go back over his appraisal, asking himself what item or items would attract a buyer, what the weak features of the farm are, and what features, if any, have been missed. He will analyze his appraisal from the standpoint of sources of value, how much of the value is based on income, and how much on non-income features.

After carefully considering all factors and weighing all the evidence, the appraiser reaches his final judgment of the appraised value of the property.

To sum up, income, cost and market

NOW

The First and only Bank

in the area using

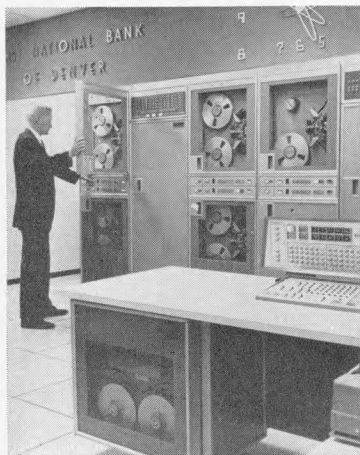
Electronic Data Processing



Today... The First National Bank of Denver, now in its second century of service, is first in this area and one of the first banks in the United States to utilize the advantages of Electronic Data Processing in deposit accounting.

Once again The First sets the pace in meeting the challenge of the future.

In the near future we will be able to serve our area correspondent banks as an automated central data processing headquarters for demand deposit accounting.



System Control Console and Magnetic Tape Units for storing information

THE FIRST NATIONAL BANK OF DENVER

Member Federal Deposit Insurance Corporation

Northwestern Banker, September, 1961

value are closely linked together in the valuation of property. Since cost is concerned mainly with buildings and improvements, and not with land, cost may play a minor role.

However, both income and sale value should be explored and analyzed in making a farm appraisal. The amount of emphasis to place on sales, on income and on cost depends on the type of appraisal and underlying conditions.

In a condemnation case the court may be particularly concerned with the sale price of comparable properties. And, in this same case the court may be concerned also with the cost of a relatively new set of farm buildings that has to be moved to make way for a new highway. On the other hand, in a loan appraisal the lender may be especially interested in the estimated income.

Thus, in every farm appraisal the appraiser should use all approaches to the extent they are applicable and appropriate. In many cases the appraiser may make both an income and market value appraisal; the market value usually being the higher of the two because it covers the non-income features not included in the income value.—**End.**

New Economic Advisor

The Bank of Montreal has announced the appointment of John E.



J. E. TOTEN

Toten as economic adviser, succeeding Edward A. Walton. He has been associate economic adviser for the past two years.

He joined the bank in 1935, and in recent years he served as an assistant superintendent of the western credit department in the head office in Montreal.

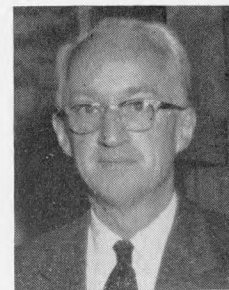
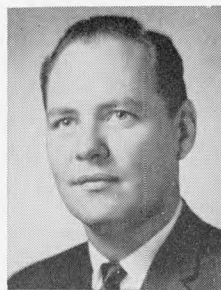
Texas Executive Change

William R. Hoge, well-known Texas banker, has been elected general vice president of Bank of the Southwest, according to A. G. McNeese, Jr., president, who made the announcement in Houston.

Mr. Hoge, who resigned his post of senior vice president at Republic National Bank, Dallas, last year for private business interests, was to resume his new duties September 1.

Montana NEWS

R. D. RUBIE	President	Harve
R. C. WALLACE	Secretary	Helena



Helena Promotions

Burton Felder and James A. Johnson were recently promoted to vice president and assistant vice president, respectively, at the First National Bank & Trust Company, Helena, it was announced by N. E. Turnquist, president.

Mr. Felder formerly was cashier and assistant trust officer. He retains his duties as cashier. Mr. Johnson formerly was assistant cashier and now is in charge of personnel and bank operations.

Kalispell Grand Opening

Grand opening of the new Conrad National Bank building in Kalispell was held recently, marking the completion of nearly two years of work after the old bank building was destroyed by fire September 14, 1959.

A \$500 door prize was awarded, refreshments were served, gifts were given to all who attended the opening and youngsters drew for two bicycles.

Forsyth Construction

Ground has been broken for a new Forsyth State Bank building, Forsyth, Mont.

Construction of the new building is under way and all contracts have been awarded.

Howard H. Stanley

Howard H. Stanley, 71, prominent Great Falls, Mont., insurance man and honorary director of the Montana Bank in Great Falls, died recently at a Great Falls hospital.

Mr. Stanley was made an honorary director last January when he officially retired as active director. He served as president of the bank from 1938 to 1942 and his affiliation with the bank dates back to 1933 when it was organized.

Franklin T. Merrill

Franklin T. Merrill, director and past president of the Midland National Bank, Billings, Mont., died last month at the age 74. He was president of the bank until his retirement in 1952.

Mr. Merrill started his banking career with the First National Bank in Great Falls as a messenger in 1906. In 1918, he became cashier of the newly formed Montana National Bank in Havre where he served until 1929. He then moved to Minot, N. D., in 1931 as executive vice president of the Union National Bank. The following year he became president of the Minot bank. He came to Billings in 1937 as vice president of the Midland National and was elected president in 1950.

Mr. Merrill had the unusual distinction of having been president of two state bankers associations. In 1936 he was president of the North Dakota Bankers Association, and in 1947 he was president of the Montana Bankers Association.

Great Falls Promotion

E. C. Joslyn, Jr., assistant vice president and cashier since 1959, has been promoted to vice president of the First Westside National Bank, Great Falls, Mont. He joined the bank in 1956 as assistant cashier.

Lee Williams

Lee Williams, 79, president, Deer Lodge Bank & Trust Company, Deer Lodge, Mont., died recently after a brief illness. He was elected to the Deer Lodge Bank & Trust Company board in 1933 and became president in 1953.

Joins Billings Bank

James F. Spelman, formerly manager of the Carpenter Paper Company office at Billings, Mont., has been named vice president of the First National Bank there. He will be in charge of the business development program. He had been associated with the paper company for 17 years.

Moves to Rudyard

Vernon F. Lauback, formerly a staff member of the Citizens Bank of Montana in Havre, has been named cashier and manager of the Farmers-Merchants Bank, Rudyard, Mont.



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Need an extra hand when cattle start to move? There's lots of work at both ends of the trail . . . and financing must follow the cattle from ranch to feedlot to market.

The U.S. National is geared to help you in all types of cattle financing. Your participation loans are handled with cattle "know-how", and we are happy to work with you in developing financing programs tailored to the needs of your cattle customers.

Call on U.S. for that "extra hand" at cattle moving time. All our helpful correspondent facilities are yours for a phone call — 341-8765 — Omaha.



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Northwestern Banker, September, 1961

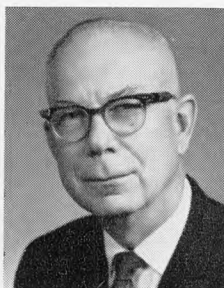
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Federal Reserve Bank of St. Louis



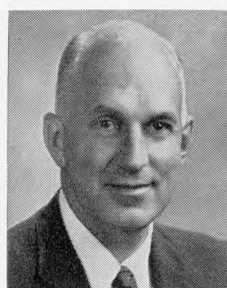
M. P. BAIRD



B. D. BERKHEIMER



J. H. SHONSEY



H. V. OSTERBERG



C. NEUMANN



R. E. MISKO

64th Nebraska Convention Slated for October 11-12

MORE than 1,000 bankers and their wives are expected to register for the 65th annual convention of the Nebraska Bankers Association in Omaha, October 11-12. Headquarters will be in the Sheraton-Fontenelle Hotel.

NBA President Minor P. Baird, president of the Farmers State Bank at Superior, has announced a program of diversified topics featuring top-notch speakers for each subject. One of the principal addresses will be delivered by The Honorable Roman L. Hruska, United States Senator from Nebraska, who is planning to appear on the program the first day of the convention.

Three other out-of-state guest speakers include James H. Clarke, vice president of the American National Bank and Trust, Chicago, who will discuss the government bond market; Howard J. Stoddard, president of the Michigan National Bank at Lansing, Mich., one of commercial banking's foremost leaders in the effort to obtain tax equality among financial institutions, and Dr. Arthur A. Smith, economist and vice president of First National Bank in Dallas, Tex., a noted speaker and student of the nation's economy.

A feature of the convention this year will again be a panel discussion. This one will center on "Industrial Development for Nebraska."

Serving with Mr. Baird the past year as vice president of the Nebraska Bankers Association is B. D. Berkheimer, president of the First National Bank in Gordon. He is scheduled to move up to the presidency at the annual election of officers for 1961-62. John M. Shonsey, executive vice president, The Omaha National Bank, is state association treasurer. H. V. Osterberg is NBA secretary.

Chairman of the general convention committee is C. B. Newman, president of the South Omaha Bank. Serving with him are W. B. Millard, Jr., president, The Omaha National Bank, and Kenneth G. Harvey, president, Douglas County Bank. Chairman of the arrangements committee is A. J. Hallas, president, The Stock Yards National Bank. Chairman of the entertainment committee is John B. Foley, vice president, Packers National Bank. Chairmen of the banquet committee are Mr. and Mrs. Kermit Hansen. Mr. Hansen is vice president, The United States National Bank. Mrs. C. D. Anderson is chairman of the hostess committee.

A.M.

9:00 Registration — Mezzanine Floor, Sheraton-Fontenelle Hotel.

Wednesday, October 11

P.M.

12:00 Noon Luncheon Session — Ballroom, Sheraton-Fontenelle Hotel.

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

Invocation—The Very Rev. Carl M. Reinert, S.J., president, Creighton University.

Welcome—The Honorable James J. Dvorak, mayor, city of Omaha.

Response and President's Address—Minor Baird.

Remarks—Robert I. Stout, state chairman, A.B.A. Savings Bond Committee, and chairman of the board, First National Bank, Tekamah.

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

Address—The Honorable Roman L. Hruska, United States Senator, Nebraska.

"The Government Bond Market as I See It"—James H. Clarke, vice president, American National Bank and Trust Company, Chicago Ill.

"Tax Justice Between Competing Financial Institutions"—Howard J. Stoddard, president, Michigan National Bank, Lansing, Mich.

Business Session:

Report of Committee on Nominations.

Election of officers.

Report of Committee on Resolutions.

P.M.

5:30 Social Hour—Ballroom, Sheraton-Fontenelle Hotel. Delegates and Ladies, Hosts, Omaha banks.

7:00 Convention Banquet—Omaha Civic Auditorium. Installation of officers.

Pops Concert—Omaha Symphony Orchestra, Joseph Levine, music director and conductor.

Thursday, October 12

A.M.

9:30 Convention Session — Ballroom, Sheraton-Fontenelle Hotel.

Presiding—Minor Baird, president, Nebraska Bankers Association, Inc.

Election—American Bankers Association.

NEBRASKA CONVENTION . . .

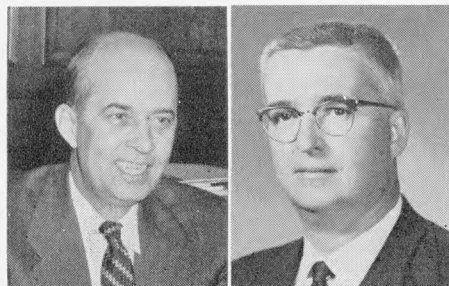
(Turn to page 83, please)

Northwestern Banker, September, 1961

Omaha News



THE First National Bank of Omaha will present on Thursday, September 14, its annual Beef Cattle Conference. Bankers from Iowa, Nebraska, South Dakota, Wyoming, Colorado, and Kansas will attend the conference which is again to be held at the Sheraton Fontenelle Hotel in Omaha.



J. F. DAVIS

F. L. LOVE

A panel discussion on the future outlook of the beef cattle situation for the coming year will be presented by specialists in the fields of raising, feeding, and financing livestock. The economic outlook of the nation will be

presented at a luncheon by **Arthur S. Harper**, vice president of Lionel D. Edie & Company, a New York economic consulting firm.

Frank L. Love, recently elected vice president of the First National Bank, will moderate the beef cattle panel which will be made up of **Courtenay C. Davis**, a livestock grower from Horse Creek, Wyo.; **Lee Kolmer**, associate professor of agriculture, Iowa State University; **Leonard N. Burch**, president of the First National Bank, Greeley, Colo., and **Erwin E. Dubbert**, a prominent feeder from Laurens, Iowa. Mr. Love is the former owner of the Colorado-Nebraska Cattle Company.

John F. Davis, president of the First National Bank, said that the increase in the support price of corn, along with an approximate 20 per cent drop in corn production, is resulting in feeders facing increased costs with their cattle feeding programs. In the northwest plains states, the extreme

drought condition has accentuated the problems facing the beef cattle growers, Mr. Davis added.

This conference, Mr. Davis states, will be of great benefit to the bankers attending, in order that they may better serve their customers in their respective communities.

The wives of the bankers attending will be the guests of the bank's trust department at a luncheon the same day.

* * *

A state bank charter has been issued to the Southwest Bank at 90th and Center Streets in Omaha. State Banking Director **Ralph Misko** announced last month he granted the charter after the bank's capital was raised to \$500,000. Backers had planned on \$275,000 but were advised by Mr. Misko the initial capital would have to be a half million dollars.

The institution now must receive approval of the Federal Deposit Insurance Corporation. Operations are expected to start within 90 days.

The Omaha men who organized the new bank are: **William A. Fraser, Jr.**, **F. F. Nebergall**, **Edward Miller**, **Victor L. Toft** and **Edward F. Owen**.

* * *

It is back to school for these Omaha National bankers:

Robert A. Lyle, assistant cashier, was a first-year student at the Financial Public Relations School at Northwestern. **Tom Troupe**, assistant auditor, **Leo A. Evers** attended the NABAC school for bank auditors and comptrollers at the University of Wisconsin. Tom completed his third year; Leo his first.

Attending their third and final session at the School of Banking in Madison were **Jesse Miller**, trust, and **Robert L. Zabawa**, assistant cashier. Finishing their second year were **Robert E. Johnson** and **Robert S. Knicely**, both assistant vice presidents. Completing their first summer at Madison were **Hubert Shellenberger**, correspondent banks, and **Edward Kohout**, consumer credit.

* * *

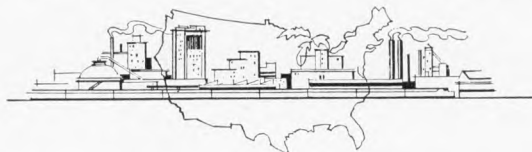
Edward W. Lyman, president of the United States National Bank of Omaha, and Douglas county savings bond chairman, said over \$1¼ million in savings bonds were purchased during July. This runs the 1961 figure to \$9,806,603 for 50.4 per cent of the 1961 quota.

Municipal and Corporate Bonds

Listed Stocks

Unlisted and Local Stocks

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LINCOLN, NEBRASKA
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The Safekeeping Department provides one of The Omaha National's most convenient services. You may never see Clarence Kuhlman, but whenever you want to buy or sell government securities, or keep them in our vaults, he is on the job for you . . . just another of the many Omaha National Bank people who help to serve you quickly and efficiently.

THE OMAHA NATIONAL BANK

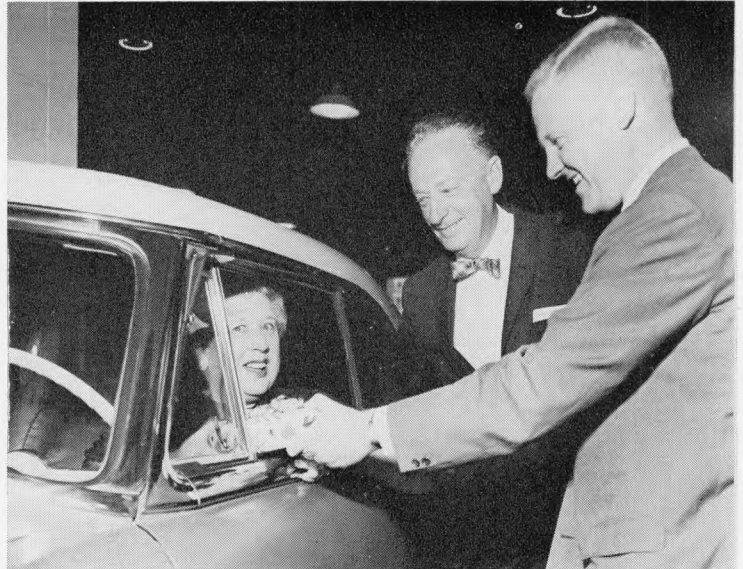
17th and FARNAM STREETS

Member Federal Deposit Insurance Corporation

Northwestern Banker, September, 1961



WHEN NEW DRIVE-IN facilities for the First National Bank of Omaha were opened last month in the former city testing garage, patrons got this view (left) as they entered the drive-way. **RIGHT**—The first customer to use the facility, Mrs.



Irene M. Walsh, was presented a transistor portable radio by **C. E. Paulson**, a.e., while **Charles K. Voorhees**, v.p., stood by to extend congratulations. The new facility is approximately eight blocks from the main bank building and outside the loop.

AN OLD city of Omaha facility was turned into a banking facility last month when the First National Bank of Omaha opened its Drive-in, Walk-In Bank. The former testing station at 17th and Chicago which for 25 years had served to check the safety devices of every automobile and truck licensed in Omaha is now being leased to the bank for the use of its customers. Three drive-in teller windows have been installed where once motorists had their brakes, headlights, and horns tested. A walk-in lobby has been constructed on the west side of the building where bank depositors who live and work nearby can be served by the facility.

Jim Barnhart, the facility manager, said the location at 17th and Chicago provides our customers with relatively traffic free banking service near the heart of downtown Omaha. There is more than ample room for the traffic flow to the tellers' windows or for those customers who wish to park and transact their business inside.

To celebrate the opening of the Drive-In, the First National Bank gave away, free, the General Foods Cookbook to anyone who opened a savings account with \$100 or more, or a customer who added \$100 or more to his present account. The book was available both at the Drive-In and at the savings department in the main bank building.

The unique features of the General Foods Cookbook were explained by attractive young ladies in a "kitchen" which had been constructed in the bank lobby.

Kirkham-Michael & Associates were

the architects; Foster-Smetana Company was the general contractor.

The board of directors of the **First National Bank of Omaha** has approved an increase of the bank's surplus from \$3,000,000 to \$4,500,000. The increase came out of the bank's undivided profits. This gives the First National Bank of Omaha a total capital structure of \$7,500,000.

* * *

Edward W. Lyman, president of the United States National Bank of Omaha, has announced a \$1 million increase in the bank's capital stock. The board of directors adopted resolutions affecting the transfer from undivided profits and reserves.



E. W. LYMAN

The new capital stock figure is \$3,000,000, surplus \$4,000,000, and undivided profits and reserves \$2,150,000.

The bank also announced new expanded business hours. It will be open from 9:30 a.m. to 4 p.m. Monday through Thursday, and 9:30 a.m. to 6 p.m. on Friday.

* * *

William J. Coad, 81, prominent Omaha business and civic leader, died last month in an Omaha hospital. Mr. Coad was a director of The Omaha National Bank for many years and upon his retirement from that position earlier this year was named a member of the bank advisory board.

He was president of Omar, Inc., a

large midwest bakery firm, from 1938 until 1949 and had served as chairman of the board since 1949. During the depression days of the early 1930's, Mr. Coad was chairman of the Omaha branch of the Federal Reserve Bank of Kansas City.

Many Nebraska bankers became well acquainted with Mr. Coad when he organized the Nebraska Conservation Foundation in 1949 in an effort to curb soil erosion in the state. Nearly 350 bankers in the state joined the Foundation.

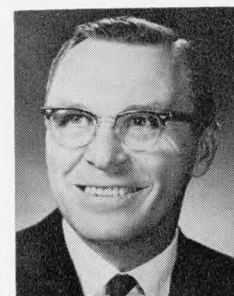
In addition to his wife, one son and one daughter, Mr. Coad also is survived by two brothers and three sisters. One brother, **Arthur L. Coad**, is president of Packers National Bank of Omaha.

* * *

The **Union Stock Yards Company** has announced a series of six "Stocker-Feeder Carload Auction Sales" to be held at the Omaha yards. All sales are scheduled for Friday, starting at

9:30 a.m. The first was held August 25. The rest will be on September 8 and 22, October 6 and 27 and November 3.

Rules and regulations governing the sales state that cattle must be consigned to an Omaha com-



F. W. GILMORE

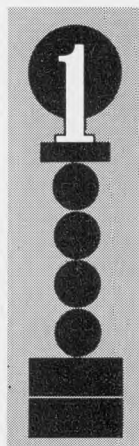
mission firm, a ring fee of 50 cents per head will be charged in addition to regular marketing charges (for advertising and ring expenses), cattle will

MEET FRANK LOVE

Frank is the new head of our Correspondent Bank Department. His entire business life has been devoted to agriculture and livestock, and he comes to us direct from a ranching and cattle feeding operation of his own. You'll enjoy meeting him, because we think you'll find him a man of proven judgment where cattle and ranching are concerned. He is one of the reasons we say banking is person-to-person . . . man-to-man.

FIRST NATIONAL BANK OF OMAHA

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



Frank Love and Harold Hancock discuss cattle business.



Northwestern Banker, September, 1961

be sold in carload lots and should weigh as close to 22,000 pounds as possible, records of the clerk of the auction will govern all sales, and settlement must be made through the commission firm to which cattle are consigned.

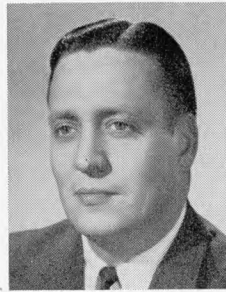
It is suggested that buyers not personally known should bring a letter of credit.

Fred W. Gilmore, president of the Union Stock Yards Company, has announced that the yards also will have its 17th Annual Omaha Feeder Calf Show and Sale, October 19 and 20. These sales will be for pens of 20 and carloads of 50.

* * *
The Federal Reserve Board in Washington has listed an \$800,000 addition to its branch banking building in Omaha as among the needs of the system. Its construction is expected after five years.

The Senate Banking Committee approved a bill to permit construction of new branch banking buildings for the system, but warned against extravagance.

The Omaha branch was remodeled and enlarged several years ago. It is under the supervision of Vice President **Phil A. Debus**.



W. M. THORNDYKE

to be held November 13-14.

* * *
The Nebraska Investment Bankers Association will have its annual Field Day, Thursday, September 21, at the Omaha Country Club. Following a day of golf, a social hour and dinner will be held in the club dining room, at which time golf prizes and door prizes will be awarded.

William Raynor, general chairman, announced there will be a cocktail party and dinner in honor of out of town guests on Wednesday evening, September 20, at the Town House Ballroom at the Town House Motel, 7000 Dodge Street. Pairings for the following day's golf tournament will be made at that time.

Tim Slattery will be golf chairman, **Bill March** will handle the Squawk

Wayne M. Thorndyke, vice president of the United States National Bank, is scheduled to serve on a panel on livestock feeding at the National Agricultural Credit Conference in Dallas, Texas,

Exchange and **Cecil Slocum** will be in charge of the Calcutta Pool.

* * *
The **First National Bank of Omaha** has announced that the bank is now open to the public for regular banking transactions from 9:30 a.m. to 4:00 p.m. Monday through Thursday and 9:30 a.m. to 6:00 p.m. on Friday. The new drive-in facility is open from 7:15 a.m. to 6:00 p.m. each day. The main bank and the drive-in are both closed on Saturday.

Other downtown Omaha banks also adopted similar hours.

* * *
Three gunmen robbed the Crossroads office of the **First West Side Bank of Omaha** last month and made their getaway with approximately \$71,000. It was believed the bandits got \$50,000 cash and \$21,000 in government Series E bonds. The men later were spotted by a citizen in Milwaukee who called police and the FBI subsequently identified two of the men from evidence collected and published their pictures immediately with notices of warrants for their arrest.

The three gunmen went to the home of **John S. Wells**, 55, manager of the Crossroads office, and captured him at gunpoint about 10 p.m. When he told them he could not open the safe due to the time lock he was badly beaten, then held captive with his wife in their home throughout the night. During the 11-hour ordeal he was beaten several times. At about 9:00 a.m. the next day the bandits drove in the Wells car to the bank office, where they forced him to open the safe. They returned to the Wells home, bound the couple and then made their escape.

Joins Sidney Bank

Peter Brodkey has joined the loan department of the Sidney National Bank. He had previously been employed at the South Omaha Bank and Center Bank in Omaha prior to moving to Sidney.



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Since 1887

★ THE **AMERICAN** ★
NATIONAL BANK
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64th Nebraska Convention Program . . .

(Continued from page 77)

Presiding—Chase Neumann, A.B.A. state vice president, and president, Farmers and Merchants National Bank, Oakland.

“Your College of Agriculture”—Dr. E. F. Frolik, Dean and Director, College of Agriculture, University of Nebraska, Lincoln.

“Industrial Development for Nebraska”—Panel Discussion.

Moderator—J. O. Peck, chairman of the board, The Central National Bank, Columbus.

Panelists:

W. E. Young, vice president The Cozad State Bank, Cozad.

Jerry Huse, publisher, Norfolk *Daily News*, Norfolk.

Charles Uerling, Sr., president, Charles Uerling Company, Hastings.

P.M.

12:30 Luncheon — Ballroom, Sheraton-Fontenelle Hotel, Delegates.

Presiding—Minor Baird, president, Nebraska Bankers Association, Inc.

Presentation of Committee Chairmen.

“What It Looks Like Now”—Dr. Arthur A. Smith, economist and vice president, First National Bank in Dallas, Dallas, Tex.

LADIES' PROGRAM

Wednesday, October 11

P.M.

1:00 Ladies' Luncheon—Omaha Country Club. (Buses leave Sheraton-Fontenelle Hotel at 12:00 noon.)

5:30 Social Hour—Ballroom, Sheraton-Fontenelle Hotel.

7:00 Convention Banquet—Omaha Civic Auditorium.

Tuesday, October 12

P.M.

12:00 Noon

to 1:00 Ladies' Drop-In Luncheon — Omaha Athletic Club, 1714 Douglas Street.—End.

Joins Norfolk Bank

Robert G. Bratager, 39, has been elected assistant vice president of the National Bank of Norfolk, it is announced by Henry Reynolds, president. Mr. Bratager succeeds Herb McCulla, who recently was named vice president of the Great Falls National at Great Falls, Mont.

Mr. Bratager formerly was associated with the Northwest Security National of Sioux Falls branch at Madison, S. D., and for the past two years

has been in Northwest Bancorporation headquarters in Minneapolis.

New Building at Ainsworth

The National Bank of Ainsworth has purchased two lots on which a new bank building will be erected. Although architectural plans have not yet been started, it is planned to have drive-in banking facilities and other modern services built in the new structure, according to Hans Rohwer, president.

NEBRASKA CALENDAR

September 11, NBA Agricultural Credit Conference, Lincoln Hotel, Scottsbluff.

September 12, NBA Agricultural Credit Conference, Fort Kearney Hotel, Kearney.

October 11-12, NBA annual convention, Sheraton-Fontenelle Hotel, Omaha.

Artistry in
Correspondent Banking...

Check with Central...

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Central...Check with

Central...Check

with Central



HARLEY PATTON, Jr.
and DON DELANO
look forward to seeing you
at the Nebraska Convention,
October 11 and 12
in Omaha.

THE

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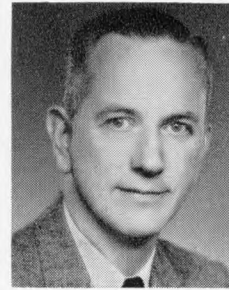
Central Park... 15th & Arapahoe Street, Denver 17, Colorado

Northwestern Banker, September, 1961



A. W. GRIFFIN, executive vice president and trust officer, First Continental National Bank and Trust Company, has announced the establishment of two Collective Investment Funds. These funds provide pension

and profit sharing trust funds for which First Continental is trustee or agent with a well diversified and flexible investment program.



A. W. GRIFFIN

Primary reason for the new funds, according to Mr. Griffin, was to provide First Continental's correspondent banks and corporation clients with a diversified investment program for retirement trusts which cover only a few employees; however, there is no limit on the amount that can be invested by a trust in either of the new funds.

The initial investment in Fund C, consisting of fixed income securities of high quality, Mr. Griffin stated, was \$400,000. The second fund, known as Fund D, is a diversified list of common stocks and the initial investment was \$600,000.

Prior to July 1, Common Trust Funds A and B were established by First Continental to provide this same diversification and flexibility of investments for trusts of individuals.

* * *

Shareholders of the **National Bank of Commerce** and the **First Trust Company** voted last month to consolidate the two institutions under the name of **National Bank of Commerce Trust and Savings Association**.

More than two-thirds of National Bank's 90,000 shares and First Trust's 30,000 shares were voted in approval of the proposed merger. Following the necessary steps to complete consolidation, 130,000 shares of the new bank at \$20 par value were to be issued. National Bank shareholders were to receive new shares on a one for one basis. First Trust shareholders were to have 40,000 shares to divide on a one and one-third for one basis.

The merger previously had been approved by directors of both institutions as well as the Comptroller of the Currency.

The board of directors is made up of 25 men as follows: **Byron Dunn**, chairman; **Albert A. Held**, vice chairman; **William I. Aitken**, **Robert H. Ammon**, **Everett E. Angle**, **R. E. Campbell**, **Earl Carter**, **Oscar L. Clarke, Jr.**, **Charles H. Flansburg**, **Arnott Folsom**, **Carl D. Ganz**, **Otto H. Liebers**, **Elmer E. Magee**, **Henry Maser**, **Gardner Moore**, **O. J. Shaw**, **Phil L. Sidles**, **P. O. Southwick**, **M. L. Springer**, **Charles W. Swingle**, **Elwood N. Thompson**, **B.**

N. B C SERV SERVICE

PHONE GOver 7-8911





Ask Gene Reece
about
our two new
Collective Investment
Funds . . .

Our newly established **Collective Investment Funds C and D** provide a diversified investment program for retirement trusts. They will especially benefit those trusts covering only a few employees, although there is no limit to the amount that can be invested.

Fund C is a fixed income fund for stability and continuity of income.

Fund D is made up of high quality common stocks to provide both reasonable income and opportunity for growth.

Contact Gene Reece, Vice President and Trust Officer, about the use of these funds in the establishment of a retirement plan or the administration of an existing plan.

1st
FIRST CONTINENTAL
NATIONAL BANK & TRUST COMPANY
12TH & N STREET LINCOLN, NEBRASKA

member federal deposit insurance corporation

Northwestern Banker, September, 1961

A. Weil, Myron Weil, John C. Whitten and Glenn Yaussi.

The executor officer staff is made up of: **Mr. Dunn**, chairman; **Mr. Held**, vice chairman; **Glenn Yaussi**, president; **Myron Weil**, executive vice president; **H. A. Brockmeier**, **Gene C. Eaton**, **E. N. Thompson** and **Robert A. Wekesser**, senior vice presidents; **John C. Whitten**, senior vice president and trust officer; **O. L. Clarke, Jr.**, vice president and trust officer; **Clarence E. Hinds**, vice president, trust development, and **Paul Bogott**, vice president and cashier.

Mr. Thompson was president of the First Trust Company. Mr. Whitten was vice president and senior trust officer, and Mr. Hinds was vice president and secretary-treasurer at First Trust. The other executive officers of the newly-formed bank were with National Bank of Commerce.

* * *

First Continental National Bank and Trust Company announces that the substantial increase in capital stock voted by the stockholders June 21 has been approved by the Comptroller of Currency.

The increase includes a stock dividend of 12,500 shares and a sale of 12,500 shares. Shareholders of the bank will have proportionate rights to acquire the new stock.

The capital account of the bank increases from \$3,750,000 to \$4,250,000, and the surplus account increases to the \$4,250,000 figure. The new total of capital and surplus accounts is \$8,500,000 and the total capital funds of the bank now exceed \$10,000,000.

* * *

First Continental National Bank and Trust Company has announced the appointment of three new officers and the formation of a mortgage loan department. The new officers are: **Howard A. Chapin**, vice president and trust officer; **Neil W. Hall**, vice president, and **Gerald H. Maddox**, assistant vice president.



CHAPIN

MADDOX

HALL

Mr. Chapin will be associated with the trust department, while Mr. Hall and Mr. Maddox will be in the new mortgage loan department. In further expansion of the new department, **Richard D. Hitz** also joined the bank last month to assist in mortgage lending activities. All four of these men

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previously were with the First Trust Company of Lincoln.

Mr. Chapin is a member of the Omaha-Lincoln Chapter of Financial Analysts and was vice president and trust officer of the First Trust. Mr. Hall is a member of the G. I. loan committee of the Mortgage Bankers Association. Mr. Maddox is a member of the Society of Residence Appraisers. Both Mr. Hall and Mr. Maddox are members of the Nebraska Real Estate Association and were original members of the Nebraska Mortgage Association.—**End.**

Promoted at Neligh

Terry Trueblood was promoted to assistant cashier at the National Bank of Neligh during a board of directors' meeting last month. Mr. Trueblood has been with the bank for some time, more recently as a teller.

Capital Increased \$100,000

Capital stock of the First National Bank of North Platte has been increased from \$250,000 to \$350,000 by directors following approval of the proposal by the Comptroller of the Currency.

Open Drive-In Bank

Grand opening ceremonies for the new drive-in bank of the American National Bank of Sidney were held in mid-August. The new facility has two drive-up windows as well as a walk-up window in the lobby area. Jack Flohr, assistant cashier, and Jerry Dykman are the tellers operating the new service, located at 12th and Jackson Streets.

New Ainsworth Officers

T. E. Ritter has been elected president of the Commercial National Bank at Ainsworth. He fills the vacancy created by the sudden death in July of Roger S. Thorley, 36. Mr. Ritter had been serving as chairman of the board. Esther Anderson Thorley, widow of Mr. Thorley, has been named chairman of the board.

Other officers of the bank continue in the same positions, including Mrs. Phyllis E. Thorley, vice president; Miss Orfa Carr, cashier, and Betty Osborn and Donald E. Richardson, assistant cashiers.

Wilber Banks to Merge

Merger of the Wilber State Bank and the Saline State Bank, both of Wilber, was revealed recently by the presidents of the two banks. H. V. Jelinek, president of the Wilber State, and J. J. Novak, president of the Saline

State, said the merged institution will continue under the name of Saline State Bank of Wilber, with offices located in the present quarters of the Saline bank, which will be improved.

The consolidation is to be approved by stockholders of the two banks and by FDIC supervisory officials. Combined deposits will be approximately \$2,200,000, capital will be \$100,000, surplus \$50,000, and undivided profits over \$75,000.

Mr. Novak stated that all officers and employees of the two banks will continue with the combined bank. A. W. Fridrich is cashier and Irvin F. Novak, vice president of the Saline State. Frank J. Kohel is cashier and S. A. Shestak is vice president of the Wilber State.

Mr. Novak also announced the purchase of the building adjoining the present Saline State Bank building and said that an expansion program will be started after about one year.

Battle Creek Bank Sold

J. J. DeLay and Paul Zutz have sold their controlling interest in the Battle Creek State Bank to William M. Swoboda of Verdigre and A. W. Hengstler of Creighton. Mr. Swoboda succeeds Mr. DeLay as president. Mr. Hengstler takes the place of Mr. Zutz on the board of directors.

Paul Schoening will continue as cashier and director for several months and Henry F. Walz will continue as vice president and director.

Other directors of the bank are Charles Zimmerman, Adolph Kuester, Elmer Doering, Simon Steffen and Bernard DeLay.

J. J. DeLay is president of the DeLay First National Bank of Norfolk. Mr. Zutz is executive vice president of the same bank.

Mr. Swoboda was employed by Investors Diversified Services the past six years. He and his family of 10 children plan to move from Verdigre to Battle Creek soon.

New Cashier at Grafton

Louis Carney of Heartwell has been elected cashier of the Grafton State Bank, Grafton, to succeed Claude A. McDonald. The latter had served as cashier the past year following the sudden death of his brother, W. S. McDonald.

Joins Gibbon Bank

Wallace E. Rose, Jr., has been elected a vice president of the Exchange Bank of Gibbon, according to Charles E. Moyer, president. Mr. Rose has been a senior examiner with the Nebraska banking department the past

four and one-half years. Prior to that he was doing auditing and inspection work for the state railway commission. Mr. Rose is a native of Kearney and is moving from there to Gibbon.

Cedar Rapids Change

William Cox, who has been associated with the Cedar Rapids State Bank for several years, has retired from the bank to devote more time to his farm north of Belgrade. Edwin Cox, who has been attending school in Lincoln, will succeed him at the bank.

Deposit Growth

One of the most notable gains in deposits among Nebraska banks is that experienced by the Farmers State Bank at Rising City. Ten years ago, deposits were just over \$914,000. When Herschel F. Garhan, president, purchased control in late 1954, deposits were approximately \$1,000,000 and during one period of the 1956-57 drouth they were down to around \$700,000.

Deposits at the present time are \$1,861,000, a gain of 80 per cent in the past seven years, Mr. Garhan reported to a NORTHWESTERN BANKER representative last month. Other officers of the bank are C. A. Jaenike, cashier; Roseletta A. Garhan, vice president, and Donald L. Ellison, Luella Fish and Thelma Jones, assistant cashiers. Mr. Ellison operates the insurance department that was organized a year ago.

Elected Directors

Lee D. Housewright, Jr., has been elected to the board of directors of the Fremont National Bank, filling the vacancy created by the resignation of Mrs. Catherine D. Angle. Mr. Housewright, 39, is general manager in Fremont of the Geo. A. Hormel & Company plant.

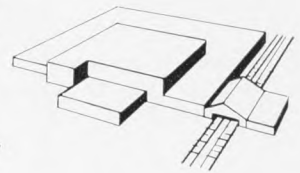
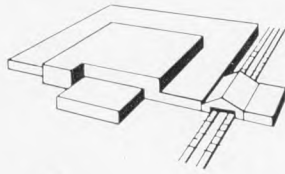
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- Downtown — Heart of Theatre, Shopping and Business District
- 10 Minutes from Airport, Railroad
- 350 Air Conditioned Rooms
- Garage Next Door—24 Hr. Service
- Year Round Swimming • Home of the "Athletics"—Magor League Baseball



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“Good will is the favor or advantage a businessman acquires beyond the value of what he sells.”



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A good idea is worth remembering—and using.

St. Paul Terminal's Preferred Warehouse Receipts provide the means for converting inventories into prime collateral for secured loans.

Inventory can be the key to supplying an additional service to many of your best customers—beyond open line limits.

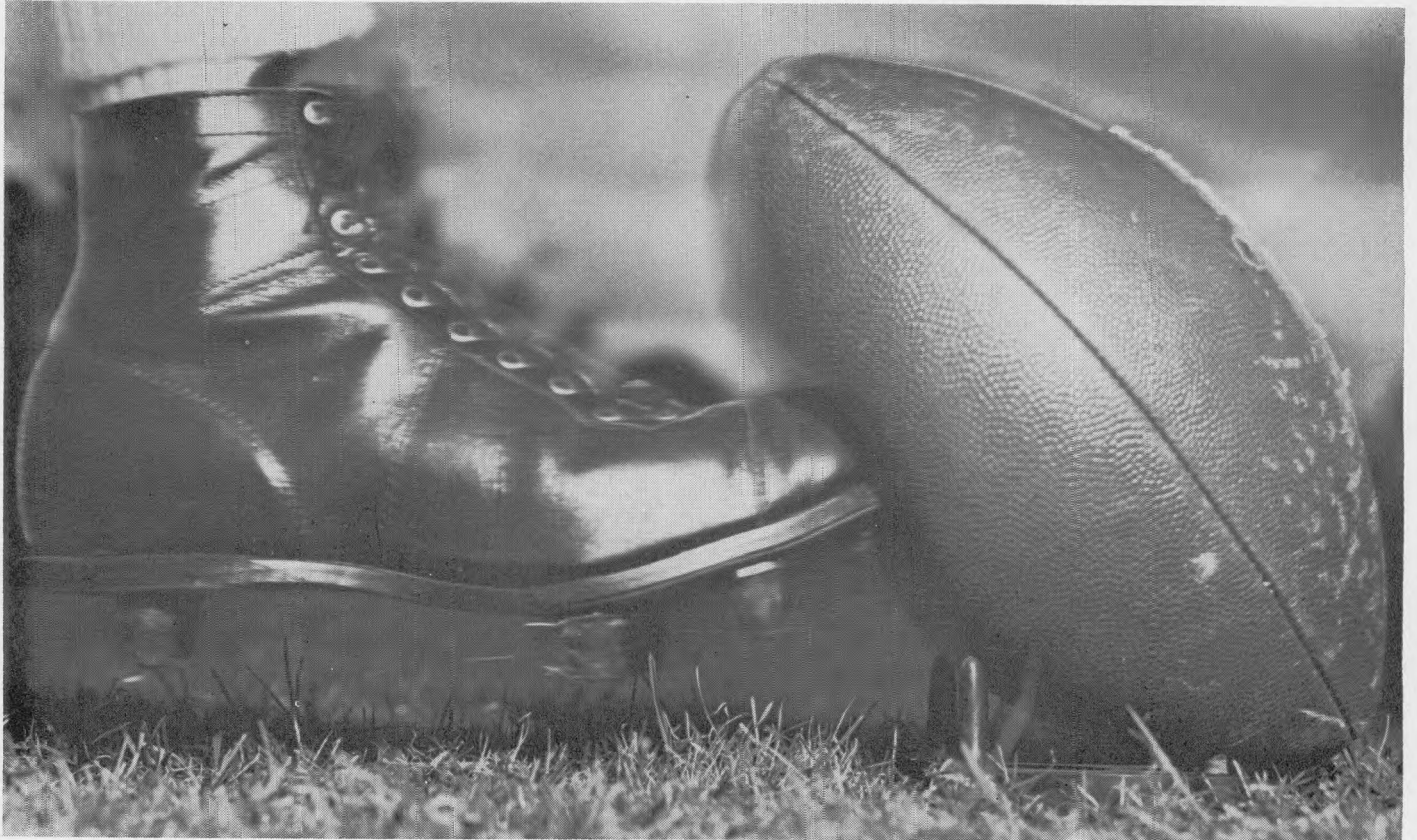
Call your nearest St. Paul Terminal Warehouse for full details.



ST. PAUL TERMINAL WAREHOUSE COMPANY

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It Pays to Have an *Effective Connection*

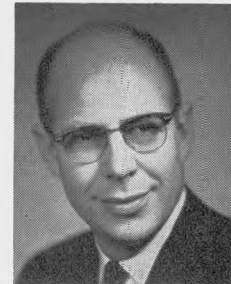
When kicking off a new business campaign—or trying for the “extra point” in maintaining present customer relationships, you make greater headway when you have an

effective connection. From long experience, the bankers of Iowa have found that Bankers Trust Company is a highly effective banking connection in Des Moines.

Correspondent Bank Department



CYRUS D. KIRK



HOMER R. JENSEN

Bankers Trust Company

The Des Moines Bank for YOU

Member: Federal Deposit Insurance Corporation • Federal Reserve System



Northwestern Banker, September, 1961

Iowa NEWS

RALPH EASTBURN President Fairfield

FRANK WARNER Secretary Des Moines



Top Speakers for September 10-12 Installment Loan Conference

THE 7th annual Conference on Installment Lending, sponsored by the installment loan committee of the Iowa Bankers Association, is scheduled for September 10, 11 and 12 at the Hotel Kirkwood in Des Moines.

U. Wendell Lowe, conference chairman and cashier, Boone State Bank & Trust Company, Boone, has announced the following program:

Sunday, September 10

P.M.

3:00 Registration—Main Floor, Hotel Kirkwood (Pioneer Rooms.)

5:30 Get-together—Arbor Room.

6:30 Buffet Supper—Orchard Room.

Monday, September 11

A.M.

8:00 Registration—Pioneer Rooms.

9:15 Call to Order—Pioneer Rooms, U. Wendell Lowe, presiding.

9:30 Address — "Various Phases of Sales Promotion That Can Be Used to Increase the Business of Your Member Banks," Gene McGreevy, division manager, major appliances and television, Crescent Electric Supply Company, Davenport, Iowa.

10:15 Coffee Break—Pioneer Rooms.

10:30 Address — "Quality First and Quantity Second," Marvin R. Werve, vice president, Omaha National Bank, Omaha.

11:45 Recess.

12:00 Luncheon—Orchard Room.

P.M.

12:30 Remarks and Introductions — Ralph Eastburn, president, Iowa Bankers Association; president, Iowa State Bank & Trust Company, Fairfield.

Address — "A Snowball of Checks," Arthur Frigaard, representative, Federal Reserve Bank, Chicago.

2:00 Remarks—Collin W. Fritz, vice chairman, Installment Loan Committee; vice president and manager, installment loan department, Jasper County Savings Bank, Newton.

Panel Discussion—"Miscellaneous Questions on Acquisition and Servicing of Direct and Indirect Installment Loans," Willard D. King, vice president, Davenport Bank and Trust Company, Davenport, moderator. Panel members: Douglas S. Grinde, assistant cashier, Peoples Bank & Trust Company, Cedar Rapids; W. B. Griffin, Jr., vice president, Iowa State Bank & Trust Company, Fairfield; George J. Buser, Jr., executive vice president, Plaza State Bank, Des Moines; Blaine S. Fox, in charge of the installment loan department, The

State Bank, Fort Dodge.

3:30 Adjournment.

5:30 Informal Get-together — Arbor Room.

6:30 Banquet—Orchard Room. Remarks, Ted J. Welch, member of installment loan committee, IBA; member of ABA installment credit committee, and president, Peoples Bank & Trust Company, Cedar Rapids.

7:30 Address — "The Automobile Dealer's Dilemma," John L. Gibson, senior vice president, Republic National Bank, Dallas, Tex.

9:00 Adjournment.

Tuesday, September 12

8:00 Registration—Pioneer Rooms.

9:15 Remarks—Charles R. Clift, vice president, installment loan department, Iowa-Des Moines National Bank, Des Moines, and member, installment loan committee, IBA.

Address — "The Automobile Dealer—Today and Tomorrow," Charles A. Gage, vice president, Northwestern National Bank, Minneapolis.

10:15 Coffee Break—Pioneer Rooms.

10:30 Address—"Installment Lending and Collection Techniques with Reference to Legal Action and Repossession," William S. Blatt, attorney, Chicago, Ill.

11:30 New or Unfinished Business.

11:45 Adjournment.

Joins Grundy Center Bank

Eldon Hoppenworth, formerly of Tripoli, Iowa, has been employed by the Farmers Savings Bank at Grundy Center, according to A. V. Dieken, president. Mr. Hoppenworth succeeds Gaylord Worden who has been farm representative for the bank the past 13 months. Mr. Worden resigned to accept a position as cashier of the Rushford State Bank at Rushford, Minn.

Mr. Hoppenworth attended Iowa State College and the State College of Iowa.

Farm Forum a Success

R. L. Jipson, president of the First National Bank of Oelwein, reports there were approximately 700 present at the Farm Forum sponsored last month by the bank. Attendance at this important annual affair continues to climb. Allan B. Kline, former president of the Iowa Farm Bureau and the American Farm Bureau Federations, spoke at the meeting and gave the outlook on the dairy and feeder cattle industries. He also spoke of international affairs.

Northwestern Banker, September, 1961



A. J. FRIGAARD



T. J. WELCH



J. L. GIBSON



C. R. CLIFT



C. A. GAGE

Central National Offers Its Automation to Correspondents

A COMPLETE automation service is being offered to its correspondent banks by the Central National Bank and Trust Company of Des Moines.

According to E. F. Buckley, president, and H. C. Winder, vice president and cashier, correspondents will receive the benefits of automation without having to invest in a computer or electronic sorter. Mr. Winder has been in charge of the bank's planning for automation.

The automation service is the result of a five-year study by Central National. The bank's transition to electronics has been gradual, and the Cen-

tral National system is composed of individual machine units linked together to form a complete automated system. The system extends from the original imprinting of checks through electronic sorting, then creation of a punched paper tape by a computer, and ends with the posting of accounts on fully automated Post-Tronic bookkeeping machines.

Mr. Winder said the automation service is an outgrowth of Central National's own system. "We are proud to have a banking 'first' for our correspondents," he said, "and we are also glad to be able to offer a practical service. Moreover, the Central Nation-

al system is designed around the ABA's MICR program."

How Automation Works

The Central National system is comprehensive, but in outline form works like this:

1. Central National will electronically sort into numerical sequence all checks going out in the daily cash letter to a bank, as soon as a sufficient number of incoming items are encoded in magnetic ink with customer account numbers.

2. After the close of business each day, correspondent banks may deliver all encoded checks and deposit tickets to the Central National "automation center." Central National will sort the items, prepare a printed list of all entries, and create a punched paper tape for automatic posting of accounts on the correspondent's own premises.

3. The sorted items, the printed list, and the punched paper tape will be returned to the correspondent the following morning.

Mr. Winder pointed out that full automation of Post-Tronic bookkeeping equipment was made possible by the development of an electronic tape reader and an automatic ledger feeder. When coupled to a Post-Tronic Machine the tape reader actuates the machine by reading information encoded in punched holes, and the ledger feeder inserts statement-ledger forms in the machine automatically. The result is a one-run, electronically controlled system that produces conventional records for the depositor and the bank.

System Is Flexible

Electronic sorting at Central National (on a Pitney-Bowes National sorter) is governed by a computer (a National 310). The operating program of the computer may be changed by additional instructions, thus enabling the bank to satisfy any individual bank's requirements.

Mr. Winder explained that if a correspondent bank preferred to retain original deposit tickets, the Central National service would only apply to

OFFERS AUTOMATION . . .

(Turn to page 92, please)



DAILY OPERATION of its check sorter-reader was begun last month by Central National B&T immediately after delivery from the manufacturer, Pitney Bowes National Cash Register. Familiarizing themselves with machine, which will process 750 checks per minute, are (from left): Harold C. Winder, v.p. & cash.; Roger Hicks, transit mgr., and Norman Wilson, asst. transit mgr.

A complete, time tested, performance guaranteed outfit

For Auction Sale Clerks

COMBINES ALL THE FEATURES YOU DEMAND

- Receipts for Each Buyer ● ● Combats Skip Buyers
- No Additional Listing ● ● Speeds Up Settling
- No Posting of Accounts ● ● Buyers Like It

Absolutely the only outfit on the market combining all these features—
sold on a money back guarantee.

BLACK SALE SYSTEM

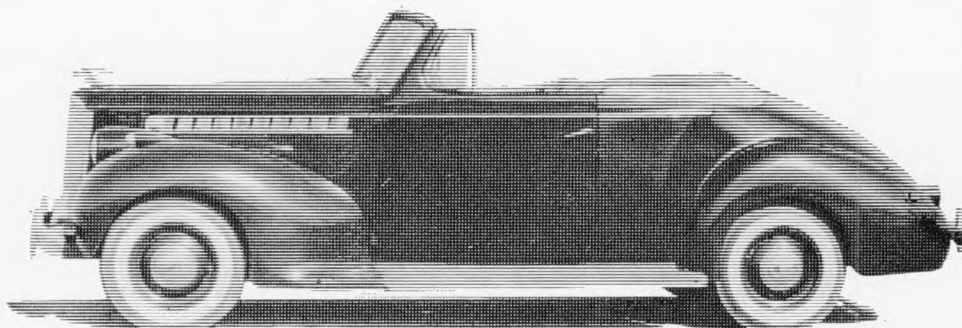
(Formerly Black Mfg. Company)

Fullerton, Nebraska

Write Us for Sample Sheets and Information



No. 9 in a Series



1940 Packard
Owners: Dr. and Mrs. Robert P. Robinson

CARS THAT MADE HISTORY

This 1940 Packard convertible was one of the first cars to feature the "No-man" top . . . which raised and lowered automatically. Although Packard produced only a limited number of these convertibles, this style of top was destined to achieve great popularity in the industry.

When this Packard was new, the Valley Bank had already been a part of Iowa Banking history for better than two-thirds of a century . . . with progressive forward-looking service to banks throughout the state.



F.D.I.C.

Toy National Advertising Gets Free Ride—By Balloon!

WHEN Ronald G. Will, assistant cashier of the Toy National Bank in Sioux City, released a helium filled balloon on July 8 during formal opening ceremonies of the bank's new drive-in facilities, his enthusiastic act had far-reaching effects. In fact, it's effect was felt two states away!

The toy balloon was one of many given to children during the two-day

event. Mr. Will attached his business card to one and released it. The balloon soared out of sight, drifting south. On July 17 he received the following letter:

"Dear Mr. Will:

"On the morning of July 13, we found a balloon in our cotton field. It was either an orange or faded red balloon with an advertisement for the Toy National Bank, Sioux City, Iowa.

"Attached to this balloon by a string was a business card. From this card we got your name and learned that you were the assistant cashier

at the bank. Since we have no other address, we will address this letter to the Toy National Bank, in care of you.

"Although there is no other logical explanation for the appearance of the balloon here at this time and place, we would like your confirmation of this almost-unbelievable thing which has apparently happened. In other words, did you actually set this balloon loose in Sioux City? And, if so, when?

"The man who found the balloon was my father, Leon Brawner, a farmer of Pollard, Arkansas.

"The balloon was found about 13 miles northwest of Piggott, Arkansas, or about two miles south of the Arkansas-Missouri state line.

"Please write us soon and tell us more about this balloon.

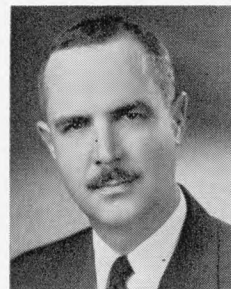
Yours truly,
Leroy Brawner"

Mr. Will promptly wrote Mr. Brawner assuring him that the balloon was released in Sioux City on July 8, five days prior to the time it was found. Nobody knows how high the balloon went or if it even approached an outer space orbit, but a look at the map shows the advertising message of the Toy National got lots of mileage in this—nearly 600 miles worth!—End.

Announces ABA Candidacy

A prominent northwest Iowa banker, John B. Keeline, president of the Central Trust and Savings Bank, Cherokee, has announced his candidacy for

the position of an executive councilman of the American Bankers Association from Iowa.



J. B. KEELINE

The election will take place at the 75th annual convention of the Iowa Bankers Association, to be held in Des Moines, October 29-November 1, to fill the position now held by Joseph G. Knock, president, Iowa State Savings Bank, Creston, who will be completing his three-year term.

Mr. Keeline served as president of the Iowa Bankers Association in 1957-58, and as vice president and treasurer in 1954-55. He has served two years as state vice president of the ABA; held the position of regional vice president of the ABA, and is currently chairman of the ABA organizing committee in Iowa.

He is an active member of several Cherokee civic groups, and also president of the Ruthven State Bank.

OFFERS AUTOMATION . . .

(Continued from page 90)

encoded checks. However, the electronic system can handle encoded substitute documents as easily as the original deposit tickets, he said. Only the account number and amount of the deposit would appear on the substitute document, thus keeping the informa-



Drovers' Location makes Immediate Credit possible on livestock proceeds . . .

You will note, from the above Yards diagram, that Drovers is ideally situated to serve your farmer customers more promptly. Our proximity to the commission firms, located in the Exchange Building, enables us to process livestock returns as fast as the stock is sold.

To make sure your livestock customers receive this fast Drovers service, have them fill out a Drovers shippers order. We'll gladly send you a supply upon request.



The Drovers National Bank is a direct member of the Chicago Clearing House Association and the Federal Reserve System.



Friendly service to Livestock Producers for more than 75 years

Continuous service to correspondent banks since February 12, 1883

The Drovers Banks

UNION STOCK YARDS, CHICAGO 9, ILLINOIS

MEMBERS, FEDERAL DEPOSIT INSURANCE CORPORATION

tion confidential in the correspondent bank.

Redesign of Checks

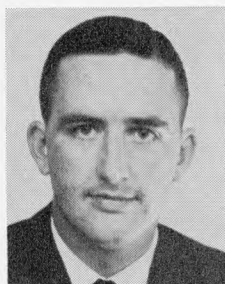
In keeping with the program of the ABA and the Federal Reserve Central National is urging that all banks redesign their checks and deposit tickets to conform to MICR specifications.

Other individuals who helped work out Central National's concept of sharing equipment were Jack Parmenter, manager of the bookkeeping department; Dewey P. Tullis, manager of the proof department, and Roger Hicks, manager of the transit department, and his assistant manager, Norman Wilson. These four men attended a two-week training course at NCR headquarters in Dayton to learn how to program the computer and operate the new equipment.

Booklets outlining technical information for redesigning checks and deposit tickets may be obtained from the Bank Management Commission of the American Bankers Association, 12 East 36th Street, New York 16, N. Y. Central National is offering technical advice and assistance to its correspondents.

Opens Estherville Office

Knobbe, Gallagher & Company, certified public accounting firm of Des Moines, has opened an office in the Grand Theater Building in Estherville, Iowa. Gene W. Ringsdorf, C.P.A., will be the resident manager. Partners in the Des Moines firm are C. B. Knobbe, Leonard W. Gallagher, Edward F. Volberding and Gerald J. Wadsworth.



G. W. RINGSDORF

Elgin Bank Remodeling

G. J. Mosby, executive vice president, Elgin State Bank of Elgin, announces that remodeling work on the entire bank is expected to be completed some time early in October. The contract was let to Spencer Mulford of Oelwein.

New Director at Princeton

Mrs. Lois Suiter O'Malley, Davenport, has been elected a director of the Farmers Savings Bank at Princeton. She is a sister of Glen H. Suiter, executive vice president of the bank, and takes the place on the board left vacant by the death of their mother, Mrs. Z. G. Suiter, last May. Mrs. Suiter had been a director since the death of her husband in 1948.

Hole-In-One

Proving that bankers excel at golf as well as figuring interest, E. A. Kenny, vice president and cashier of the First National Bank, Sioux City, fired a hole-in-one on the Sioux City Country Club's 157-yard number six. Witnessing the fete were Clyde McEntyre of DeLuxe Check Printers, Dick Taylor of the First National, and Malcolm Freeland of the NORTHWESTERN BANKER.

Extended Banking Hours

The Iowa State Savings Bank in Knoxville recently expanded its banking hours by announcing Friday night

banking hours from 6:00 to 8:00 p.m. The bank will continue to be open from 9:30 a.m. to 3:00 p.m. Monday through Friday and 9:30 a.m. to 12:00 noon on Saturday.

Dr. Dexter H. Hake, a practicing physician in Knoxville for seven years, has been elected a member of the Iowa State Savings board of directors.

With Cedar Falls Bank

Rodney L. Jensen, 33, has joined the staff of the First National Bank in Cedar Falls as manager of the installment loan department, according to Vivian Johnson, president. In addition, Clarence Iserman, cashier, has also been elected vice president.



Just a Few Steps Away . . .

The newly enlarged Sioux Car Parking Garage is just a few steps from the bank. Experienced attendants handle your car quickly and safely. So when you come to the Security . . . just drive in to the Sioux Car Park Garage at Seventh and Pierce Streets and tell the attendant you are going to the bank. Your ticket will be stamped in the bank for free parking.

Security National Bank of Sioux City

Member of Federal Deposit Insurance Corporation

may be available at this time for rent. The entire first floor and basement will be air conditioned.

The enclosed portion of the second floor and all upper floors will be used for parking facilities. Each floor will be accessible by a spiral drive and customers will be able to park their own cars. There will be ample space for bank patrons as well as permanent parking for tenants of the main bank building.

The predominant architectural element of the upper stories will be the exterior covering of gold-colored aluminum louvers. The space between these louvers will be closed with perforated aluminum, designed to reflect the heat of the sun and prevent rain or snow getting into the building. The ramp floors of the parking facilities will be heated with radiant heat to keep these areas free of ice or slush.

The masonry section of the new building will be constructed of glazed brick, and will house the elevator and stairway connecting all floors.

A unique feature of this new construction will be an overhead enclosed passage crossing Third Street, connecting the new building with the third floor elevator lobby of the present bank building. This will permit foot traffic between the buildings.

New President at Fostoria

Wayne J. Simington has been elected president of the Farmers Savings Bank at Fostoria following the retirement of H. A. O'Farrell, who sold his interest in the bank. Mr. Simington has been a director of the bank



W. J. SIMINGTON

for 13 years and has been vice president since 1950. He will assume an active role in management of the bank, but will continue to operate his 400-acre livestock and grain farm.

Ubbe Beving

succeeds him as vice president. Dale Tatman will continue as cashier. Oscar Schmid was elected to fill the vacancy on the board of directors.

Mr. O'Farrell had served the Fostoria bank for 33 years, 23 as cashier and the past 10 as president.

Will Travel Eastern Iowa

W. F. (Walt) Schlenker, Davenport, Iowa, joined the sales force of the United States Check Book Company, Omaha, Nebraska, on August 1, and will represent the firm in portions of Illinois and eastern Iowa.



W. F. SCHLENKER

Mr. Schlenker has been active in this same territory for a number of years, and prior to his selling career, was associated with Davenport newspapers in the advertising department, and prior to this was a Boy Scout executive serving in the Davenport area.

Assessment Against Banks

Iowa State Treasurer M. L. Abrahamson has announced that an assessment of \$63,288.98 will be made against banks in Iowa which have public funds on deposit.

The assessment will be made on the basis of about 26 cents per \$1,000 of public funds on deposit as of June 30, 1961, the date of the mid-year statement call.

The money is needed to bring the state sinking fund back up to \$100,000 minimum required by law. The fund, which contained about \$115,000, was reduced to the current figure of \$36,711.02 as a result of the \$2 million embezzlement by Mrs. Burnice Geiger which closed the Sheldon National Bank earlier this year.

Mr. Abrahamson said he paid the Sheldon Community School District about \$71,340.70 and O'Brien County \$72,102.60 for duns lost in the embez-

HAWKEYED!



MAX ROY, La Salle National Vice President, has a hawk's eye when it comes to Iowa and Iowa farming. He also is hawkeyed about finding ways and means to help La Salle's Iowa correspondents. He'll act fast and right on the spot to serve you. Why not get the facts from Max. He lives right nearby in Iowa City, but he makes his headquarters at **La Salle National Bank**, 135 S. La Salle Street, Chicago 90, Illinois. STate 2-5200. Member FDIC. Complete Trust Services.



"Strong friend of the Independent Banker!"

The MARQUETTE National BANK
OF MINNEAPOLIS
Seventh at Marquette

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Federal 3-5411

Remodeling Completed at Storm Lake



MODERN STRUCTURE which incorporates the latest in banking facilities and customer convenience has been opened by the Citizens First National Bank, Storm Lake.



OFFICERS SECTION of the new Citizens First National Bank building is shown at left. **George J. Schaller**, chmn., is seated in foreground. **Harry Schaller**, pres., is standing in front of his office at rear. Shown at right is spacious lobby. The bank has

a separate installment loan department and a "Drive Through Auto Lobby." More than 500 cars per week are using the new Mosler drive-in window. Interior fixtures were provided by Jaeger Mfg. Co., Des Moines.

zlement, a total of \$143,443.30. The sinking fund received \$64,549.49 when the bank's assets were liquidated.

The sinking fund is used to reimburse public bodies which lose their funds through bank failures. This is the first time in more than 20 years that banks have been asked to replenish the fund.

Assessments will be collected by county treasurers and forwarded to

the state treasurer's office. Figures will vary considerably, but will be about \$35-\$40 for the average size bank.

New Interior at Ridgeway

Extensive remodeling of the interior of the Farmers State Bank at Ridgeway has been completed, it was reported last month by R. M. McQueen,

vice president and cashier. The project consists of all new teller counters, a lowered block tile ceiling together with a new lighting system, matched flooring, walls paneled with mahogany wood finish, and matching new office equipment. In addition, glass double doors were installed in the newly enclosed entryway.

The Farmers State Bank has total assets of \$1,275,000 and was organized

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Central National Converts All Trust Operations to IBM

AN IBM Data Processing System installed by the Central National Bank and Trust Company of Des Moines is providing faster, more detailed and highly accurate reports to the beneficiaries concerning all trust transactions.

Central National, one of Iowa's largest banks, becomes the first firm in the state of Iowa to install an IBM system exclusively for trust accounting. According to E. F. Buckley, president of the bank, the IBM Unit Record equipment will expedite the analyses of trust assets, aid in the preparation of income tax information, and speed up the process of taking trial balances. Previously, it took three full days to run these trials; however, with the new IBM equipment the procedure will be reduced to one hour.

In addition to personal trust accounting, the equipment will be used

for corporate stock transfer and dividend disbursing accounting.

Central National's Vice President and Trust Officer Noel T. Robinson is chairman of the American Bankers Association Trust Committee on Operations.

Trust accounting at Central National involves maintaining separate income and principal cash accounting for both income tax purposes and distribution to beneficiaries together with accurate control of all securities held by each trust. All reports in the estate and trust departments can be prepared at the rate of 9,000 lines per hour.

The bank previously used IBM equipment for account reconciliation. It expects to greatly improve services to customers with the data processing system which was installed August 1.

—End.

in 1932. The only remaining member of the original board of directors is C. T. Trytten, who at 90 years of age still attends regularly and is an active participant in all board meetings. He is also vice president inactive.

Golden Wedding Anniversary

Mr. and Mrs. Ray Moehn celebrated their golden wedding anniversary in Carroll last month.

Mr. Moehn is president of the Commercial Savings Bank in Carroll, and his son, Robert, is a vice president of the bank. Another son, Dr. John Moehn, resides in Minneapolis.

Joins Spencer Bank

John Rahn, a 1959 graduate of the State University of Iowa college of business administration, has joined the staff of the Clay County National Bank of Spencer. He returned to

Iowa from California where he has been a credit analyst with United California Bank since graduation. During his school years he worked for Security State Bank in Hartley and the Iowa State Bank & Trust Company in Iowa City.

Plan Open House

Officials of Bettendorf Bank and Trust Company are planning an open house this month so Bettendorf residents may view the major remodeling that has been completed at the bank. The loan department has been moved to the west side of the lobby where new desks, carpeting and lighting have been installed. Teller cages have been enlarged and the bookkeeping department has been transferred to the Plaza building. A lounge for employees, which may also be used for civic meetings, also has been added.

GEAR MESHER

JACK SMITH, commercial loan Vice President, is a native Iowan who knows how to mesh your commercial loan gears to higher and more prosperous speeds. If you want to go places with commercial loans why not call Jack at **La Salle National Bank**, 135 So. La Salle St., Chicago 90, Illinois. The phone is STate 2-5200. Member FDIC. Complete Trust Services.



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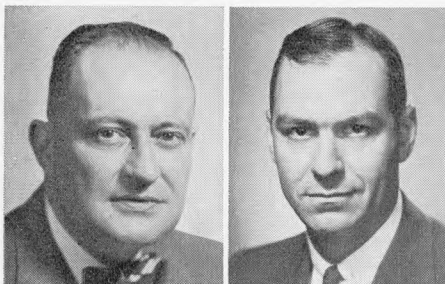
RED OAK, IOWA

"The Birthplace of the Art Calendar Industry"

Des Moines News



TWO new directors have been elected to the board of the Central National Bank & Trust Company. They are **James F. Connaughton** of South Bend, Ind., president and director of Bell Intercontinental Corporation, and **George D. O'Neill**, New York City, a director and chairman of the execu-



J. F. CONNAUGHTON G. D. O'NEILL

tive committee of Bell Intercontinental, which acquired controlling interest in the bank July 26.

Robert K. Goodwin, chairman of the board, said that **William J. Goodwin, Sr.**, a director for the past 25 years, and **E. A. Kimball**, director for 13 years, have resigned from the board and have been elected honorary members of the board.

* * *

The Valley Bank and Trust Company cooperated with the Iowa Civil War Centennial Commission by furnishing an exhibit for one of the commission's ten booths in the Horticultural Building during the Iowa State Fair. The Valley displayed a large collection of old mechanical penny banks. These were early promotional devices for encouraging thrift in the younger set. The banks are all animated in some manner, or perform a trick of some kind, when a coin is inserted in the slot.

As a contribution to the Centennial Civil War Year, the Valley Bank has reproduced a little book called "Tramps and Triumphs" of the Second Iowa Infantry," the eye-witness account by a foot soldier, John T. Bell.

Northwestern Banker, September, 1961

Hitherto, the only known copy was in the State Department of History and Archives. The Valley has footnoted and illustrated the booklet with old engravings and wood cuts of the period, and will gladly mail a copy to Civil War buffs upon request.

* * *

Two assistant cashiers at the First Federal State Bank attended schools of banking last month. **Kenneth G. Miller** attended the South West School of Banking at Southern Methodist University, and **Ardell Kurschinski** attended the School of Banking at the University of Wisconsin, Madison.

* * *

Following is a schedule of A.I.B. activities in Des Moines for September:

August 30—Women's bowling started at Val Lanes. A total of 12 five-woman teams are participating. **Mary Ellen Miller**, Iowa State Bank, is chairman.

September 6—Men's bowling starts, also at Van Lanes, with 16 five-man teams competing. **A. B. Dressler**, assistant cashier, Central National Bank & Trust Company, is chairman.

September 11—Fall dinner-dance at the Wakonda Country Club. Guest speaker will be **Jim Duncan**, radio and television instructor at Drake University. Music will be supplied by Jack Cole and his orchestra.

September 12—Course work begins. Three 14-week courses are being offered.

* * *

Effective English—This is a pre-standard course. It will meet from 4 to 7 p.m. in the Bankers Trust Company Lounge. **Herbert Hantz**, head of the English department at Tech High School, is the instructor.

Investments — This is a graduate course and will meet from 4 to 7 p.m. at the Central National Bank & Trust Company lunchroom. **Robert D. Eversman**, security analyst, Iowa-Des

Moines National Bank, is the instructor.

Principles of Bank Operations—This is a pre-standard course and will meet from 4 to 7 p.m. at the Central National Bank & Trust Company lunchroom. **Allon E. McGlothlen**, assistant vice president, Valley Bank and Trust Company, is the instructor.

September 25 — Monthly A.I.B. Speech Club meeting, 6:15 in Younkers Tea Room. **Robert W. Goodson**, assistant vice president, Northwest Des Moines National Bank, is chairman.

* * *

Telephone number for the Bankers Trust Company has been changed to 283-2421.

* * *

The annual picnic for employees of Bankers Trust Company, traditionally held at the home of **J. W. Hubbell**, board chairman, was forced by rain to move to the Cloud Room at the Municipal Airport.



BAIRD BOUDEWYNS MANZ

The program included dinner, dancing and recognition of three 25-year employees, **M. N. Baird**, **R. C. Boudewyns** and **J. E. Manz, Jr.**

* * *

A special exhibition of paintings by the noted artist, **Maria Zeitlmann**, is being featured at the Valley Bank and Trust Company in Des Moines. Interested persons are cordially invited to view the exhibit from now through October 13.

Miss Zeitlmann, born in West Amana, Iowa, has exhibited work for several years in both the Bismarck, N. D., Art Show and the Mandan Art Show. She has just returned from participating in the Grand Marais Art Colony.

Edward Burchette, chairman of the bank's board, is a trustee of the Edmundson Art Foundation, and the bank regularly exhibits paintings from the Des Moines Art Center.

* * *

Keith P. Eaton, assistant vice president, and **Florence Maples**, savings teller, attended the Midwest Regional Chapter Leaders' Conference of the American Institute of Banking in Hutchinson, Kan., recently. Both are with the Valley Bank and Trust Company, Des Moines.

another

FIRST

for **Central
National!**

FIRST IN IOWA WITH NEW IBM
"ELECTRONIC BRAIN" TRUST ACCOUNTING

We have now accepted delivery of the new IBM electronic data processing machines for our Trust Department and what a difference they will make. Reports to beneficiaries and income tax information will be available in a matter of a few days after the close of the calendar or fiscal year.

The installation of our new IBM punch card electronic trust accounting system reflects the vigorous growth of Central National's Trust Department in recent years. From four Trust Department employees in 1942 we have grown to 34 today. And no doubt we will be adding more to our staff as the new IBM system enables us to serve more and more trust customers.

Central

5th & Locust

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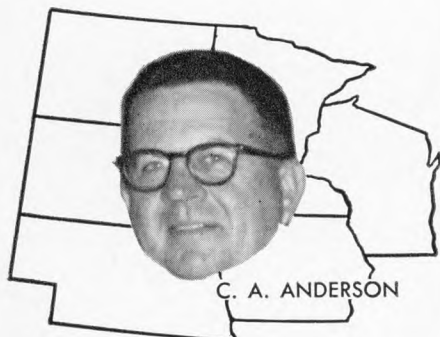
Northwestern Banker, September, 1961

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Bankers Trust, American Mutual Rent IBM Computer Jointly

JOINING forces on the rental of J data processing equipment has brought a high-speed, tape computer system within the reach of a neighboring bank and insurance company three to four years sooner than either could have justified it alone.

By taking advantage of the fact that their buildings adjoin and their needs for computer time dovetail perfectly, Bankers Trust Company and American Mutual Life Insurance Company, Des Moines, are pioneering a unique concept which offers far-reaching potential to small- and medium-sized firms.

An IBM 1401/1412 system will be installed at the insurance firm, which will use it during the day to process its entire policy file and handle a wide range of applications derived from it. Then, at 5 p.m., bank personnel will take over the equipment and process demand deposit accounting and other jobs which are the result of the day's business just ended.

This is believed to be the first time that two firms in different industries will lease a computer cooperatively. The rental will be split between them on a time-used basis. It is expected that American Mutual Life will require the most time due to the volume of records it must process, based on 120,000 life insurance policies. Bankers Trust will pay the entire rental for the IBM 1412 Reader-Sorter, which the insurance company will not need.

In the recent past, both firms have looked in the direction of advanced data processing equipment to:

- Improve customer service;
- Keep in the forefront of the trend to automation in their respective industries;
- Continue steady growth without requiring a "personnel explosion";
- Generally gain internal speed, accuracy and efficiency.

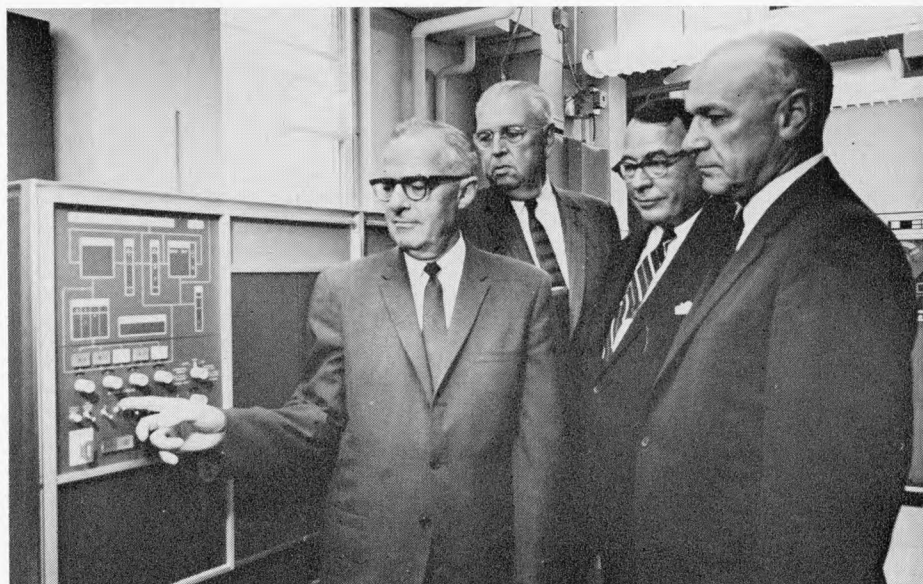
However, management of each firm has also looked beyond the immediate operational advantages of automated equipment, toward more far-reaching benefits in the field of scientific management. Investment analysis is an example.

Now, by joining forces, they are able to achieve the machine capabilities both believe necessary.

The installation, which will be operational by early 1963, will include a 1401 Processing Unit; a 1402 Card Unit which reads 800 cards a minute and punches 250; a 1403 Printer, which operates up to 600 lines a minute; four 7330 Tape Units, each with a speed of 20,000 characters a second, and the 1412 Reader Sorter which can process 950 magnetic ink documents per minute.

"Our share-the-equipment plan offers many advantages," said Bankers Trust President S. C. Pidgeon, "not the least of these being the tremendous savings in machine rental time."

Harry S. McConachie, president of



PART OF EQUIPMENT that will be operated jointly by Bankers Trust and American Mutual Life in their own electronic center is previewed by top executives of the two firms (from left): Russell B. Reynolds, exec. v.p., American Mutual; Scott C. Pidgeon, pres., and James W. Hubbell, chmn., both of Bankers Trust, and Harry S. McConachie, pres., American Mutual.

Cherokee Remodeling Completed



EXTERIOR photo of Central T&S of Cherokee shows use of brick, marble and glass. **RIGHT**—Board of directors in new meeting room (from left): **George H. Pingery**, v.p. & t.o.; **Carl J. Goeb**, v.p.; **Mrs. John B. Keeline**; **John B. Keeline**, pres., and **John Heline**.

AT THE grand opening last month of the remodeled offices of the Central Trust and Savings Bank of Cherokee, customers found a completely different building than they have been accustomed to since the bank's founding 30 years ago. The second floor of the old building was removed, the lobby has been redesigned to ground level and the exterior of the one-story structure completely refaced with light colored brick, granite and three ground to roof sections of glass windows.

President John B. Keeline said an additional entrance has been provided for patrons using the insurance and installment loan departments outside of regular banking hours.

A sidewalk teller window also has been installed for customer convenience.

Interior redesigning has placed all teller windows at ground level and two new teller windows have been added. Indirect lighting has been installed throughout the bank, as well as air conditioning. A recreation room with lunchroom facilities has been built in the basement area. Sidewalks around the building will be steam heated in winter months to keep them free of ice and snow.

American Mutual Life, declared, "When you consider the conditions that exist at both firms relative to size, growth and need for high-speed data processing, the venture is a logical step."

Bankers Trust, founded in 1917, is the third largest bank in Des Moines. It has resources and liabilities of \$81,777,900.

The new system will enable Bankers Trust to sort the daily average of 18,000 checks, deposit slips and other items, process them, and update customers' accounts in about three hours.

A daily trial balance will be pre-

pared on about 12,000 checking accounts in just 30 minutes.

Service charges on checking accounts, now a month behind, will be handled on a current basis.

The centralized accounting system possible with the 1401 will also handle the record-keeping on installment loans, savings and trusts.

Increased accuracy in each of these applications is regarded by the bank management as the biggest single benefit. Another will be better knowledge of the customer, possible through automatically-produced exception reports

listing day-by-day fluctuations in individual accounts, checks written against insufficient funds, etc.

New customer services are expected to be a natural outgrowth of the system, too. The computer will lighten the load on bank personnel to the point where additional bookkeeping services for customers may be provided, in keeping with the banking industry's trend in that direction. Improved services to correspondent banks are also expected to result.

Future benefits such as portfolio analysis and other phases of scientific

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

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Secretary-Treasurer

WANT ADS

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NORTHWESTERN BANKER
 306 15th St. Des Moines, Iowa

POSITION WANTED

S. U. I. Graduate, 34 years old, over 10 years general banking experience in \$40,000,000 bank; desires position as auditor or operations officer. Write Box M-10 c/o **NORTHWESTERN BANKER**, 306 Fifteenth Street, Des Moines 9, Iowa.

POSITION WANTED

Bank loan officer with experience in public relations, farm management, and business development seeking position with opportunity in mid-western bank. Write Box TTX, c/o **NORTHWESTERN BANKER**, 306 Fifteenth Street, Des Moines 9, Iowa.

POSITION AVAILABLE

Wanted ambitious young man with some electronic bookkeeping experience to assume full charge of bookkeeping department in one of the larger banks in Eastern South Dakota. Salary open. Write Box X-45, c/o **NORTHWESTERN BANKER**, 306 Fifteenth Street, Des Moines 9, Iowa.

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Bankers View New Equipment



LAST MONTH the Merchants National Bank of Cedar Rapids demonstrated the IBM 1203 Unit Inserter, which will be a part of the bank's new data processing system. The equipment was put on display in the lobby and correspondent bankers were invited to see the Inserter and learn just how this particular piece of equipment prepares documents for entry into the data processing system. In the photo above, **Ray Oldham**, IBM representative (left), explains the 1203 Unit Inserter to **Paul M. Shain**, executive vice president of the Benton County Bank, Vinton, Iowa, while **Joe McAndrew**, head of Merchants National Bank's data processing center looks on.

management will be the additional benefits.

American Mutual Life, founded in 1897, has been a user of IBM equipment for many years. Based in Des Moines, the firm operates in 19 states, including Hawaii. The company writes life policies only. Between 1953 and 1960, its insurance-in-force has more than doubled. As of June 30 of this year, the in-force figures was \$370,963,000. Assets were \$72,154,000, and surplus, \$4,900,000.

Both Bankers Trust and American Mutual expect that their plans for additional applications will eventually bring about the day when each firm will need its own computer installation.

FOR SALE

1 National Seven Tape Proof Machine, 4½ years old, excellent condition. 5½ years factory warranty remaining. Write Box TMV, c/o **NORTHWESTERN BANKER**, 306 Fifteenth Street, Des Moines 9, Iowa.

FOR SALE

One (1) ABE Model 700 Electric Check Cancellor, One (1) Cummin Model 250 Electric Check Endorser and two (2) Burroughs Series H Posting Machines. The above equipment in good condition at the Security State Bank, Algona, Iowa.

OLD COINS WANTED
 ILLUSTRATED CALATOG 25c
 Hutchinson's, Box 6256
 Philadelphia, Pennsylvania.

In the meantime, however, the two companies' forward-looking approach to cooperative equipment rental will bring them some three to four years of benefits from data processing equipment neither could now justify singly.
 —End.

Atlantic Bank Sold

The Whitney Loan and Trust Company Bank of Atlantic has been sold to Walnut Groves Products Company, it was announced last month by Oscar Otto, president of the bank, and J. J. O'Connor, president of the feed manufacturing firm. Mr. Otto, who has been with the bank since 1915, will continue as president and other officers and directors will remain the same. Mr. O'Connor and M. D. Livengood, executive vice president of Walnut Grove Products, also will serve as directors.

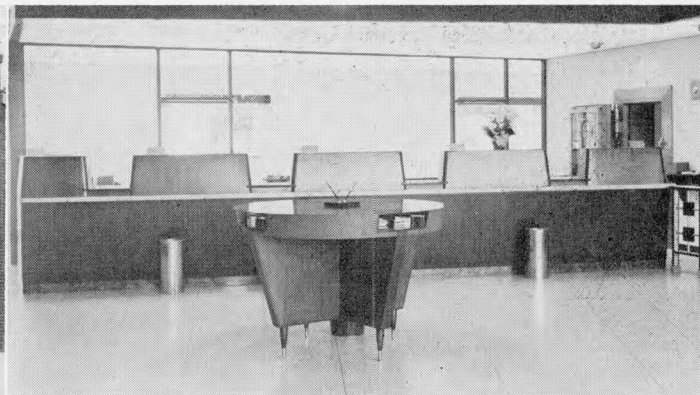
Office for Huxley

The Slater State Bank of Slater has received approval from the Iowa department of banking and the FDIC to open an office in Huxley, which is four miles east. John Hendricks of Huxley has been elected assistant cashier and office manager.

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Open House at Bancroft As New Building Opened



MORE THAN 1,100 persons registered for open house when the Farmers & Traders Savings Bank of Bancroft invited the public to tour the new building. The above pictures show the exterior and interior. Savings bonds and a number of merchandise and one-dollar cash door prizes were awarded. The

bank was organized 74 years ago and has been under the management of the Kennedy family for 50 years. Officers are: **A. W. Kennedy**, pres.; **Wm. A. Kennedy**, cash.; **J. C. Kennedy**, v.p., and **Betty Becker** and **J. E. Kennedy**, a.e.'s. A number of bankers from surrounding towns also attended the open house.

Loss Prevention Clinic

A Loss Prevention Clinic will be held September 19 in Sioux City by the Siouxland Conference of NABAC, according to Malcolm Erickson, president of the group and assistant cashier of the Live Stock National Bank.

The clinic will start at 10 a.m. with headquarters at the Mayfair Hotel. An evening dinner is planned for the group.

C. Harlan Hight, director of NABAC for District 6 and comptroller of the Northwest Security National Bank, Sioux Falls, has invited all officers and directors of banks in the area to attend. Les Olson of the Toy National Bank will be chairman of the clinic.

Report on State Banks

The June 30 report on the condition of state banks in Iowa shows consolidated assets of the 567 state chartered banks as \$2,267,329,404. This is a gain over the June 30, 1960, figure of \$53,619,523, or 2.42 per cent. There were 565 state banks in the June 15, 1960, report.

The abstract report was issued for the first six months as the final act of banks, who resigned as of that date to return to Carroll where he is president of the Carroll County State Bank.

The report shows total capital funds of state banks at mid-year were \$228,204,382, representing 10.06 of total liabilities. This is an increase of \$11,958,113 or 5.53 per cent over the previous year.

Total deposits of \$2,028,828,757 were up \$49,493,545 over June 15, 1960, a 2.50 gain. Municipal, state and federal government deposits were down more than \$6.7 million, but time deposits in Iowa state banks were up \$46,962,153 and demand deposits were up \$9,260,-

947, a total gain of more than \$56 million.

Loans were \$1,070,168,382, an increase of \$23,947,825 or 2.29 per cent over the same date of 1960.

Expansion at Marion

W. N. Shellenbarger, president, Farmers State Bank at Marion, said last month that remodeling of the building adjacent to the bank should be completed in September and will provide for eight teller windows as well as an office for Vernon Brockman, cashier. All teller windows will then be at street level. The area previously occupied by the tellers will be used for offices.

Purchases City Hall

The First National Bank of Iowa City has purchased the present City Hall in Iowa City for \$125,150. Clark Houghton, president, said the bank plans to expand its services by constructing drive-in accommodations and parking facilities on the site of the new purchase. Possession is expected by January 1 when city offices are to be moved into the new administration building now under construction.

Cedar Falls Construction

Construction of a completely new building that will cost more than \$250,000 has been announced by J. J. Kyhl, president of the Cedar Falls Trust and Savings Bank. Mr. Kyhl said construction is expected to take 10 months with occupancy scheduled for sometime during the summer of 1962.

The new structure will be erected at Third and Washington Streets. The one story design features an imposing array of glass frontage, flat roof with modernistic, peaked roof sections for interior lighting, two drive-in teller windows, a slim time-temperature sign

that will be placed atop the corner of the building, and the most modern vault facilities available. The building will be 66 by 100 feet with a full basement housing a community room, employee lounge and kitchen. The present building will be sold, Mr. Kyhl said.

Establishes Scholarship

Ronald L. Jensen, president of Life Investors of Iowa, last month announced establishment by that company of a medical scholarship through the University of Iowa. The annual scholarship grant will be known as The Life Investors of Iowa Scholarship in Memory of Dr. Ralph E. Moe.

The recipient of the scholarship will be named through the dean's office at the State University and the award will be made on a scholarship basis. The same student may receive the scholarship grant in successive years by maintaining a high scholastic standing. This year's recipient was to be named sometime during the month of August.

Dr. Ralph H. Moe, founder and first president of Life Investors of Iowa and its principal subsidiary, Investors Life Insurance Company of Iowa, was a practicing physician in Griswold, Iowa.

FPPRA Graduates

William G. Kruse, assistant vice president of First National Bank, Dubuque, and Thomas R. Smith, executive vice president of the First National Bank of Perry, received certificates recently on completing their second term at the School of Financial Public Relations at Northwestern University, Chicago. Mr. Kruse and Mr. Smith were the only Iowans in the graduating class of 47

SINCE 1945 CENTRAL STATES PREMIUM VOLUME HAS MULTIPLIED 22 TIMES!

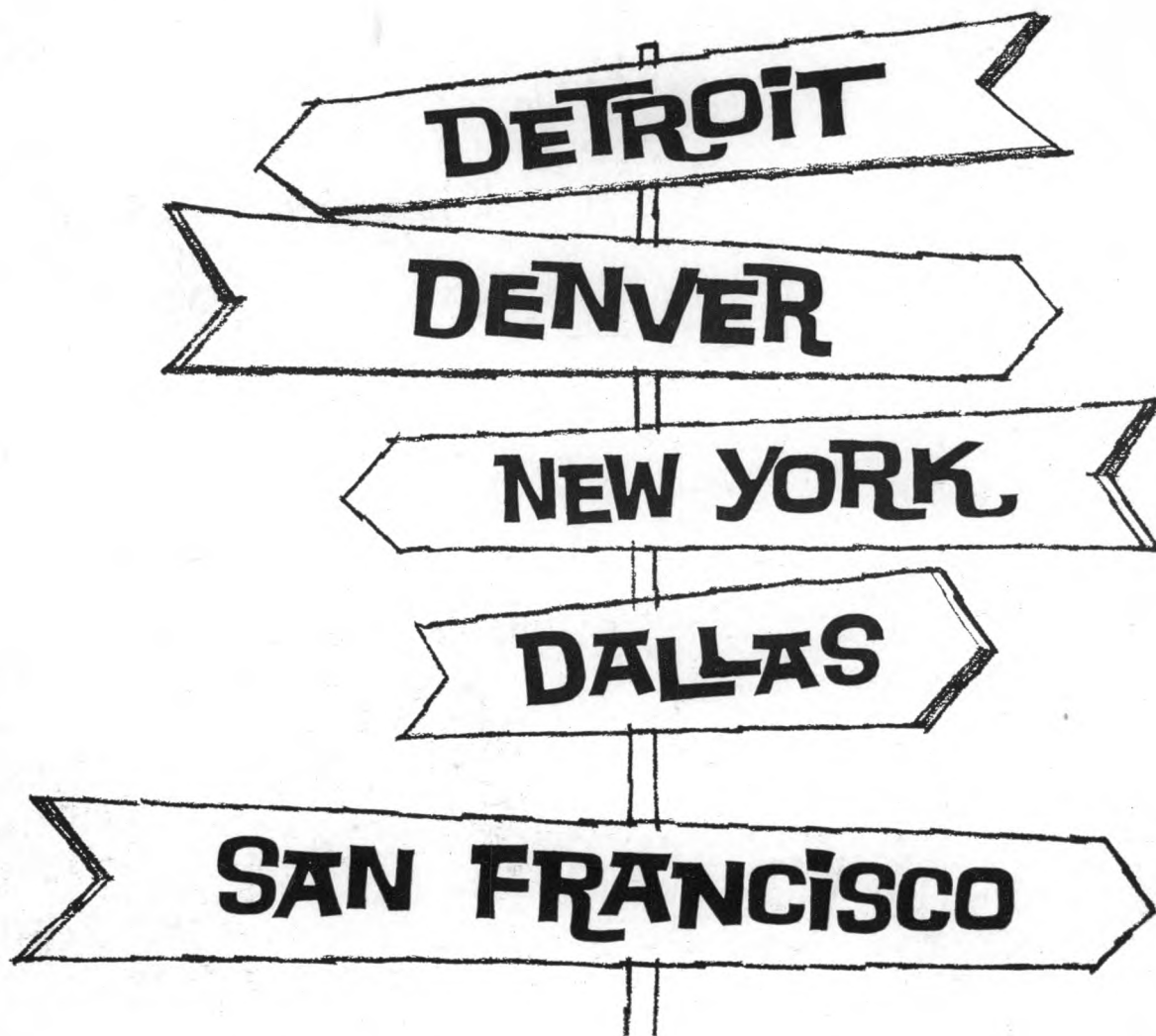
This record growth indicates that bankers enjoy working with a firm that **understands banking** (Central States has worked exclusively through financial institutions for over 25 years.) It shows that bankers insist on **stability** (Central States is among the select 20% of all insurance firms recommended by BEST'S). It demonstrates the growing opportunity for banks — your bank—in offering voluntary insurance protection to customers. Write, wire or phone us, collect, for complete details.



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HEALTH & LIFE CO.
OF OMAHA**

T. LESLIE KIZER, President

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Actually, the Iowa-Des Moines National Bank is less than a day away from any major city, coast to coast. So no matter where your drafts are drawn, they can get to

us in a hurry. And we keep our correspondent services operating at top speed, to move your business with all possible dispatch.

Why not stop in here, next time you're traveling—on vacation, or on business—and let us show you around the Bank. You'll see some operations we think you will admire; and most likely you will get some ideas as to how we can serve you even better!



JERRY NELSON
Vice President



GEO. E. HARNAGEL
Assistant Cashier



BOB BUENNEKE
Assistant Cashier



BEN EILDERS
Assistant Cashier



JOHN HUNT
Assistant Cashier

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