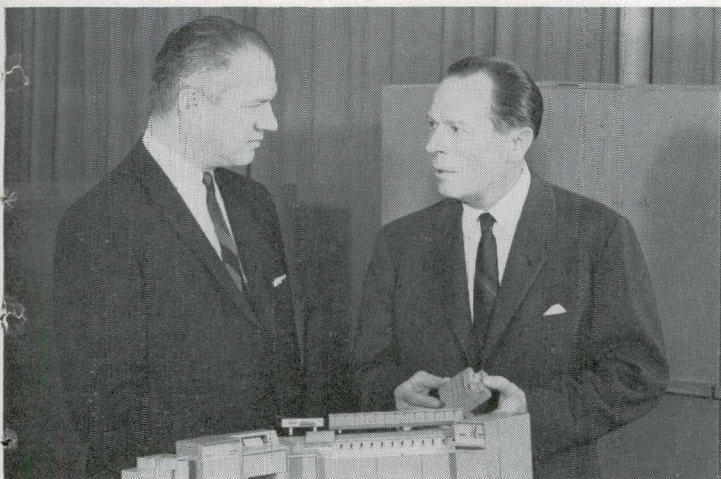


# NORTHWESTERN *Banker*

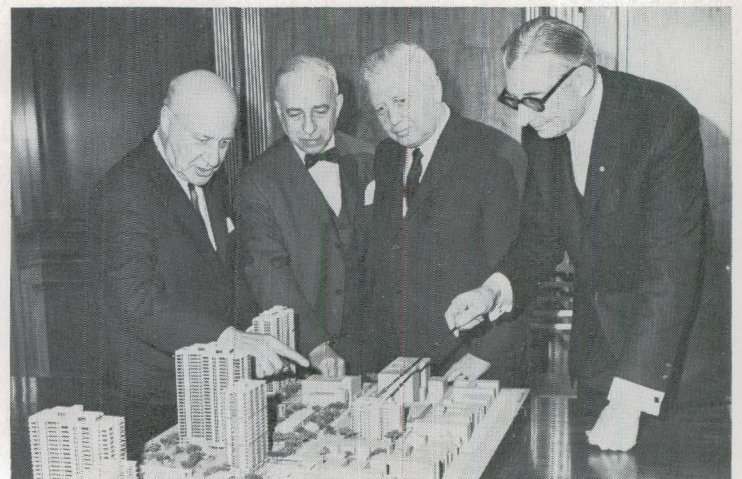
MARCH  
1962



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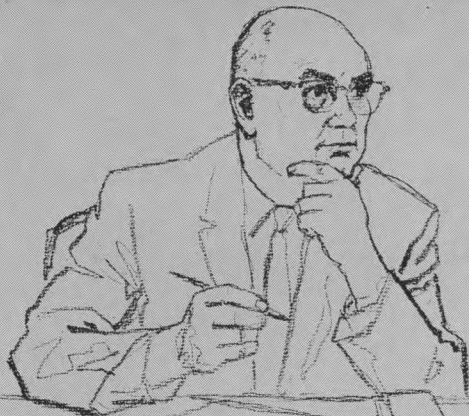
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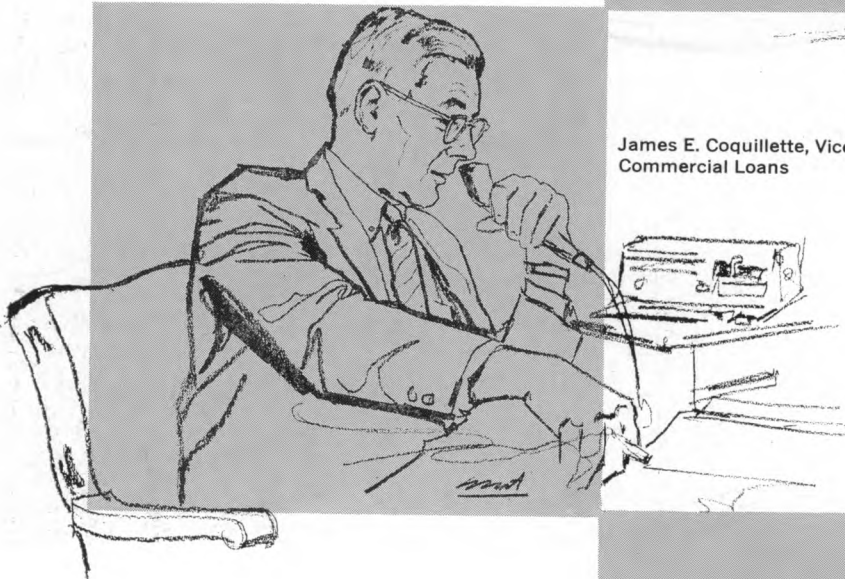
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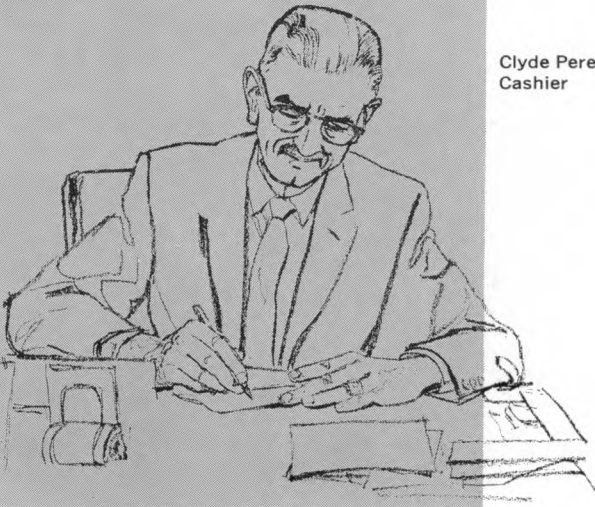
Russell Hess, Vice President,  
Trust Department



James E. Coquillette, Vice President,  
Commercial Loans



Clyde Peremsky  
Cashier



*Correspondent Banking is a Personal Service  
at The Merchants National*

Our new IBM Electronic Datacenter has been installed to provide even faster and better service to our correspondent bank customers. While we are very proud of this new service, we know that your business demands something more — individual attention. Therefore, serving you best is a personal matter with us . . . we are always guided by your needs and your wishes. Over half of all Iowa banks are enjoying this personalized service. If you aren't one of them we'd like to tell you more about us. Just give us a call.



**Merchants  
National**

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





## How \$20,000 in silver traveled all night to save the day



The time: late one Friday afternoon during the berry-picking season. The start: a telephone call from a correspondent bank in a near-by state. The subject: \$20,000 in silver needed to pay off hundreds of itinerant berry pickers the next morning. The question: could The Northern Trust meet this coin emergency? The answer: "yes"—and we did.

The silver was immediately loaded into a truck... and the truck, driven all night, arrived in the town early Saturday morning.

Our correspondent bank's farm customers received the coins—on schedule.

The fast action we took to meet this request points up an important fact—that The Northern Trust is always willing to be of service, to lend a hand.

As a correspondent of The Northern Trust, you can count upon ready cooperation. It's an important "plus" to our full range of banking, credit, bond, trust and operating services. We invite your inquiry; if you are not already acquainted with us, call N. Hall Layman, Vice President, or one of his associates in the Banking Department.



*The*  
**NORTHERN TRUST**  
*Company*  
**BANK**

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

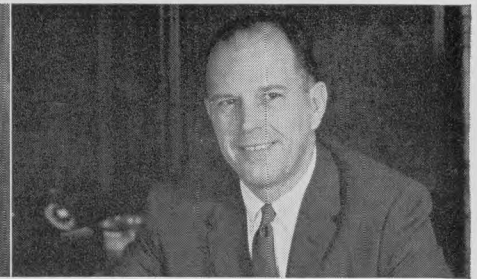




LAWRENCE F. STERN, *Chairman of the Board*



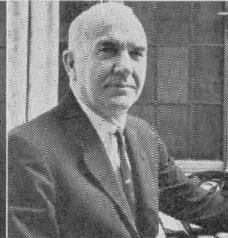
ROBERT E. STRAUS, *President*



ALLEN P. STULTS, *Executive Vice President*



M. E. FEIWEL,  
*Senior Vice President*



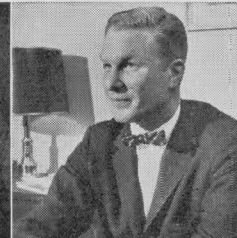
L. R. GIGNILIAT, JR.,  
*Vice President*  
Division A Commercial Loans



C. C. KUNING,  
*Vice President*  
Correspondent Bank Division



H. J. JOHNSON,  
*Vice President*  
and Trust Officer



W. S. KIRKLAND,  
*Vice President*  
Division A Commercial Loans



E. A. BERNDT, JR.,  
*Vice President*  
Trust and Estates Division



C. H. BENTLEY,  
*Vice President*  
Personnel Division



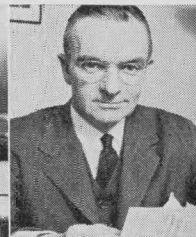
J. N. STERN,  
*Vice President*  
Trust and Estates Division



F. J. O'ROURKE,  
*Vice President*  
Division A Commercial Loans



W. A. GATZERT,  
*Vice President*  
Division G Commercial Loans



J. H. CLARKE,  
*Vice President*  
Government Bond Division



I. FRANK, JR.,  
*Vice President*  
Division H Commercial Loans



E. W. STEVENS,  
*Vice President*  
and Comptroller



E. L. ANDREWS,  
*Vice President*  
Corporate Trust Division



P. C. RAYMOND,  
*Vice President*  
Division B Commercial Loans



W. O. KURTZ, JR.,  
*Vice President*  
Correspondent Bank Division



W. G. ERICSSON,  
*Vice President*  
Division A Commercial Loans



W. S. DILLON,  
*Vice President*  
Trust and Estates Division



R. O. DALY,  
*Vice President & Cashier*  
Bank Operations



A. H. MORSTADT,  
*Vice President*  
Pension and Profit Sharing Trust Division



M. J. HAYES,  
*Vice President*  
Investment Division



H. H. SALK,  
*Vice President*  
Real Estate and Mortgage Loan Division



A. V. ROYDS,  
*Vice President*  
Commercial Loans



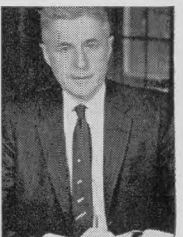
L. J. GELL,  
*Vice President*  
Division E Commercial Loans



C. C. MORGAN,  
*Vice President*  
Trust Investment Division



G. E. KEIDEL,  
*Vice President*  
International Banking Department



E. C. KING,  
*Vice President*  
Trust and Estates Division



DENNIS F. GLASS,  
*Vice President*  
Trust Investment Division



ROBERT C. HANSEN,  
*Vice President*  
Trust Operations Division

Put these men on your team.

We serve thousands of people, but we serve them one at a time.



**American National Bank**

AND TRUST COMPANY OF CHICAGO/LASALLE AT WASHINGTON

FRANKLIN 2-9200 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, March, 1962



## Burroughs Earnings Up

Burroughs Corporation, Detroit, reported net earnings for 1961 to be \$10,489,369, an increase of 14 per cent over 1960.



R. R. EPPERT

Ray R. Eppert, president, said that world-wide revenue reached a new high for the 12th consecutive year, totaling \$401,210,737.

Incoming orders in 1961 amounted to \$422,569,000 compared with \$400,581,000 in 1960.

## Harris Bank Promotions

Thomas G. Cobb was named vice president in the banking department of the Harris Trust and Savings Bank, Chicago, last month. He was formerly an assistant vice president.

The bank also announced the election of six new assistant vice presidents: T. H. Harley, N. R. Karow and F. B. Thomas, banking department; J. S. Dunhill, P. E. Montgomery and W. H. Spittler, trust department.

The new Harris Bank officers include Richard C. Kowal, Miss Molly M. Kramer, George J. Popp, Jr., Frank McNair Sims, Wallace G. Weisenborn and David L. Webber, assistant cashiers; Richard A. Miller, assistant auditor, and James M. Roach, Jr., and Hugh A. Solvsberg, assistant secretaries. William L. Forsyth, Jr., was named manager, buying department, with the Harris Bank representatives in New York City.

## "Ready-Teller"



**AUTOMATIC BANKING**—Customers using First National City Bank's branch at 42nd Street and Lexington Avenue, New York, can make deposits now without standing in line at a teller's window. A new automatic deposit machine, first installed by any bank, accepts and photographs deposits of cash and checks, returning a validated deposit receipt to the customer.

Citibanker, Dorothy Martin, explains machine's operation to a customer. The bank calls it "Ready-Teller."

# NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi

for your MARCH, 1962, reading

68th Year No. 896

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## NORTHWESTERN BANKER

306 15th Street, Des Moines 9, Iowa, Telephone CHerry 4-8163

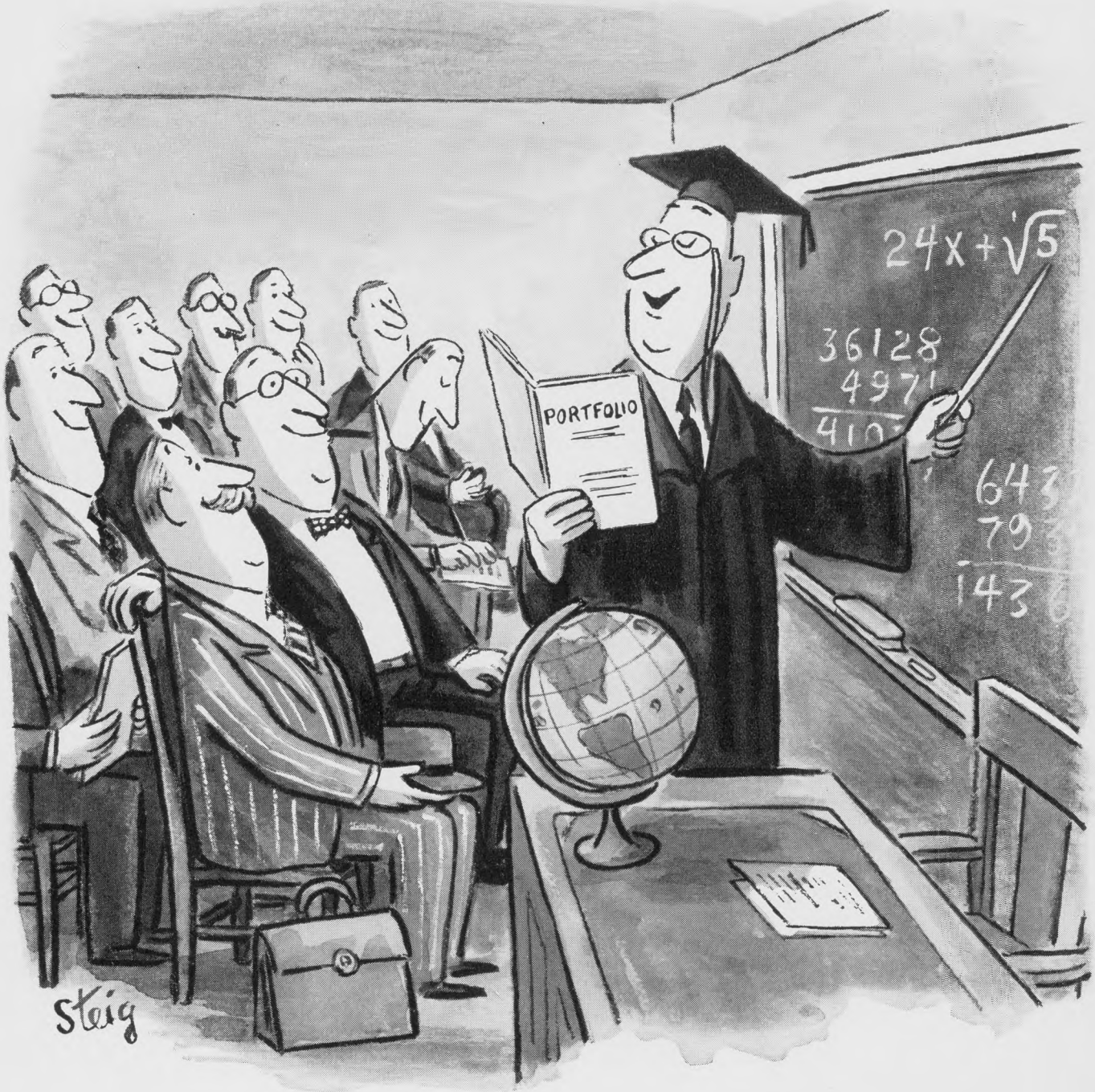
Publisher Clifford De Puy	Associate Publisher Malcolm K. Freeland	Editor Ben J. Haller, Jr.
Associate Editor Walter T. Proctor	Associate Editor Doyle Minden	
Advertising Assistant Elizabeth Cole	Circulation Department Lena Sutphin	Auditor Bertha Soderquist
Field Representative Al Kerbel	Field Representative Paul Masters	

Frank P. Syms, Vice President, 550 Fifth Avenue, New York 36, JUdson 2-7126  
Milton P. Bock, Vice President, 654 Baker Building, Minneapolis, FEderal 6-5357

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

Northwestern Banker, March, 1962





*we\* analyze your portfolio—and make constructive suggestions concerning your investments.*

\*FIRST NATIONAL CITY BANK, of course!  
 Member Federal Deposit Insurance Corporation, naturally



Northwestern Banker, March, 1962



## **Auto-Banker Snorkel Proves Successful for Wisconsin Bank**



**KIDS LOVE IT**—The customers units of the new auto-banker snorkel system at the First National Bank of Waukesha, Wisconsin, prove fascinating to youngsters.

**A**FTER five months of operation, the First National Bank of Waukesha, Wis., reports that its Mosler Auto-Banker Snorkel installation has materially reduced its parking problem, helped bring in business, increased customer service, and shows results in cost saving through increased efficiency.

Auto-Banker Snorkel was developed by The Mosler Safe Company and manufactured by International Telephone and Telegraph Corporation. It consists of a specially engineered combination of television, voice communication and pneumatic tube system which provides drive-in banking at points separated from the main bank building while the teller remains within the bank.

According to Dave Mort, assistant

vice president of the First National Bank of Waukesha, Auto-Banker has all the advantages of standard drive-in windows plus being able to offer more services because the tellers are inside the main bank building with all necessary records at hand. Mr. Mort said his bank offers drive-in service in check cashing, commercial deposits, saving account deposits and withdrawals, mortgage payments, tax and insurance escrow payments, Christmas Club deposits, money orders, telephone bills, cashier's checks, safe deposit rental, and change making.

With four Auto-Banker units, the First National Bank serves an average of 357 customers daily in its Auto Bank, Monday through Thursday. On Fridays, the volume is higher with as many as 85 per hour being served from 5 to 8 p.m.

## **New Plan for Correspondents**

**M**R. CROSBY KEMPER, SR., chairman of the City National Bank and Trust Company, Kansas City, has announced plans to offer correspondent banks in the immediate trade territory, new services in the handling of demand deposit accounting.

The installation of City National's new Electronic Data Processing Center within the next thirty days will enable demand deposit accounting to be carried out by City National on items received during the night and delivered back to the correspondent prior to bank opening the following morning. All City National correspondents in an area which permits daily pickups and deliveries will be

offered this service which will also provide the correspondents with information relative to their accounts, previously unavailable.

Final tests have been completed on the bank's Electronic System which will be installed in recently completed new quarters on the fifth floor of the bank building. Once completed, City National will be the first Kansas City bank to make these services available to their correspondents in this area.

A date will be announced in the near future for a meeting designed to fully acquaint City National's correspondents with the details and many time-saving advantages of this new service.

AS YOU READ THIS...

# 40 MILLION

READERS OF  
**TIME • NEWSWEEK**  
**U. S. NEWS & WORLD REPORT**  
**HOLIDAY • NEW YORKER**  
**NATIONAL GEOGRAPHIC**  
**SPORTS ILLUSTRATED**  
**WITH MONEY TO SPEND**  
**ARE BEING REACHED WITH THIS MESSAGE**



... DOES YOUR BANK OFFER THESE PRESOLD CHECKS WITH

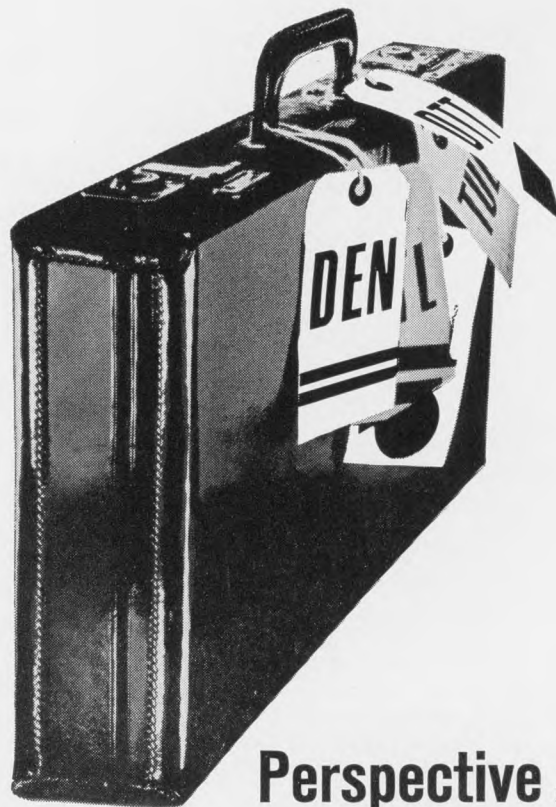
- 90% Selling Commission
- Choice of Wallet Colors
- Free Sales Aids

## **FIRST NATIONAL CITY BANK**

Member Federal Deposit Insurance Corporation

**Northwestern Banker, March, 1962**





**Perspective** requires more than one point of view. You can't get the complete correspondent banking picture from a New York skyscraper. That's why our National Division officers visit every region of the nation regularly—to discover first hand the precise needs of correspondents. It is an essential part of the Manufacturers Hanover plan to work creatively with its correspondents.

## **MANUFACTURERS HANOVER TRUST**

NEW YORK

*Member Federal Deposit Insurance Corporation*





## Elect Iowa Banker Chairman Of Public Relations School

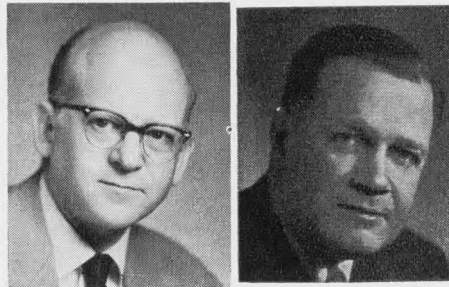
**T**HOMAS O. COOPER, president of the Jefferson State Bank, Jefferson, Iowa, has been elected chairman of the board of managers of the School of Financial Public Relations. He had served as a member of the board, the school's governing body, for the past two years.

The school, now in its 15th year, is sponsored by the Financial Public Relations Association in cooperation with Northwestern University and

a national organization of approximately 3,000 executives from these institutions. Now in its 15th year, the school has approximately 600 graduates and this year it will enter an accelerated growth era because of a recent decision to expand facilities to permit a 100 per cent increase in the size of its student body. This summer's session, half of the school's four week resident program will be in session July 8-21 on the Northwestern University Chicago campus.

Robert Lindquist, vice president of the Harris Trust & Savings Bank, Chicago, and director of the school, recently announced that more than 50 applicants have already accepted to attend this summer's session are from 32 states and Puerto Rico. The students represent institutions ranging in size from \$3½ billion to below \$900,000.

Applications and the school's catalogue may be requested from Financial Public Relations Association, 231 S. LaSalle Street, Chicago 4, Ill. Members and non-members of FPRA are equally eligible to attend.



T. O. COOPER

R. LINDQUIST

provides a post-graduate level practical education in public relations, advertising, and business development for executives from financial institutions all over the country. FPRA is

## FPRA "Plan for Profits" at Chicago Regional, April 30

**E**MPHASIZING the need to do "Advance Planning for Added Profits," the Financial Public Relations Association has scheduled a series of regional meetings this spring to help members of financial institutions compete more vigorously for the dollar.

Bankers located in the middlewestern states will be particularly interested in the regional meeting scheduled for the Chicago-Sheraton Hotel in Chicago on April 30. The meeting is open to FPRA members and non-members alike. Chairman will be Robert O'Toole, vice president, Pullman Trust and Savings Bank, Chicago. Requests for specific information should be directed to his attention. Other regional meetings will be held in Buffalo, New York, April 25, and in San Francisco, May 4.

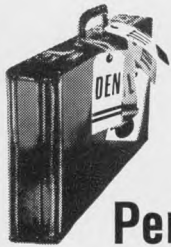
Each of the one-day meetings will feature a symposium at which FPRA's national officers will discuss the part of planning in campaign strategy aimed at bringing financial institutions closer to victory on the profit front. Speakers will be: FPRA First Vice President Ernest G. Gearhart,

Jr., vice president, First National Bank, Miami, Fla., "Planning for Staff Selling"; Second Vice President Harold W. Lewis, vice president, The First National Bank of Chicago, "Planning a Customer Call"; Third Vice President Charles H. Hoefflich, president, Union National Bank and Trust Company, Souderton, Pa., "Planned Publicity"; and Treasurer Robert A. Bachle, vice president, National Boulevard Bank, Chicago, "Planning the Advertising Budget." Vernon Schwaegerle, FPRA's Executive Vice President, will tell "The FPRA Story."

The complete program for the Chicago meeting will be featured in the April issue of THE NORTHWESTERN BANKER.

### West Coast Director

Robert W. Cahill, president of Cahill Construction Company, has been elected a member of the board of the Bank of California in San Francisco. He is also a director of the Di Giorgio Fruit Company.



## Perspective

... the capacity to view things in sound relation to the needs of the banks we serve—typifies the work of our National Division officers.

Maintaining close communication at the local level, with nearly 4,000 correspondent banks is an essential part of our working philosophy. For example:

**Last year our officers spent more than 4,000 days calling on banks, large and small, in every section of the country—from Albuquerque to Zanesville.**

An intimate knowledge of correspondent objectives, obtained at the source, enables our National Division officers to draw upon the experience and resources of Manufacturers Hanover—one of the nation's largest banking organizations—to find sound, workable answers to specific needs.

Getting the facts—first hand—is one of the ways Manufacturers Hanover works creatively with its correspondents.

**MANUFACTURERS  
HANOVER TRUST**  
NEW YORK

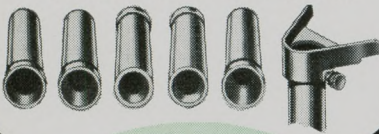




**STEEL-STRONG**  
TRADE MARK

### MANUAL COIN COUNTER

for use with TUBULAR WRAPPERS  
Saves time and speeds up counting of pennies, nickels, dimes, quarters and halves. Just push tubular wrapper up inside of Bakelite stem, holding bottom closed with finger. Count coins into hopper. Pull wrapper from bottom and crimp ends. In five sizes.



### SEAL PRESS and LEAD SEALS

Twice the leverage, half the weight (weighs only 17 ozs.), with this Seal Press! Makes perfect die impression when deforming seal. Lead Seals are die cast from virgin lead. Seals supplied with pins in varying lengths.



### COIN PACKAGING TRAY

Convenient for hand-filling Tubular Wrappers. Possesses three grooves to accommodate all diameter coins. A handy item you will use daily.



### TELLER'S MOISTENER

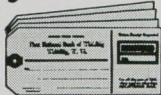
Speeds up Teller's counting and banding of currency. Moisture for finger tips, capillary pad for Bill Straps, in just the right amount of moisture. Made of plastic, in rich mahogany finish.



SPONGE FOR FINGERS  
PAD FOR BILL STRAPS

### SHIPPING TAGS

Made of linen for extra strength. 3 sizes: 2 $\frac{3}{8}$ " x 6 $\frac{3}{4}$ " with stub; same size with blank stub; 2 $\frac{3}{8}$ " x 4 $\frac{3}{4}$ " without stub. Reinforced eyelet to edge of Tag. Printed red, black.



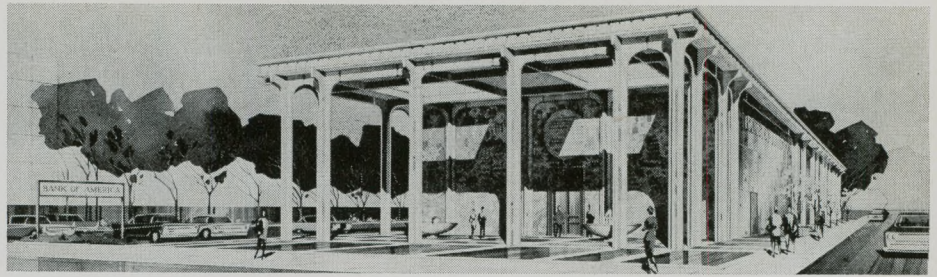
SEE YOUR  
DEALER OR  
SEND FOR  
FREE SAMPLES

**The C. L. DOWNEY  
Company**

**HANNIBAL, MISSOURI**  
World's Largest Manufacturers  
of Coin Handling Supplies

Dept. W

## Plan Memorial to A. P. Giannini



**A. P. GIANNINI MEMORIAL BRANCH**—A fitting memorial to the late A. P. Giannini in the form of this new branch of the California-wide bank he founded, the Bank of America, will be erected in his home city of San Mateo this year. Plans for the branch were announced in San Francisco by the bank's president, S. Clark Beise. As shown in the architect's sketch above, the banking office, to be known as the A. P. Giannini branch, will be accented with stately white quartz columns and a portico. Beneath the portico, across the granite panel face of the building, a colorful, 25-foot, panoramic mural executed in mosaic tile will depict dramatic events in the history of the bank and the part it has played in California's development since its founding in 1904. As a tribute to Giannini's confidence in California and all its citizens, the interior of the branch will have an oak-paneled community service room, "The Seven Oaks Room," named after the banker's suburban family home in San Mateo.

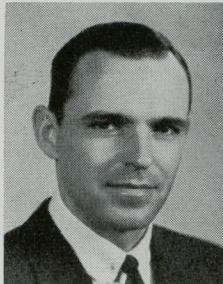
### LaSalle Promotes Three

Three promotions at LaSalle National Bank, Chicago, were announced last month by Harold Meidell, chairman of the board and president, following a directors' meeting.



L. C. HANSON, JR.

Lewis C. Hanson, Jr., was promoted from assistant cashier to assistant vice president. Thom-



T. M. KING



R. O. POHL

as M. King and Robert O. Pohl were named assistant cashiers.

Mr. Hanson joined LaSalle in March, 1959 and serves in the bank's correspondent banking division as its representative in Indiana. He is a resident of Clarendon Hills, Illinois.

Mr. King, also a member of the correspondent bank division, serving the Chicago and northern Illinois area, joined LaSalle in September, 1961. He had previously been associated for a number of years with the National Cash Register Company and lives in LaGrange, Ill.

Mr. Pohl, a member of Loan Division A, joined the bank in October, 1961, having previously served an-

other Chicago bank and Dun & Bradstreet.

The bank recently received favorable approval from its stockholders to increase the number of shares of capital stock from 165,000 \$25 par value to 500,000 shares of \$10 par value. This financing, together with transfers from undivided profits, will increase the capital and surplus of the bank from \$9 million to \$12.5 million.

### Chemical Bank Election

Joseph A. McFadden has been named senior vice president of Chemical Bank New York Trust Company, New York, according to Harold H. Helm, chairman.

He joined the bank in 1929 upon his graduation from the Wharton School, University of Pennsylvania. He became assistant secretary in 1940, assistant vice president in 1946, and vice president in 1949.

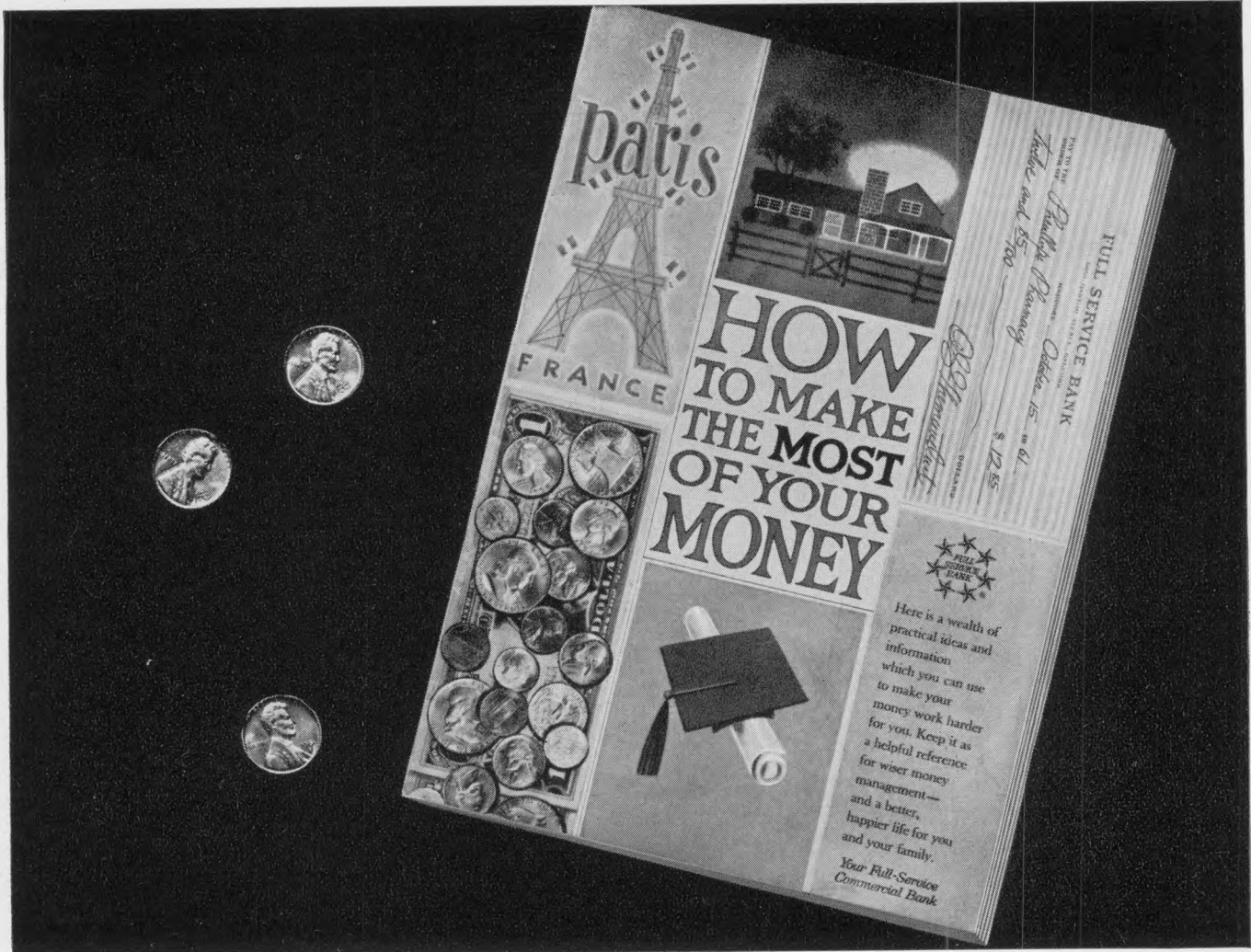
In his new position he will continue to supervise the bank's credit division and assist Howard W. McCall, Jr., vice chairman and chief loan officer, in the administration of the bank's loan portfolio.

### Western-Southern Increase

More than \$1,029,000,000 in new business during 1961 was reported by William C. Safford, president of the Western and Southern Life Insurance Company in Cincinnati.

Assets in 1961 increased \$65,517,404 to a total of \$1,124,695,258, and insurance in force is now \$5,529,592,622. Surplus to policyholders was increased by \$7.3 million bringing the total to \$81,410,354. The company is active in the credit life field, in addition to offering a wide selection of ordinary life policies.





## Would you spend 3¢ to gain a customer?

The Foundation for Commercial Banks has prepared a new booklet which will help your bank win new customers—at the unusually low price of 3¢ per prospect!

Called “How to Make the Most of Your Money,” the booklet contains practical and ready-to-use hints on good money management and clearly details the benefits of being a customer of

a full service bank. There is an area 5 inches long and 1 inch high on the booklet for imprinting your bank name and address.

When you support the Foundation for Commercial Banks you are helping your own bank. That’s why The First National Bank of Chicago—a member of the Foundation since its inception—urges you to join now.



### The First National Bank of Chicago

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

MEMBER F.D.I.C.

—Fill out and mail this order today to—

FOUNDATION FOR COMMERCIAL BANKS  
P.O. Box 12, Trenton 10, New Jersey

We should like to order \_\_\_\_\_ advance copies of “How to Make the Most of Your Money ” at 3¢ each (1000 minimum order.)

BANK \_\_\_\_\_

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CITY \_\_\_\_\_ ZONE \_\_\_\_\_ STATE \_\_\_\_\_

Northwestern Banker, March, 1962

More Than Ever...

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Iowa's Favorite  
Correspondent  
Bank

as indicated by the  
increasing number of  
accounts served

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Member Federal Deposit Insurance Corporation





MT. MADISON

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

**Northwestern Banker, March, 1962**



## New Executives in St. Louis

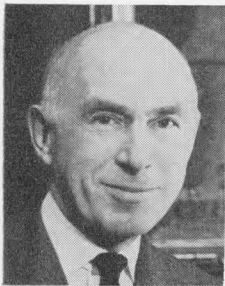
THE board of directors of Mercantile Trust Company, St. Louis, in a meeting last month announced that Kenton R. Cravens, heretofore president of the bank, was elected chairman of the board and chief executive officer, succeeding Sidney Maestre who was elected chairman of the executive



K. R. CRAVENS

committee, replacing Hord Hardin who is retired. At the same time, John Fox, formerly a senior vice president, was elected president.

Mr. Cravens, who has been a commercial banker since 1938,



S. MAESTRE



J. FOX

joined the Mercantile-Commerce Bank and Trust Company (a predecessor of Mercantile Trust Company) as vice president in charge of the banking loan division in 1943. In 1953, he left the bank to accept the post of administrator of the Reconstruction Finance Corporation. He directed the liquidation of the agency, resigning in March, 1954, to return to Mercantile. He was elected president of the bank in April, 1954.

John Fox, new Mercantile president, has been with the bank since 1933 when he served as secretary to the president. In 1938, he was appointed an assistant cashier and two years later, spent seven months as an exchange officer with the Banco Nacional de Mexico in Mexico City. In 1943 he was made an assistant vice president, became a vice president in 1946, and in 1955 was elected senior vice president in charge of the bank's commercial lending operations.

Sidney Maestre, new chairman of the executive committee, recently received added national recognition in the field of banking when he was appointed as a member for 1962 of the Federal Advisory Council of the Federal Reserve System.

Mr. Maestre began his business career in 1911 as clerk for Crunden Martin Manufacturing Company, moved to Mercantile Trust Company in 1912, to Stern Bros. in Kansas City in 1917, and returned to Mercantile Trust Company in 1919 as vice president in charge of the bond department. In 1929, in the merger of the Mercantile Trust Company and the National Bank of Commerce, he became president of Mercantile-Commerce Company. In 1931 he was elected president of the Mississippi Valley Trust Company, and in 1951 became chairman of the board and chief executive officer of the Mercantile Trust Company, formed by the consolidation of the Mississippi Valley Trust Company and the Mercantile-Commerce Bank and Trust Company.

### Trust Promotions

Stuart L. Murdock, a trust investment officer with City National Bank and Trust Company, Kansas City, since 1957, has been promoted to vice president.

Other promotions announced included H. L.



S. L. MURDOCK

Larry Miller, who was named consultant to the trust department; Joseph S. Davis, Jr., to personal trust officer; W. W. Schmidt and Frank R. Terry, to assistant personal trust officers; Reuben Short, to assistant corporate trust officer, and William V. Pruett and Clarence V. Lee, to assistant trust investment officers.

### LaMonte Retirement

George LaMonte & Son, manufacturer of Safety Paper for checks, has announced the retirement of C. Stewart Richmond, Chicago district sales manager.



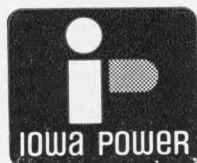
C. S. RICHMOND

A graduate of Williams College, Mr. Richmond joined George LaMonte & Son as a sales representative in August, 1927. He was appointed district sales manager in 1948.

LaMonte representation in the territory will be continued by Robert P. O'Connor and John S. Porterfield from their office in the First National Bank Building, 38 South Dearborn Street, Chicago.

Consecutive  
dividend payments  
for  
**53** years

Write for Annual Report



IOWA POWER

AND LIGHT COMPANY

Des Moines 3, Iowa

Now serving 25 counties in Iowa





*Says William S. Hildreth:*

## **"Chase Manhattan Cash Letter Service? First Rate!"**

We spotted Vice President William H. Siddons, Jr., showing Chase Manhattan's big and busy check processing operation to William S. Hildreth, Chairman, Peoples National Bank of Charlottesville, Va. Asked his opinion of the way Chase Manhattan has been handling his bank's cash letters, Mr. Hildreth told us:

*"First rate . . . suits us just fine. Beats me how you people get the job done so fast. Sometimes I think you must use rockets! By the way, did you know our Bank has been doing business with Chase for over seventy years?"*

Providing the kind of correspondent service that makes steadfast friends is an old story at Chase Manhattan. For example, the people in the Check Processing Department overlook nothing, short of rockets, to make sure each correspondent's checks are collected in the quickest, most direct way. Special consideration for individual problems is available on all correspondent services at Chase Manhattan.

In Chase Manhattan's new and expanded head office facilities, we expect to get things done even faster and better for Peoples National Bank

. . . and all the other banks that use Chase Manhattan as their New York correspondent.

**THE  
CHASE  
MANHATTAN  
BANK**



CHARTERED IN 1799

1 Chase Manhattan Plaza,  
New York 15, New York

Member Federal Deposit Insurance Corporation

**Northwestern Banker, March, 1962**

## Executives Announce Retirements

**R**ETIREMENT of Horace C. Flanigan and William S. Gray from top management positions of Manufacturers Hanover Trust Company, New York, as of December 1, 1962, was disclosed at the bank's annual meeting.

Mr. Flanigan is chairman of the executive committee and Mr. Gray is chairman of the finance committee. Both have had long banking careers.

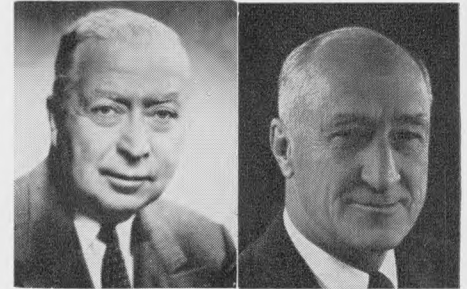
Mr. Flanigan, who became a vice president of Manufacturers Trust in

1931, was named chairman and chief executive officer in 1956. With the merger of the bank with The Hanover Bank last September 8, he was elected chairman of the merged institution's executive committee.

Mr. Gray, a bank president at the age of 35, joined the then Central Union Trust Company as a vice president in 1925. When Central Union merged with The Hanover Bank in 1929, Mr. Gray continued as a vice president until his election as presi-

dent of Central Hanover Bank and Trust Company in 1933. He became chairman in 1950, and one year later the bank shortened its name to The Hanover Bank. When Manufacturers and Hanover merged, Mr. Gray was elected chairman of the finance committee.

Charles J. Stewart, Manufacturers Hanover Trust chairman, said the posts held by Mr. Flanigan and Mr.



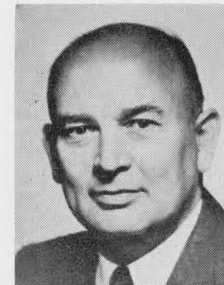
H. C. FLANIGAN

W. S. GRAY

Gray would not be filled as of the date of their retirements. Both Mr. Flanigan and Mr. Gray will continue as directors.

### Name New York Director

William M. Batten, president and chief executive officer of J. C. Penney Company, was appointed a director of First National City Bank in New York last month. Mr. Batten began his career in 1926 as an extra salesman with the company.



W. M. BATTEN

### Continental Promotions

Directors of Continental-Illinois National Bank & Trust Company, Chicago, have promoted eight officers and elected four others, all in the commercial banking and trust departments.

In the trust department, M. McAllister Clarke, Norman W. Reed and Philip J. Dambach were promoted to vice presidents. Mr. Clarke and Mr. Reed had been second vice presidents, and Mr. Dambach was a trust officer. Promoted to second vice presidents from trust officers were P. Jordan Hamel, Richard L. Merrick and Frank M. Wright, Jr.

In the commercial banking department, two former assistant cashiers were named second vice presidents. They are Ralph W. Abelt and Bruce Benner, Jr. Directors also elected Richard E. Delaney a second vice president, and Kenneth K. Chalmers, Gerard M. Keeley and William G. Marquardt, assistant cashiers in the commercial department.



"Which bank out here in Arizona? Why, I'd recommend the Valley National.

"Why? Well, it's the largest in the Rocky Mountain States, for one thing... resources of three-quarters of a billion. But even more important, they're in touch with every facet of the Arizona economy... mining, cattle, agriculture, business and industry. And, Joe, you can talk to those folks... there isn't a stuffed shirt in the bunch! For my money, it's the Valley Bank!"

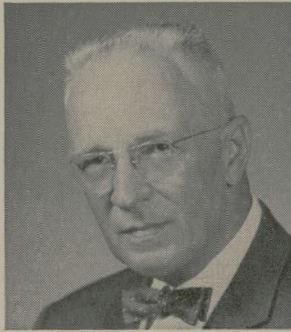
HOME OFFICE: PHOENIX

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, March, 1962



*J. Harry Arnold, president,  
Leominster Savings Bank,  
Leominster, Mass.*



## **"...the plans stirred a lot of community interest"**

Says J. HARRY ARNOLD, president, Leominster Savings Bank, Leominster, Mass.: "The public relations value of our new quarters has been a source of much satisfaction. Right from the start, when we signed a contract with Bank Building Corporation in '57, the plans stirred a lot of community interest. And when the 'sidewalk superintendents' saw the very handsome, contemporary building taking shape, you could feel they were sharing our pride in the project. The good will and prestige generated by this building have been important factors in our progress."

When a banker invests in new construction, "public relations" vitally affects the planning. With hundreds of thousands of dollars likely at stake, he wonders, "Will this building create an enduring impression of progress, efficiency, beauty... or be just another new building?" That's why it pays to consult early with Bank Building. Here, you get the assurance of experts who gained their experience from 3,700 financial projects, who can give you exactly the building you want. Call or write today.

Both inside and out, the design of Leominster Savings features clean, classic lines that wear well with time.



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AFTER a Bank Modernizes?"**

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## ACROSS the DESK from the Publisher

### Dear M. Monroe Kimbrel:

Vice President, American Bankers Association, and  
Chairman, First National Bank, Thomson, Georgia.

In President Kennedy's Budget message, he said, "the tax-deductible reserve provisions applicable to mutual savings banks and savings and loan associations should be amended to assure nondiscriminatory taxation among competing financial institutions."

Commercial banks should not be placed at a disadvantage with savings and loan associations under our tax laws, and it is to be hoped that this session of Congress will remedy that situation.

As you have pointed out, Mr. Kimbrel, "In 1960 savings and loan associations paid less than 1 per cent of income in taxes, while commercial banks paid about 35 per cent. For example, in Wisconsin in 1960 the average payment by commercial banks in Federal income tax was \$27,500. The 1960 average for savings and loan associations was \$100."

At the present time the House Ways and Means Committee has before it the so-called "tax package" which among other things contains these two features:

1. Tax uniformity among competing financial institutions, which the ABA favors.
2. Mandatory tax withholding on dividends and interest, which the ABA opposes.

The problem is to separate these two proposals and include the first one and eliminate the second one.

As you put it, Mr. Kimbrel, "the job we would like to perform is pulling withholding out of the package without upsetting the whole measure."

It is certainly unjust to permit "the \$118-billion mutual savings industry to continue to operate virtually tax free," as Sam M. Fleming, president of the ABA, has emphasized.

### Dear James J. Saxon:

Comptroller of the Currency,  
Washington, D. C.

In your recent letter to the Board of Governors of the Federal Reserve System you discuss bank mergers in New York State and then say:

"It is regrettable that the law of New York, as well as the laws of many other States, artificially inhibit normal, proper, and publicly beneficial growth and expansion through branching, and consequently require undue reliance on means other than branching. It is these various, myriad, *unhealthy State statutes* which generate undue recourse to unusual means in order in some way to accommodate banking growth and expansion to the economic realities and economic forces of our times which will not over the longer term permit artificial containment."

Then in your last paragraph is this statement:

"The Bank Holding Company Act should also be amended in at least two major respects: (a) to make clear that this Act supersedes all State Statutes now or hereafter in force, and (b) to eliminate exemptions presently in the Act so as—inter alia—to assure that no organization owning banks is free of regulation pursuant to the Act as is presently the case."

The NORTHWESTERN BANKER is opposed to two of your propositions and we believe:

1. States have a right to pass banking laws they believe are in the best interests of their citizens, and we do not believe they can be classified as "*unhealthy State Statutes*."
2. Also, your office should not use its influence to have laws passed which would, "supersede all State Statutes now or hereafter in force."

There are 8,772 state banks out of a total of 14,017 banks in the United States whose officers may still endorse "states rights" and who do not wish to have the *steam roller* of any national legislation take away their prerogatives of state banking legislation.

Clifford DePuy





Approximately 95,000,000 Americans will take vacation trips of at least three days during 1962, at a cost that will exceed

21 billion dollars. Vacation Club plans available through local financial institutions make many of these trips possible.

## “Getting to know you” the third step

When this family learned the value of regular weekly savings through Christmas Club membership, they took their first step toward the achievement of their financial goals. The second step was inevitable . . . the proper use of *all* the services of their local financial institution.

Now they are enjoying the third step . . . a happy one for them and a profitable one for you. They have learned, along with millions of others, that their “vacation pay” somehow never gets

set aside for vacations. Rent, food, taxes, utilities, insurance take care of that. So they joined Vacation Club, still another service they learned about after getting to know you.

Won't you get to know us and the services we offer? For over fifty years our services have been helping financial institutions to know their customers better. Just drop a note and we will arrange for a staff member in your area to contact you. No obligation, of course.

**SEND FOR OUR FREE BOOKLET ON VACATIONS AND  
THE VACATION CLUB PLAN**

## Christmas Club a Corporation

230 Park Avenue, New York, N. Y.

Founded by Herbert F. Rawll

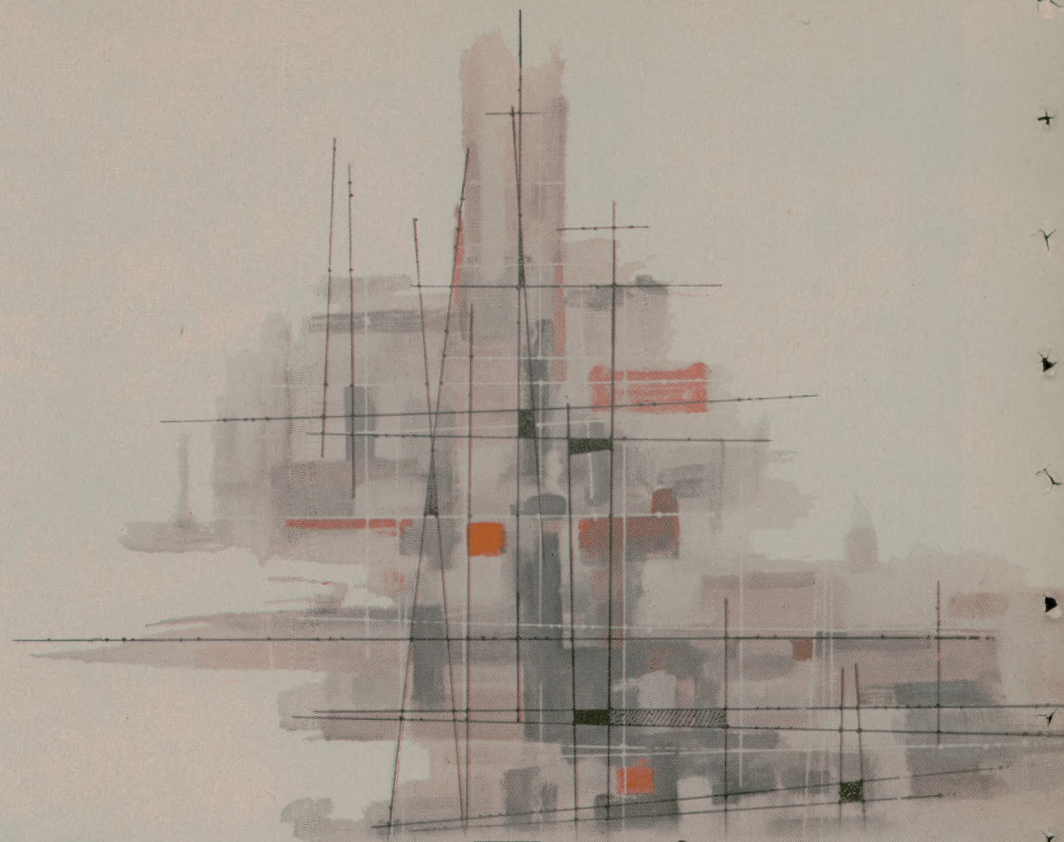
**Builds Character • Builds Savings • Builds Business for Financial Institutions**

*Photograph courtesy of  
the New York Savings Bank*

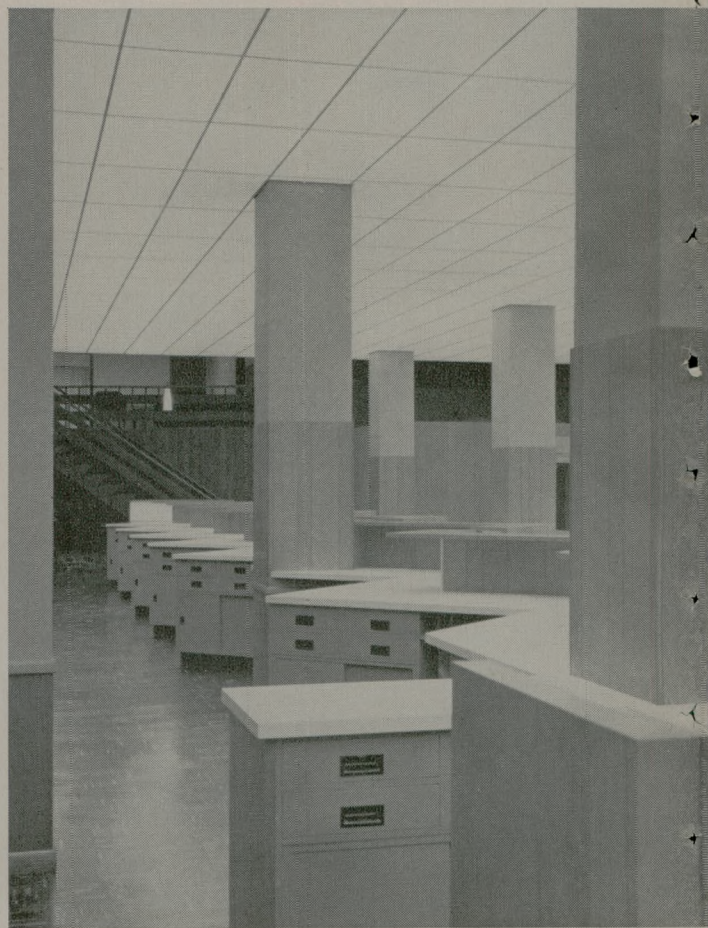
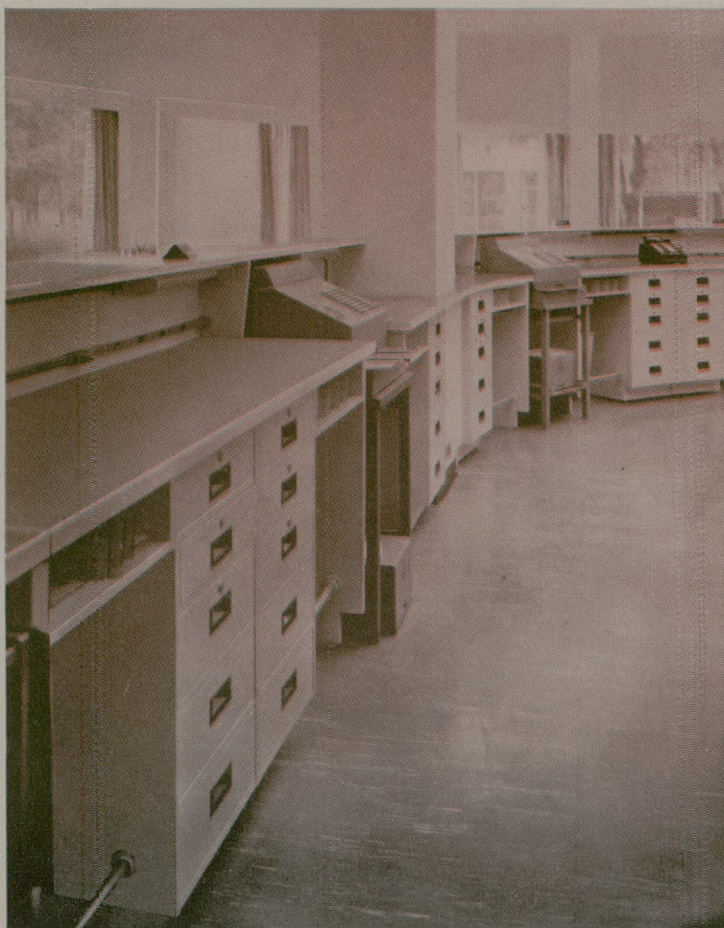


*Northwestern Banker, March, 1962*





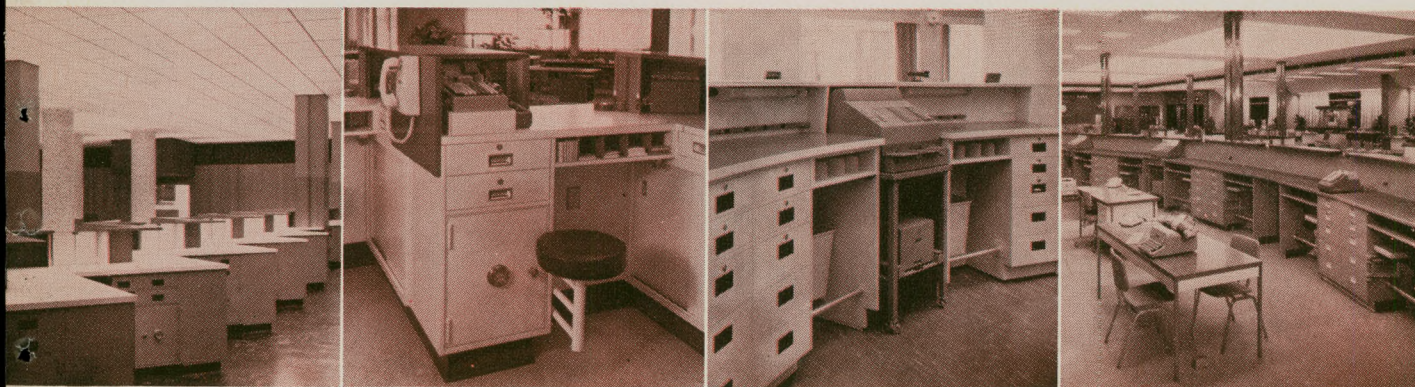
# Bank Counter Equipment



*Northwestern Banker, March, 1962*



# in the Diebold Tradition



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Unique in its engineering and design, Diebold Bank Counter Equipment fulfills your requirements today . . . anticipates those of tomorrow through utilization of the modular concept. To this end, Diebold Bank Counter Equipment accomplishes what we call "engineered teller efficiency" . . . does so within a framework of good looks completely worthy of your organization's name and position.

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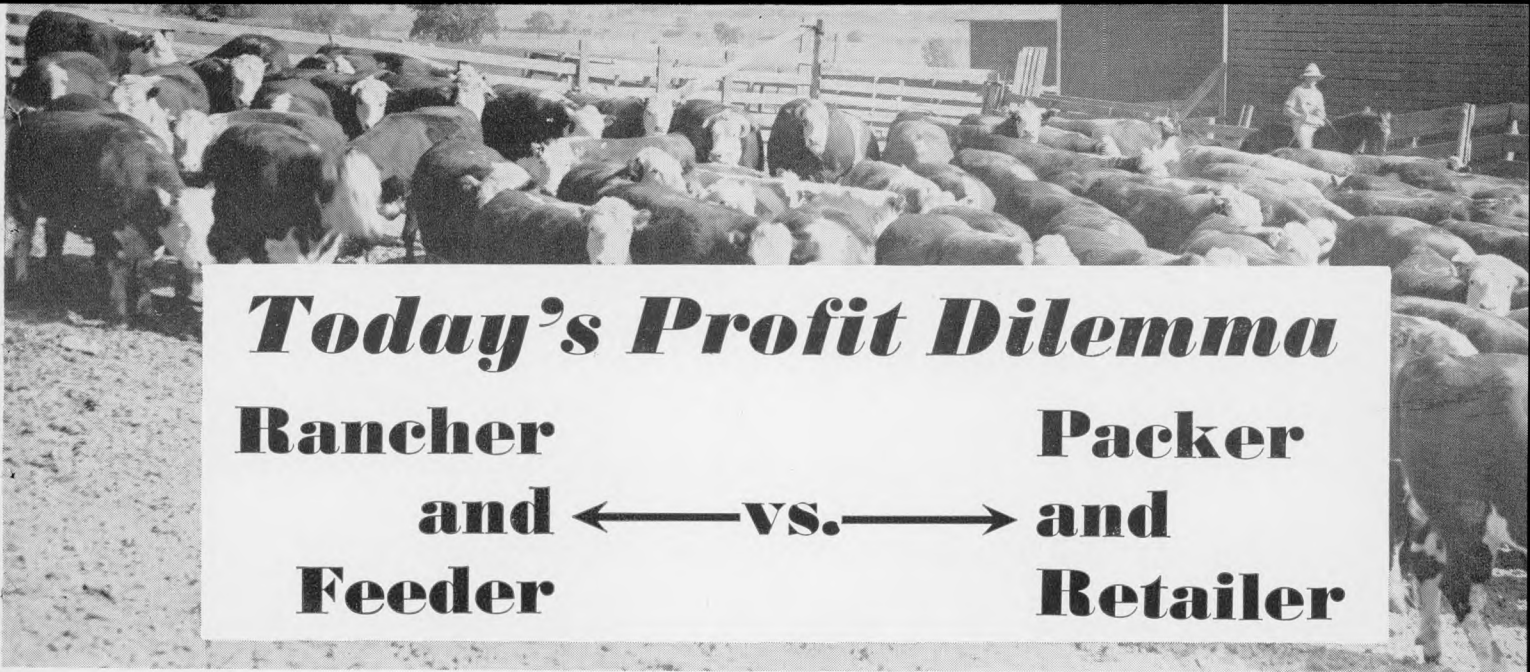
In Canada: Diebold of Canada, Ltd., Toronto • Ahern Safe Co., Montreal

Northwestern Banker, March, 1962









# **Today's Profit Dilemma**

**Rancher  
and Feeder** ← **vs.** → **Packer  
and Retailer**

**I**N 1942 WE sold wet cows in the fall for \$85 per head. It took about eight of these cows to buy a half-ton pickup truck that cost us about \$650. Today that cow sells for about \$150, which means it takes about 18 of them to buy today's truck which sells for about \$2,800. The same disparity occurs between nearly everything we buy and what we sell.

In many respects the interests of ranchers and cattle feeders in this problem are identical. Over the long pull, range cattle prices have been governed by fat cattle prices. So, what is good for the cattle feeder is good for the rancher, and a fair price for our product is the best medicine for both.

One of the main factors affecting the long-range outlook for cattle prices is the tremendous monopolistic buying power now concentrated in the hands of the chain stores. While the packing industry has been decentralizing, the distribution of meat at retail, which formerly was decentralized in small retail stores, has been centralized in huge chain store operations.

Of the 25 largest food retailing organizations in the United States, 13 are corporate type chains and 12 are voluntary or cooperative chains. This centralization of the distribution of meat has shifted the possible power to control or manipulate meat prices from the packers to the chain organizations.

The chains have found beef so important to their competitive success that they build their entire store around their meat departments. Recent press releases indicate the U. S. Department of Agriculture, under the provisions of the Packers and Stockyards Act, finally is going to investigate certain practices of the chain stores to determine if they are using their concentrated buying power to the detriment of livestock interests or the public.

In this proposed investigation the profit or losses, the margins maintained, and the overhead of the total operation charged to the meat end of the business should be fully investigated and the facts and figures opened to the public.

The facts are clear that today there is the largest spread in history between wholesale beef prices and retail beef prices. In 1951 the producer got 75 per cent of the retail dollar, and today his share is less than 60 cents of that same dollar.

At Omaha in November, 1951 (when fat steers sold up to \$40 and \$41 there), retail beef prices then prevailing there were 65 to 79 cents a pound for choice roasts and steaks. Current fat cattle top at Omaha is \$25 for fat steers, while choice roasts and steaks there are 89 cents to \$1.09 per pound. What's more, although retail prices are still in line with a year ago, carcass beef at wholesale (choice steer and heifer beef) is selling to the retailer at 50 cents to \$1 less than a year ago.

When you look at these comparative prices and the ever widening spread is it any wonder some of us ranchers are interested in a thorough investigation?

**By COURTENAY DAVIS**  
*Rancher*  
*Horse Creek, Wyo.*

Another factor vitally affecting the long-range outlook for cattle prices is the growing practice of certain packers and chain stores to feed cattle for their own account, or to contract with large commercial cattle

feeders for the future delivery of fat cattle.

These practices give certain packers and chains a constant supply of fat cattle in reserve to call on whenever the supply is short and prices start to rise. It enables the packer or chain to withdraw from the market at will and draw on their own supply to meet the needs of their killing crews, if the market is not to their liking. This removes competition and restrains trade, and as such tends to manipulate prices.

This whole problem of packer and chain store feeding, chains getting into the packing business, the leverage in the buying power of chains in the dressed meat trade through their purchasing methods is unregulated at the present time. These tremendous aggregations of corporate wealth and power in the hands of a few men affect the daily lives of hundreds of thousands of individual ranchers, cattle feeders and the millions of consumers of meat products in this country.

I am not opposed to bigness as such, but to protect all those who are affected by these big enterprises and to insure fair play for all in the competitive free society, it seems high time that rules and laws should be enacted under which all can live and prosper without any one segment of the industry being allowed to dominate and exploit the others.

Government interference in private industry is not to

**TODAY'S PROFIT DILEMMA . . .**

(Turn to page 48, please)



# Should We Have an Installment Loan

## 10 Points to Consider on This Important Question

**T**ODAY, many banks in the \$5 to \$10 million deposit range might well consider the advantages of a separate installment loan department and, as a major objective, an enlarged volume of installment type paper. The fact that a larger proportion of the deposits of these banks today is in the form of time deposits, at a cost of 4 per cent, makes this a realistic and propitious hour to take a long look at the idea.

Obviously, there are many types of installment loans and the bank will have to consider which of these it wishes to offer. In the farming areas, agricultural equipment can be financed by such loans. Appliance and furniture purchases can also be financed; there is, in addition, a tremendous volume of business in personal loans.

**1. Auto Dealer Financing**—As part of this deliberation the bank will be attracted to the merits of automobile dealer financing since this method is capable of producing a large volume of installment contracts in the shortest period of time.

While many advantages can be attained through the development of this type of business, including relatively attractive earnings, and lower cost of acquisition, a cautious and thorough approach to this area of competition is essential to success.

Near the forefront in the problems of dealer financing is the constant requirement of intelligent analysis of the dealer's ability to survive and to sell automobiles on a profitable basis to a satisfied clientele, which, in turn, produces sound installment paper for the bank.

My own bank enjoys outstandings of approximately \$40 million in time sales contracts, the preponderance of which represents automobile dealer paper. O. Wayne Fosher, the vice president in charge of the installment loan department, is widely known for his leadership in the field of automobile dealer financing and it has been

my pleasure to represent him and the services of our installment loan department to many of our correspondents who have entered the field of automobile financing and who have sought our assistance and guidance from time to time. These services have included the financing of excess lines. My remarks here are based on this experience with bankers.

**2. Study Trade Territory**—When a bank evaluates the potential volume of installment loan financing available through the facilities of an installment loan department, it should consider the natural trade territory it will serve, and whether or not this trade area is capable of presenting an attractive volume of installment paper. In making this survey it should consider: competitive factors; the supply of services and products usually purchased on credit, and the practicable area within which it will be able to minimize efficiently collection problems and losses.

**3. Floor Planning**—If the dealer route to volume is adopted, the bank will probably face the request for floor

plan assistance. We believe that the dealer is entitled to this accommodation and we suggest to the smaller banks with limited experience that they look to their city correspondent for a supplemental opinion of the dealer's financial strength before the floor plan request is granted to any sizable extent.

The large metropolitan bank which services scores of dealer relationships can often provide an enlightened analysis based on comparisons with many other retailers selling the same type of car in other areas. If the smaller bank is to provide floor planning and retail financing of the dealer's sales contracts, it must constantly heed its loaning limits, which, of course, differ in many cases, according to state and national banking regulations.

A correspondent bank will often provide the overline assistance that is needed once it is satisfied that the local bank can effectively carry out the servicing, the spot checking, and the collection follow-up of a good dealer's paper. The city correspondent may consult and advise with the local banker, but he will be dependent upon the local banker for proficient on-the-scene, day-to-day control of the dealer relationship.

**4. Screen Each Application**—Notwithstanding the sufficiency of the dealer, it has been our observation that the smaller bank often places perhaps too much confidence in the dealer's repurchase agreement or recourse endorsement, and that the bank fails to screen each purchaser's credit application with the help of a prompt and dependable report.

Also, in connection with dealer financing, it is disappointing to occasionally note an unrealistically low rate of discount. This may attract volume, but it will not produce the yield that is deserved and will necessitate the development of considerably larger outstandings in order to arrive

*Written Especially for  
The Northwestern Banker*



**By**  
**JAMES E. BROWN**  
*Assistant  
Vice President  
Mercantile  
Trust Company  
St. Louis  
Missouri*

**Mr. Brown has extensive experience in consumer credit work, both in the sales finance field prior to entering commercial banking and with Mercantile Trust where he first worked in the installment loan department. He is a member of the correspondent bank department.**



# Department?

at the same gross income which a smaller volume would have provided on a sound rate structure.

**5. Trained Specialist Needed**—While dealer business is probably the most prolific source of installment loan volume, it is, of course, not the only approach and many banks have enjoyed remarkable success via the direct loan route. In either case, direct or indirect, it is our opinion that a separate department under a trained specialist is highly desirable.

Among other "dealer" problems the bank will face is the onslaught of the home improvement "operator" whose fast sales talks will invariably result in some highly unsatisfactory installment paper. This is not to state that there are not many highly reputable home improvement dealers, whose business the bank may well encourage. But, again, the emphasis is on the specialist who must keep constant vigilance over all paper purchased from whatever the source, including close follow-up of all collections, and continuous control over delinquent accounts. We have observed that a great many banks neglect this close follow-up during their initial year of developing their installment loan outstandings.

**6. When to Departmentalize**—It is difficult to state precisely just how large an installment portfolio should be to justify departmental control, but many believe that minimal outstanding balances should be in the area of at least \$3 to \$4 thousand, representing approximately 500 accounts. I know of some successful exceptions to this rule, however, and I admire the extremely modest beginnings to which many banks can point with pride.

The statistics quoted in the accompanying chart can well serve as a guide for the bank which is considering the development of a separate or enlarged installment loan department. It is based on the composite results of

a questionnaire on installment credit received from 340 outstanding commercial banks engaged in this field of lending. These figures as of December 31, 1960, represent the latest available.

**7. Separate Quarters**—The bank which has decided to operate through the facilities of a separate installment loan department should consider the idea of providing separate quarters with after hours access. Dealer business and installment customers frequently maintain longer hours than those normally kept in the average commercial banking department.

The choice of departmental book-keeping equipment is important, but,

in many cases, banks can take care of this with existing equipment. A very simple system of prescheduling can be arranged with a minimal investment in equipment. Much to the surprise of many visitors in our own bank, we use simple prescheduling machines, adding machines, and a coupon book perforator to do most of the job. A key sort system is used for dealer controls and loan classifications, and we find that this system performs very satisfactorily.

We will admit, however, that the age of automation is just around the corner. Electronic data processing

## 10 POINTS TO CONSIDER . . .

(Turn to page 46, please)

### Installment Credit Income

Composite results of 340 commercial banks engaged in installment landing. Figures as of December 31, 1960.

1. Percentage representing each class of installment credit in an installment loan portfolio.

Class of Loans	Number	Dollar Amount	Gross Income	Average Loan
Personal Loans	23.16%	13.52%	14.31%	\$ 538
FHA Title I	11.82%	9.99%	8.85%	1,007
Modernization—Own Plan	8.53%	7.09%	7.67%	940
Automobile—Direct	13.62%	18.87%	17.96%	1,408
Automobile—Indirect	18.15%	24.95%	22.52%	1,542
Appliances	13.04%	5.67%	10.66%	437
Mobile Home	2.30%	6.49%	6.17%	3,134
All other Installment Retail	9.38%	13.42%	22.86%	2,092
TOTAL	100.00%	100.00%	100.00%	

2. Percentage of total deposits invested in installment credit outstandings.

#### TOTAL DEPOSITS (in millions)

Up to 10	\$10-25	\$25-50	\$50-100	Over \$100
16.53%	14.75%	15.13%	11.83%	9.72%

3. Ratio of total installment credit outstanding to total loans and discounts including mortgages, not including investments.

#### TOTAL LOANS AND DISCOUNTS (in millions)

Up to 10	\$10-25	\$25-50	\$50-100	Over \$100
29.18%	26.78%	24.22%	22.59%	16.87%

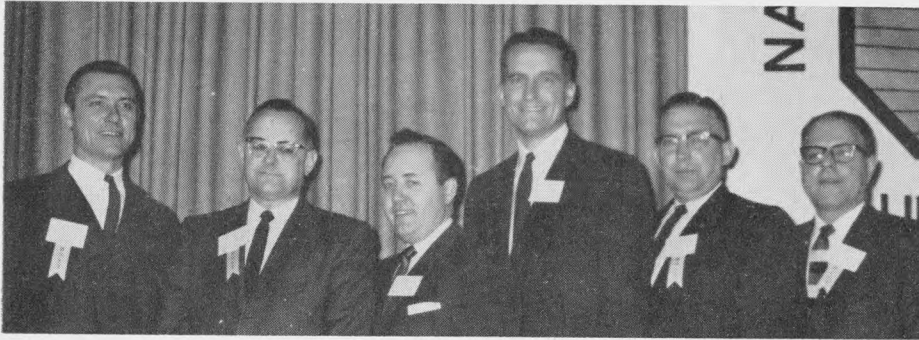
4. Ratio of gross installment credit income to gross income from total loans and discounts, including mortgages, not including investments.

#### TOTAL LOANS AND DISCOUNTS (in millions)

Up to 10	\$10-25	\$25-50	\$50-100	Over \$100
37.91%	36.36%	34.28%	34.27%	25.24%

5. Ratio of gross installment credit income to outstandings . . . . . 8.71%
6. Ratio of gross installment credit expense, excluding cost of money to outstandings . . . . . 2.66%
7. Ratio of net income to outstandings, excluding cost of money (5 minus 6) . . . . . 6.05%
8. Ratio of total installment credit expense, excluding cost of money to gross installment credit income . . . . . 30.54%
9. Number of installment loans delinquent 30 days or more expressed as a percentage of total installment loans outstanding as of December 31, 1960 . . . . . 1.80%
10. Number of installment loans outstanding per employee . . . . . 520





**INFORMED MEMBERS** of the panel discussion in this article are, from left: **Gene Eaton** and **Robert A. Wekesser**, senior vice presidents, National Bank of Commerce Trust & Savings, Lincoln, Neb.; **Beryl W. Sprinkel**, vice president and economist, Harris Trust & Savings, Chicago; **Dr. Miller Upton**, president, Beloit College, Beloit Wis.; **Herman A. Brockmeier**, senior vice president, and **Myron Weil**, executive vice president, both of National Bank of Commerce, Lincoln.

## More Profits for Smaller Banks

Several ways to increase profits in the banking profession were presented and discussed last month at a correspondent conference of the National Bank of Commerce Trust and Savings, Lincoln, Neb., and the men pictured on this page contributed ideas found in the following article:

**BERYL W. SPRINKEL:** Bankers can expect deposit growth the next 10 years to be more than during the past 10. Consumers are borrowing more and should continue to do so . . . and businessmen will make more demands for short-term and long-term loans. All factors point to more profitability except one and that is the interest rate rise, which now is a cost factor. This may be costly and other plus factors may not overcome this negative factor in banks where there is a large number of dollars in time deposits.

### Advertising's Purpose

**Robert A. Wekesser:** Learn all you can about your market. Observe it and try to ascertain which market you wish to expand. Then develop in this particular area.

Advertising is very important . . . and the primary purpose of it is to get people in your bank where you can make them feel welcome and appreciated. To develop more business for your bank, decide what kind of business you want, then study how to

advertise and accomplish this. Mr. Wekesser then introduced Charles Fisher, of Kimball, who explained briefly that he recently completed a market study of his area.

**John W. Cattle:** We wanted to develop cattle feeding in our area and began an advertising program which has now become a very successful community program. We are working with youngsters so they can make the transition from the show room to the actual farming situation. Our Junior Cattle Feeders Program is in its sixth year. We help the youngsters buy their own calves and coach them through a feeding program which begins between October and the end of the year. After the fairs and the Ak-Sar-Ben, we give our awards to the deserving youngsters. If each year we can get through to one youngster and help him develop into being a better farmer, we feel we can be proud of our results.

A bank cannot be more prosperous than the people in its area. If the people are poor, so will be the bank.

Bankers are generally the respected financial leaders of the community and they should step out and lead.

### Community Projects

**C. H. Hosler:** We had a nine-hole golf course, but no club house. Membership at the club was only 20. We found a good farm house we could buy for \$1,000, so we started out to raise money for development of this recreation spot. The bank gave \$100 and collected \$3,800. We bought the farm house and built a club house. The membership is up, the club is in the black and the people of the community have a good place to meet to be sociable.

Also, the bank bought the school a football scoreboard. The bank buys tickets for the employees of the bank so they can attend local sports activities. And we broadcast the games our team played in when it went to the state championship tournament recently. This was a good project and from the comments we had, we believe everybody in town listened in.

### Merchandise Modernly

**Myron Weil:** We must learn to merchandise our wares modernly. We

### MORE PROFITS . . .

(Turn to page 44, please)



Northwestern Banker, March, 1962

**ALSO PARTICIPATING** were, left to right: **John W. Cattle**, pres., Cattle National Bank, Seward; **E. K. Yanney**, cash., First State Bank, Lodgepole; **Charles Fisher**, cash., The Bank of Kimball, Kimball, and **Ed Coblentz**, v.p., Farmers State Bank, Aurora. **C. H. Hosler**, pres., Fullerton National of Fullerton, also contributed to the discussion.



# Your Installment Credit Department ... and Regulation "Q"

**W**HEN the Federal Reserve Board amended Regulation Q it created a whole new series of problems for bankers, although the intended purpose, no doubt, was to make it possible for the banks of the country to compete more equitably with their competition for the savings of our citizens. Very little time was lost by the managements of most banks in deciding that it was to their advantage to raise interest rates paid to its savings customers in accordance with the amended regulation. In so doing, however, each management recognized that its problem was to develop earnings sufficient to sustain the higher rates on the larger volume of savings anticipated as a result of the increase.

In some areas the rise in rate of interest paid was accompanied by a relaxation in the manner in which such interest was computed and paid. Whereas in many areas the custom had been to credit the interest semi-annually with certain restrictive regulations governing the withdrawal in relation to payment of interest, at one fell swoop, many banks were confronted with the problem of paying the increased rate on a basis which was calculated to increase the amount paid on the dollars in the savings accounts and to make payments compounded quarterly rather than semi-annually. Any one of these problems would have been cause for considerable analysis and planning.

#### Earnings Problem

Coming as some of them did at one time has created a problem that is important for both the large and the small bank. That problem briefly is how to increase earnings and how best to use the anticipated increase in savings funds. Many banks first of all lengthened out the maturities in the bond portfolio. The luxury of a liquid bond portfolio could no longer be supported by most banks. Consequently the scramble was on to buy longer maturities both in the municipal tax free field and in governments.

However, this solves only a small part of the problem. Another area that was considered was the control of expenses to a greater degree not only



*Written Especially for  
The Northwestern Banker*  
**By KEITH G. CONE**  
*Senior Vice President  
LaSalle National Bank  
Chicago, Illinois*

in the handling of the savings dollars but bank-wide. The increased rate and the new basis for paying interest created other expenses in addition to the increase in rate. It was necessary for internal procedures to be revamped and to provide for the means of servicing the new methods. In banks having large savings deposits automation seemed to be the answer. In banks which did not, it was necessary to consider ways and means for handling the additional clerical responsibilities at a minimum cost.

A third area was immediately explored—commercial and installment loans. Since the subject of this article relates to installment loans we will pass over the activity in adjusting rates on commercial loans, particularly since there has been no move upward in the prime rate, although that fact does not preclude the management of any bank reviewing rates which are not realistic and adjusting them accordingly.

Theoretically, in many banks, and actually in others, the outstandings in installment credit were keyed to savings deposits. The amendment to Regulation Q revived this approach in many banks and caused other banks to consider whether it was advisable to (1) either increase the present outstandings, (2) install a department where none existed on an organized basis, and (3) raise installment rates. These three items are stated not necessarily in the order of their importance nor of the approach by the bank endeavoring to provide ways and means for utilizing the funds received as a result of the new rates and to

provide the basis for paying the increased interest and servicing costs.

#### Installment Activities

Whether you have a department that is established or not, it is most certainly in order to seriously consider utilizing your installment credit activities as a sound basis for providing the additional volume and income. In the first place, because of the fact that your installment credit portfolio is paced out over a period of from 12 to 36 months, you have an earning asset which is on a longer return basis than your commercial loans and certainly most liquid since you are returning to your investment account a proportionate amount each month which can be reinvested either in the installment area or otherwise as circumstances may dictate. In the second place, the yield from installment credit historically has been greater than that from commercial credit and is still so even though present competitive conditions have narrowed that rate more than we in commercial banks should permit. Both of these reasons would seem to justify serious consideration for increasing investments in installment credit by the commercial bank desiring to increase its earnings as a means for offsetting increased expenses and utilizing an increased volume of savings funds.

#### Analyze Conditions

However, before so doing it would seem to be in order for each bank to fairly analyze the competitive conditions in the community, to analyze the

#### INSTALLMENT CREDIT . . .

(Turn to page 54, please)

*Northwestern Banker, March, 1962*



# GOVERNMENT PORTFOLIO POLICY

*. . . in light of higher*

*Written Especially for the Northwestern Banker*

**By DAVID G. TAYLOR**

*Assistant Cashier, Bond Department*

*Continental Illinois National Bank and Trust Company  
Chicago, Illinois*

**M**ANY questions have been raised which pertain to the recent changes in Regulation Q and resultant increases in savings interest rates. Foremost in most bankers' minds is the problem of maintaining bank earnings in the face of this expected sharp rise in interest expense. There is, of course, no simple solution to this problem. It will, in the future, pervade all areas of bank operations and, in many ways, may accelerate the tempo of change which banks have experienced during the last 15 years.

It seems likely that banks, in the future, will be more vigorous competitors in the fields of installment and mortgage lending. They will become even more inventive in determining ways in which to attract deposits. They will utilize their investment funds more aggressively, hoping to realize greater returns from them. The problem of operating expenses and costs of services rendered will be studied and efforts made to reduce them through automation and improved systems. Through more aggressive attitudes in many areas, banking may become a new kind of business. Faced with reduced profit margins, the industry will become more dependent on volume and its primary earning function—that of lending money.

## **Portfolio Adjustments**

As these changes occur, of course, the government securities portfolio will have to be adjusted to meet them. Some idea of what these adjustments will entail may be gotten from the experience of the last ten years. During this time there has been a gradual increase in interest rates paid on savings and time deposits. This increase has only been a part of a sharp tend-

ency for all expenses to rise as salaries and wages have increased and costs have pushed up in all areas.

Basically then, the recent increases in savings interest rates represent an extension of a problem which banks have been facing for many years and will continue to face in the future. Further complicating the problems ahead, however, are, first of all, the sharpness of the recent increases in savings interest rates and, secondly, the long-term prospects for the general level of interest rates. During the last ten years, the banking system has been favored with a long-term trend of rising interest rates which has tended to provide earnings to overcome the rise in expenses. There is, of course, some question that this secular trend in interest rates will continue into the future.

Table I summarizes the changing ways in which commercial banks have allocated funds to principal earning asset categories during the last ten years. The figures shown are percentages of total assets.

The most obvious banking trend during the last ten years, of course, has been the steady rise in loan ratios. As may be seen in Table I, the ratio of loans to total assets had increased to 46.7 per cent in mid-1961 from 34.1 per cent in 1952. The commercial banker's willingness to participate in this tremendous post-war upsurge in loans may certainly be related to the necessity of overcoming rising expenses.

## **Tax-free Issues**

A concurrent development has been a steady increase in commercial banks investment in tax-free securities. State and municipal bond investment stood at 5.4 per cent of total assets in 1952.

In June, 1961, it had risen to 7.3 per cent. This represents an increase of about \$8.6 billion. Here, it may also be assumed that rising costs had much to do with the decision of bank managements to invest more heavily in tax-exempt bonds.

Paralleling these increases in higher yielding assets has been a trend of declining investment in U. S. government securities. The ratio of governments to total assets had fallen to 24.3 per cent in mid-1961 from 33.5 per cent in 1952. It appears that the government securities portfolio has been called upon to furnish a large part of the funds used to expand loans and tax-exempt security holdings and that, as deposits have expanded, a smaller portion of each new dollar has gone into governments.

The government securities portfolio has a three-fold role in the commercial bank. It must provide the lion's share of both loan and deposit liquidity. This becomes increasingly true as banks operate with lower cash assets. Secondly, the government account must be designed to meet broader, longer term cyclical and secular changes in bank asset structure. Thirdly, the government portfolio must contribute substantially to bank earnings. Seventh Federal Reserve member banks still derived 27.5 per cent of total earnings in 1960 from interest on U. S. government securities.

There is perhaps, a fourth role that the government securities account must play in the commercial bank. In a properly constituted bank, assets, liabilities and capital must not only balance in dollar amount, but must also balance from the standpoint of the risk inherent in each item. Thus, a bank with low capital or an unstable deposit structure will be restricted in the amount of risk that it can accept in allocating funds to various assets. A bank that has a very large loan position may need to limit its investment in state and municipal bonds. Or, any of these factors may affect both the size and maturity of the government portfolio.



## savings interest rates

Assuming the above four requirements from the government portfolio, it seems likely that the great changes in commercial banks asset allocation during the last ten years must have caused some basic adjustments in portfolio policy. Table II shows the composite commercial bank government securities portfolio maturity schedule on June 30, 1953, to 1961.

Unfortunately, the shortening and lengthening of securities portfolios, in response to peaks and valleys in interest rates, greatly influences the figures in Table II. Nevertheless, the table does seem to present evidence of the otherwise widely held observation that the last few years have seen considerable over-all shortening of commercial

bank government security accounts. The table distinctly reflects a substantial decline in over 10 years holdings. These securities have fallen from 8.8 per cent of total holdings in 1953 to 3.5 per cent in 1961, an actual decline of \$2.6 billion. It was not unusual, in the mid-1950's to see banks with almost half of total holdings due in over five years. In more recent times this figure has varied between 16 and 23 per cent. It seems reasonable to conclude that commercial bank government security portfolios have not only been reduced in size but also in maturity. As greater investment in loans and tax-exempt securities has been made, the job of the government portfolio has been altered.

Basically, the government portfolio has become more defensive. As its size has been reduced, a greater proportion of its holdings have had to be diverted to the provision of loan and deposit liquidity. Similarly, provisions for longer term liquidity needs have become more significant in relation to the total. As commitments have increased in risk assets, the principal "non-risk" asset (government securities) has declined in total and, therefore, had to be more conservatively drawn. All of this has left less leeway with which to fill the all-important portfolio earnings requirement.

### Interest Rates

The recent increases in commercial banks savings rates seem likely to continue the trends of the past few years. Ample evidence of a further increase in tax-exempt holdings has been demonstrated by large commercial bank purchases since the first of the year. The commercial banks' desire for more loans has been well broadcast. It looks as though the future will continue to present the problem of maximizing earnings in a government portfolio which not only may decline as a percentage of total assets

### GOVERNMENT PORTFOLIO . . .

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**TABLE I**  
**All Insured Commercial Banks**  
**Loan and Investment Assets As a Percentage of Total Assets**  
**December 31, 1952 to 1960, June 30, 1961**

	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Loans and Investments .....	75.0%	75.4%	77.0%	76.3%	76.0%	76.3%	77.6%	77.7%	77.4%	79.5%
Loans .....	34.1	35.2	35.0	39.4	41.7	42.3	41.3	45.4	45.8	46.7
Investments: .....	40.9	40.2	42.0	36.9	34.3	34.0	36.3	32.3	31.6	32.8
U. S. Government Securities .....	33.5	32.6	34.0	29.1	26.8	26.1	27.7	24.0	23.6	24.2
State and Municipal Bonds ...	5.4	5.6	6.2	6.0	5.9	6.1	6.9	6.9	6.8	7.3
Other Securities .....	2.1	2.0	1.8	1.8	1.6	1.8	1.7	1.4	1.2	1.3

Source: Federal Reserve Bulletin

**TABLE II**  
**All Commercial Banks**  
**Composite Government Security Maturity Schedule**  
**Percentage of Total Investments**  
**June 30, 1953 to 1961**

Maturity	1953	1954	1955	1956	1957	1958	1959	1960	1961
Within one year .....	38.3%	31.6%	12.9%	15.0%	25.2%	23.4%	18.8%	13.6%	36.6%
Two thru five years .....	35.8	26.1	39.1	36.8	48.4	42.7	58.6	69.5	46.5
Six thru ten years .....	17.1	33.4	38.1	38.6	17.7	24.9	15.4	12.4	13.4
Over ten years .....	8.8	8.9	9.9	9.6	8.7	9.0	7.2	4.5	3.5
Total .....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Within five years .....	74.1%	57.7%	52.0%	51.8%	73.6%	66.1%	77.4%	83.1%	83.1%
Over five years .....	25.9	42.3	48.0	48.2	26.4	33.9	22.6	16.9	16.9
Total .....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Federal Reserve Bulletin



# Supply and Demand Still Regulate Bond, Stock Markets

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

**T**HE current price fluctuations in prime debt and equity securities may not amount to much but a definite change is becoming perceptible in the play of supply and demand. Gradually, the master's seat in the bond market is being taken over by the sellers of debt securities, with the institutional buyers nudged into a back place. With equity, it is the other way around.

At the moment, the stock market is making an orderly stand after experiencing the most drastic downward adjustment in values in many months. True, there is no lack of equity issues whose market values seem to be underpinned by wide demand. But in general, the super-bull market that has taken dividend yields to the lowest level in modern times seems to have lost much of its heady bloom.

## Selective Stock Buyers

Price rallies that rewon for historical blue chips much of the setback sustained in the shakeout have not been shared by many rank-and-file stocks, to say nothing of the legion of hangers-on. Buyers of equity shares are becoming more selective about name and more particular about price. The mathematics of projecting the earnings of "growth stocks" a decade hence are being scrutinized more fully. It is the old, old story of the men and the boys.

Because of the touchy balance of international payments problem that is harassing the United States, the span of representative investment yields in the market is narrower than otherwise might be expected. At one extreme is the yield on three-months' Treasury bills, now about 2½ per cent. At the other end are yields on conventional mortgages, about 6 per cent.

In the center area of this yield spread are the returns from equity and longer term debt securities of basic kind. The yield on stocks today is about 3 per cent. Prime tax-sheltered municipal and state bonds are yielding about 3¼ per cent. The government bond market is on a 4 per cent basis.

Northwestern Banker, March, 1962

Top grade corporate bonds of new issue are selling at prices to yield about 4½ per cent.

## 1929 Phrases Recalled

On the technical side will be recurring questions as to the justification for yield relationships for which there is little historical basis. Can yields of 3 per cent on stocks compared with yields of 4½ per cent on bonds be shrugged off by the assertion that this is "a new era?" It will be recalled that there was no shortage of similar fast phrases in 1929 to account for the fantastic way stocks were discounting the earnings of another generation while call money was being lent out at rates ranging from 8 to 15 per cent.

Another technical factor in the market to be pondered is the intervention of the Federal Reserve System to keep short-term government borrowing rates up at a time that maintenance of an easy money policy is held needed. There can be no question but that this move of the central bank—one intended to persuade foreign interests to keep short-term funds invested in this market—is having effects collateral to that intended.

Nobody knows how much domestic money is being attracted to the short-term market, or, to put it otherwise, nobody knows how much longer term rates here would be if the Federal were not using special means to keep the short-term rate from falling.

## Washington Quiet

Little is said about this in Washington, because of the ingenuous belief at Capitol Hill that interest rates can be controlled by pushing buttons—that if the purpose is to push long-term rates down while holding short-term rates up, the only problem is the selection of mirrors and buttons. There must be market technicians in the Federal Reserve System who know better, but they seem to be inhibited about contradicting spokesmen for the Kennedy Administration in public.

It is widely believed in the financial district that "Operation Nudge," the

avowed 1961 objective of the Kennedy Administration to hold short rates up while pushing long rates down is a dead letter. If so, there was no spokesman at the funeral except statistics showing changes in the investment portfolio of the Federal Reserve System. In recent months, the System's purchases of long-term Treasury bonds—whether to "nudge" the long rate down or to serve another purpose—have been negligible.

## Three Major Points

On the economic side, the three major points stand out, as follows:

(1) The threat of inflation is over. The economy is moving along at a high level, but its inability to generate more than a token percentage of growth is giving more concern than the reappearance of inflation.

(2) Unemployment is holding at an uncomfortable high percentage—about 7 per cent in the face of the fact that the nation's production organism is operating near high levels. The persistence of this float of jobless people is probably one of the reasons why the Federal Reserve is following more of an easy money policy than a neutral one at this time. The net free reserves of the banking system have not been allowed to fall much below \$500,000,000 despite the fact that the Reserve Banks are charging member banks a rate of 3 per cent on loans.

(3) The balance of payments difficulty, one that has been signalized repeatedly in 1961 and this year by unwanted outflows of monetary gold abroad, is presenting not only the Federal Reserve System and the Treasury, but the nation's private investment interests and labor force, with challenges they have never faced before. The European Common Market promises to yield soon for the Old World community a world price competitiveness under living standards comparable with those of the United States. This means that the whole price structure of the United States economy will be thrown into question in the not-too-distant years.

## Money Dangers

On the money side, it means that government-sponsored cheap credit cannot be sponsored without watering the money supply dangerously or stooping to the discredited European control systems of the depression and war period—embargos on gold and capital transfers, foreign exchange controls and multiple kinds of "money"—trade money, investment money, consumption money, travel money, tax money, etc., etc.

SUPPLY AND DEMAND . . .

(Turn to page 37, please)





# Investment Opportunities In Commercial Paper

Written Especially for the *Northwestern Banker*

By DONALD G. REID, partner, Ashwell & Co., Chicago

**H**OW in the world are we going to cover that 4 per cent rate?" This question, in one form or another, is being asked by most country bankers today, as well as by many of their big-city cousins. To answer it, some bankers have substantially lengthened their portfolio maturities, while others are seeking greater yield on their short term funds. It is this latter group that has caused the increased interest on the part of banks in the commercial paper market.

Commercial paper competes for funds with other short term investments which include the markets for Treasury securities—bills, certificates and notes—bankers acceptances, federal funds, and stock exchange call loans. Among these, the commercial paper market is considered the oldest, dating back to 1837, the highest yielding, and the broadest, by number and variety of borrowers.

In 1961, 350 companies issued commercial paper. Of these, ten finance companies sell their notes directly and account for about half the outstanding commercial paper. The balance of borrowers, averaging about \$5,000,000 in open market borrowings, are categorized as follows:

Finance companies .....	117
Manufacturers .....	138
Wholesalers .....	22
Retailers .....	39
Manufacturers and processors. 24	
	340

The narrow band within which these short term money market rates move, normally finds commercial paper yielding from one-fourth to one

per cent more than Treasury bills, depending on the size of the borrower. The effect that this increased rate has over competing short term investments can be seen from the following computation:

If a commercial paper note yielding  $3\frac{1}{2}$  per cent for 90 days is purchased in preference to a 90-day Treasury bill yielding 2.72 per cent, the additional interest received amounts to 28.6 per cent. This increase in interest income would tend to greatly offset the added cost of 4 per cent savings rates. The exact amount will depend on the individual bank's experience with conversion of savings accounts to the 4 per cent level. However, one point is clear, that commercial paper will do more to reduce the cost of 4 per cent money than will competing short term investments of equal credit standing.

From a liquidity standpoint, commercial paper is generally salable in the secondary market, enabling a holder to dispose of his investment prior to maturity. Moreover, banks not infrequently sell commercial paper to correspondents, and member banks may discount maturities under 90 days at their Federal Reserve Bank. Since all notes are expected to be paid at maturity, the holder has assurance that cash will be available at that date. Many purchasers, having experienced complete satisfaction with such paper, often renew at maturity date if the same company's note is available.

Yield and liquidity are only two of the characteristics of commercial paper that make it a desirable short term investment. The third is safety. Ob-

viously none of these can be considered independent of the other two. The safety record of commercial paper is a historical fact. In 1931 and 1932, for example, losses on commercial paper were substantially less than on direct loans—less than 0.1 per cent of outstandings. Since 1935 there have been no reported losses on dealer-placed paper. A basic reason may be listed for this record. Relatively few companies use the commercial paper market and these are firms that have proven outstanding credit. Dealers are selective so as to preserve the quality of the market.

Differences exist between types of commercial paper which may be of interest. Finance company notes, due to the constant borrowing nature of the issuers, are available with maturity dates which are tailor-made to the requirements of the purchaser. Commercial paper of industrial issuers, on the other hand, normally bears fixed maturity dates, and from that standpoint perhaps is slightly less flexible than finance paper.

Purchases of commercial paper are made either direct from the dealer or through a metropolitan correspondent bank. Delivery can be made to, and payment received from, this correspondent with the physical notes being held either by the purchaser himself, or in safekeeping at the correspondent bank.

The 4 per cent rate may seem difficult to cover, but through the medium of commercial paper, the effect of this rate on profits may be greatly offset without lengthening maturities, and the resultant sacrifice of liquidity—**End.**

*Northwestern Banker*, March, 1962



**Bankers Comments on:****Savings and the Municipal Bond Market Outlook for 1962**

SINCE many banks have increased their interest rates on time certificates and on savings, there has been indications of expanding demand for municipal bonds to offset higher rates.

According to a survey just completed by the NORTHWESTERN BANKER among banks in the North Central United States, municipal bonds comprise an average of slightly more than 21 per cent of a bank's investment portfolio.

As shown in the accompanying graph, a majority of these municipal holdings will mature in one to five years. Just over 6 per cent will be held for more than 10 years.

Slightly more than half of the banks replying, 51 per cent, indicated they do not intend to increase their municipal investment volume due to the increased savings account rates. Another 36 per cent indicated they intend to increase the volume of their municipal holdings and 6 per cent reported they are planning to decrease municipal holdings. The balance did not comment on their plans regarding their municipals.

Regarding maturity of municipal bonds, 62 per cent of the replying banks indicated no change and 31 per cent said they plan to extend the maturity of their municipal holdings. Another 7 per cent did not comment.

Following are some representative comments from persons participating in this survey:

■ *H. F. Esmay, executive vice president, Stockmen's Bank, Gillette, Wyo.*—We plan no particular change at this time as we have always included about the same percentage of our bond portfolio in short term municipals. We would, however, increase our investment if our loan demand should slack up. Loan demand is very heavy in this area.

■ *Lee M. Stenehjem, executive vice president, First National Bank, Wat-*

*ford City, N. D.*—It is going to be necessary to increase our investment return to offset the rise in our time deposit and savings rate.

■ *O. B. Silvey, president, Billings State Bank, Billings, Mont.*—We plan on buying more municipals and will probably buy in longer maturity since we will be buying for investment and non-taxable income, rather than as secondary reserve.

■ *Max von Schrader, president, Union Bank & Trust Company, Ottumwa, Iowa*—We believe in most cases municipal bonds offer the best opportunity for investment of funds on which the bank is paying 4 per cent, particularly in areas where good real estate mortgages are not available.

■ *W. W. Cook, Sr., president, Beatrice National Bank, Beatrice, Neb.*—Most of our investments in municipals are Nebraska municipals of various kinds. Now that we are at 4 per cent on time money, I think it is necessary that we do increase our holdings, but not go beyond a five- or six-year maturity. We hope also to increase our investments in installment loans.

■ *W. C. Talen, president, Farmers & Merchants Bank, Watertown, S. D.*—Because of additions to our loan loss reserves, we are not in the 52 per cent tax bracket for the next few years. Therefore, a 4 per cent taxable government bond is better than a 3 per cent municipal to pay a 4 per cent savings rate.

■ *C. R. Currell, vice president, Emmet County State Bank, Estherville,*

**A Northwestern Banker Survey**

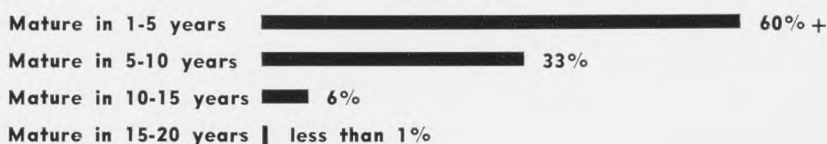
*Iowa*—Banks, now paying 4 per cent, will definitely be moved into the municipal bond field. There probably will be a tendency for many banks to try and extend their portfolios, reaching for yields. Municipal bonds tend to be more of a frozen asset in periods of hard time. Thus, municipals as part of an investment portfolio are best suited to banks which have lower loan ratios.

■ *W. Harold Brenton, president, Brenton Companies, Des Moines, Iowa*—Our Brenton banks changed to 3½ and 4 per cent savings certificates and, with the greater difficulty in buying good credit municipals at the rates which we prefer, we have lengthened the maturities which we purchase to 15 years and are increasing the volume to approximately 20 per cent of deposits.

■ *P. E. Sorg, vice president and cashier, Farmers State Savings, Independence, Iowa*—Our policy is to carry about \$1 million in municipals with \$100,000 running off each year to obtain an average yield on a 10 year maturity.

■ *L. H. Mehling, vice president, American National Bank, Sidney, Neb.*—We own primarily Nebraska municipals but try and stay with rated bonds, not to exceed seven-year maturity in bonds outside the state.

■ *L. T. Titus, president, First National Bank, Holdrege, Neb.*—We hold \$100,000 bonds to mature every year for 10 years. The only bonds we buy

**Maturity of Municipal Holdings**



## We own and offer subject to prior sale and change in price:

Moody's Rating	Amount	Issue	Coupon	Maturity	Yield
BAA	10M	Alameda Co., California Flood Control & Water Cons. District Zone 2	3 1/4%	2-1-72	3.25
AA	10M	State of California, Various Purpose	3 1/2%	4-1-74	3.00
	25M		3 3/4%	9-1-76	3.05
	125M		3 3/4%	4-1-82	3.35
AA	100M	City of Los Angeles, California School District WI	3 1/4%	3-1-67	2.30
	200M		3 1/4%	3-1-68	2.40
	100M		3 1/4%	3-1-69	2.50
AA	10M	City of Cleveland, Ohio	3 1/4%	10-1-64	2.00
AA	15M	City of Kansas City, Missouri Schools	3.40%	6-1-76	2.90
AA	25M	City of Denver, Colorado, Various Purpose	2.00%	9-1-65	2.05
AAA	50M	Milwaukee County, Wisconsin, Various Purpose	2.00%	8-1-65	2.05
AAA	50M	City of Madison, Wisconsin, Various Purpose	2.10%	10-1-65	2.00
A	100M	City of Chicago, Illinois, Various Purpose	3 1/2%	1-1-74	2.90
A	50M	Newton Community School District, Iowa	3.10%	11-1-80	3.10
AAA	25M	Cedar Rapids Community School District, Iowa	2 1/4%	11-1-70	2.65
A	50M	New York City, New York, Various Purpose WI	3.40%	3-1-76	3.10
AA	25M	Des Moines Independent School District, Iowa WI	2 7/8%	11-1-80	2.875
BAA	25M	Independent School District No. 281 (Robbinsdale) Minnesota	3.00%	2-1-67	2.60
	15M		3.00%	2-1-68	2.70

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each year is a ten-year maturity and replace any that are paid ahead of maturity.

■ *E. M. Knight, president, Alliance National Bank, Alliance, Neb.*—We own Nebraska municipals and Nebraska law requires municipals to have five-year options. If we buy them at high yield they are called at option. If we buy them at low yields, we are locked in to maturity. The tax-free income sounds better than it is.

■ *J. E. King, president, Peoples National Bank, Albia, Iowa*—We are using our municipal investments for a substitute for real estate mortgages as the rates for municipals are better.

## "Earnings Problems"

**RICHARD D. McFARLAND**  
**Vice President**  
**Kalman & Company, Inc.**  
**Minneapolis, Minnesota**



**T**HERE is no question but that the advent of 4 per cent interest rates on time money has created a difficult earnings problem for most bankers. In order to maintain profits at current levels many bankers are looking to the

municipal bond market. Obviously, this is hailed with great enthusiasm by investment bankers such as ourselves.

To make a blanket statement, however, as to the investment policies all banks should follow is impossible. It is an individual problem, the answer to which can only be found by analyzing the balance sheet of the individual bank. What is prudent for the Chase Manhattan Bank in New York is not necessarily what should be done by a bank in the midwest. Some of the most relevant factors involved are, (a) the relation of time money to total deposits, (b) whether a bank is a "loan" bank or a "bond" bank, (c) the fluctuation of deposits during a calendar year.

Generally, however, the ratios we have followed in the past are being altered to some degree. Basically, I have recommended that banks maintain a municipal account between 10 and 15 percent of deposits, and a maturity schedule that affords an approximate 10 to 15 percent liquidation or roll-over every year. The larger the municipal account, the shorter the maturity schedule.

### Extended Maturity

In some cases now, however, it is deemed advisable to go beyond the 10-year maturity range up to 15 years, but at the same time to maintain an equal amount maturing each year. In order to maintain a conservative liquidity position, however, the average maturity of the government bonds held in the portfolio must be reduced.

All present indications point to a higher interest rate level for the rest of this year. It must be realized, however, that we are not operating in a free money market, and if business in the last six months of this year were to become disappointing, the Federal Reserve would be under pressure for lower rates. Under present monetary and fiscal policies, it is certainly beyond my capabilities to try to estimate what interest rates will be six weeks, six months, or a year from now. Over a period of time I am sure that some bonds I sell will look high priced and some will look cheap. An average rate is our goal.—**End**

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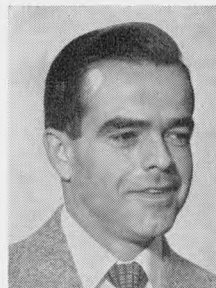
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## "Many Banks Are Lengthening Maturities"

**JOHN E. VAN HORNE**  
 President  
 Van Horne Investments, Inc.  
 Omaha, Nebraska



**W**ITH increased costs and savings interest, many banks are faced with the problem of a narrower spread or margin between their money costs (i.e., operating expenses plus interest paid) and earnings—total income.

A hard and fast rule for easing this problem is impossible, but perhaps this might be a time for each to review his situation with a view toward further improvement. In doing so, many will find that they could well increase municipal holdings. (New York banks increased theirs 27% last year.) First, the reserve requirements as set out by the various supervisory authorities must be met, but once met, perhaps many banks are not fully utilizing the balance of their funds over and above what are considered adequate reserves. These funds, in fairness to the bankers and stockholders should be put to work by proper use of a full investment program over and above actual loans, rather than anticipated increased loan demand, as use of bills or short-term agencies can be made during seasonal loan fluctuation.

We find that many banks are lengthening maturities now into the 10 to 12-year range as they are finding that little bit better yield there and also have determined that they undoubtedly will not have to use the funds they have invested in municipals. A municipal portfolio can be easily established, managed, and controlled by setting policy first, then sticking to it. Some conservative ratios which we use as a guide and cross-check, expressed as percentages so that dollar amounts are then set, are as follows:

### Sample Ratios

Ten to 15 percent of total assets can safely be put into municipal bonds and can be further held in balance by setting 20 to 25 percent of the total invested in bonds as the level for municipals. It should be kept in mind, however, that in smaller banks municipal totals may be lower than that, when sufficient to bring taxable bank income below the 52 percent bracket level.

Were a bank to go to ten-year maturities, then approximately one-tenth of the total should come due each year, allowing the purchase of bonds due in 10 years to replace the one-tenth ma-

turing in each year. Shorter bonds to fill gaps in maturities caused by growth or called bonds may then be purchased, too, from time to time.

Revenue bonds may be utilized in a portfolio to help weight average yield upward. These of course are higher risk bonds and so more discretion as to quality should be exercised and a limit of not over 20 percent of total municipal bonds ought to be set.

Also one must remember that each issue can only be purchased to the extent of the bank's loan limit.

Supply of municipals and outlook for them in the bank range of maturities is a little tight at the moment and from all appearances will remain so; however they are coming along steadily and supply and demand should remain pretty well balanced. With good acceptance of government 4 percent bonds and with an equivalent yield difference in the 10-year range of from 1½ to 2 percent, it would appear that rates have about arrived in line. There is nothing that I can see in the near future that would force yields on any terrific turn around. For the moment this would seem to hold true for the balance of at least this half, if not the whole year.

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## "Renewed Interest in Tax Exempt Income"

**HAL F. CHILDS**  
Vice President  
Chiles-Schutz Company  
Omaha, Nebraska



**T**HE recent increase in interest rates paid by banks on savings accounts has caused a great many banks to take a closer look at their investment account, and has stimulated a renewed interest in tax exempt income provided by municipal bonds. This problem is seldom exactly the same in any two banking institutions, as the situation varies, depending upon reserve requirements, seasonal or cyclical demands, deposit trends and current balance of municipals in the investment account.

From the above we may deduce that the same basis of approaching the problem of creating or increasing the tax exempt income account is never exactly the same; but based on past experience and the municipal holdings of a great many banks, including both large and small, it ap-

pears that an account which equals 10 percent of the deposits, is not out of balance. In a great many fine banking institutions the percentage of tax exempts in relation to deposits will vary from 10 percent to 15 percent; and in a number of institutions where the basic factors mentioned earlier are considered, it is not unusual to find this percentage running 20 percent of deposits. There are some banks which relate their tax exempt holdings to their time deposits and carry at least the same balance in the municipal account that is maintained in time deposits.

A great many banks, or those with a small municipal account or none at all, have found that a sound basis to start building such an account is to pledge their municipals for public funds instead of using Governments

or other taxable securities. We believe tax-exempts to be ideal for this purpose.

### Holdings Increased

Since the increase in interest paid on savings accounts, a number of banks have given thought to offsetting this increase by increasing their holdings of municipals, and by lengthening the maturities of bonds in the account in order to obtain a higher yield on their investment. A recommendation to lengthen maturities, increase holdings, or both, can only be made when the important factors of present holdings, deposits, reserves, cyclical requirements, etc., have been taken into consideration. In my personal knowledge, I know of no bank that failed because of excessive holdings of good, sound municipal bonds. There may have been a time when it was necessary to take losses in a municipal account, but to the best of my knowledge greater losses have usually been absorbed in other investments, often including the loan portfolio.

We believe it is possible, when all of the pertinent factors are taken into consideration, in most instances, to increase the average bank municipal portfolio and to lengthen the maturities on a sound basis, and so increase their earnings.

There are many services that occasionally "stick their necks out" to the extent of prognosticating what interest rates are going to do in the future, based on knowledge and particular forms of charts and past history. Usually, when such prognostications are made, they are protected to some degree by a form of hedging where the word "if" is used in relation to situations that must also accompany such anticipated changes. Almost everyone in the banking fraternity, as well as those of us in the investment banking group, have our own ideas, but when the time comes to purchase tax exempt securities, make additional loans, or take certain mortgages, the final decision is up to the institution making those decisions; and we have found, over the years, that very few of us are always able to buy at the low and sell at the high.

It is our opinion that those of us who deal in money have done a very good job if we manage to obtain the average yield available, or the average interest rate available over a given period of years.

It seems to us that the future supply of municipals and the demand for money to meet the various municipal requirements will be adequate, and as much of this type of merchandise

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will be available in the year 1962 as was available in 1961.

We have no crystal ball whereby we can obtain a positive answer as to the economic future as it affects all of us in our respective businesses. The matter of improving net return to our own institutions is one that we must all meet from day to day by making proper adjustment to the factors affecting our business. Where favorable percentages are in evidence, we believe most bank portfolios can be successfully lengthened and net earnings increased.

### SUPPLY AND DEMAND . . .

(Continued from page 30)

Against the background of this uncommon play of economic forces and prospects, Washington is making reassuring moves. Increasingly, the accent in Federal money management is being placed on budget spending and taxation, rather than on monetary and credit policy. There seems to be a sincere effort, even if as yet inconclusive and ineffectual, to use the arm of taxation as an incentive, rather than a disincentive to private enterprise. And there is a persistent effort to foster international trade on a truly competitive basis, uncluttered by tariffs, quotas and other statist interferences with laissez-faire liberalism.

#### Refundings

The accompaniment of the investment markets to this political spectacle has been an entrenchment of yields in the fixed-income area that are reassuring to investors and have a historical worth. The Treasury's readiness to live with 4 per cent was evidenced twice in recent weeks. The 4 per cent bond issue due in 1969 was reopened for about \$1,000,000,000 of new subscriptions to raise cash. In the wake of this transaction, the Treasury effectuated a refunding of four maturing issues totaling \$11,700,000,000 by an exchange offering of either one-year 3½ per cent certificates of indebtedness, or 4 per cent notes due in August of 1966. Nearly \$3,000,000,000 was converted by private investors into the 1966 notes.

#### Savings Rate a Factor

The choice of the 4 per cent issues was probably suggested in both cases by current revamping of commercial bank investment portfolios following the decision of the Federal Reserve System to let the banks raise interest rates on time deposits from 3 to 3½ per cent, and rates on deposits held more than one year to 4 per cent.

Most banks at once exploited the raised interest ceiling to capture new

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time deposits. Much of the savings inflow thus baited was put by the banks to use at once in buying tax-exempt bonds of municipal and state governments with maturities running out to 20 years. This new demand brought about a reduction of about one-fourth of one per cent in the market yields of such securities and spurred heavy additions to the backlog of new local government borrowing.

Federal agencies and other semi-governmental lending institutions have been quick to take advantage of the shift to a sellers' market in bonds. Within two weeks \$500,000,000 of bonds all bearing 4½ per cent interest were marketed successfully by the International Bank for Reconstruction and Development, the Federal National Mortgage Association, the Federal Land Banks and the Tennessee Valley Authority.—**End.**

## Government Portfolio Policy

(Continued from page 29)

but also is becoming more and more defensive in nature.

Operating in the favor of bankers during the last ten years, has been a rising secular trend in interest rates and, during the last two years, a short term interest rate structure that has remained reasonably high in contrast to past recessionary periods when rates have dropped to very low levels. In spite of the shortening of portfolios, then, the rate of return on government securities in Seventh Federal Reserve Member banks has risen from 2.0 per cent in 1953 to 3.16 per cent in 1960. It is difficult, at this time, to project such a favorable trend for the future. In fact, one year after the bottoming out of the 1960-61 recession, interest rates remain a long way from

their levels in 1959 and early 1960.

How then, is the banker to maximize government portfolio earnings in the future? As a very basic change in philosophy, there will probably be greater emphasis in the future on current earnings in the portfolio rather than capital gains. Securities will be bought on a basis of what they will bring a bank in terms of annual income rather than in capital gains at maturity. The effort to maintain bank earnings may make a 4 per cent coupon rate more attractive than a 2½ per cent rate, even though the greater after tax dollar advantage over the life of this issue may lie in the 2½ per cent security.

This may seem unattractive to the devotees of the "after tax" column on the government quote sheet, but it must be remembered that interest rate cycles can also create good opportunities for capital gains in the higher coupon issues. It can very cogently be argued that these opportunities are not as great as in the lower coupon issues, but nevertheless, they are there. The bank that trades its securities infrequently, probably is better off in higher coupon issues where it is assured of reasonable current earnings rather than taking chances on interest rate swings to provide a good return on lower coupon investments.

### Higher Coupon Issues

Another important attribute of higher coupon issues is the protection the coupon rate itself gives a bank. With a 4 per cent coupon rate the investor gains the equivalent of one-thirty-second in price every 2.9 days. This means that as each 2.9 days go by, a 4 per cent bond can be sold at one-thirty-second lower price and allow the investor to still break even. It takes 4.6 days at 2½ per cent to earn one-thirty-second.

Timing of purchases and sales is, of course, always important and better timing will be essential in the future if earnings are to be maintained. This is probably the most important aspect of portfolio management and the most difficult. Here again the higher coupon issues carry much attraction. It is a great deal easier to live with a mistake made in a 4 per cent issue than one made in a 2½ per cent security. Banks who are unable or unwilling to take portfolio losses should particularly avoid lower coupon securities.

Improvements in timing can be achieved by a more complete knowledge of economic factors and their re-

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lation to interest rate trends. Close contact with the government securities market is essential. Some banks provide formal investment advice for their correspondents. This advice should be taken advantage of and used regularly, annually at a minimum. Beyond this, efforts should be made to make mistakes in timing less harmful when they occur. Higher coupon issues and conservative maturities are two ways to minimize the effects of bad timing.

#### Secondary Reserves

Probably the area which receives the most casual attention in commercial bank investment policy is the management of so-called secondary reserve position. These are the funds which are generally invested in short term securities in order to provide liquidity for seasonal and unexpected needs. The general pattern of this investment runs to concentration in three month Treasury bills regardless of market conditions. At times, this investment in very short bills may be appropriate when an expected withdrawal must be met in the near future or when it is anticipated that interest rates may rise rapidly in the months ahead. At other times, however, secondary reserve funds could well be put in one year or longer securities thus realizing a better investment return.

When the 4½ per cent and 5 per cent notes due in 1964 were originally issued, few felt they were an appropriate secondary reserve investment. They have, however, sold at a premium, practically since issuance and it seems doubtful that in the future they will ever sell at a discount. This is certainly not to say that liquid funds should be placed in five-year maturities, but it does illustrate the protection that a well timed investment can give. Certainly, there will be times when secondary reserve funds need not be confined to three month Treasury bills.

An excellent outlet for shorter term money exists in Federal Agency Issues. These issues of the Federal Land Banks, Federal Home Loan Banks, Federal National Mortgage Association, Federal Intermediate Credit Banks and Banks for Cooperatives, while not guaranteed by the Federal government are of top quality and generally considered as "non-risk" assets. Providing a return of from .20 to .50 per cent over comparable maturities in government securities, and enjoying an increasingly active trading market, they are a very attractive alternative for secondary reserve needs.

#### Outlook

In looking to the balance of 1962, it seems likely that banks will have an opportunity to increase the investment returns from their government securities portfolios. The Treasury has already offered investors 4 per cent bonds due in 1969, and 1971, as well as a 4 per cent note due in 1966.

An expanding economy and a heavy Federal refunding schedule this year seemingly indicate that the future will bring similar or better opportunities. Each offering should be evaluated in the light of market conditions prevailing at that time and the basic needs of the bank in question. The pressures brought by increasing operating expenses may force too hasty a move to lengthen maturities. On the other hand, extensive waiting might result in missing the higher yields. Probably, the best course at present lies in a program of gradual extension as opportunities present themselves, until a better idea of the future may be gained.

#### National Trust School

The third annual session of the National Trust School, educational activity of the trust division of the American Bankers Association, will be held August 6-24 at Northwestern University, Evanston, Ill.

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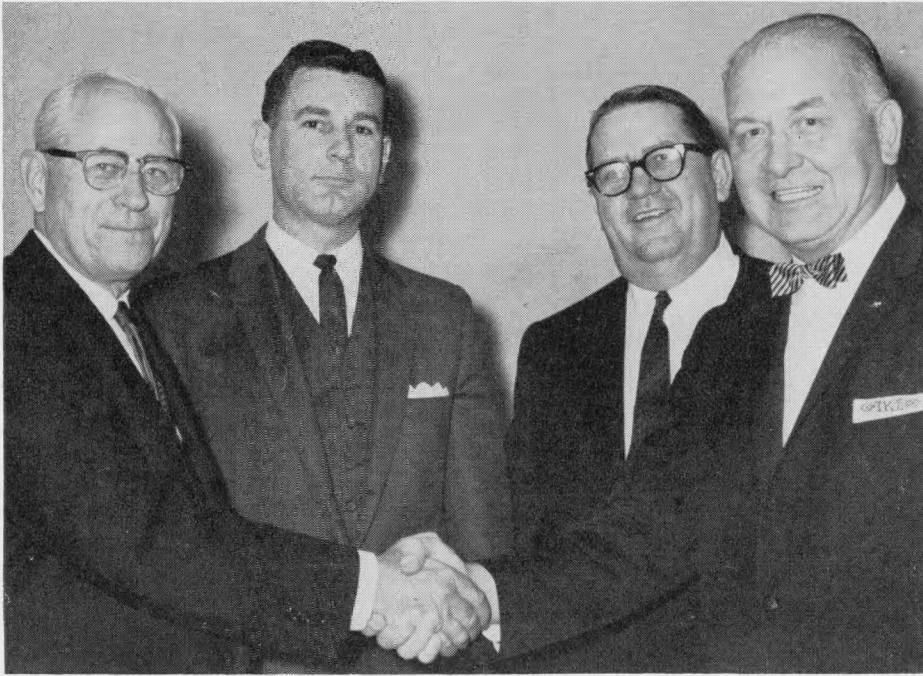
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## Investment Bankers Elect



**JERRY FIEDLER**, left, of White Phillips Company, Davenport, is congratulated on his election as president of the Iowa Investment Bankers Association by **Ernest Kosek**, right, of Ernest Kosek & Company, Cedar Rapids, retiring president. Second from left is **R. G. Dickinson**, of R. G. Dickinson Company, Des Moines, new 2nd v.p., and second from right is **Ray J. Allender**, of Carleton D. Beh Company, Des Moines, who was re-elected secretary-treasurer. Russell F. Knapp, Securities Corp. of Iowa, Cedar Rapids, new 1st v.p., was not present for the picture.

**I**N ADDITION to those shown and named above, the following were elected at last month's annual meeting of the Iowa Investment Bankers Association, held at the Des Moines Club, in Des Moines.

Jerry Fiedler, the new president, was named to the board of governors for a three-year term. So was R. G. Dickinson, the new second vice presi-

dent, and Roy W. Leriche, First of Iowa Corporation, Des Moines.

Retiring from the board were: Jack Sparks of Sparks & Company, Des Moines; William P. Morrissey of Morrissey & Company, Davenport, and James Cownie, Becker & Cownie, Inc., Des Moines.

Members of the board, in addition to the newly-elected, are: Ward Phil-

lips of Central National Bank, Des Moines; Norman Conway of Conway Brothers, Des Moines; Joseph E. Casey of Carleton D. Beh Company, Des Moines, and S. G. Barnard, Bankers Trust Company, Des Moines, all of whose terms expire in 1963. Ernest Kosek of Ernest Kosek & Company, Cedar Rapids; Malcolm McKenzie of Merrill Lynch, Pierce, Fenner & Smith, Des Moines; Lee M. Roeder of A. C. Allyn & Company, Waterloo, and George W. Veith of Vieth, Duncan & Wood, Davenport, whose terms expire in 1964.

### New Marketing Division

Establishment by United California Bank of a new marketing department has been announced by Frank L. King, chairman of the board, Los Angeles.



G. C. BRIGGS

George C. Briggs, vice president, is in charge of the department which includes the functions of advertising and publicity, sales promotion, economic research,

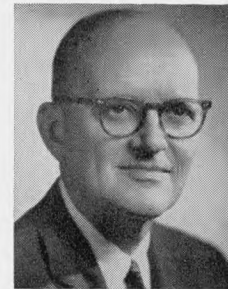
sales planning, and publications.

The economic research section will provide estimates of future economic and market conditions as well as special industry reports.

### Honor Tilden Cummings

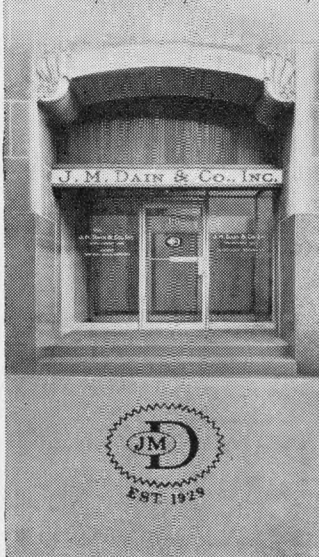
Tilden Cummings, president, Continental-Illinois National Bank and Trust Company, Chicago, has been elected a trustee of the Foundation for Commercial Banks, succeeding Gaylord Freeman, Jr., vice chairman, The First National Bank, Chicago.

Mr. Cummings will represent Federal Reserve District 7, including Illinois, Iowa, Indiana, Michigan and Wisconsin.



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## Wells Fargo Bank Opens New 12-Story Headquarters Building



**RECENTLY OPENED** San Francisco headquarters of the Wells Fargo Bank features an opulent banking room made up of marble, teak and stainless steel. The 46-foot circular ceiling fixture is a cluster of aluminum circles fitted with crystal lenses.

**B**EHIND gleaming glass doors at 464 California Street in San Francisco stretches one of the most striking and spacious banking rooms in the west.

The main floor of the recently-opened headquarters of Wells Fargo

Bank (formerly Wells Fargo Bank American Trust Company) makes an exciting introduction to the new block-long, 12-story structure.

Under construction for five years, the building will be completed in June of this year. Work continues on a

first-floor mezzanine and escalator.

The public lobby, epitome of banking's new elegance, combines rich materials in unexpected ways. Red Verona marble, both textured and polished, is used for the walls. Tumbled black Belgian marble pebbles form floors and staircase, with counter tops for the savings and commercial departments of plain black Belgian marble. Teakwood paneling lines walls near the officers and waiting areas. Unfinished surfboard-shapes of teak stand as department indicators.

Panels of interlocking stainless steel rings, a metal lace, are used in decoration. Steel also forms trims and dividers.

Literal highlight of the banking room is the 46-foot circular ceiling fixture. A network of aluminum circles set with crystal lenses, it is the central source of light and air. In the outer ring, fresh air ducts feed into grilles.

Tall marble columns seem to support the honeycomb ceiling. Actually, supports for this open plastic grid are hidden, as are the overhead fluorescent tubes which provide over-all light.

Two unexpected accents are: a small garden of Japanese trees and ferns sprouting in one main floor corner, and a fountain with reflecting pool of glass mosaic tile at the bottom of the sweeping circular staircase leading to the safe deposit foyer.

Reviewing progress during 1961, Ransom M. Cook, president, cited the largest annual deposit growth in the bank's history, an increase of \$263 million for a percentage gain of 10.7.

He told stockholders that the bank now operates 131 branches in 20 northern California counties after additions in 1961 of 10 new branches and two new counties. It has authorized permits for 15 additional offices with 21 more branch applications waiting approval by the supervisory authorities.

The bank opened a far eastern representative office in Tokyo, Mr. Cook reported to stockholders, and in San Francisco moved its electronic accounting and other service departments into a seven-story operations center.

### Douglas-Guardian Promotions

John J. Voelkel, Jr., president, and Neil A. Bryning, vice president and general manager of the Douglas-Guardian Warehouse Corporation, New Orleans, have announced the following men have been named vice presidents of the firm: Charles C. Carpenter, Atlanta; Gene V. Cox, Dallas; Gilbert R. Bodet, Los Angeles, and James L. Mangan, Tampa.

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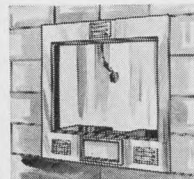
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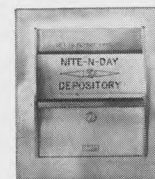
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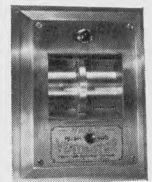
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City \_\_\_\_\_ State \_\_\_\_\_

By \_\_\_\_\_  
 Officer

Northwestern Banker, March, 1962

## More Profits for Smaller Banks

(Continued from page 26)

know a banker who doesn't use the terms, "Time Deposits" or "Certificates of Deposit." He calls them "First State Bank Savings Bonds."

**E. K. Yanney:** We had a poor year for installment credit and decided to develop a profitable phase of installment credit on auto. We found the most important factor in this was breaking down the barrier between the bank officer's desk and the man in front of the desk who wanted a loan. We now say, "The major difference between the banks of yesterday and the banks of today is the manner in which the customer is treated."

**W. Ed. Coblentz:** 1952 to 1955 was dry in our area and we offered to help our people have new wells. The 800 new wells at \$500 each was quite a project for a bank our size, but we offered 60 per cent and they had to come up with 40 per cent. Most of them did it and are glad they did. We carried them right on to other items, such as new barns, etc. Also

we have encouraged cattle feeding and have made many cattle feeder loans.

### Decide Profitable Rate

**Herman A. Brockmeier:** When was the last time you considered the rate of interest on your loans? Is your bank one that charges the same rate year after year regardless of the value of money? Perhaps this is all right if the rate has been the top rate and the people of the community have been willing to pay the rate, or is your bank one that has had a low rate the past 20 years and probably has made only the loans which justify the rate. Wouldn't it be well to sit down and figure a rate taking into consideration the cost of money, the risk involved and the length of time and amount of work necessary to service the loan?

One word of caution on service charges: Do it on your own and don't get everybody in the bank to agree with you. The anti-trust attorneys

are looking for this type of material. In our own shop, we collected 82 per cent more in revenue on regular monthly service charges in 1962 over what we did in '60. The \$2 we charge for returning a not sufficient funds check brought in \$31,982 in '61 compared with \$18,256 for '60 (Only \$1 charge). Only one person complained that it was getting too costly to write bad checks. I am not advocating every charge on the following list, but if you are going to make a charge, make it large enough to cover the cost of doing the work plus gaining some revenue for yourself:

### Income Producing Items

1. Sale of Travelers Cheques
2. Sale of Personalized checks to individuals
3. Sale of Commercial checks to businesses
4. Sale of Savings Banks and Budget Books
5. Sale of Special (PAYC) check-books
6. Sale of Bank Money Orders
7. Sale of Personal Money Orders
8. Charge of Certified Checks
9. Charge for Stop Payment Orders
10. Charge for handling NSF Checks
11. Charge for Overdraft Notice
12. Charge for Overdraft per dollar
13. Charge for Paying Checks over Balance
14. Charge for Insurance Premium Drafts
15. Handling Incoming Collection Items
16. Handling Outgoing Collection Items
17. Handling Charge on Cream Checks
18. Cashing Out-of-town checks for non-customers
19. Servicing Utility bills as collection agent
20. Rent for Safe Deposit Boxes
21. Night Depository Service
22. Clerking Auction Sales
23. Preparing Income Tax Returns
24. Servicing Mortgage Payments for Individuals
25. Collection of Rent for Individuals
26. Preparing or typing papers for customers
27. Notary Public
28. Credit Life Insurance on Loans
29. Analysis of Large Business Accounts
  - a. Currency handling
  - b. Coin per wrapper
  - c. Return Items
30. Real Estate Sales
31. Installment Loan Rates.—End.

## WHAT'S WITH NUMBERS?

When you dial a wrong telephone number, a well-modulated voice will tell you: "Your call cannot be completed as dialed. Please check the number and dial again." No pain . . . you simply do what you are told to do. However, it cost the telephone people millions of dollars to provide the controls that trigger this message, so they must have recognized that a lot of wrong numbers would be dialed.

When you try to process a check with the wrong account number, the watchful eye of the machine will send the check into the reject pocket. This causes more annoyance than dialing a wrong telephone number because (1) you have to get the customer's checks reprinted, (2) you must be alert to subsequent rejects so you won't get the checks reprinted twice, and (3) you have to get the old checks out of the system. It goes without saying that the reason the machine people built this detector into the machine was because they recognized that a lot

of wrong numbers would be printed on checks.

How right they were! With MICR barely off the ground, we have already encountered some costly errors in account numbers. We, of course, were responsible for many of them. Others were due to mechanical failure of the devices used to compute checking digits. Some were due to errors in assigning account numbers. Still others were the result of faulty transmission, either in writing or over the phone.

The point is that anyone can make mistakes in numbers. They create far more exposure to error than names, because we read names whereas we recite numbers. Anyone can put a seven-letter word in his human memory drum and recall it whenever he wishes, but no one can store a seven-digit number and recapture it in proper sequence even ten seconds later. A good healthy fear of numbers will reduce errors to a bare minimum. We hope you share our fear.



DELUXE CHECK PRINTERS INC.

CLIFTON NORWALK PAOLI CLEVELAND DETROIT INDIANAPOLIS

CHICAGO KANSAS CITY ST. PAUL DALLAS CHATSWORTH PORTLAND

Northwestern Banker, March, 1962





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AND TRUST COMPANY OF CHICAGO

*Lock Box H, Chicago 90*

Member F. D. I. C.



*Northwestern Banker, March, 1962*

# Builder Reports Record Sales

CURRENT and recently completed bank building projects extending from Waterbury, Conn., to Sunnyvale, Calif., contributed to record 1961 sales of \$29,140,000 for Bank Building and Equipment Corporation, St. Louis 10, Mo.



L. J. ORABKA

In making the annual report, L. J. Orabka, president, pointed out that company sales have increased each year for 16 consecutive years. The company entered 1962 with another high mark for business backlog totaling \$38,000,000.

The Loughman Cabinet Company, a wholly-owned subsidiary of the company, began operations in its new

\$650,000 woodworking plant at year-end. The one-story plant, containing 62,000 square feet, is located on a site of four and one-third acres. It is now in full production, serving banks and financial institutions throughout the nation.

## Equity Financing Firm Doubles Capital

Commerce Trust Company, Kansas City, has increased the invested capital of its wholly-owned subsidiary, ComTrusCo Investment Company, to \$800,000. This doubling of capital from \$400,000 has been made to meet the demands of small business firms for growth financing.

ComTrusCo Investment Company provides equity financing on a five-year minimum term. Under the provisions of the Small Business Investment Act of 1958, nearly any type of

business firm, whether in the idea, expansion or acquisition stage, is eligible to apply for such equity financing.

Offices of the investment company have been removed from the bank itself to a location in the Commerce Building. James H. Linn, vice president, who has served as loan officer and manager of the bank's credit department, is assigned to handle the firm's operations on a full-time basis.

## 10 POINTS TO CONSIDER

(Continued from page 25)

equipment will undoubtedly be employed in the operation as well as in other bank operations.

**8. Converting Present Loans**—Most smaller banks considering the enlargement and refinement of this highly competitive and profitable form of lending know that they have at the present time many loans on their liability ledgers, which could be segregated and maintained under an installment loan departmental control. Many of these notes could be converted from a simple interest rate to the "add-on" or "discount" type rate with very little difficulty. This transition from the simple interest rate to the "add-on" type is frequently made more acceptable by including credit life insurance in the rate.

**9. Set Up Dealer Reserve**—A bank entering the field of automobile dealer financing should be prepared to set aside a participation in the finance charge in the form of a dealer reserve. It is customary for this reserve to be held as a stated percentage of the dealer's contingent liability, and the excess portion be refunded to the dealer on a periodic basis. We heartily concur with this idea.

**10. New Business Created**—After formation of the installment department, the smaller bank will realize almost immediately the value of other business that can be derived through this channel. There is hardly a bank today that cannot point to many success stories concerning some of its largest depositors who first came through its doors via the installment credit account.

To summarize, an enlarged installment lending program can enhance the earnings of a bank, but it is not a path free of risk or loss. A program of this sort will require constant and specialized supervision and the bank that emphasizes automobile dealer financing will benefit by a close liaison with a city correspondent which specializes in this field.—End.

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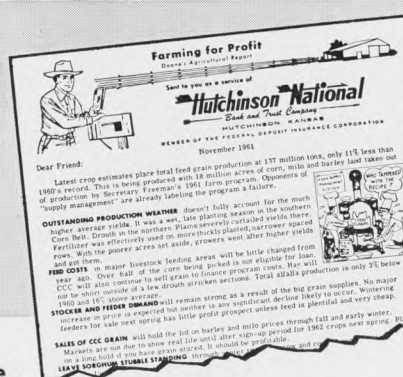
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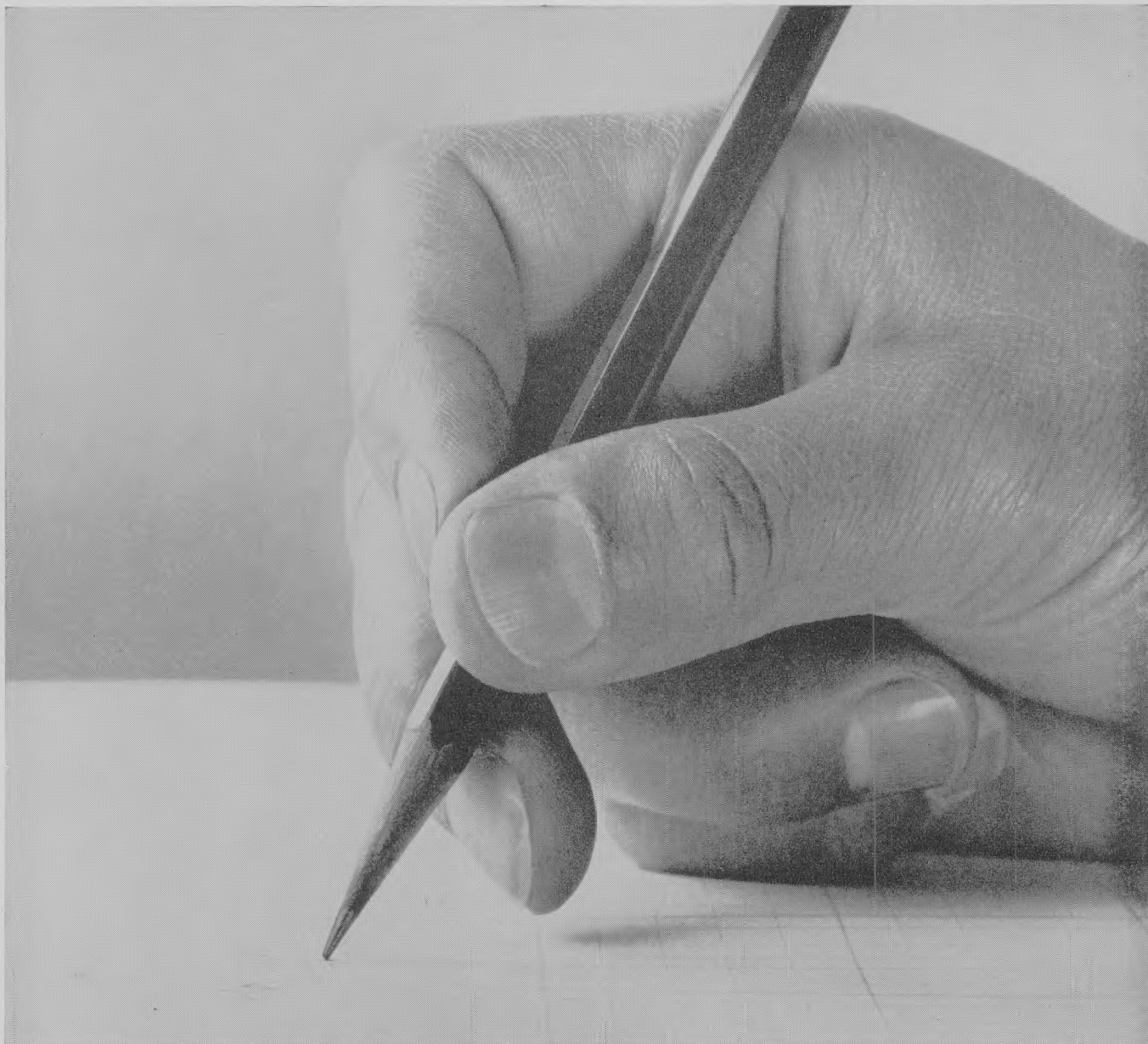
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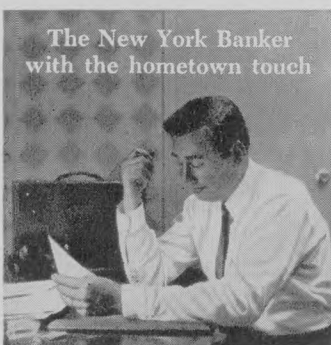
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Chemical Bank  
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Northwestern Banker, March, 1962

## Today's Profit Dilemma

(Continued from page 23)

my liking, but whenever one group or a quasi-monopoly gets so strong that it can squeeze the public—producer and consumer—then it is time for the government to act as umpire in the game to restore the equilibrium of fair competition. The government, in my judgment, should only do for the people what the people cannot do for themselves.

Another main factor concerning the long-term outlook for cattle prices is the present unbridled importation of meat.

The cow and bull beef normally is approximately 30 per cent of the rancher's total beef production. Two-thirds of this beef is used for hamburger and one-third for sausage, frankfurters, bologna, and so forth—that is, processed meat. When prices started to rise on this type of meat in 1957, a flood of imported beef suitable and used for processed meat entered this country. As a result, in 1958, 8.4 per cent of the total beef (or beef the equivalent of live imported cattle) consumed here was imported. In 1959 imports were 8.3 per cent and in 1960, 5.9 per cent.

All this was imported into a country supposedly plagued by a surplus of cattle, hogs, poultry, feed grains and so forth.

With the tremendous production capacity here it seems asinine that our ranchers, feeders and dairymen should be forced to submit to the market depressing competition of this cheap imported meat. As a result of this competition the ratio of slaughter cow prices to all beef prices is lower than the average for the previous 10 years. Today, cow prices are only 73 per cent of parity while prices for all beef cattle are 85 per cent of parity.

Let's look at our present tariff provisions. In 1947 import duty on beef and veal, fresh chilled or frozen, was

reduced from 6 cents a pound to 3 cents a pound, although the 6 cent rate had been in effect since 1930. The United States also reduced the duty on cattle weighing less than 200 pounds from 2½ cents to 1½ cents per pound on the first 200,000 head imported annually. Cattle between 200 pounds and 700 pounds remained at 2½ cents a pound, but the tariff rate on cattle weighing more than 700 pounds was reduced from 3 cents per pound to 1½ cents per pound for not over 400,000 head entered in a 12-month period. Tariff was reduced from 3 cents a pound to 2½ cents a pound for cattle entered in excess of the foregoing limitations. Preserved meats and other meat not otherwise provided for was reduced from 20 per cent ad valorem to 10 per cent ad valorem.

The injustice of this and other reductions is apparent when we look at the change in our economy since 1930. General price levels have more than doubled since 1930. Percentage-wise, the cut in tariff has been more than doubled. Any talks of these rates now furnishing any protection to the American producer show a lack of understanding of our problem.

Many government advisers and economists seem to feel that an annual depreciation of the currency of about 2 per cent per annum under the guise of the "growth cult" is a desirable aim for federal policy. In such an atmosphere it is my belief that producers and feeders should insist on, and are entitled to, a doubling of the tariff provisions in effect in 1930, namely a raise from 6 cents per pound to 12 cents per pound, and so on down the line to preserve a fair cattle price for domestic producers and finishers.

In addition, we should ask that processed meat products, if made with imported meats, should bear a stamp readily visible to the consumer: "Made with imported meat from . . . . .," and the name of the country.

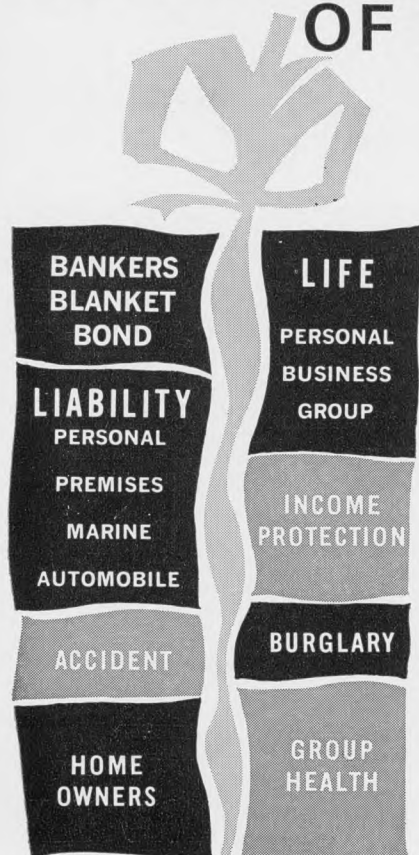
My opinions may seem to be too critical of certain methods and practices of the packers and chain store organizations. The other side of the coin is that we producers have nothing but praise for the marvelous manner in which the packers and chains have processed and moved into consumption the tremendous tonnage of meat ranchers and farmers have produced. Our entire meat team of producer, finisher, packer and distributor is the marvel and envy of the world.

In brief, let the producer raise the cattle, the feeder finish them, the packer process them, the chain store distribute the product, and each confine his activities to his own field.—End.



**THE AUTHOR,**  
Courtenay C. Davis,  
Wyoming rancher,  
is well known  
as an outstanding  
speaker and has  
addressed several  
banking organiza-  
tions in the  
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## To Finance Sandburg Center

THE Continental-Illinois National Bank and Trust Company, Chicago, has announced that it has agreed to provide interim construction and permanent financing up to \$19,878,000 under the FHA mortgage insurance program for immediate construction of the first two sections of Carl Sandburg Center. Dovenmuehle, Inc. is arranging the mortgage.

David M. Kennedy, Continental board chairman, said the project gives the bank another opportunity to con-

tribute importantly to the physical development of Chicago.

The entire project will cover 15.63 acres in an area bounded by LaSalle Street, Clark Street, Division Street, and North Avenue. The Carl Sandburg Center, a unique blending of high-rise apartments, and tri-level and atrium townhouses, has been hailed by civic planners as establishing a major new pattern for redevelopment of urban property. Total cost is estimated at \$42,000,000.

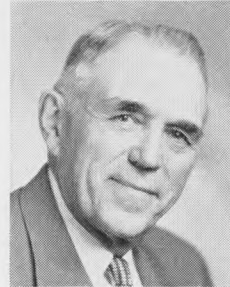
Six high-rise rental apartment buildings and two medium-rise cooperative apartment structures, 72 townhouses and 12 artists' studio apartments comprise the total units in Carl Sandburg Center's overall plan. The Center will have three major clusters of atrium (garden) townhouses and three groups of one dozen tri-level townhouses in each. There will be 1,875 dwelling units in all, ranging from studio and efficiency apartments to three-bedroom units and four-bedroom townhouses. Apartments will be both rental and cooperative, and townhouses may be individually owned.

In the plan, each building is sited to face away from the street, focusing upon scenic views of malls, plazas

and courtyards which will be landscaped with trees, shrubs, fountains and reflecting pools.

### Commerce Trust Conference

The 1962 conference for correspondent banks sponsored by the Commerce Trust Company, Kansas City, will be held Wednesday, April 4. The meeting will headquarter at the Continental and the Muehlebach Hotels.



W. M. WILLY

Guest speakers will include Neal J. Dean of Booz, Allen & Hamilton, on automation; Kriss W. Barnes, executive vice president, Poudre Valley National Bank, Fort Collins, Colo., on off-premises bookkeeping; Dr. Gordon W. McKinley, vice president and chief economist, F. W. Dodge Corporation, New York, on the economic outlook; W. M. Willy, president, Security Bank of Madison, S. D., on bank accounting, and Dr. Charles Kimball, president, Midwest Research Institute, Inc., Kansas City.

The meeting is held by the bank for its correspondents every two years.

### ON THE COVER

David M. Kennedy, board chairman of Continental-Illinois National Bank and Trust Company, Chicago, examines scale model of Carl Sandburg Center after announcing bank is prepared to provide financing. Explaining details are center's sponsors, left to right: George H. Dovenmuehle, chairman, George H. Dovenmuehle, Inc., mortgage bankers; Louis R. Solomon, president of L. R. Solomon-J. D. Cordwell and Associates, architects and city planners, and Arthur Rubloff chairman of Arthur Rubloff and Company, real estate brokers.

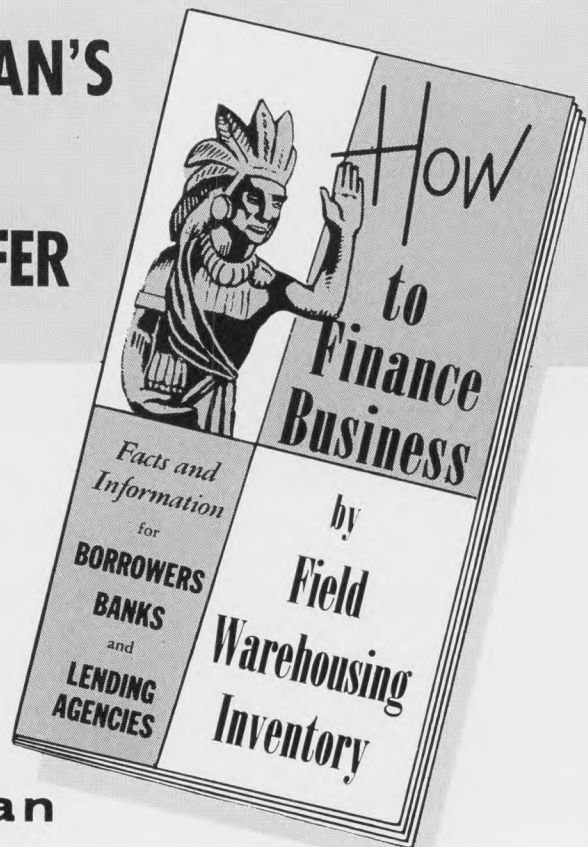
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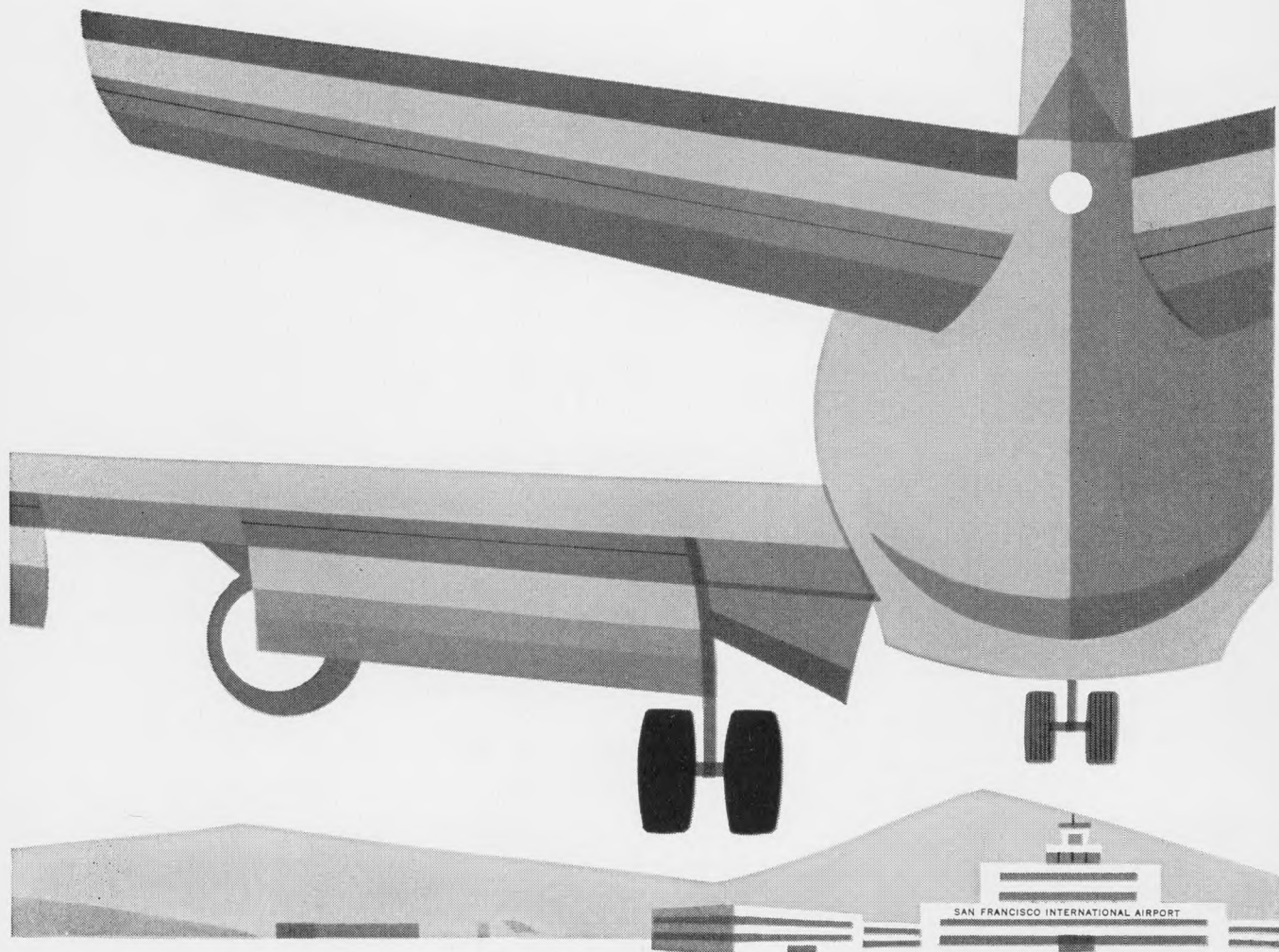
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*Northwestern Banker, March, 1962*

## 7th Fed to Automate Checks

CHARLES J. SCANLON, president of the Federal Reserve Bank of Chicago, has announced the bank has placed an order for a Burroughs B270 electronic item processing system, successor to a pilot B301 system, to further automate the handling of checks processed for the 2,900 banking offices in the Seventh Federal Reserve District.

The announcement follows an extensive evaluation of techniques by the Chicago bank last year to determine the feasibility of electronically

processing and routing the 1,500,000 checks received daily from member banks. Together with Ray R. Eppert, president of Burroughs Corporation, Mr. Scanlon explained that the Federal Reserve Bank of Chicago's plans to more fully automate check handling are proceeding at an orderly pace.

"The key to successful automation of our enormous check collection operation," Mr. Scanlon said, "is the universal implementation of the magnetic ink character recognition (MICR) system, or common machine language, established by the American Bankers Association in 1959. The rate at which automating the handling of checks can proceed depends, of course, on the continuing cooperation and

adoption of MICR pre-printing by banks."

Briefly, the system works like this: batches of checks sent to the Federal Reserve are first processed through the check collection department where amounts are encoded on each item in magnetic ink.

From this point on, all processing is automatic. The checks are placed in the hopper of the electronic sorter-reader and accelerated from a standing start to 400 inches per second in a distance of just four inches. The information printed in magnetic ink is "read" by the sorter and sent to the central processor, which directs listing of the item on the six-tape lister and determines which pocket of the sorter the item should be sent to. The entire process of distributing, listing, adding and controlling items takes place at speeds up to 25 checks per second.

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J. E. Wilson, President

J. M. Winchell, Secretary

### ON THE COVER

Announcing the Federal Reserve Bank of Chicago's ordering of a Burroughs B270 Electronic Item Processing System to process checks for the 2,900 banking offices in the Seventh Federal Reserve District are Charles J. Scanlon, left, bank president, and Ray R. Eppert, president of Burroughs Corporation. The bank is receiving Burroughs' first production system of the B270 in May, which replaces the B301 system shown in the background, a forerunner of the new, more powerful B270. The Seventh Federal Reserve District comprises Illinois, Indiana, Iowa, Wisconsin and Michigan.

### Heads Travel Service

First National City Bank, New York, has announced the appointment of Fred A. Stecher as a vice president.



F. A. STECHER

Mr. Stecher joined the bank's staff last month and will supervise its travelers check business and travel service. For the past 14 years he has been with the American Express Company.

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*It speeds reference in film reader.* Kodamatic indexing lets you find any item in seconds



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Contact your local Recordak Representative for details, or write: Recordak Corporation, 415 Madison Ave., New York 17.

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Northwestern Banker, March, 1962

## Installment Credit . . .

(Continued from page 27)

manpower available to handle any increased activity in installment credit, and to assure itself that there was in fact a possibility for an increased amount of earnings without a lopsided increase in expenses to acquire such volume. This analysis should also include plans by which the increased activity can be obtained. It may be through increased advertising, it may be through greater dealer activity, it might even be through a decrease in rates, however, in the latter area it would seem as though the rates obtainable for most types of desirable installment credit have been reduced by competitive factors to rock bottom and any decrease might defeat the very purpose which the bank is seeking to accomplish in increasing its installment credit outstanding.

### Auto Financing

Gone are the good old days when there seemed to be one rate of \$6 per \$100 add on or \$6 per \$100 discount. This fact is particularly true in the area of automobile financing, where competition among banks has caused the establishment of rates that are perilously close in the case of new car

rates to making it inadvisable for a bank to invest any great amount of money in new car loans, since the rate of return is very little if any greater than that which can be obtained from good commercial loans a grade or so below the prime rate class. Certainly the return obtained from the 4 per cent or the \$4 per \$100 add on rate is not as great as can be obtained from many finance company lines with the compensating balance factor. Therefore, I especially urge management to review the rates it obtains from automobile financing, keeping in mind that a \$4 per \$100 add on, under the most optimum conditions, gives a yield of approximately 7.3 per cent. This yield is a gross yield and does not allow any room for reserve for losses or for the admittedly higher expenses of obtaining and servicing automobile loans.

Fortunately for installment credit financing of automobiles in banks, this too low rate has not become the predominant one in the midwest area; however, it is a factor which is alarming to me as the operator of a department, but it is also alarming because of what it may do to this type of business in commercial banks. There is

no valid economic reason why any bank should offer automobile loans in such a ridiculously low rate. They are not doing a real service to their customers and most certainly are not doing a service to their stockholders in employing their funds to the best advantage. I make such a point of this rate in this article for a very good reason and that is to caution any management which wishes to increase its earnings to offset the increased cost of interest and savings servicing that entering an automobile loan program at an unreasonable rate is not the way to do it. The installment credit department operator who recommends such rates to its management is not motivated by the best interests of the bank as a whole.

### Personal Loans

Fortunately in determining whether to expand installment operations, we are not bound by automobile credit as a means for expanding installment credit. Over the past years a whole host of new types of financing have grown up. There are dental plans, there are boat plans, there are vacation plans, there are education plans, there are many avenues available to the bank which wishes to increase its installment credit activity. One of those most frequently overlooked is in the original area of installment loans,


**Reserve Now for**  
**National Installment Credit Conference**  
**March 26-28, 1962**      **Chicago, Illinois**

AT

# ESSEX INN

**Michigan Ave. at 8th St. Across from Conrad Hilton**  
**Chicago — WE 9-2800 — TWX-CG82**

- Closest motel to all convention centers, commercial and shopping areas, theatres, museums, art centers, and concert halls.
- Free motel parking, in-and-out privileges.
- Heated swimming pool.
- Free TV, radio, ice cubes, wake-up coffee.
- Complete group meeting facilities for up to 500 persons.
- 24-hour switchboard, valet and room service.



**Anistocrat**  
INNS OF AMERICA

All credit cards honored; member of AAA, Best Western Motels, Reservations Quality Courts. Write Now for Reservations, Dept. 76.

**Airport limousines stop at our door.**

**YOUR HEADQUARTERS FOR BUSINESS AND PLEASURE**

Northwestern Banker, March, 1962

## MERCHANTS MUTUAL BONDING COMPANY

Incorporated 1933

Home Office  
 2100 GRAND AVENUE  
 Des Moines, Iowa

This is Iowa's oldest surety company. A progressive company with experienced, conservative management.

We are proud of our three hundred bank agents in Iowa.

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

**E. H. WARNER**  
 President and Manager  
**W. W. WARNER**  
 Vice President  
**M. J. CORBIN**  
 Secretary-Treasurer



## 55th Annual Financial Statement

# Western Mutual Insurance Co.

616 10th STREET - DES MOINES, IOWA

**For year ending  
December 31, 1961**



### DIRECTORS

J. Dolliver Kent  
Herman Jensen  
Robert J. Kent  
Harold B. West  
Mont. S. Stokely  
Albert H. Adams  
Ronald C. Booth  
J. Dolliver Kent, Jr.  
Mark G. Thornburg

**Best's Insurance Guide  
gives Western Mutual  
a general policyholders  
rating of A+ : AA**

### ASSETS

Cash .....	\$ 548,401.18	5.2%
U. S. Bonds (amortized value) .....	4,083,432.35	38.7%
Municipal Bonds (amortized Value) .....	4,347,332.97	41.2%
First Mortgage (none delinquent) ..	141,881.85	1.3%
Due from Agents (current balances)	731,714.24	6.9%
Building and Loan Shares .....	44,100.00	.4%
Real Estate Owned .....	476,920.14	4.5%
Due from Reinsurance Companies..	56,128.27	.5%
Accrued Interest on Investments ....	71,894.93	.7%
Cash Value of Life Insurance .....	64,326.49	.6%
	\$10,566,132.42	100.0%

### LIABILITIES

Current Bills .....	\$ 22,383.57
Current Reinsurance Premiums .....	83,842.72
Taxes Accrued .....	284,962.73
Unearned Premiums .....	3,944,903.37
Reserve for Unpaid Losses .....	1,106,304.31
Equity in Schedule "P" .....	98,507.00
Special Reserve .....	46,541.77
<b>SURPLUS .....</b>	<b>4,978,686.95</b>
	\$10,566,132.42

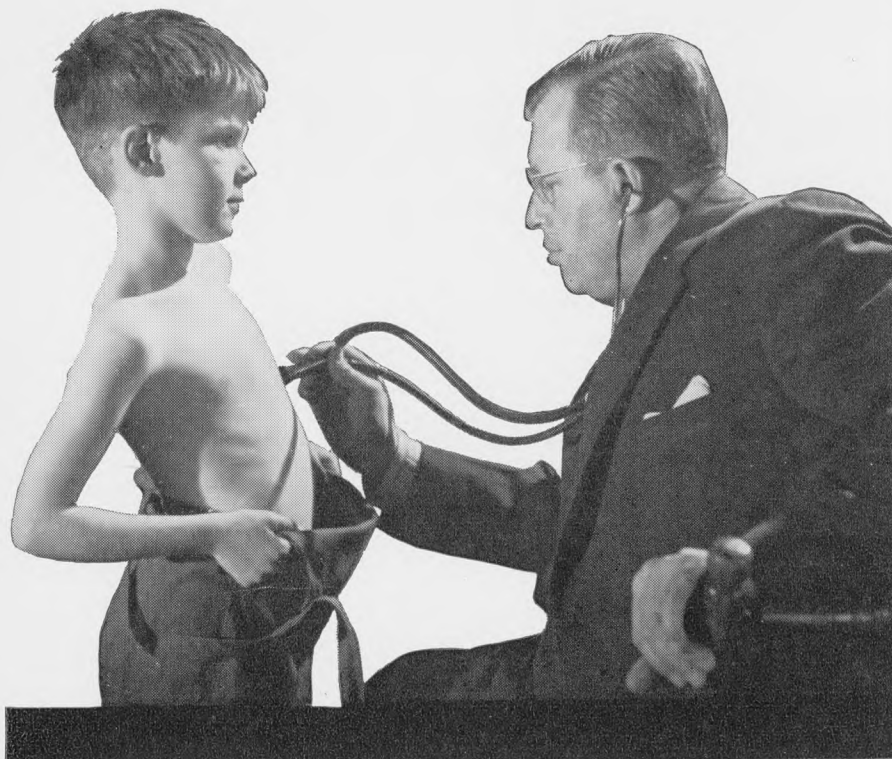
### Growing Since 1907 — Last 20 Years Comparison

	Total Assets	Surplus
December 31, 1941 .....	\$ 515,609.73	\$ 151,500.99
December 31, 1946 .....	1,560,094.59	525,830.34
December 31, 1951 .....	4,923,397.07	1,851,218.41
December 31, 1956 .....	7,583,873.23	3,544,539.62
December 31, 1961 .....	10,566,132.42	4,978,686.95

### "A Multiple Line Non-Assessable Company"

Writing through local agents under the American Agency Plan

Northwestern Banker, March, 1962



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

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

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

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

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

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

**STUDLEY, SHUPERT TRUST INVESTMENT COUNCIL**

1617 PENNSYLVANIA BLVD., PHILADELPHIA 3, PA.

155 BERKELEY STREET, BOSTON 16, MASS.



that of the personal loan to the individual for the multitude of purchases for which he needs such accommodation. It was in this area that Arthur J. Morris first began to think about the need for a loan arrangement for the man on the street. And it is in this area that the banks may still develop a considerable amount of business. Very significantly a review of the latest Federal Reserve figures released as of February 1, 1962, and covering the period ended December, 1961, reveals that the only area in which the commercial banks have not exceeded other financing agencies is in the area of personal loans. Commercial banks hold more automobile paper, more other consumer goods paper, more repair and modernization loans than does any other one type of financing agency. However, in the amount of personal loans outstanding, other financial institutions, and we are primarily speaking of the small loan companies and of the credit unions, have a considerable advantage over commercial banks. Judging by the figures, they are widening that advantage day by day. So it would seem that if the bank is in an area of stable employment and reasonably good economic conditions, it could well explore the possibilities of increasing its installment business through attracting more personal loans. You will not find the same competitive rate factors present. It will be possible for you to obtain a rate that will give you a good profit and by exercising reasonably good credit judgment losses can be kept at a minimum that will enable you to realize a fine return for your money and will help to bridge the gap caused by the increased savings interest rates.

**Trained Personnel**

You may have gathered by this time that I feel that it is generally in order for commercial banks to utilize the installment credit activity as a means for increasing its income, and I most certainly do. However, I have endeavored to point out some of the items that must be considered in developing such increased activity, not the last of which is the manpower factor. It might be well to appraise the experience and history and performance under all conditions of the people who are administering the installment credit activity. Do they take the lines of least resistance? Are they inclined to let competition influence the course of the business? Have they established their ability to handle installment credit, when the going is rough? It may be necessary for banks to dip a little deeper into the available supply of customers for install-



## Spry at 98!

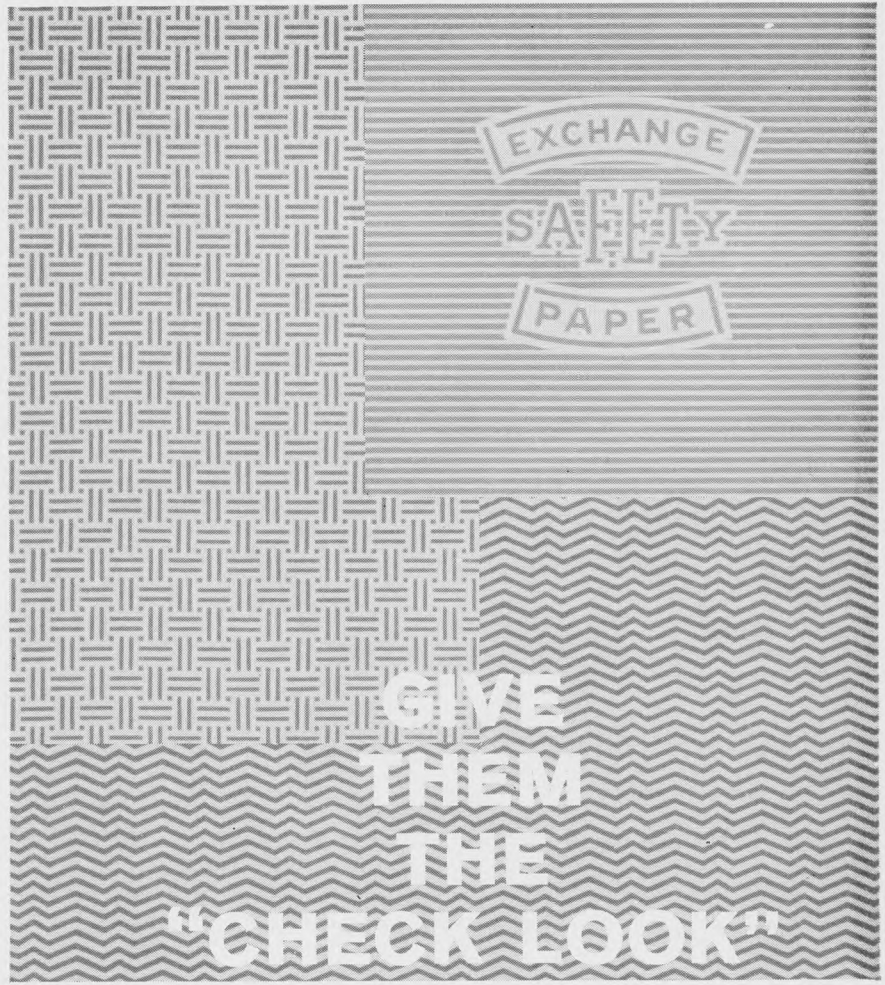


There were three generations of Bimsons at the recent annual stockholders' meeting of Arizona's state-wide Valley National Bank. But few persons realized it until the meeting came to a close and chairman of the board **Walter R. Bimson**, who was presiding, introduced a smiling, little, elderly lady in the front row. It was his mother, a resident of Berthoud, Colorado, who is visiting her two sons—Walter and Carl. The latter, in the background, was elevated from president to chairman of the executive committee of the board later in the day. Also in the audience were Lloyd and Earl, Walter Bimson's two sons. Lloyd is president of The Arizona Bank and Earl is vice president and controller of Valley Bank. Mrs. Bimson, now "98 years young," was 35 years old when Valley Bank was founded back in 1899. Today it is the largest bank in the eight-state Rocky Mountain area she loves so much.

ment credit. We have generally taken the cream which has accounted for the fact that banks generally show an almost unbelievably low loss ratio. We can afford to take some increased losses, not that I advocate any general relaxation of sound credit standards. If we approach the whole subject with a clear knowledge of what is involved in increasing our installment portfolio, involved in the matter of the increased expense of such development, the increased hazards in the event that it is necessary to lower credit requirements somewhat, compared with the increase in income that is likely to result from such business brought with a proper rate, I am sure that we will find installment credit will be a maximum means for assisting in the solution of the problem created by the amendment to Regulation Q.—**End.**

### New St. Paul Director

Bert S. Cross, executive vice president, Graphic Products Group, Minnesota Mining & Manufacturing Company, was elected to the board of the St. Paul Fire and Marine Insurance Company last month.



The distinctive two-tone appearance of safety paper has long been associated with bank checks.

Produced by a unique process created solely for the purpose of making a protective paper for bank checks, safety paper is used by a majority of banks, large and small, throughout the country.

For checks that have customer acceptance specify La Monte Safety Paper.

THE  
WAVY LINES, ®  
THE NAMES  
BASKETWEAVE ®  
AND EXCHANGE ®  
AND THE  
DISTINCTIVE  
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ARE  
LA MONTE TRADE-MARKS.



**SAFETY PAPER  
FOR CHECKS**

**GEORGE LA MONTE & SON • NUTLEY 10, NEW JERSEY**

*Northwestern Banker, March, 1962*

## Mercantile Completes Million Dollar Remodeling



**NEW LOOK**—Mercantile Trust Company, St. Louis, has just completed a \$1,250,000 remodeling. Following completion of the Trust Department improvements on the third floor of the bank last year, work was begun on the Executive, Commercial Banking, and Discount Departments located on the second floor of



the main bank building. That work has now been finished. Everything is new from carpets to chandeliers, and the "modern look" at Mercantile now matches the bank's modern, forward-looking attitude. In addition to new offices, Mercantile now has a new board room and directors' lounge.

### Heads Investment Division

Franklin Stockbridge, vice president, Security First National Bank, Los Angeles, has been named manager of the bank investments and bond department. He succeeds Frederick G. Larkin, Jr., who was elected president of the bank last November.

He joined Security in 1947 and for the first ten years concentrated his attention on the bank's municipal

bond activities. In recent years his responsibilities were extended to the investment portfolio as well. He became an assistant vice president in 1950 and vice president in 1956.

### American Express Elects

The appointment of two new assistant vice presidents by the board of directors, American Express, has been

announced by President Howard L. Clark in New York.

They are Brooks Banker and William P. K. Powers. Mr. Banker joined American Express in 1960 and has been on the staff of the company's Travelers Cheque Division. Mr. Powers, who joined the company in 1959, has been serving as a junior loan officer in the Overseas Banking Department.



## FINANCIAL STATEMENT

DECEMBER 31, 1961

ADMITTED ASSETS		LIABILITIES AND SURPLUSES	
Bonds: (Amortized)	\$10,016,497.84	Reserves for:	
Government	\$ 4,850,810.98	Losses and Loss Expense	\$ 1,016,019.57
State, County		Contingent Commissions	537,647.43
and Municipal	3,647,874.00	Taxes:	324,260.36
Miscellaneous	1,517,812.86	Federal Income	\$107,577.41
Stocks: (Market—N.A.I.C.)	279,620.00	State and Local	216,682.95
Preferred	\$ 65,000.00	Unearned Premiums	1,936,937.38
Common	214,620.00	Funds Held Under Reinsurance	
Mortgage Loans—On Real Estate	180,969.49	Treaties	237,419.45
Real Estate—Including Home Office Building	943,132.66	Reinsurance Loss Balances in Course	
Cash and Bank Deposits	891,170.40	of Payment	511,372.78
Agents Balances or Uncollected Premiums	990,189.86	All Other	102,948.64
Interest Due and Accrued	84,164.21		
Reinsurance Recoverable on Loss Payments	496,380.85		
All Other	11,930.02		
		<b>TOTAL LIABILITIES</b>	<b>\$ 4,666,605.61</b>
<b>TOTAL</b>	<b>\$13,894,055.33</b>	<b>Surplus as Regards Policyholders</b>	<b>9,227,449.72</b>
		<b>TOTAL</b>	<b>\$13,894,055.33</b>

**MAX D. RUTLEDGE, President**

**F. O. RUTLEDGE, Secretary**

**A. L. WAGNER, Treasurer**

**Home Office 2323 Grand Avenue, Des Moines, Iowa**



A Personal  
Message To  
**BANKERS**  
FROM  
H. O. Chapman  
PRESIDENT  
NATIONAL RESERVE  
LIFE



—REGARDING THE PROFIT-MAKING OPPORTUNITIES  
OFFERED BY OUR  
**BANKERS PARTICIPATION PLAN!**

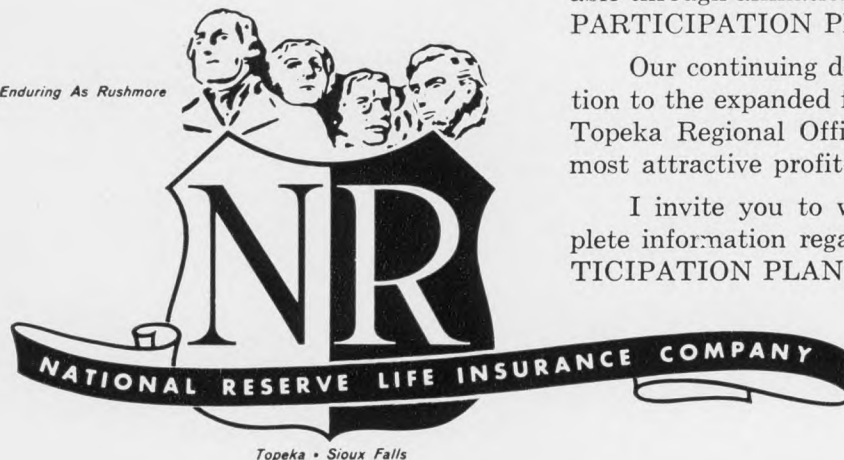
“National Reserve Life now operates in over one-half of the states of the Nation and ranks in the *upper one-fourth* size bracket of all American insurance companies.

For over four decades, increasing numbers of Bankers have enjoyed the substantial profits available through affiliation with our tested BANKERS PARTICIPATION PLAN.

Our continuing development program, in addition to the expanded facilities provided by our new Topeka Regional Office, enable us to offer you a most attractive profit-making opportunity.

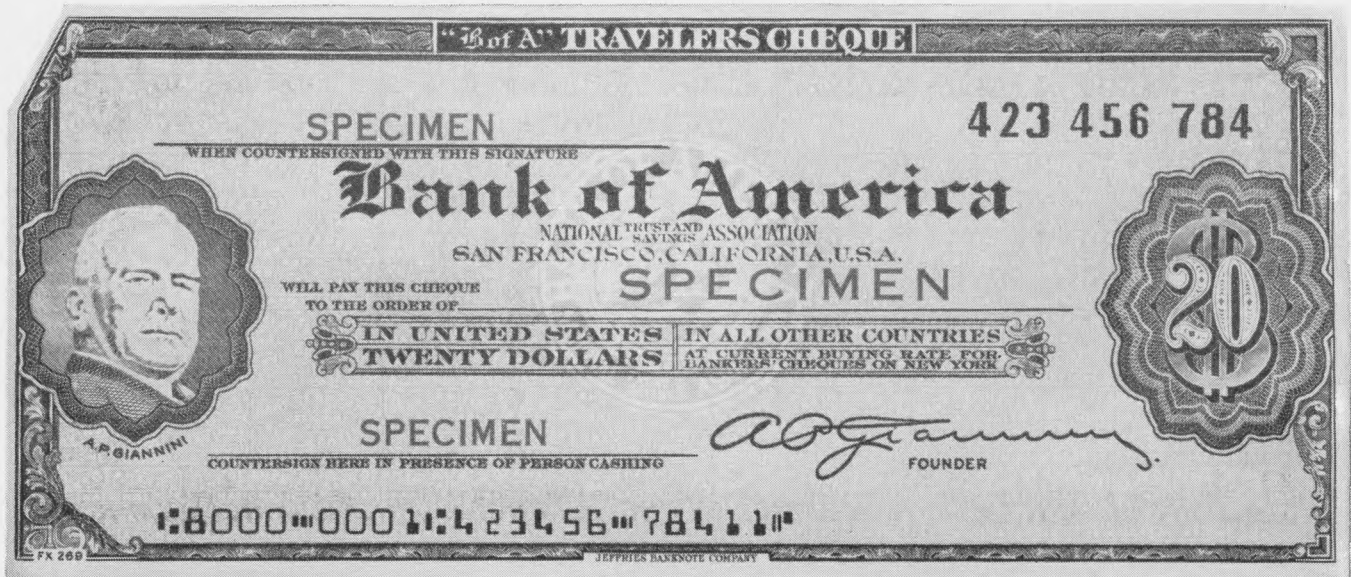
I invite you to write me personally for complete information regarding our BANKERS PARTICIPATION PLAN!”

*Enduring As Rushmore*



H. O. CHAPMAN  
President

S. H. WITMER  
Chairman of the Board



So  
 what else is new?



NOTHING IS NEWER in banking today than Bank of America's new ABA coded electronic Travelers Cheques—all in pre-packaged form. They're the world's first! Because they're so new, and because they offer you so many advantages, we have anticipated some of the questions you might wish to ask about them...

**Q: What does "pre-packaged" mean?**

**A:** Actually, you've always had pre-packaged cheques—ten cheques to a package for each denomination. But now we've attached a completed application form to the cheques, instead of a useless cover.

**Q: We've heard that some banks have to maintain two inventories of cheques—one for package sales and one for loose sales. Is this necessary with Bank of America Travelers Cheques?**

**A:** No—one inventory does the whole job. This is a big advantage regardless of the size of your bank.

**Q: You have seven packages. Does our bank have to inventory each one?**

**A:** No—and this is important. You stock only the packages you want. However, we do suggest that you take all seven packages on a trial basis. Our computer program will replenish only those you sell, and if you decide to close out a particular package all you have to do is let us know.

**Q: How can we be sure that your computer system can keep our bank adequately supplied with cheques?**

**A:** Our computers see to it that your bank has at least a three-month supply of cheques on hand at all times. As sales applications are processed, each type of package is examined. If any type is low, all others also will be replenished, if needed.

**Q: What's the advantage of this "electronic replenishment"?**

**A:** There are several advantages. For one thing, you no longer have to anticipate your needs or requisition cheques. You receive a minimum number of shipments; your inventory is lower, yet you never need to fear running out of cheques; fewer cheques on hand speed up your audits. In short, you save valuable time, money and space.

**Q: How long does it take the computer to determine our usage of each package?**

**A:** The computer starts adjusting the usage when your first sales application is received. The computer is never satisfied—it continues making adjustments as subsequent applications come in, in order to give you the best possible service.

**Q: We've heard a lot about a new form you've developed for seller banks—an "Invoice and Vault Control Register." What's the purpose of this form, and how does it work?**

**A:** Almost every bank has been concerned with the time required to log in a new shipment of cheques.

Sign-out has been a problem, too. Our new form is shipped right with the cheques and serves as your log. The custodians need only verify the shipment, sign and file the form. When cheques are needed from the vault, the last few digits of the last cheque from each series are recorded, and the entry is dated and signed.

**Q: What portion of the commission do we retain on Bank of America Travelers Cheque sales?**

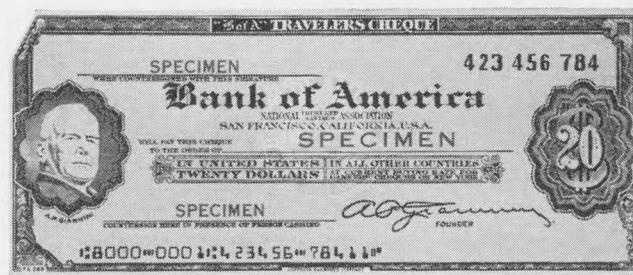
**A:** 90 per cent.

**Q: We're interested in the pre-packaged feature, but we understand you've made other improvements, too. Is this so?**

**A:** Yes, we've up-graded our whole product in many ways:

1. The new cheque will make clearings by other banks—as well as our own computer processing—more efficient.
2. The new packaged applications will speed up your sales, as well as improve our ability to serve you.
3. Your customers will enjoy even faster claims service because of the computer operation.
4. Customers like our new, attractive wallets.
5. You'll be working with glue-bound applications and cheques rather than cumbersome staples.
6. Carbonless application forms will mean cleaner, faster handling.
7. A new teller's "Sales Register" will speed sales recording.
8. A new seller's kit has been designed specifically for bank use.

*Consider the advantages outlined above. Remember, too, that our cheques are known and accepted—and effectively advertised—all around the world. Then you'll know why we believe that Bank of America offers your bank and your customers the best possible travelers cheque service. Any more questions? Ask away—Travelers Cheque Department, Bank of America, One South Van Ness, San Francisco 20, California.*



**BANK OF AMERICA TRAVELERS CHEQUES**

NATIONAL TRUST AND SAVINGS ASSOCIATION • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

*Northwestern Banker, March, 1962*



Correspondent bankers John Ordos, Doug Johnson and Wally Engstrom start on a business trip.

**How deep is the ocean?** If you really want to know...and it's important to your business...ask these fellows. Midland's correspondent bankers are in a position to offer up-to-date information and vital help in all phases of banking and finance. John, Wally and Doug are ready to demonstrate this promise: 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

*Northwestern Banker, March, 1962*



# Minnesota NEWS

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



## New Commissioner

Gerald L. Bryan, first vice president, State Bank of Anoka, Minn., has been appointed commissioner of banks for Minnesota by Governor Elmer L. Anderson. Mr. Bryan assumed his new office February 6, succeeding Arthur W. Sands who resigned to return to active management of the Western State Bank, St. Paul.



G. L. BRYAN

Mr. Bryan, 42, was born in Coon Rapids and has been with the State Bank of Anoka since 1937. He interrupted his service with the bank to serve in World War II. Starting as a private in 1951, he was discharged as a captain in 1947. He was recalled to active duty during the Korean war and served at Camp Rucker, Ala., and Fort Sill, Okla., returning to the bank in 1951.

He was elected cashier in 1949 and has been vice president since 1956. He has resigned as vice president to accept the commissioner's post, but will remain as a director. Mr. Bryan will serve out the remaining five years and six months of Mr. Sands' regular six-year term.

## Anoka

Alvin Lenz, an employee of the First National Bank for seven years, has been promoted to vice president. Richard H. Nelson, also with the bank for seven years, has been promoted from assistant cashier to assistant vice president, and Gary Schake, with the bank for three years, was promoted to assistant cashier, along with Robert G. Peterson who joined the bank in 1958.

## Appleton

Roger K. Stehn was elected assistant cashier at the annual meeting of the Farmers & Merchants State Bank. All other officers and directors were re-elected.

## Atwater

A. O. Stromseth, who recently completed 42 years in banking, has an-

nounced his retirement and has sold his interest in the Atwater State Bank to Thomas and Ruth Danielson.

Thomas Danielson, currently cashier, will assume the presidency of the bank and Ruth Danielson, currently assistant vice president, will become vice president and cashier.

Mr. Stromseth continued with the bank until March. He and his wife have purchased a home in Northfield, Minn.

## Babbitt

R. J. Slade has been added to the board of directors of the First State Bank, reports J. W. Schmid, vice president and cashier.

## Balaton

Don Fogelson was promoted from assistant cashier to cashier at the Farmers and Merchants State Bank. V. G. Schaffer now is vice president, instead of vice president and cashier. F. A. Timm was re-elected president.

## Barnesville

J. Julian Aamodt, 66, died the day after his re-election as a vice president and director of the First National Bank. He had been a director since 1931 and vice president since 1954. He mentioned that he had not missed a meeting of the stockholders since his election to the board until the one just prior to his death, reports George H. Felde, cashier.

## Barnum

Hans Carl Hanson, founder of the State Bank of Barnum, nationally known Guernsey breeder and former Minnesota state senator, died recently at the Pine County Memorial Hospital in Sandstone, after a brief illness.

Mr. Hanson was president of the bank until his retirement in 1957 after 54 years of service. He sold the bank to Walter Newman and Edwin Manni in 1960.

## Barrett

The following officers were elected at the annual meeting of the Citizens State Bank:

O. R. Olson, president; P. J. Score,

vice president; Audrey Ronhovde, cashier, and Mrs. Margaret Carlsen, assistant cashier.

## Baudette

W. R. Westrom, formerly with the First National Bank of Elbow Lake, has joined the First National Bank of Baudette as assistant cashier. He succeeds Rubelle Hanson who recently announced his resignation after 15 years with the bank.

It also was announced that the bank has increased its surplus account by \$20,000.

## Belle Plaine

R. J. Effertz has been promoted to vice president and Kevin G. Gaffney was promoted to cashier at the State Bank of Belle Plaine.

## Blue Earth

John Frundt, an attorney, has been named to replace Dr. W. C. Chambers as a director of the Blue Earth State Bank. Dr. Chambers recently completed 31 years as a director and has been named "director emeritus" in recognition of his long service.

## Blooming Prairie

Norman R. Peterson, son of Board Chairman R. A. Peterson, was elected a director of the First National Bank at the annual meeting, replacing Ray Herron who died last December.

Other directors and all officers were re-elected.

## Buffalo

### Buffalo National

Bernice Holthaus, Leona Holthaus and Floyd Lindberg were named assistant cashiers at the annual meeting. All other officers were re-elected.

### Oakley National

Harold M. Templin has been elected president and Harold F. Dickson has been elected cashier. They were cashier and assistant cashier, respectively. Mr. Templin has been with the bank since 1922 and Mr. Dickson joined the bank in 1940.

## Calumet

The following officers were elected at the annual meeting of the Calumet State Bank:

W. C. Holt, president; William Holt, Jr., vice president; J. V. Koler, vice president and cashier, and E. W. Holt, assistant cashier.

## Cambridge

Gordon E. Bostrom of Isanti has been elected assistant cashier at the Peoples State Bank, it was announced by John Gunderson, president.

*Northwestern Banker, March, 1962*

**Cedar**

H. J. McClintick retired recently as president of the Farmers State Bank of Cedar. He and his wife are retiring after 42 years of service in banking.

**Clarkfield**

Donald R. Nelson has been added to the board of directors at the Farmers & Merchants State Bank, increasing its size to six members.

It also was voted to increase the surplus account from \$75,000 to \$100,000.

**Cloquet**

Kenneth P. Johnson, Cloquet realtor, has been added to the board of directors of the First National Bank. John M. Gannon was promoted to auditor and Doris E. Phipps was named administrative assistant.

Other officers and directors were re-elected.

**Crookston**

Clifford H. Zaffka, cashier, was promoted to vice president, and W. L. Ericson, assistant cashier, was advanced to cashier. Mr. Zaffka has been with the bank since 1958 and Mr. Ericson joined the staff in 1949. Before joining the Crookston bank, Mr. Zaffka was cashier of the Northern State Bank in Thief River Falls.

**Crosby**

Larry Pater and Alyce M. Perpich have been named assistant cashiers at the First National Bank.

All other officers and directors were re-elected at the annual meeting and the surplus account was increased by \$25,000, bringing capital and surplus to a total of \$250,000.

**Detroit Lakes**

Vernon Daggett, president, Daggett Truck Lines, Inc., of Frazee, Minn., was elected to the board of directors at the annual meeting of the First National Bank. He replaces A. T. Thompson who died last year after serving on the board since organization of the bank.

**Eveleth**

John E. Manthey, Sam Masinter and Arthur I. Naslund have retired from the board of the First National Bank. Leo M. Gilson, owner of the Gilson Drug Company in Eveleth, was elected to the board at the annual meeting.

All officers were re-elected.

**Duluth****Northwestern Bank of Commerce**

Marshal Reining, president, Ojibway Press, was elected to the board of di-

rectors at the annual meeting.

**Pioneer National**

Getchell Widde, president, Widde Grain and Feed Company, Esko, was elected to the board of directors following the resignation of Thomas G. Bell, Jr., and Robert Kreilder.

**Excelsior**

Capital stock of the Minnetonka State Bank has been increased from \$150,000 to \$175,000, and surplus was increased from \$110,000 to \$160,000. The increases were carried out through the sale of additional stock.

**Faribault**

Richard Carlander, formerly assistant cashier, was named assistant vice president at the annual meeting of The State Bank and was elected to the board of directors. All other officers and directors were re-elected. Ray Meyer, vice president, announced his retirement at the end of the year.

**Farmington**

Leonard C. Novitski was promoted from assistant cashier to assistant vice president in charge of the insurance department of the First National Bank. He succeeds R. G. Shirley, vice president, now retired from full activity. Mr. Shirley is continuing as a part-time consultant in the insurance department.

**Fairmont**

New directors of the First National Bank are Robert E. Nelson and Michael G. Gerry. They succeed Ed Duffey and William Simpson, who are retiring.

Other directors and all officers were re-elected.

**Foley**

John E. Parent has sold his interest in the State Bank of Foley to John Westra of St. Cloud, and Neil Johnson of Darwin.

Mr. Johnson will become president and Mr. Westra will be executive vice president. All other office holders will be retained. Mr. Westra plans to move to Foley and Mr. Johnson will continue to make his home in Darwin.

The selling of his interest in the bank ends 50 years of association with the firm for Mr. Parent, who is retiring.

**Gary**

The following officers were elected at the annual meeting of the Gary State Bank:

A. A. Habedank, president; L. J. Peterson, vice president; Gordon L. Nelson, cashier, and Mrs. Marilyn Gun-

derson and JoAnne Lee, assistant cashiers.

**Graceville**

The Clinton State Bank is serving its customers in temporary quarters while the bank building is undergoing enlargement and extensive remodeling. According to Sevrin Steen, cashier, the remodeling is to be completed sometime this month.

An addition is being constructed at the rear of the bank building and the interior is being rearranged and remodeled.

**Granite Falls**

A. F. Siewert has purchased controlling interest in the Yellow Medicine County Bank here and has taken over the duties of president. He has been vice president of the bank.

**Hastings**

Leonard Bauer and Frank Cahill have been elected directors of the Northwestern National Bank. Both are lifelong residents of Hastings, now in the construction business.

All officers were re-elected.

**Hayfield**

Paul Arendts has been named vice president and cashier and Donna C. Haukum was named assistant cashier at the annual meeting. Mr. Arendts also was elected a director. Carl Finseth remains as president.

**Hibbing****First National**

Plans for an expansion and remodeling program have been announced and two new directors have been named.

New directors are Dr. Luverne W. Johnsrud and Russell J. Ryan. Dr. Johnsrud is a surgeon and senior member of the Mesaba Clinic in Hibbing. Mr. Ryan is a partner in the Ryan Construction Company and the Ryan Realty Company.

The remodeling program will include the addition of drive-in facilities and a time-pay department, according to C. E. Taylor, president.

**Security State**

Fred Lindquist and Charles E. Walters have been elected assistant cashiers. All other officers were re-elected.

**Hopkins**

S. H. Severson, who started his banking career with the First National Bank here 37 years ago, has been elected president, succeeding Otto G. Cermak who becomes chairman of the board after 39 years in the bank. Andrew N. Justus, president, Justus Lum-





S. H. SEVERSON O. G. CERMAK

ber Company, succeeds Mr. Severson as vice president.

Other officers and directors were re-elected.

**Howard Lake**

Floyd B. Munson has been elected to replace the late August F. Reiter as director of the Security State Bank. Mr. Reiter died during 1961.

Omar E. Glessing was promoted from cashier to executive vice president and Verna R. Glessing was promoted from assistant cashier to cashier. Other officers were re-elected.

**Isanti**

J. B. Hove has been elected as a new director of the First State Bank. Hilding A. Erickson, Carl Krueger and James Hove were re-elected.

**Janesville**

Joseph M. Finley has been appointed vice president and director of the Janesville State Bank. He succeeds E. G. Zimmerman who has served as non-active vice president and director since 1943 and who remains an honorary director. Mr. Finley was an assistant cashier.

L. W. Scott also has announced his retirement from the board of directors. He is replaced by his son, L. W. Scott, Jr.

**Karlstad**

Operations of the Karlstad State Bank were moved to new quarters across the street recently. Grand opening dates have not been announced.

**Kimball**

Alton E. Greeley and Luvern E. Hinz have been elected to the board of the State Bank of Kimball. They will serve with re-elected board members Florence R. Douglass, Elmer Eckman, E. A. Erickson, E. E. Erickson and E. C. French.

**Klossner**

Victor J. Sondag, executive vice president and cashier, has been elected president of the Klossner State Bank, succeeding F. H. Krook, president since 1926, who is retiring. Mr. Krook

will continue on the board.

Alex J. Herlick was promoted to cashier from assistant cashier.

**Lake Crystal**

Richard Lunde, assistant cashier and bank employee for 27 years, has been added to the board of the Lake Crystal Bank. Other board members were re-elected.

**Le Center**

Chas. I. Traxler has been added to the board of the First National Bank. All other directors were re-elected.

**Le Seuer**

John Powers was elected a director of the Valley State Bank at the annual meeting. Other directors were re-elected.

The following officers were elected: L. E. Felton, chairman; H. F. Chamberlain, president; Harry J. Grant, vice president; H. P. Meyer, cashier, and Alice Freeberg, assistant cashier.

Arnie Osmundson, assistant cashier, is leaving the bank to join his father-in-law in business in Illinois.

Special acknowledgment was given at the annual meeting to Harry Grant on his 26 years of continuous service. He is going into partial retirement.

**Little Falls**

Glenn G. Howes, executive vice president, has been named president of the American National Bank, succeeding Frank L. Hartmann who has retired. Mr. Howes joined the bank in 1960, coming from Fairmont.



G. G. HOWES

Dale Thompson, auditor, was promoted to assistant cashier. He has been with the bank since 1956.

Other officers and directors were re-elected.

Mr. Hartmann's retirement was reported in the NORTHWESTERN BANKER last month.

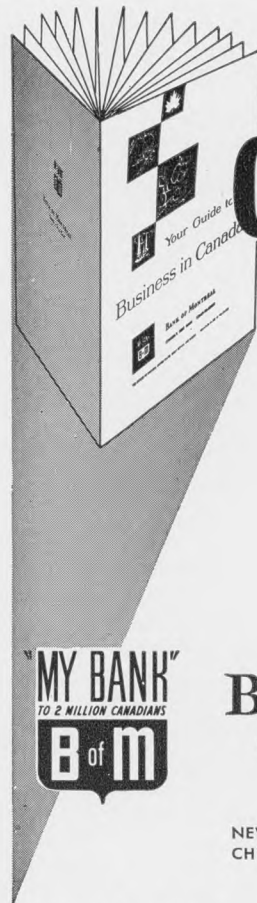
**Long Lake**

Kenneth Bollum, president, the State Bank of Long Lake, reported that the surplus account of the bank has been increased by \$20,000, bringing the total to \$120,000. Capital is \$50,000.

**LuVerne**

**First National**

H. L. Smith, president, reports the election of Dennis D. Anderson, for-



For Your *Clients*

**CANADIAN**

**Patent, Copyright and Trademark...**

regulations are outlined in "Your Guide to Business in Canada," just published as a service to American executives by Canada's First Bank. Many other essential subjects, including Canadian taxes and company formation, are discussed.

This booklet is one of a number of B of M publications which may help you render broader service to your Canadian-minded customers. For a free copy write on your bank letterhead to our nearest U. S. office or to the Business Development Department, Head Office, Montreal.

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Northwestern Banker, March, 1962



## Wise Owl's Point of View

■ The Wiseness of banking at the First American National Bank of Duluth, Minn., was vividly pointed out recently when a wise old owl chose the bank's outdoor clock as its perch. The owl found this spot so comfortable that he stayed from noon until early evening. Many a comment was heard in the bank concerning the owl's selection of the First American as his bank. People stopped and looked and pointed. Others would just shake their heads in disbelief. The First American's latest customer was truly a crowd stopper.

merly assistant cashier as cashier. Delvin Meyer was named assistant cashier and insurance department manager.

### Rock County Bank

Directors voted to increase the surplus \$25,000 to \$150,000 at the annual meeting.

### Mankato

Richard B. Jude, elected executive vice president a year ago, has been named to succeed Harry M. Grant as president of the First National Bank. Mr. Grant is retiring after nearly a half century in banking.

Succeeding Mr. Jude as executive vice president will be B. W. Kough, who began his banking career in Austin in 1922. He was serving as vice president and cashier.

Robert H. Currier, who has been serving as assistant vice president, was elected to succeed Mr. Kough as vice president.

All other officers were re-elected.

### Mapleton

R. C. King, proprietor of Bob's Farmers Store, has been added to the board of the First National Bank. All other directors were re-elected.

### Minneota

Wallace R. Pesch has been promoted from assistant cashier to cashier and Berton Amundson and David D. Lamphere were named assistant cashiers at the First State Bank. Harris J. Sorensen, president, also reported that L. V. Widmark has resigned from the board of directors after 20 years of service. He is succeeded by Robert Geiwitz.

### Moorhead

#### American State Bank

R. S. Sullivan, assistant cashier, was named manager of the installment loan department to succeed Loren

Smith, assistant vice president, who resigned to enter another business.

#### First National

Norman W. Krabbenhoft, a farmer in Clay County, was elected a director. Raymond Sharkey was elected assistant vice president. A. M. Severson was promoted from assistant cashier to assistant vice president and continues as agricultural representative. Paul T. Tellefson, who joined the staff in 1960, was elected auditor, and Lloyd A. Odin, who has been in the installment loan department, was elected assistant cashier.

### Morgan

Amanda Kraus and Mrs. Morris Kuhn were added to the board of the State Bank at Morgan at the annual meeting.

M. L. Kuhn was promoted to executive vice president from cashier and Don Lange, assistant cashier, moved up to cashier. Mrs. Otto Reitter and Elfriede Zamzow were elected assistant cashiers.

### Morris

Merle Felstul, cashier, has been promoted to vice president of the Morris State Bank. Conrad N. Freeman, assistant cashier, has been promoted to cashier and has been added to the board of directors.

### New Ulm

Dr. Peter J. Kitzberger was elected to the board of the State Bank of New Ulm, succeeding the late Carl F. Crone, who died last December.

### Osseo

George J. Dochniak, president, has announced the election of Thomas A. Bladholm, president, Bladholm Brothers Culvert Company, and Calvin E. Forbes, district manager, Northern Natural Gas Company, as members of the board of directors of the Northwestern State Bank.

### Owatonna

Stanley A. Muckle was named to the board of the Oakdale State Bank to succeed Mrs. W. P. Jones, who declined renomination.

All other directors and officers were re-elected.

### Paynesville

Oren R. Quill, formerly cashier at the First National Bank in Havre, Mont., has been elected executive vice president and director of the First State Bank in Paynesville. William H. Huntington, who has been a director for 18 years, retired at the annual meeting.

Mr. Quill began his banking career with the Freeborn National Bank of Albert Lea in 1946. He has held various positions with other banks in Lewiston and Havre, Mont., all of which are affiliated with the First Bank Stock Corporation.

### Red Wing

#### First National

Roger L. Popp, with the Northwest Bancorporation's credit department prior to January 1, was named cashier at the annual meeting. James H. Freeman, an employee for five years, was elected assistant cashier. Erveen C. Johnson, who has had the duties of auditor for the past year, was elected auditor.

#### Goodhue County National

J. W. Teele, assistant cashier, has been promoted to assistant vice president, and Ragna E. Wintervold and Esther E. Lindberg have been appointed assistant cashiers.

All other officers were re-elected.

### Rochester

#### Northwestern National

Ralph Stevens, owner of Blickle's Jewelers; Robert Withers, publisher of the Rochester *Post-Bulletin*, and Kenneth P. Zubay, personnel manager of the Rochester IBM plant, were elected to the board of directors.

Richard Pike and Lyle Johnson, assistant vice presidents, were promoted vice presidents. Albert Stanton, cashier, was named vice president and cashier, and Marlo Anderson, Dean Ihrke and Robert Campion were named assistant cashiers. Rex Horlocker was elected auditor, and Gerald Kanne, former auditor, was named assistant vice president.

#### Olmsted County

John D. Chisholm, president, has been named to a committee for study of the function of the national banking system by James J. Saxon, comptroller of the currency.

The study is to determine steps to be taken through administrative ac-



tion as well as legislative proposals to congress. The head of each national bank will be asked to submit proposals for changes.

Mr. Chisholm is president of the Independent Bankers of Minnesota.

**Rochester State**

George M. Libera was promoted from assistant cashier to cashier and Wallace E. Turnblad was named assistant cashier at the annual meeting. All other officers and directors were re-elected.

**St. Cloud**

**First American National**

J. L. Parker, vice president, was elected first vice president, and Donald Faber was elected assistant cashier at the annual meeting. Other officers and directors were re-elected.

**St. Cloud National**

Irene Wilson, vice president, was named vice president and assistant trust officer at the annual meeting. All other officers and directors were re-elected.

**Sandstone**

Surplus has been increased to \$80,000 from \$55,000 at the Sandstone State Bank, according to a report from E. L. Lundorff, cashier.

**Sauk Rapids**

**Northwestern State**

C. I. Erstad, president since 1945, retired January 31. He has been elected chairman of the board.



K. E. WINGE

Mr. Erstad is succeeded by Keith E. Winge, who joined the bank recently as executive vice president. Prior to joining the Sauk Rapids

bank, Mr. Winge was vice president of the Northwestern State Bank at Dawson, Minn.

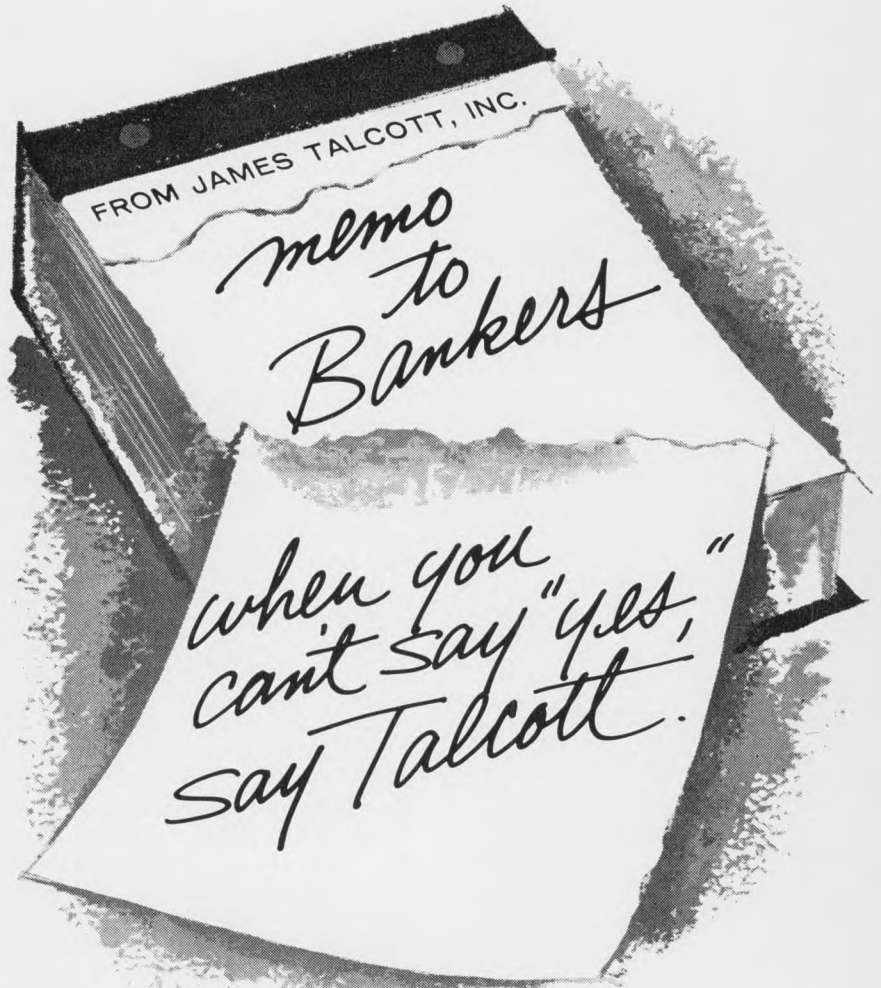
**Zapp National**

John J. Kasimor has joined the bank as assistant vice president of the loan department. He was cashier at the Northwestern State for five years.

**Springfield**

August Nieman, a director of the Farmers and Merchants State Bank since 1927 and president from 1927 until 1950, retired from the board at the annual meeting.

N. V. Swanbeck, cashier, was elected vice president, and G. M. Pierschel, assistant cashier, moved up to the cashier's post. All other officers and directors were re-elected.



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 PHILADELPHIA



# Twin City News

**C**OMPUTATION of daily interest under the terms of the new "Supplement to Regulation Q" plus the exchange of new concepts in banking methods and services were featured at a financial seminar attended by some 200 Twin Cities bank executives last month.

The seminar, sponsored by Burroughs Corporation, heard **Robert K. Sayed**, special financial representative from the firms' Detroit home office, outline and interpret the new regulation.

\* \* \*

The Northwest Bancorporation has announced the election of **Eugene Fett** to assistant comptroller. He has been assistant secretary since 1959.

\* \* \*

The Fifth Northwestern National Bank of Minneapolis moved into its new banking quarters last month at Holmes and Lake Street. Open house was scheduled for March 2 and 3.

\* \* \*

**John H. Schweiger**, vice president of the New York Stock Exchange, has been announced as the newest partner of Paine, Webber, Jackson & Curtis, Twin Cities investment firm. He will headquarter in New York and is the firm's 44th partner.

\* \* \*

**Paul Rifkin**, secretary, Morris Rifkin and Sons meat packing plant in South St. Paul, has been added to the board of the Drivers Exchange State Bank.

All officers were re-elected.

\* \* \*

**Harvey T. Orndorff**, cashier, was promoted to vice president and cashier at the Citizens State Bank in St. Louis Park, and **Charles A. Lovejoy** was promoted to assistant vice president. Mr. Orndorff was with the First National Bank of Redwing before joining the Citizens State last August. Mr. Lovejoy has been with the bank since 1959, coming from the Jamestown National Bank, Jamestown, N. D.

\* \* \*

Brooklyn Center State Bank opened

for business recently at 5620 Osseo Road. It has a capital structure of \$400,000, including \$160,000 capital, \$140,000 surplus, and \$100,000 undivided profits.

**Dallas J. Lawrence**, retired division manager of the Cook Paint and Varnish Company, is president, and **Edward J. Hamernick**, a former vice president of Marquette National Bank of Minneapolis, is executive vice president. The bank is independently operated.

\* \* \*

The Thirteenth Avenue State Bank of Minneapolis will be known henceforth as the Northeast State Bank, the name it bore at its founding in 1916. The present management, headed by **Walter Rasmussen**, president, changed the name when it took over in 1947.

In addition to approving the change, stockholders also elected **Frank Pecchia**, vice president and cashier of the bank, to the board of directors. Mr. Rasmussen reported the bank's assets at the end of 1961 were more than \$5,400,000. Deposits were up about \$250,000 to total \$4,597,000.

\* \* \*

Newly elected directors at Twin City banks include:

**Orrin E. Thompson**, president, Orrin Thompson Hones, Inc.; **Arthur A. Schlin**, general manager, Industrial Construction Company, and **Edwin S. Elwell, Jr.**, vice president, Northland Milk and Ice Cream Company, to the advisory board of the Lake Street Office, Northwestern National Bank of Minneapolis.

**Louis N. Zelle**, vice president, Jefferson Transportation Company, and **Ralph M. Jacobson**, president, Jacobson Machine Works, to the advisory board of the St. Anthony Falls Office, First National Bank of Minneapolis.

**Robert J. Crabb**, executive vice president, Southdale Management Company, and **Donald O. Erickson**, president, Glacier Sand and Gravel Company, to the board of directors, First Southdale National Bank.

**Rollin O. Bishop**, chairman of the board of directors, American National Bank of St. Paul, has been appointed volunteer state chairman of the Minnesota Savings Bond Committee by Treasury Secretary Douglas Dillon. He succeeds **Arnulf Ueland**, chairman of the board of directors, Midland National Bank of Minneapolis.

\* \* \*

Three veteran employees of the First National Bank of Minneapolis retired recently. They are **Emma G. Wolf**, unit teller, who had been with the bank more than 33 years; **Raymond D. Fuller**, safe deposit manager, 32 years, and **Harold G. Callister**, manager, exchange and analysis department, 34 years.

\* \* \*

Promotion of three senior officers was announced recently by **John deLaittre**, president, Farmers & Mechanics Savings Bank of Minneapolis.

**Hermon J. Arnott**, with the bank 29 years, was made executive vice president. **Charles P. Clifford**, with the bank since 1947, was named senior vice president. **Henry S. Kingman, Jr.**, with the bank since 1957, was promoted to vice president.

Mr. deLaittre also announced election of **Robert E. Van Valkenburg** and **Howard L. Imme** as assistant secretaries as part of an expansion of the bank's mortgage department operations.

\* \* \*

A new, fully transistorized International Business Machines Corporation 1401-1402 computer system designed especially for bank data processing, has been installed in the American National Bank of St. Paul.

\* \* \*

**William R. Chapman**, president, reported Midland National Bank resources at year-end totaled a record \$89,743,000, a 12 per cent gain over 1960. Deposits as of December 31 totaled \$80,297,000, up 13.2 per cent. Loans averaged \$43,329,000 during 1961, an increase of 1.3 per cent. **Rob-**



ert W. Morgan was added to the board and John R. Montgomery was promoted from assistant vice president to vice president.

\* \* \*

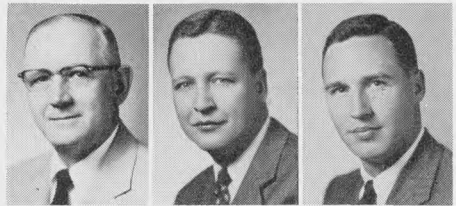
Arnulf Ueland, board chairman, Midland National Bank of Minneapolis, is the new president of the Hennepin County United Fund. William R. Chapman, president of Midland, was re-elected treasurer.

\* \* \*

Election of six new vice presidents and promotion of 20 other staff members have been announced by John A. Moorhead, president, Northwestern National Bank of Minneapolis.

Elected vice president were Homer C. Luick, Edward W. Asplin, John A. McHugh, Richard H. Vaughan, O. Jack Talbot and John D. Rogers.

Elected assistant vice presidents were Donald A. Shulthesis, Mrs. Virgille Peeke and Ralph B. Scott of the bank's commercial department, and



LUICK ASPLIN McHUGH



VAUGHAN TALBOT ROGERS

John C. McKee, Henry G. Eagan, Jr., and Theodore M. Halvorson of the trust department.

Elected trust officers and assistant secretaries were William C. Ball, Charles R. Bailey, Jr., Robert W. Colbert, Richard G. Slade, LeRoy F. Piche and Wallace E. Erickson.

Elected assistant cashiers were Fred H. Herkey, Edward C. Radi and Eugene N. Axness of the commercial department. Elected assistant trust officers were Robert C. Sullivan, George T. Eggen, Bruce W. Blackburn and Herbert W. Day, Jr. Elected assistant secretary was John S. Haertel.

\* \* \*

First National Bank of Minneapolis had 1961 net operating earnings of \$4,227,000, a gain of \$167,363 over 1960, Gordon Murray, president, disclosed in the bank's annual report.

Deposits totaled \$511,203,000 at the end of 1961, marking the first time the bank has exceeded the half-billion dollar mark. Loans and discounts totaled \$252,997,000 at year-end.

Mr. Murray announced election of James T. Wyman, executive vice president, SuperValu Stores, Inc., to the bank's board, and of Leonard H. Murray, president, Soo Line Railroad Company, to the board's trust committee.

\* \* \*

Northwestern National Bank of Minneapolis had consolidated net operating earnings of \$5,049,536 for the bank and its building subsidiaries last year, John A. Moorhead, president, reported at the annual meeting.

Deposits totaled \$533,430,000 at year-end, topping the half-billion mark for the second straight year. Loans at year-end totaled \$277,015,000.

Mr. Moorhead said the bank's General Electric 210 computer system is scheduled for complete installation by early summer. New drive-in facilities in Northstar Center are scheduled to open by mid-year, he said.

\* \* \*

Howard A. Westlie has been elected cashier and executive officer of the Savage State Bank. Mrs. Carol B. Schlick was elected assistant cashier.

\* \* \*

R. L. Smith, president, Stock Yards National Bank of South St. Paul, said the bank has increased its capital and surplus from \$1,500,000 to \$1,800,000, the fourth such action taken in the past ten years.

\* \* \*

Mrs. Lois Johnsen and William M. Bartlett of the installment loan department, Richfield Bank & Trust Company, have been promoted to loan officers, S. L. Jerpbak, president, announced.

\* \* \*

William F. Maser, assistant cashier at First National Bank of Hopkins since 1952, has been elected an assistant cashier of First National Bank of Minneapolis.

\* \* \*

Arthur R. Ellisen and Curtis H. Holmquist have been named assistant managers at the Lake Street Office, Northwestern National Bank of Minneapolis. George M. Whitfield was elected to a similar post at the bank's American Office.

\* \* \*

Carl R. Pohlada, president, Marquette National Bank of Minneapolis, disclosed in the annual statement of condition that the bank's resources gained \$7,617,000 last year to total \$93,756,000. Deposits increased \$6,691,000 to \$87,029,000 at year-end.

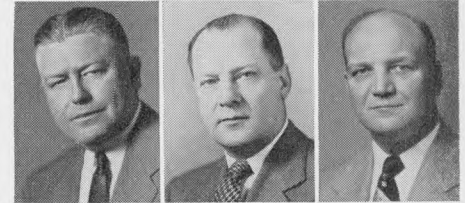
\* \* \*

The Association of Registered Bank Holding Companies will hold its annual meeting in Minneapolis, May 28 and 29. Joseph H. Colman, president, First Bank Stock Corporation, is asso-

ciation president, and Goodrich Lowry, president, Northwest Bancorporation, is a director.

\* \* \*

Shown here are Roland L. St. Clair, a Minneapolis banker for 33 years, elected president of First Produce State Bank, succeeding Swen O. Huso, who becomes chairman of the board, and Earl P. Fredell, cashier, who was



ST. CLAIR HUSO FREDELL

elected vice president as announced in the NORTHWESTERN BANKER last month.

\* \* \*

Donald W. Judkins, president, First Southdale National Bank, announced promotion of John S. Strom to assistant cashier. He also reported the bank's deposits increased to a record \$6,890,000 last year, a 31 per cent gain. Loans and discounts were up 21 per cent to a new high of \$3,542,000.

\* \* \*

Northwest Bancorporation had record consolidated net operating earnings of \$16,260,000 in 1961, a gain of 5.4 per cent over the previous year, Goodrich Lowry, president, announced. After preferred stock dividends, earnings were equal to \$2.97 per share, compared with \$2.84 per share on fewer shares in 1960.

Total deposits at year-end were \$1,955,193,000, a gain of 6.9 per cent over 1960. Loans were up 3.1 per cent to \$1,027,744,000.

\* \* \*

First Bank Stock Corporation had consolidated net operating earnings of \$15,200,106, or \$4.38 per share, in 1961, Joseph H. Colman, president, reported. This compared with \$15,313,598, or \$4.41 per share, in 1960.

Total deposits of First Bank Stock affiliates totaled \$1,797,722,000, a gain of 8.5 per cent over the same date in 1960. Loans were \$924,268,000 compared with \$912,448,000 on December 31, 1960.

Elected to the board were Stephen J. Keating, executive vice president, Minneapolis-Honeywell Regulator Company, and Charles J. Curley, board chairman, First Trust Company of St. Paul.

\* \* \*

Crystal State Bank has announced plans for a \$250,000 building to be completed by the spring of 1963. The bank now occupies leased quarters at 5616 W. Broadway. Oscar Schultz,

president, said the two-level building will be faced with brick, marble and aluminum and will have parking space for more than 100 cars.

\* \* \*

Century Capital Corporation, a real estate investment firm, has been formed in Minneapolis with 100 Minnesota businessmen as equal shareholders. **Walter C. Rasmussen**, president, Northeast State Bank of Minneapolis, is president of the new corporation.—**End.**

### Stewartville

Homer Woolridge has been named chairman of the First National Bank and is succeeded as president by P. P. Henning, formerly executive vice president. J. A. Stotko, formerly assistant vice president, has been named vice president and has been added to the board of directors.

### Savage

W. C. Almquist, Rosemount, has been elected to the board of the Savage State Bank. He is president of Lilly-Almquist, Inc., a Minneapolis insurance agency.

### Waconia

George C. Klein was elected president of the First National Bank to succeed the founder and organizer of the bank, the late Charles H. Klein. Other officers include Dr. A. L. Arnold, vice president; Clarence E. Ortlip, cashier, and Ben H. Hartmann and Delores Hilke, assistant cashiers.

### Waseca

Otto S. Frederick, popular auctioneer, was named to the board of the Farmers National Bank at the annual meeting. He replaces C. W. Spaulding,

73, who has reached the retirement age for board members.

Mr. Spaulding is retiring after 28 years of service. Last June he was honored by the Minnesota Bankers Association for 50 years in banking.

### Wheaton

Open house was held recently at the completely remodeled and redecorated First State Bank. Features of the remodeling include the addition of a night depository, a face-lifting of the bank clock, a new glass and aluminum entrance, interior redecorating, new lighting, flooring, furniture and draperies.

### Winnebago

C. R. Winch, cashier, has been elected to the board of the First National Bank, increasing membership to seven. All other directors and officers were re-elected.

### Winona

#### Merchants National

Van H. Kahl, assistant vice president, was promoted to vice president at the annual meeting. He has been with the bank since 1916 and was named assistant vice president in 1959.

#### Winona National & Savings

W. M. Lambert was promoted from vice president to senior vice president and was elected a director at the annual meeting. Frank G. Mertes, assistant general rural sales manager, Watkins Products, Inc., also was elected to the board. Other directors were re-elected, as were all officers.

### Worthington

M. R. Kloster, president of the Citizens State Bank of Scobey, Mont., has been elected president of the State Bank of Worthington. He retains his position with the Montana bank.

D. S. Amundson was renamed chief executive officer of the bank, a position he has held since transferring from Scobey last November.

Lloyd Amundson has joined the bank as vice president. He has been state sales manager for the American Automobile Association in Nebraska for the past four years.

Martin Voss was renamed vice president, and Martin Roggen, cashier for the past four years, was elected vice president and cashier. Harold Fox, agricultural specialist for the past three years, was named assistant vice president and agricultural representative. Robert Bartholomaeus and Lavonne Munns were named assistant cashiers.

H. W. Hoodecheck has retired as president, and Martin Nelson retired as vice president.

## THE LIVE STOCK NATIONAL BANK

SIoux CITY, IOWA

C. L. ADAMS, PRESIDENT

February 13, 1962

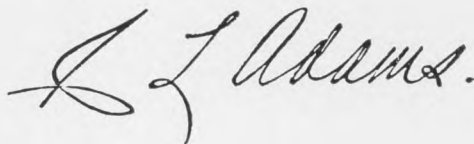
Dear Friends:

Each year on February 12th it is our pleasure to have the opportunity to visit with many of our Correspondent Bankers and Friends from South Dakota, Iowa, Nebraska and Minnesota. It is the one day "the bankers come to town" and make the Iowa Group 1 Meeting the most successful meeting of its type in our entire state.

On behalf of the Directors, Officers, and Employees of The Live Stock National, may I thank you for coming this year. To those of you who came, we know you will come back, and to those of you who missed, may I extend a sincere welcome for you to come next February 12, 1963.

We also welcome you to our bank at any opportunity you may have to visit Sioux City.

Very truly yours,

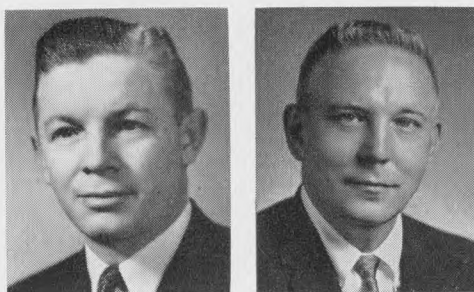




# South Dakota NEWS

C. C. LIND President Aberdeen

A. S. GULLICKSON Secretary Huron



## SDBA Washington Trip

The travel department of the American National Bank of Rapid City is handling reservations for this year's SDBA Legislative Trip to Washington, D. C. The group of bankers plan to leave Wold-Chamberlain Field, Minneapolis, at 1 p.m., Sunday, March 25, via United Airlines jet and intend to leave Friendship Field, Washington, at 1 p.m., Thursday, March 29, via Northwest Orient Airlines jet. Hotel reservations are being made through A. S. Gullickson, SDBA executive secretary.

## Frank R. Strain

Frank R. Strain, 85, former superintendent of banks, died recently at his home in Yankton. He was superintendent of banks from 1932 to 1936 and a former mayor of Fort Pierre. He had been cashier of the Fort Pierre National Bank before his appointment to the state post.

## Aberdeen

### Aberdeen National Bank

William F. Hurrell, ag representative since 1958, has been elected an assistant cashier. All other officers have been re-elected.

### Farmers and Merchants Bank



S. M. PETERSEN

Stanley Petersen, assistant Brown County extension agent, has resigned that position to become ag representative of the bank, announces G. L. Hill, executive vice president.

### First National Bank

Howard Bastian, president of Bastian Finance, Inc., and William H. Manning, vice president and cashier of the bank, have been elected directors.

Maynard Kambak, assistant cashier in Aberdeen, was advanced to assistant vice president. Daniel Beck, assistant vice president and assistant manager of the Britton branch, was named vice president and manager

there. Bob Phillips, who joined the staff at Britton two years ago, was elected assistant cashier and assistant manager.

Allen (Pete) Ehrke, assistant vice president at the Redfield branch, who had transferred recently to the Hecla branch as manager, was elevated to vice president and manager at Hecla. Elmer Goetz, assistant cashier in Aberdeen, who went to Redfield when Mr. Ehrke was transferred to Hecla, was promoted to assistant vice president and assistant manager of the Redfield branch.

## Beresford

T. A. Peterson, vice president, First National Bank, has succeeded the late A. R. Olson as president. Mr. Peterson has been with the bank 35 years.

Others advancing in succession are: C R. Olson, to vice president; Calmer Thompson, cashier; Sophia Muhlenkord and William Vermillion, assistant cashiers.

## Bryant

L. A. Jacobson, executive vice president, Bryant State Bank, has announced that the capital stock of the bank has been increased from \$25,000 to \$50,000 via a 100 per cent stock dividend.

## Clark

Wayne Olson, secretary-treasurer, Olson Motor Company, and Kenneth Pommer, assistant manager, Clark Community Oil Company, have been elected directors of the Citizens State Bank and an assistant manager of the bank's Willow Lake branch, respectively.

## Dupree

Raymond J. Lenk, assistant cashier the past three years at the Crookston National Bank, Crookston, Minn., has assumed his new duties as cashier of the Farmers State Bank of Dupree.

## Flandreau

George A. Rice, formerly vice president, is now president of the Farmers State Bank, succeeding the late William Duncan, Sr. Kenneth Duncan has been elected to the board to fill

the vacancy left by his father, the former president.

## Gary

Surplus at the Gary State Bank was increased from \$25,000 to \$50,000 at the recent annual meeting. All directors and officers were re-elected.

## Lake Andes

### Andes State Bank

The Andes State Bank opened for business last month and is the first chartered bank to serve the community for more than 20 years. During this time, the area has been served by an office of the Commercial State Bank of Wagner.

Morris G. Winter and his wife, Doris, will be controlling shareholders. He is president and board chairman. Ray Stedronsky, formerly with the Com-



**OPEN HOUSE** was held last month at these quarters for the new Andes State Bank, Lake Andes, S. D. Nearly 200 accounts were opened during the first day of business and deposits exceeded \$200,000.

mercial State office, is secretary, cashier and insurance department director. Mrs. Leonard Kisely and Mrs. Marlin Laska are bookkeepers and tellers. Directors other than Mr. Winters and Mr. Stedronsky are T. H. Krell and Vernon C. Martin. Other shareholders are Russell Stedronsky, Dr. D. O. Nachtigal, Albert Svatos, George Kramer and Warren Eldridge.

### Commercial State Bank

Alex Williamson, vice president of the Lake Andes office of this bank, which has recently been closed, will remain here to continue operation of the Commercial Insurance Agency.

## Lead

John R. Treweek, president, Miners and Merchants Savings Bank, has been advanced to chairman of the board and Dorothy Ruzick has been elected assistant cashier.

## Mobridge

J. P. Bzoski, president, Citizens Bank, has announced an increase in the capital stock from \$50,000 to \$100,000.

## SDBA Holds Junior Staff Conference



**VISITING** between sessions at left, are, from left, **A. S. Gullickson**, exec. secy., SDBA; **Martin Haar**, cash., Farm. & Merch., Aberdeen, and **Hilmer Opp**, a.e., Aberdeen Nat. Persons attend-

ing the conference are shown at the buffet table in the center picture, and at right are **A. H. Miller**, Gary St. Bk.; **Joe Van de Voort**, a.e., Dakota St. Bk., Milbank, and **Clarence Sauer**, a.e., Security Bk., Webster.

**T**HEME of the Junior Staff Conference conducted by the South Dakota Bankers Association last month was "Selling Your Bank's Services." The one-day conference was designed and especially planned for junior officers, tellers, bookkeepers and other operational personnel.

Featured speakers at the conference included Verne Martin, Old Millstone Farms, Newton, Iowa, who was the banquet speaker. His topic was "You Have More to Sell than Money." Other speakers were C. R. Hall, second vice president, Continental Illinois National Bank and Trust Company, Chi-

cago; Pat DuBoise, executive vice president, First State Bank, Sauk Centre, Minn.; and E. W. Asplin, vice president, Northwestern National Bank of Minneapolis.

The afternoon program featured special group discussion sections. Group discussion leaders were E. C. Pieplow, First National Bank of Aberdeen; Martin Haar, Farmers and Merchants Bank, Aberdeen, and Hilmer Opp, Aberdeen National Bank.

### Lake Preston

Stockholders of the Oldham State Bank have voted to increase capital

from \$25,000 to \$50,000 by a transfer from undivided profits. Harmon Kopperud was elected president; Lynn Kalvig, vice president and cashier, and Francis Malone, assistant cashier.

### Letcher

The South Dakota banking commission has approved a branch bank at Letcher. A Class "A" branch, it will be operated by the Live Stock State Bank of Artesian.

### Murdo

L. L. Lillibridge, president, Jones County State Bank, has announced that Elmer F. Timson, Jr., with the bank since 1957, has been advanced from vice president to executive vice president and manager of the bank.

### Rapid City

Robert Clausen, with the American National Bank since November, 1960, has been elected assistant cashier. He has been in banking since 1947.

### Spearfish

#### Bank of Belle Fourche

Arnold Domke, manager of the Spearfish branch since the branch was opened in August of 1961, has been elected assistant cashier.

#### First National, Black Hills

The grand opening of the new Spearfish office was held last month and people of the area visited an all-modern structure at 131 West Hudson Street to vie for door prizes and to share the enthusiasm and refreshments they found there. Children were treated to a free matinee movie at the Vita Theater, as well as refreshments.

### Sturgis

Fred Barth, president, Bear Butte Valley Bank, has announced the acquisition of three pieces of downtown commercial property for future development of the bank.

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**Tripp**

The Dakota State Bank held open house recently in observance of its 60 years of continuous service to the people of its community. Grandsons of the founder of the bank—K. G. Klatt, president, and Maurice P. Klatt, cashier—greeted guests.

**Tyndall**

Donald Vacknitz, formerly with the resident engineer's office of the South Dakota Department of Highways, has joined the staff of the Security State Bank, succeeding Mrs. Louis Kniffen.

**MORE SOUTH DAKOTA  
NEWS ON PAGE 81**

**Sioux Falls****First National Bank**

**D**IRECTORS of this bank have announced the promotion of Warren D. Nelson to assistant cashier. E. T. Edwards has retired as assistant cashier and Mildred Linahan as savings teller after many years of service.

**Northwest Security National**

All bonds and negotiable securities which South Dakota holds in reserve for South Dakota insurance companies have been switched from the Marquette National Bank of Minneapolis to the Northwest Security National. The account had been at the Marquette the past 26 years and totals approximately \$55 million.

State Insurance Commissioner Robert Hurlbut said the gross amount of fees involved would be like locating a new industry in South Dakota.

G. Oliver Nordby, vice president, attended a meeting of the Installment Credit Committee of the A.B.A. last month at Boca Baton, Fla.

**Sioux Valley Bank**

Dr. Wallace A. Arneson has been elected a director of this bank.

**Sioux Falls Chapter, A.I.B.**

A short course, Proof and Transit, is being offered at this time for personnel of Sioux Falls banks and the immediate area. B. E. Bork, cashier, Sioux Valley Bank, is instructing the class.

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**PAUL CLEMENT, *President***

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**2250 Pillsbury Ave.**

**Minneapolis 4, Minn.**

# North Dakota NEWS

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

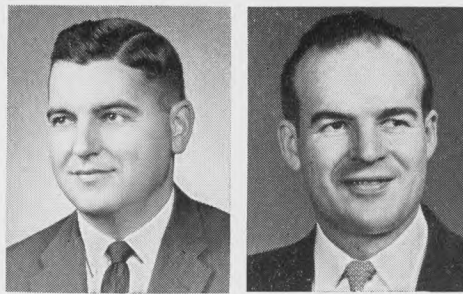
## Bismarck

### Bank of North Dakota

The state industrial commission has accepted the resignation of Ted W. Sette, manager of the bank. Mr. Sette said he is resigning as of April 1 as he must devote his time to duties as vice president, State Bank of Burleigh County, at Sterling.

### Dakota National Bank

E. V. Lahr, Jr., managing partner in Lahr and Lahr, Bismarck insurance and real estate firm, has been elected to the board of the bank, succeeding the late J. C. Taylor.



Dwane Jensen was elected an auditor as all officers and directors were re-elected. He has been with the bank since July 1 and previously was with the First National of LaCrosse, Wis.

## Bowman

Elmen Morland, Bowman attorney, has been elected to the board of the First National Bank, announces D. G. Hogoboom, president.

## Carrington

Roy Johnson, ag representative, and Gerald Pierson, teller, have been elected assistant vice president and assist-

ant cashier, respectively, of the Foster County State Bank.

## Dickinson

### First National Bank

Wilbur Summers, with the bank 21 years in many capacities from teller to cashier, has been elected vice president. Harry Lenz, with the bank since 1946, has been promoted from assistant cashier to cashier. Ralph Roshau, with the bank since 1946, has been elected assistant cashier and auditor. Gordon Fisher, with the bank since 1956, has been named assistant cashier. Other officers were re-elected.

### Liberty National Bank

Vincent Kovash, 91, a past president of the bank, died recently in Dickinson. Born in Czechoslovakia in 1870, he came to the United States in 1886, homesteading. In 1918 he opened a store in New Hradec and soon was named by the governor as the first county commissioner to organize Dunn County from a territory which was to be broken down into a state and then into counties.

## Drake

Elected at the annual meeting of the First National Bank were: W. R. Olson, president; H. M. Rossebo, executive vice president; A. L. Garnaas, vice president; E. A. Jans, cashier, and Helen Rieniets and Ruby Pattis, assistant cashiers.

## Drayton

Capital stock of the Drayton State Bank was increased from \$50,000 to \$100,000 by stock dividend, at the recent annual meeting.

## Enderlin

Dean Hegeholz was promoted from assistant vice president to vice president, and Arley Watne, from cashier to cashier and vice president, at the recent annual meeting of the Peoples & Enderlin State Bank.

## Fargo

Four staff members of the First National Bank and Trust Company who were promoted recently are: Merrill Stene, from assistant vice president to vice president; William Amundson, assistant vice president to vice president; Warren DeKrey, assistant cashier to assistant vice president, and Richard Ramage, who was elected assistant trust officer.

## Grand Forks

A 33⅓ per cent stock dividend, with a par value of \$250,000, was voted recently by stockholders of the First National Bank at their annual meeting. This increased capital stock from

## First of Fargo Opens Drive-In



**CUTTING THE RIBBON** to open the new drive-in are, from left: **Ray Brown**, pres., Fargo Trades and Labor Assembly; **Mayor Herschel Lashkowitz**; **William F. Graves**, pres., First Natl., and **C. Warner Litten**, pres., Fargo Chamber of Commerce. Bank officers and directors are shown in the background.

**A** TRULY representative labor-management-public team assisted President William F. Graves in the ribbon cutting signifying the opening of drive-in facilities at the First National Bank and Trust Company of Fargo.

Ray Brown, president, Fargo Trades and Labor Assembly, and C. Warner Litten, president, Fargo Chamber of Commerce, held the ribbon while Mayor Herschel Lashkowitz and President Graves used "king size" shears to open the new banking facilities to the public.

The facilities are actually "drive-in" as the bank customer approaching any of the three auto teller windows is

completely protected from the weather the full half-block from Broadway to the rear of the bank. The auto teller baskets can be raised or lowered so compact cars or trucks can be handled with equal ease.

The first three customers were presented a wall plate which can be used equally well as a snack tray as it features a hand painted pheasant on a ceramic disc mounted in a beautiful walnut plate.

The drive-in service is the first facility completed in the \$1½ million dollar remodeling and modernization program. The construction work on the bank probably will not be completed until early summer or fall.



\$750,000 to \$1 million. Surplus is \$2,250,000.

Also, Robert F. Masee, president and manager of Minnesota Dairy Company, has been added to the board, increasing the number of directors from 10 to 11.

### Hatton

A \$25,000 increase in capital was made at the Farmers and Merchants National Bank at the annual meeting and this raises the bank capital from \$75,000 to \$100,000.

### Jamestown

#### First James River National

P. J. Schirber, president, has announced the election of two new officers and the promotion of six others.

The two new officers are: Robert Mountain, ag representative, elected assistant cashier and ag representative, and Barbara Pogue, auditor, named assistant cashier and auditor.

Promoted were: E. W. Hauser, from vice president to executive vice president; Arvel Koehn, from cashier to vice president; R. H. Miller, from assistant vice president to vice president and installment loan manager; Dan Schorsch, from assistant cashier to cashier; Alvin Rudolph, from assistant cashier to assistant vice president and assistant installment loan manager; Marwin Smith, from assistant cashier to assistant vice president.

#### Jamestown National Bank

Darwin Ronngren, with the bank since February, 1960, and handling auditor duties since September of last year, has been elected auditor.

### Langdon

Painting, piling work, tiling of the ceiling and of the floor are being completed on the addition to the First Bank of Langdon and the addition is expected to be completely done within the next few days. Work was started last September.

### Litchfield

Dean Rockswold, assistant cashier at the Litchfield State Bank, has begun his duties as North Dakota bank examiner and he has been succeeded at the bank by Gary Justesen.

### Mandan

#### First National Bank

Norman K. Christensen has been advanced from assistant vice president and cashier to vice president and cashier and J. E. Noonan, ag representative, to assistant cashier and ag representative.

#### Mandan Security Bank

Albert Lennick, assistant cashier

since joining the bank a year ago, has been promoted to cashier and Mrs. Agnes Weisgarber, teller, has been promoted to assistant cashier.

### Minnewaukan

Mason A. Helberg, president of the Farmers State Bank, left last month on a jet trip "around the world in 80 days" with visits in Spain, Greece, India, Ceylon, Singapore, Thailand, Hong Kong and Japan.

### Minot

#### American State Bank

Morris O. Broschat has been elevated from assistant vice president to vice president; Russell McDaniel, from assistant cashier to assistant vice president, and Eldon Seelig, to assistant cashier.

Also, the board voted to authorize an increase in the bank's surplus from \$400,000 to \$500,000. The capitalization now is \$1,240,000.

#### First National Bank

Jerry Connole, with the bank since March, 1960, has been promoted from assistant auditor to auditor and Burton D. Traub, with the bank since July, 1960, serving most recently as manager of the bookkeeping department, has been named assistant auditor.

### New Salem

E. C. Christiansen, who has been serving an interim appointment as director of the Security State Bank, completing the unexpired term of John H. Hein, who recently moved to Oregon, has been elected a director of the bank.

### Page

Kenneth DeKrey, Steele County extension agent the past three and one-half years, has been elected assistant cashier and manager of the First State Bank of Page's station at Page, succeeding Dennis A. Unger, who has retired because of ill health.

### Rolla

J. Howard Storman, attorney, has been named to the board of the First Bank of Rolla, succeeding his father, John A. Storman.

### Wahpeton

#### Citizens First National Bank

Eldon Lum, a partner in the *Farm-er-Globe*, and Bob Caspers of Vertin's-Wahpeton, have been named directors of the bank to succeed S. H. Murray and Carl Braun, long-time directors, who are retiring.

Mr. Murray began at the bank in 1907 as a bookkeeper, was assistant

cashier from 1909 to 1920 and cashier from 1920 to 1936, at which time he became president. He became board chairman in 1955 and continued as a director until his retirement. Mr. Braun has been on the board since 1928 and retires as vice president.

#### Wahpeton National Bank

John R. Cherne, with the bank since 1958, has been transferred to the Midland National at Billings, Mont. He had been manager of the Timepay department.

### Williston

W. S. Davidson, Jr., president, American State Bank, reported to stockholders that gains in savings totals as a result of the new 4 per cent on one-year certificates is nothing short of amazing, and is far above anticipated gains. More than 150 new savings customers were added in the first 24 days of January, and the money came principally from other financial institutions with few additions to savings being made by switching from checking accounts. It is indicated that the area served by the bank is now cognizant of the differences in financial institutions, and savings funds are seeking the safety and convenience offered by the American State Bank.

A tribute was paid to the late W. S. Davidson, Sr.



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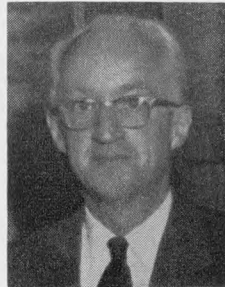
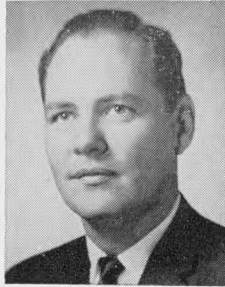
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# Montana NEWS

**R. D. RUBIE**                      **President**                      **Havre**  
**R. C. WALLACE**                  **Secretary**                      **Helena**



## Ag Conference

The 13th annual Agricultural Credit Conference of the Montana Bankers Association was conducted last month in Bozeman.

Special coverage of this important meeting will be featured in the April issue. Much of the material presented during the conference will be featured.

## Baker

Stockholders of the Bank of Baker voted to increase capital to \$120,000 from \$60,000 through a transfer from the surplus account.

All officers and directors were re-elected.

## Big Sandy

Ronald R. Bitz was promoted to assistant cashier at the annual meeting of the Northern Montana State Bank. Other officers and all directors were re-elected.

## Billings

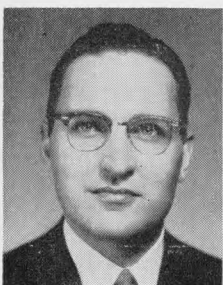
### First National

Don P. Mahoney was elected an assistant cashier at the annual meeting and will be working in the budget loan department. All other officers and directors were re-elected.

In other news James F. Spelman, assistant vice president, was elected president of the Billings Chamber of Commerce. He is in charge of the bank's public relations and business development.

### Midland National

Howard N. Herbert was named vice president in addition to his present duties as trust officer, and Glen I.



H. N. HERBERT

Williams was named assistant trust officer. All other officers were re-elected.

Frank G. Connelly and Frank P. Mackey retired from the board of directors. Ralph D. Cunningham, Leslie J. Fischbach and Robert

Mulvaney were elected directors. All three new directors are Billings businessmen or stockmen.

## Security Trust and Savings

Surplus has been increased \$250,000 to \$1.5 million, according to Oliver M. Jorgenson, board chairman. Total assets at the end of the year totaled nearly \$52 million.

## Bozeman

### First National

Keith Nelson was promoted to assistant cashier. All other officers and directors were re-elected.

### Security Bank and Trust

Robert O. Smith, assistant cashier, was promoted to cashier and Ted Witzel was promoted to assistant cashier and agricultural representative. Other officers and directors were re-elected.

## Butte

At the Metals Bank and Trust Company, Thomas M. Edwards, vice president in charge of the Time-pay department, was promoted to vice president in the commercial department. G. Vincent Fischer, assistant vice president and formerly assistant manager in the Time-pay department, was named to succeed Mr. Edwards as head of that department. H. Owen Bush, assistant cashier, succeeds Mr. Edwards as assistant manager.

Jere B. Davis, who for the past five years has been livestock representative, was advanced from assistant cashier to assistant vice president. Robert G. Henry was elected assistant cashier.

## Columbia Falls

J. G. Edmiston, chairman, was elected president of the Bank of Columbia Falls at the annual meeting, succeeding the late E. J. Marantette. Robert J. Marantette was elected a director to succeed his father.

All other officers and directors were re-elected.

## Ekalala

Stockholders of the First National Bank have voted to increase capital stock to \$75,000. Mrs. Belle E. Hobbs, who has been a stockholder since the mid-1920's, announced at the annual meeting that she was retiring as a director. Dean Parks, assistant cash-

ier, was named to fill the vacancy. Mrs. Hobbs was voted an honorary director.

## Cut Bank

Paul A. Wolk of Wolk and Gage accounting firm and Glacier Insurance Agency was elected a new director of the Bank of Glacier County.

## Deer Lodge

Burt Angstman, work unit conservationist for the U. S. Soil Conservation office, has been named agricultural representative for the Deer Lodge Bank and Trust Company. He succeeds Alfred J. Donich who was advanced to assistant vice president.

## Fort Benton

J. H. Moore, cashier, was promoted to vice president and cashier at the annual meeting of the First Chouteau County Bank. All other officers and directors were re-elected.

## Hamilton

V. C. Hollingsworth, president, Citizens State Bank, has been named a member of the advisory council of the National Association of State Banks. One member is selected from each of the 12 FDIC districts.

## Harlem

Gerald W. McGee has been elected assistant vice president at the Security State Bank. He formerly was assistant cashier.

All other officers and directors were re-elected.

## Great Falls

E. C. Joslyn, Jr., vice president, First Westside National, was elected president of the Great Falls Clearinghouse Association at the annual meeting. He succeeds L. C. Terrett, vice president, First National.

Other new officers are Harry Hermanson, cashier, Great Falls National, first vice president; V. E. Hendershott, president, Montana Bank, second vice president; Charles Rubie, president, Central Bank of Montana, third vice president, and Don Short, assistant cashier, First National, secretary-treasurer.

### First National

B. D. Collier, B. F. Tillotson and J. C. Wells were elected assistant cashiers at the First National Bank. Owen J. Murphy, president, Sletten Construction Company, was elected a director.

### Great Falls National

Stephen A. Birch, vice president, S.

**MONTANA NEWS . . .**

(Turn to page 78, please)



## Montana PR Group Completes Employee Testing Program

**A**FTER some two years of working and planning, the public relations committee of the Montana Bankers Association soon will see the completion of one of its pet projects. Working with M. E. Brookhart, head of the testing and counseling service of Montana State College, the committee has developed a series of tests to determine the potential of future employees.

College graduates will be evaluated from the result of tests given and reports will be made to bankers of the state. Also, job applicants will be sent to the colleges of the state to take the test at a nominal fee to the bank to determine if the applicant is fully suited for the banking profession.

In developing the program, the public relations committee requested Professor Brookhart to make a pilot study to assess the abilities, interests and temperament of young bankers in Montana currently being groomed for future management positions. In most cases the "young bankers" were under 35 years of age. Purpose of the

study was to provide objective criteria to assist banks in selection of young men and women who would tend to have qualifications similar to the young bankers in the study.

Banks participating in the study completed a short survey of current employment practices in the bank. Young bankers selected to participate filled out personal data questionnaires, and were given a series of ability, interest and temperament analysis tests.

Names of all persons and banks participating in the tests were known only to the chairman of the public relations committee, Leroy O. Wallin. Each bank and participating individual was assigned a code number for tabulation purposes.

Mr. Wallin, executive vice president of the Big Horn County State Bank, Hardin, Mont., said, "We think that something of real value will come of this program and after it has been put to practice for a period of time, the Montana association will gladly furnish all details to other states. We feel this program will produce a more

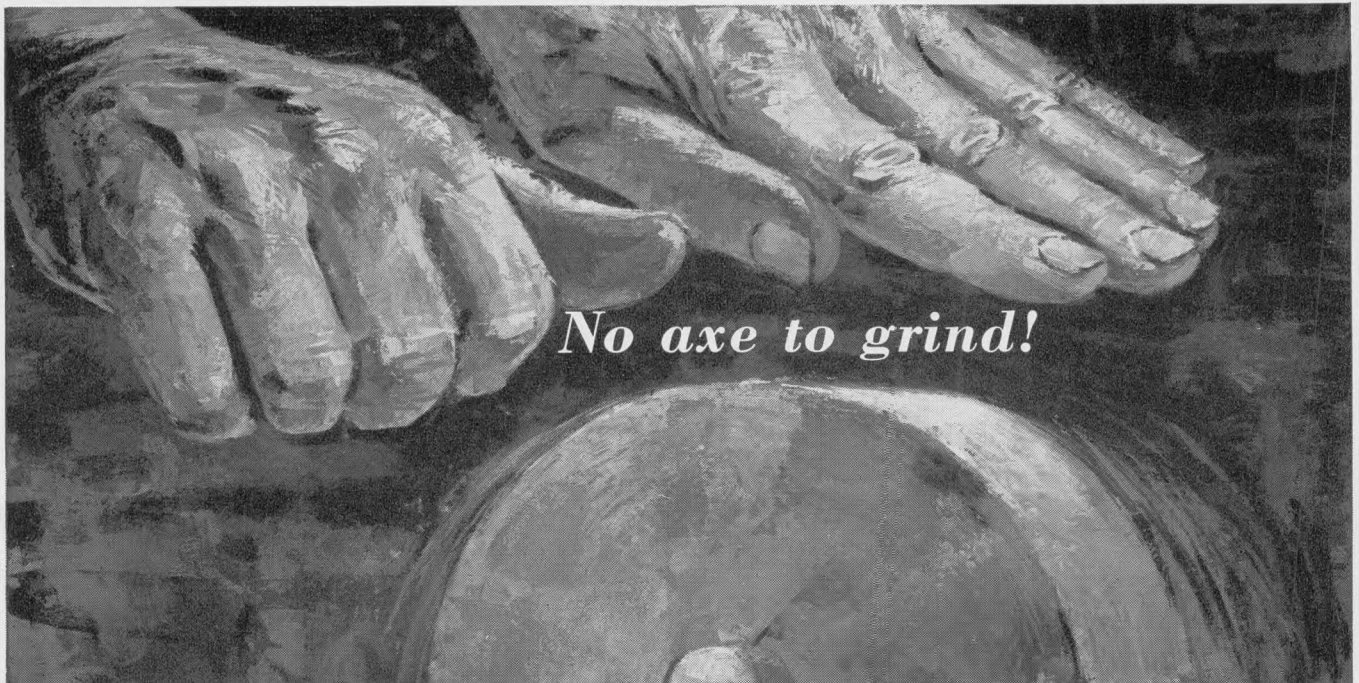


**PUBLIC RELATIONS** committee members and consultants are, from left, seated: **Leroy O. Wallin**, exec. v.p., Big Horn Co. St. Bk., Hardin, and chm. of the committee; **M. E. Brookhart**, head, testing and counseling service, Montana State College; **Dr. Grant R. Gaines**, Rohrer, Hibler and Replogle, San Francisco, and **James F. Nickerson**, dean, Montana State College. Standing are: **Floyd C. Hamilton**, pres., First Natl. Park Bk., Livingston; **C. P. Moore**, v.p., Great Falls Natl. Bk.; **Joe Bailey**, pres., U. S. Natl. Bk., Red Lodge, and **E. B. Maynard**, a.v.p., Security Bk. & Tr. Co., Billings.

superior group of men for the banking industry.—**End.**

### Laurel & Columbus

Eddue Bert Leuthold was elected assistant cashier at Yellowstone Banks located in both these cities.




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NATIONAL ASSOCIATION



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Northwestern Banker, March, 1962

**MONTANA NEWS . . .**

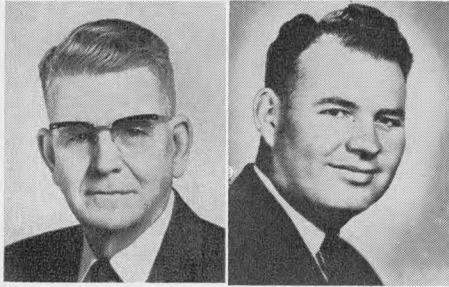
(Continued from page 76)

Birch and Sons Construction Company and president, S. Birch, Inc., was elected a new director at the annual meeting. All other directors were re-elected.

Arthur F. Kossberg, assistant vice president, was promoted to vice president, and Lester R. Sage and Robert E. Lee were named assistant cashiers.

**Montana Bank**

Shown here are Charles J. Thronson and Vern E. Hendershott, chairman and president, respectively. Their



C. J. THRONSON V. E. HENDERSHOTT

election to these posts was announced in the NORTHWESTERN BANKER last month.

All other officers and directors were re-elected.

**Havre**

At the First National Bank, Theodore R. Lloyd was promoted from assistant cashier to assistant vice president and manager of the Time-pay department. Robert A. Conitz, also assistant cashier, was promoted to cashier. Stuart P. Ellison was promoted to assistant cashier and agricultural representative, and James E. Cowan was promoted to assistant cashier.

Oren R. Quill, formerly cashier, resigned to accept a post as executive vice president and director of the First State Bank of Paynesville, Minn.

**Missoula**

O. H. Mann, an assistant trust officer, was elected vice president and cashier in addition to his trust duties and E. H. Heisel was elected assistant cashier, at the Western Montana National Bank.

Alfred J. Termell, president and general manager of Turmell-DeMarois Company, was added to the board of directors, bringing membership to six.

**Lewiston****First National**

Earl W. Johnson, cashier, was elected president of the Central Montana Chamber of Commerce.

**Northwestern Bank**

Warren H. Will, vice president, was promoted to executive vice president and also was elected a director. Joseph B. Peterson was elected assistant cashier.

**Shelby**

A. E. Crumley, vice president, has been elected president of the Toole County State Bank, succeeding J. Hugo Aronson who is retiring. Mr. Crumley has been vice president since 1942 and has been in banking more than 20 years.

**Somers**

J. L. Hensley, assistant vice president of the Conrad National Bank in Kalispell prior to joining the State Bank of Somers two years ago as executive vice president, has purchased the interests of Allan Milne, president, in the bank. Mr. Milne has owned control of the bank since 1950. No changes in personnel are planned.

**Stanford**

Stockholders of the Basin State Bank voted to increase capital and

**MONTANA NEWS . . .**

(Turn to page 81, please)

*Symbol of Service*

Good service does not just happen.

It takes sound principles, progressive management and staff members who are genuinely interested in their valued customers.

Throughout the years, we've tried to make our *Correspondent Banking Service* a little better, a little more personal. We intend to keep on trying. Check with us.

*"YOU HAVE FRIENDS AT THE CENTRAL"***THE CENTRAL BANK AND TRUST CO.**

Central Park... 15th &amp; Arapahoe... Denver 17, Colo.

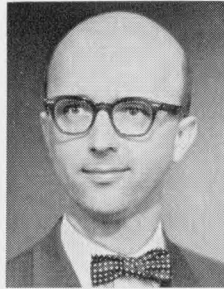
MEMBER: FEDERAL DEPOSIT INSURANCE CORPORATION • FEDERAL RESERVE SYSTEM



# Colorado-Wyoming News



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



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

## Aspen

Construction is to get under way this spring on a new building for the Bank of Aspen, according to William M. White, president. W. H. Houston Construction Company of Pueblo and Grand Junction will be the contractor.

## Ault

Leslie Clay has been elected to the board of directors of the Farmers National Bank, replacing Don Siverson who has moved from the community.

Guy S. Carleton has been named vice president, filling the vacancy on the staff created by the resignation of Mr. Siverson.

## Aurora

Maj. Gen. Joseph C. Moffitt, Colorado's adjutant general, has been elected to the board of the Peoples Bank of Aurora. General Moffitt is a native of the Aurora area.

## Boulder

### Arapahoe National

Richard J. Gross, vice president, has been added to the board of directors and elected executive vice president, a new position in the bank.

All other officers and directors were re-elected.

### First National

George D. Walden and Larry G. Stiffler were elected assistant cashiers, and Everett Williams of Centennial Mortgage Company, was added to the board of directors.

Charles A. Dinwiddie, assistant cashier, has been elected comptroller and will be in charge of all accounting and auditing. Donald N. Smith, auditor, becomes assistant cashier in charge of lobby customer services.

## Brush

Alonzo Petteys, president, Farmers State Bank, has announced the promotion of John J. Higgins from assistant cashier to cashier, and the election of James E. Sauerbreit to assistant cashier. Other officers were re-elected.

## Cannon City

Directors of the First National Bank have announced the semi-retirement of Ira H. Mitchener, vice president in the loan department, and the appointment of Keith Loterbour, formerly auditor of the United Homes Bank and Trust Company of Mason City, Iowa, to succeed him.

Mr. Loterbour was associated with the Mason City bank for seven years. Mr. Mitchener will remain with the bank on a part-time basis.

## Colorado Springs

### Central Colorado Bank

Noble Anderson was appointed assistant cashier and trust officer; Paul Kahrs, auditor, and Leon C. Branson, and Gerald E. Trussell, were named assistant cashiers.

### Colorado Springs National

Henry LaCerte, Jr., formerly chief of the agricultural department, has been promoted to assistant cashier. He has been with the bank seven years.

## Denver

### Central Bank & Trust Company

Roy L. Mason, president of Capital Chevrolet Company of Denver and president-elect of the Denver Chamber of Commerce, has been elected director at the annual meeting of the bank.

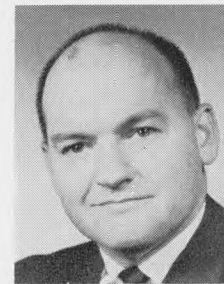
All other officers and directors were re-elected.

### Center State

Norman E. Rarick and Miss Patricia Connell have been elected officers. Mr. Rarick was named cashier. He formerly was assistant cashier at the Denver U. S. National. Miss Connell was elected assistant cashier. She has been in the banking business in the Denver area for the past 10 years.

### American National

Thomas S. Moore was promoted to vice president from assistant vice president. Howard J. Swenson was named an assistant trust officer, and Thomas J. McVittie was named assistant vice president.



**T. S. MOORE**

Mr. Moore joined the bank's real estate loan department in 1958, after eight years with Western Federal Savings and Loan Association. He is a native of Iowa.

### Citizens Savings

James K. Garrett was promoted to vice president from assistant vice president. George R. McGeorge was advanced to cashier and W. Wayne Jackson was moved up to assistant cashier from manager of the savings department.

### Guaranty Bank & Trust

John R. Woods and Don B. Tinker were advanced from assistant cashiers to assistant vice presidents. Robert A. Wallace was elected an assistant cashier.

## Fort Collins

At the First National Bank, Harry G. Lohr, vice president, was promoted to senior vice president. J. Malcolm Thrasher, cashier, was named vice president. Robert J. Frank, trust officer, was made a vice president. Tom Gleason, assistant vice president, was elected cashier. Roland Muhrer and Al Jungsmeyer were named assistant cashiers. Harleigh Howerton, an assistant cashier, was promoted to manager of the personal loan department. Paul A. E. Miller was named assistant trust officer, and C. J. Meyer was named controller, replacing Robert P. Gardner who died last summer.

## Winning Ads



**THREE HONORS** went to the First National Bank of Denver in the recent Third Annual Nike Awards of the Advertising Club of Denver for outstanding advertising during 1961. A first place award was presented for trade journal ads, black and white. A second place was received in the category for outdoor, three-dimensional painted billboards, and a third place award came in newspaper ads, black and white, under 1,000 lines. Above, **Neil L. King**, left, discusses the award with **Robert Hahn**, Mark Schreiber Advertising Agency, account executive.

**Dove Creek**

T. R. "Ross" Yowell has been named by the board of directors of the Dove Creek State Bank to fill the vacancy of executive vice president left by the resignation of Jerry Havel, who has taken over operations of the new bank at Moab, Utah.

Mr. Yowell comes to Dove Creek from Las Vegas where he managed a branch bank. Prior to that he was executive vice president of the First National Bank in Cortez.

**Englewood**

William F. Packard, manager of the installment loan department, was promoted from assistant vice president to vice president at the First National Bank. Cletus A. Gasson, formerly assistant cashier, was elected assistant vice president. He is manager of the loan and discount department. Richard M. Kreutzer was elected assistant cashier.

**Golden**

C. E. "Ernie" Gardner, vice president and trust officer of the Mountain State Bank in Denver, has been elected president of the First National Bank of Golden, succeeding Paul V. Pattridge, a founder of the bank. Mr. Pattridge has been named chairman of the board.

John A. Fortune, vice president and cashier, has been elected executive vice president. He succeeds Kriss Barnes who resigned to become executive vice president of the Poudre Valley National at Fort Collins. Mr. Fortune will also serve as cashier and assistant trust officer.

Newly elected vice presidents are Milton Vander Stowe and Warren R. Henson, formerly assistant cashiers. Wayne O. Tucker is assistant cashier.

**Granada**

John L. Tice, Jr., has been elected a director of the American State Bank. He replaces L. N. Thompson and is an assistant cashier.

**Lakewood**

Del Cooper has been elected president of the Rocky Mountain Bank, succeeding James H. Wood, who becomes chairman of the board. Mr. Cooper formerly was executive vice president.

**Greeley**

Promoted to vice presidents at the Greeley National Bank are Larry E. Scott, trust officer; Marvin L. Nix, manager of the installment loan department, and John L. Weigand, farm loan officer.

Herman E. Pearson, farm manage-

ment officer, and Roy O. Schmidt, in the installment loan department, were named assistant vice presidents. William J. Milner, Donna L. Strait and Harry A. Palmer were elected assistant cashiers.

**Montrose**

H. A. Thornton, vice president, was promoted to executive vice president and was elected to the board of directors of the Montrose National Bank. D. H. DeVinny, assistant vice president and cashier, was promoted to vice president and cashier.

**Loveland**

At the First National Bank, Philip R. Walter, cashier, was promoted to vice president and cashier; Galen G. Parks, assistant vice president, was promoted to vice president, and Robert T. Kinney, assistant cashier, was elected assistant vice president.

Ben H. Gregg, Jr., vice president, and Stan Selby, manager of the Loveland division of Hewlett-Packard, were named to the board of directors.

All other officers and directors were re-elected.

**Pueblo****First National**

Alex J. Berta was promoted to assistant vice president from assistant cashier and auditor. Kenneth E. Baird was promoted to assistant vice president from assistant cashier. Robert Gillespie was promoted to auditor and Jack Boggess was named assistant cashier. Robert W. Taylor, president, Taylor Fence Company, was elected to the board.

**Steamboat Springs**

Delano E. Scott, executive vice president and cashier, has been elected president of the Routt County National Bank to succeed C. H. Alexander, who was named vice chairman of the board. C. Ray Monson continues as chairman.

Howard Elliott, vice president, was elected senior vice president and will serve as the senior loan officer. Dr. E. L. Morrow, one of the original directors of the bank, was named vice president. Irlan Neas, assistant vice president who has been with the bank since 1959, was named cashier. John R. Sprengle, Jr., assistant cashier, was elected assistant vice president and will serve as field representative. William Luby is assistant cashier and operations officer.

**Sterling**

R. A. Towne, president, was elected honorary chairman of the board, and Theodore D. Brown, executive vice

president, was elected president at the annual meeting of the Security State Bank. E. E. O'Connell, vice president, was named executive vice president, and Dan A. Sankey has joined the bank as vice president. Dean Hiller was promoted to head teller.

Directors also voted to transfer \$150,000 from undivided profits to surplus. Capital and surplus now total \$850,000.

**Wyoming News****Basin**

Del Crouse, president, Security State Bank, announced recently that directors have approved plans for an extensive remodeling of the bank. Contract for the work has been let and construction began February 17. Plans call for lowering of the ceiling and installation of new desks, counters and carpeting.

**Buffalo**

Robert L. Ferril, formerly cashier, was elected vice president of the Wyoming Bank and Trust Company. Rilla Magill was elected assistant vice president, and Donald P. Kraen was named cashier. Fred W. Hesse was re-elected president.

**Casper**

Donald K. Hogoboom has been elected president of the Security Bank & Trust Company. He succeeds William Nefsy who was elected vice president.

Dan L. Ferguson was elected cash-



D. K. HOGOBOOM      D. L. FERGUSON

ier and secretary of the board. Other officers are E. D. Foreman, assistant cashier, and Richard B. Ward, manager, real estate department.

H. Peter Nagel was elected chairman of the board.

**Douglas**

L. W. Bruegeman, cashier, was promoted to assistant vice president at the Converse County Bank. Irma R. Schlichting, assistant cashier, was elected assistant vice president; Verl Epperly, assistant cashier, was promoted to cashier, and Don Cook was elected assistant cashier.

Other officers were re-elected.



## Cheyenne

Robert S. McCracken, publisher, *Wyoming State Tribune*, and *Wyoming Eagle*, was elected to the board of the Cheyenne National Bank.

Roy Charles, Joseph Daly and Ralph Owen were elected assistant cashiers. All other officers and directors were re-elected.

## Laramie

Ted A. Ernst has been elected assistant cashier at the First National Bank. He has been working in the auditing department as assistant auditor.

## Lusk

### Lusk State

Burke Petersen, formerly a field representative time-pay loan manager for the Metals Bank and Trust Company in Butte, Mont., has joined the Lusk State Bank. He is to become an officer in the Lusk bank in the near future.

### Stockmans National

All officers and directors were elected at the annual meeting. Linda Larsen, an employee of the bank since 1956, has resigned, effective February 1. Her plans for the future are indefinite, reports Max T. Bird, executive vice president.

## MORE SOUTH DAKOTA NEWS

## Vermillion

Vernell Holter, former assistant vice president, Vermillion branch of the National Bank of South Dakota (Sioux Falls), has been named vice president and manager of the branch, succeeding J. T. Sanger, who has retired.

## Winner

Two applications were filed recently by two groups for banks in Winner. One proposed a national bank, the other a state bank. The group planning a state bank was successful and plans are underway for a "Roseville State Bank" with Raymond M. Wollum, vice president of the Merchants National of Winona, Minn., as president and manager.

The new state bank expects to be in operation this spring.

## Wolsey

The Bank of Alpena opened a Class A branch office with open house at Wolsey recently in a new, all-modern 40 by 48 foot building.

Robert C. McKee, formerly in the bank at Kennebec is manager, and Edna Peterson, formerly with the Northwest Security National at Huron, is assistant manager.

There were door prizes and coffee, cookies and doughnuts were served the large turnout.

## Yankton

The state banking commission recently received another application to open a chartered state bank in Yankton from a group represented by John T. Vucurevich of Rapid City. Offered as a proposed name was the Security State Bank of Yankton.

The commission earlier received a similar appeal from Earling Haugo, representing a Sioux Falls group. This bank would be called the Yankton State Bank.

That city currently has two banks in operation.

## MONTANA NEWS . . .

(Continued from page 78)

surplus from \$75,000 each to \$100,000 each. Officers elected were N. B. Matthews, president; Pat Kirby, vice president and cashier; M. Thompson, vice president, and Helen S. Willey, assistant cashier.

## Townsend

At the State Bank of Townsend Floyd J. Deadmond was promoted to cashier and Pheobe Kearns was appointed to the board of directors. Bill Kearns, a graduate of Montana State University, has joined the bank staff.

## Valier

Charles W. Rubie, president, Central Bank of Montana, Great Falls, has announced the purchase of a majority interest in the Farmers and Stockmens Bank of Valier. Purchase of the stock was made from Nels S. Swanson, president.

Newly elected directors are E. T. Sletten, chairman of the Central Bank of Montana; Nels S. Swanson, Wallace Kingsbury, Earl R. Crawford, John E. Roberts, E. A. Gosard and A. H. Habets. Mr. Swanson remains as president.



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THE FIRST'S FAST, ACCURATE SERVICE  
SAVES TIME, PREVENTS DELAYS. YOUR  
ITEMS ARE RUSHED ON THEIR WAY  
SEVEN DAYS AND FIVE NIGHTS A WEEK.**

**THE FIRST NATIONAL BANK OF DENVER**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, March, 1962



## Participation takes cooperation

As with so many other activities in our lives, successful banking service comes from working together to solve a problem. For example — it takes the kind of teamwork we offer through participation loans.

The U.S. National is geared to help you with all types of participation loans. Whether your customers are in business, industrial, or agricultural activities, our financing experts can help you in meeting their needs. Our participation loan know-how serves as an extra “asset” for your bank, and the speed with which we operate makes it even more valuable. Many times we can handle transactions by phone.

Call on U.S. whenever you need participation loan service. All our correspondent facilities are yours for a telephone call — 341-8765 — Omaha.

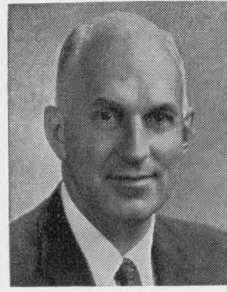
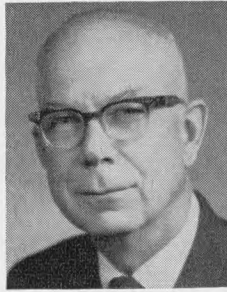


Member Federal Deposit Insurance Corporation.



# Nebraska NEWS

B. D. BERKHEIMER President Gordon  
HARRIS V. OSTERBERG Secretary Omaha



## Nebraska Group Meeting Programs Announced

PROGRAMS for the 1962 Nebraska Group Meetings, have been announced by Harris V. Osterberg, secretary of the Nebraska Bankers Association. Meetings of Groups 2 and 3 on Monday, April 23 in Fremont and Norfolk, respectively, will start the week-long schedule of meetings. The final meeting, Group 4, will be conducted Friday, April 27, at McCook.

Ralph E. Misko, director of banking for Nebraska, will discuss the "Recodification of State Banking Laws" at all the meetings.

The "Uniform Commercial Code" will be discussed by attorneys from various cities. At Groups 1 and 3 it will be the topic of Robert C. Guenzel, attorney from Lincoln. Arthur C. Sidner, Fremont attorney, will discuss it at Group 2. Fred T. Hanson, McCook attorney, will explain the subject at Groups 4 and 5, and Daniel Stuffs, Alliance attorney, will discuss it at Group 6.

An additional feature at the Group 3 meeting will be a look at the "1962 Agricultural Outlook" by Francis Kutish, agricultural extension economist of Iowa State University. Also on the program at that meeting will be C. H. Walcott, president of the Iowa Bankers Association and president, Security National Bank, Sioux City, Iowa, who will talk on the Wisconsin School of Banking.

All meetings will be conducted during the afternoon and the evening program will feature a social hour beginning at 5:30 with a banquet at 6:30. Guest banquet speakers at the meetings are as follows:

**Group 1**—G. Robert Gadberry, vice president and trust officer, The Fourth National Bank & Trust Company, Wichita.

**Group 2**—Dr. Henry Rodgers, whose topic will be "Tranquilizers—Results and Effects."

**Group 3**—Ralph Olson of Ellsworth, Iowa, whose topic is "A Farmer Looks at Indian Agriculture."

**Group 4**—S. J. Sparks, whose topic is "Laughs I've Had on the Bench."

**Group 5**—Dr. Charles Karsakoff, whose talk is entitled "Soon We Will Buy Tickets to the Moon."

**Group 6**—Samuel J. Rassmussen, whose topic is "Rockets Will Run the Universe."

There will be noon luncheons for men and women at the meetings of Groups 1, 2, 3, 5 and 6. At Group 4 the ladies will be able to enjoy cards and coffee all day and golf after 1 p.m. An informal "Dutch Treat" luncheon will be available to all at the Group 4 meeting.—End.

### Hal Childs Heads Investment Bankers

Hal Childs of the Chiles-Schutz & Company investment firm in Omaha, has been elected president of the Nebraska Investment Bankers Association.

Other officers announced for the coming year are: 1st vice president, Eli C. Eisele of Eisele, Raynor & Fisher, Inc.; 2nd vice president, John J. Bohrer of Chiles-Schutz & Company; secretary, Frank V. Lawson of Storz-Wachob-Bender Company, and treasurer, Joe M. Kadlecek of Smith, Polian & Company. Phil J. Tierney of Harris, Upham & Company is the outgoing president and he will remain on the board of directors.

Ralph A. Rotnem, partner of Harris, Upham & Company, New York, spoke to the group on "The Stock Market and Its Future."

### Alliance

The Guardian State Bank has named three new directors: Eugenia T. Abbott, R. E. Brickley and Willard Lynch. The bank has also increased the surplus to \$700,000 by adding \$50,000. Capital is \$500,000.

### Bellevue

George E. Humphrey has been elected an assistant cashier of the Bank of Bellevue. Joining the bank in October, 1961, Mr. Humphrey is the installment loan officer for the bank.



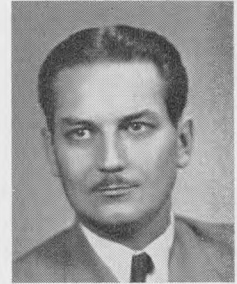
C. I. MOYER

R. E. MISKO

Group 1 will meet April 24 in Lincoln. Group 5 will conduct its meeting in Kearney April 25, and Group 6 will meet Thursday, April 26, in Alliance.

Featured topics at each of the meetings will be "You and S.B.A.", "Recodification of State Banking Laws", and the "Uniform Commercial Code."

Representatives of the Small Business Administration in Kansas City will present the S.B.A. segment of the program. C. I. Moyer, regional director, will be at meetings of Groups 1, 2, 4, 5, and 6. C. D. Bohrer, assistant chief of the Financial Assistance Division, will discuss the S.B.A. at Group 3.

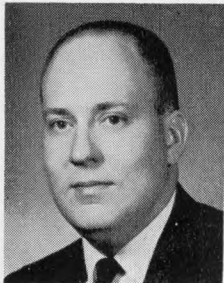
H. R. KILLINGER  
Pres. Gp. 1K. A. TOOL  
Pres. Gp. 2D. M. ROBERTS  
Pres. Gp. 3R. K. ARMSTRONG  
Pres. Gp. 4M. C. WOLDEN  
Pres. Gp. 5H. L. MCKIBBIN  
Pres. Gp. 6

Northwestern Banker, March, 1962

## W. H. Osterberg Joins NBA Staff

WILLIAM H. OSTERBERG, 26, joined the staff of the Nebraska Bankers Association as assistant secretary on February 17. He is a native Nebraskan, born in Omaha.

He attended high school in Norfolk, Nebraska, and graduated in 1953. He attended Southern Methodist University at Dallas, Texas, and the University of Wyoming at Laramie, receiving his Bachelor of Science degree in Civil Engineering from the University of Wyoming in 1957.



W. H. OSTERBERG

He is the son of H. V. Osterberg, secretary of the Nebraska Bankers Association.

Mr. Osterberg is a member of the Alpha Tau Omega fraternity and the American Society of Civil Engineers.

He has been employed by the U.S. Army Corps of Engineers prior to joining the Nebraska Bankers Association.

### Bertrand

The Bank of Bertrand has elected Langevin Kingsley to the board of directors to replace Theodore Swanson, retired.

C. G. Holthus, who has served as assistant cashier for seven years, was promoted to cashier, and Mrs. Don

Nutzman was elected as an assistant cashier. In other action, the bank added \$20,000 to surplus.

The bank is presently conducting a remodeling program. New fixtures and private offices are to be installed. The safe deposit lobby is to be enlarged, along with the accounting department.

At year-end, A. H. Valentine, executive vice president, was presented a wrist watch for 32 years service.

### Blair

The Washington County Bank has announced three promotions:

Wayne Lambertz, assistant cashier, has been named cashier; Darrell Ferguson has been named assistant vice president and director, and Ted Stewart has been advanced to assistant cashier.

### Bloomfield

Open house was held at the newly-remodeled Farmers and Merchants State Bank recently. About 1,000 people attended.

The new facilities consist of a concrete and steel vault with 600 safety deposit boxes, a lobby, two private offices, two rest rooms, a small kitchenette, private booths for the patrons and a conference room. This room will be made available for small community meetings.

The building is 105 by 25 feet, and it was constructed on the site of the former bank building. John R. Lauritzen, senior vice president of the First National Bank, Omaha, is president.

### Bradshaw

The First National Bank has increased its surplus from \$50,000 to \$60,000 and has started paying 4 per cent on 12 month CDs; 3½ per cent on 6 month CDs, according to L. W. Farquhar, cashier.

### Carleton

Robert L. Walker, attorney at Geneva, has been elected vice president and director of the Citizens State Bank in Carleton. He replaces H. W. Mills, retired.

### Coleridge

The Coleridge National Bank has commenced its 60th year of service, having been founded in 1902 by George A. Gray.

### Columbus

#### Citizens Bank

The Citizens Bank and Trust Company has announced the promotions of William F. Bates from assistant cashier to assistant vice president, and James Struebing to assistant cashier.

#### Columbus Bank

Morris B. Chambers, an FDIC examiner, has joined the Columbus Bank as cashier and director. Paul Bradley, formerly cashier, was named vice president.

#### First National B & T

Julian Meyer, cashier, has been promoted to vice president and cashier. He will also continue to serve as an assistant trust officer. The bank has also announced the promotion of George Prochaska to assistant cashier.

### Chester

G. D. Van Cleef has been promoted from executive vice president to president of the State Bank of Chester. Ray Peake has been elected chairman.

The bank has also promoted Harold R. Porter from assistant cashier to vice president, and increased surplus to \$35,000. Capital is also \$35,000.

### Grand Island

Stockholders have been advised that planning is being completed for the new bank building, and it is the hope of the building committee that construction can start this summer.

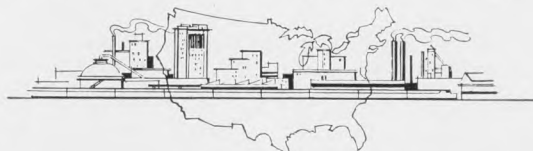
The bank named Leslie Belford, vice president, to the board of directors at the annual meeting, according to W. W. Marshall, Jr., executive vice president.

### Municipal and Corporate Bonds

#### Listed Stocks

#### Unlisted and Local Stocks

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

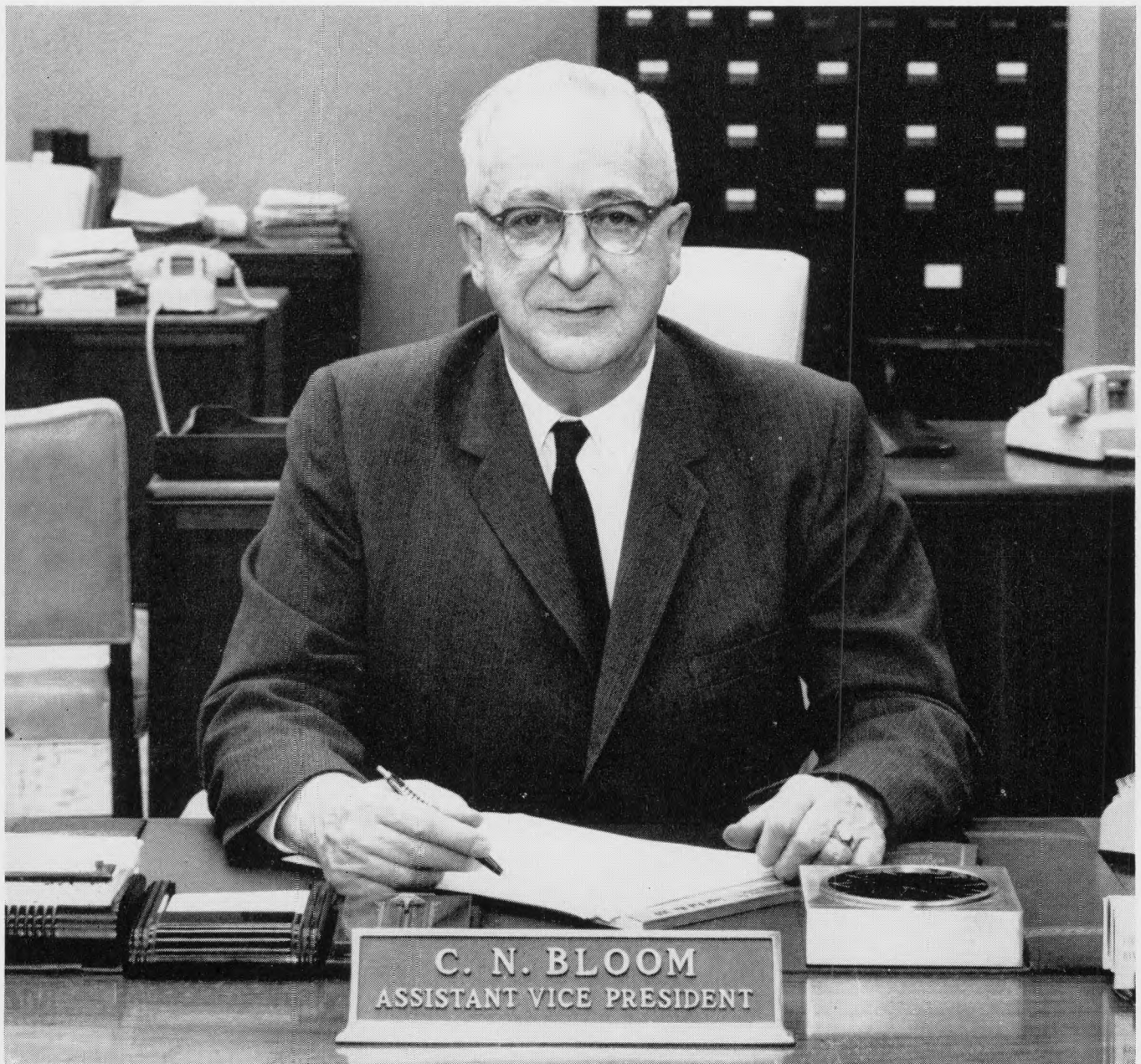
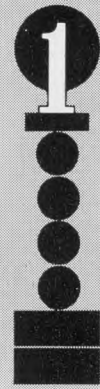


# YOU KNOW CARL BLOOM

Carl got his banking start with his father in a bank in Iowa. Then he spent a number of years as an Iowa State Auditor. And then he joined the First National. He's been with us seventeen years . . . and he's spent all of them calling on all of you. He's another reason why we say our kind of banking is person-to-person . . . man-to-man.

## FIRST NATIONAL BANK OF OMAHA

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



*Northwestern Banker, March, 1962*

# Omaha News



**A** COLD War Strategy Seminar has been announced by the Omaha Chamber of Commerce for April 6 and 7 at Joslyn Memorial.

Fourteen members of national reputation will be featured. **Kermit Hansen**, general chairman of the seminar and vice president of the United States National Bank, announced that **Senator Strom Thurmond** (Dem., S. C.) will speak April 7 at noon, and **Congressman Walter Judd** (R., Minn.) will close the seminar at 8 p.m. Saturday, April 7.

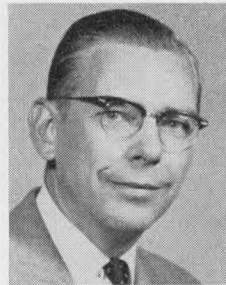
The seminar will open Friday, April 6. Three of the first-day speakers will be **Dr. Gerhart Niemeyer**, professor in the political science department at the University of Notre Dame; **Lewis F. Powell**, attorney at Richmond, Va., and chairman of the American Bar Association committee on Education in the Contrast Between Liberty Under Law and Commission, and **Dr. Charles Lowry**, president, Foundation for Religious Action in the Social and Civil Order of Washington, D. C., and an Episcopalian rector.

Additional speakers will be announced.

\* \* \*

## Ames Plaza Bank

Approval for the new bank at 60th Street and Ames Avenue in the Ames Plaza Shopping Center was received recently from the Federal Deposit Insurance Corporation.



H. SUNDERMAN

reported that **Howard Sunderman**, vice president, Citizens State Bank, Clarinda, Iowa, has joined the new bank.

\* \* \*

## Douglas County Bank

Establishment of a trust department has been announced by **K. G. Harvey**,

president. Approval has been received from the state banking department.

\* \* \*

## First National Bank

**Don R. Ostrand**, vice president, has been elected to the board of the Omaha Hearing School. He recently headed the school's annual fund raising campaign.

\* \* \*

## First West Side

**J. A. Irving**, executive vice president and cashier since the bank opened in 1955, has been elected president and cashier. He succeeds **Stanley Bednar**, who also is executive vice president of the Washington County Bank in Blair. Mr. Bednar will retain the Blair post.

**Paul M. Pederson** was promoted from assistant vice president to vice president, and **W. E. Jahde**, formerly assistant cashier, was elected assistant vice president and director. **James Doody** was named an officer.

\* \* \*

## North Side Bank

**L. Dale Matthews**, president, and his wife recently vacationed in Tucson, Ariz., and while there attended the wedding of their son, Robert, who is employed with the Bank of Arizona.

\* \* \*

## Omaha National

The 15th annual George Washington Club party was held last month under the sponsorship of the Omaha National. The bank established the club as a means of honoring children who display qualities of honesty and integrity which make good citizens.

Membership consists of boys and girls up to and including 14 years of age who have found a purse or billfold containing money and have returned it to the owner or to some responsible citizen. The club now has over 300 active members. A total of 585 other members have reached the age of 15, and are no longer eligible for active membership.

\* \* \*

## South Omaha Bank

**Stan Vala** was promoted to assistant vice president from assistant cashier, and **Richard Harmon** was elected assistant cashier. Mr. Vala continues to head the installment loan department. Mr. Harmon formerly served as an assistant in the installment loan department.

## New Southwest Omaha Bank



**INTERIOR** of the new Southwest Bank of Omaha. The new bank opened on December 4, 1961. As of January 26, deposits totaled \$1,598,147. Open house was held late in January. Officers are: **William A. Fraser, Jr.**, pres.; **Perry S. Francis**, exec. v.p., and **Eugene J. Zaloudek**, a.v.p. & cash. The bank is located in the Loveland Shopping Center at 90th and Center Streets.

Northwestern Banker, March, 1962

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*H. D. Shellenberger, Jr. and H. H. Echtermeyer*

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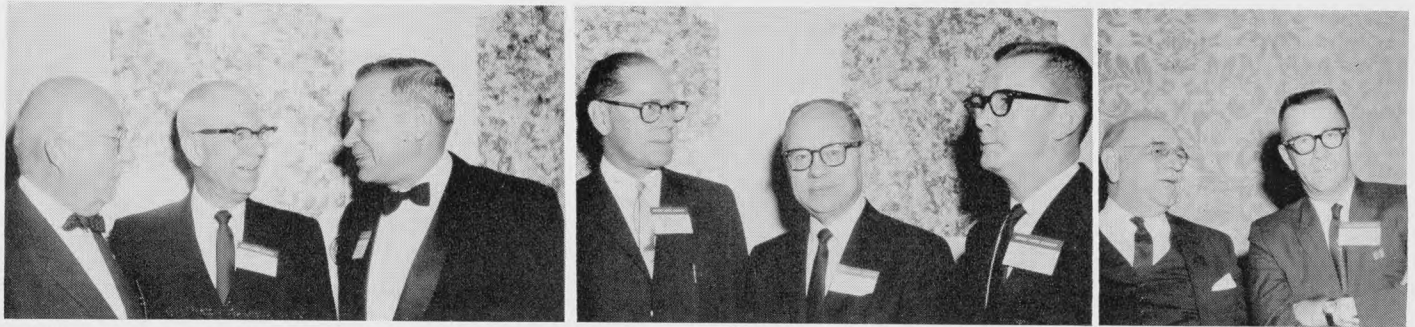
The men of the Omaha National Bank's Correspondent Bank Division devote most of their time to your banking problems. Working banker-with-banker it becomes a pretty close relationship over the years. Most of our customers might not always remember the right initials—it's so much more natural to call them "Shelly" or "Herb".

# THE OMAHA NATIONAL BANK

17th and FARNAM STREETS

*Member Federal Deposit Insurance Corporation*

*Northwestern Banker, March, 1962*



LEFT—Charles S. Reed, pres., Bank of Bellevue; B. D. Berkheimer, NBA pres. and pres., First National, Gordon, and Roman L. Hruska, U. S. Senator from Nebraska. CENTER—L. J. Titus,

pres., First National, Holdrege; Carl T. Curtis, U. S. Senator from Nebraska, and Lyman M. Stuckey, NBA v.p. and pres., Lexington State. RIGHT—Erle Cocke, Sr., chmn. of FDIC, and Mr. Stuckey.

## 40 Nebraskans Visit Washington

By **BEN HALLER, JR.**  
*Editor*

NEBRASKA bankers can be proud indeed of the competent, forceful manner in which their interests were represented last month when a 40-man delegation of their fellow bankers from the Cornhusker State traveled to the nation's capitol for personal visits with their U. S. Senators and Representatives, as well as with each of the federal bank supervisory agencies.

Headed by NBA President B. D. Berkheimer, NBA Vice President Lyman Stuckey and NBA Secretary Harris V. Osterberg, the Nebraska bank group was acclaimed as the largest state bankers association delegation that has visited Washington, D. C., for this purpose.

The effectiveness of their numbers was further enhanced when it was noted that they represented 35 banks from all parts of the state, and that they included the presidents of Groups 1, 2, 3 and 6, five past state presidents of the NBA, two state senators, the state banking commissioner and a former Governor of Nebraska.

### Tax Equality Discussed

The most important matter discussed with elected officials and supervisory authorities in Washington

was the pressing need for tax equality among lending institutions. The case for such equality was presented ably by the Nebraskans to their Senators and Representatives.

Another matter receiving considerable attention was the increased savings rate, and in this instance, the visitors found Washington supervisory authorities keenly interested in how the increase is affecting savings, what bankers feel about it and the reactions of the public to this move.

After arriving in Washington on Monday morning, February 19, by special Pullman cars, the group went immediately to the offices of the American Bankers Association for a briefing on current legislative matters of interest to banks. It was pointed out by Charles McNeill, director of the Washington office, that the tax equality bill currently under consideration by the House Ways and Means Committee not only embraces the measure desired by commercial banks for equality in taxation of S & L's and mutual savings banks, but also contains a provision for withholding by banks, S & L's, and corporations on interest or dividends paid by them. If the bill as drawn goes through this

committee to the floor of the House, it will have a fairly good chance of passing. No amendments to the bill may be made under present rules.

### May Amend in Senate

When the bill reaches the Senate it may then be amended, but should the amended bill be passed it would then have to be approved by the House through a joint committee. It will only be in the Senate, for all practical purposes, that the present tax equality measure may be amended in any effort to delete the undesirable withholding feature.

It was further pointed out by Mr. McNeill that if a cutoff on withholding on dividends or interest would be established to eliminate amounts of \$16 or less, that this would eliminate two-thirds of the savings accounts while reducing total revenue from such withholding by only 5 percent.

A poll of the Nebraska delegation showed unanimous support of the ABA's position that the present bill should be supported through the House, with later amendments possibly being offered in the Senate.

It was announced ABA needs about a 20 percent increase in budget due to stepped up activity and will ask for



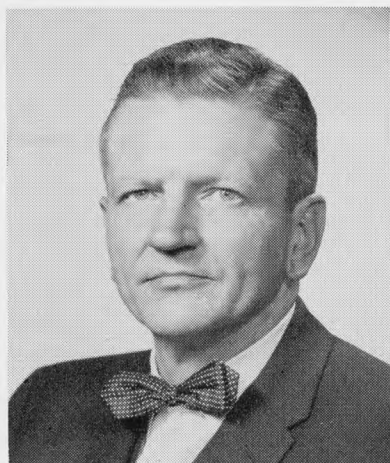
LEFT—Glenn Cunningham, 2nd District Congressman; Herb Echtermeyer, v.p., The Omaha National; Harold E. Roe, pres., Bank of Bennington; Adolph Hallas, pres., Stock Yards National, Omaha, and Dean Vogel, exec. v.p., U. S. National,

Omaha. RIGHT—H. R. Killinger, exec. v.p., Thayer County Bank, Hebron; Victor E. Anderson, pres., Havelock National, Lincoln; Mrs. Phil Weaver; Phil Weaver, 1st District Congressman, and Myron Weil, v.p., Natl. Bk. of Commerce, Lincoln.

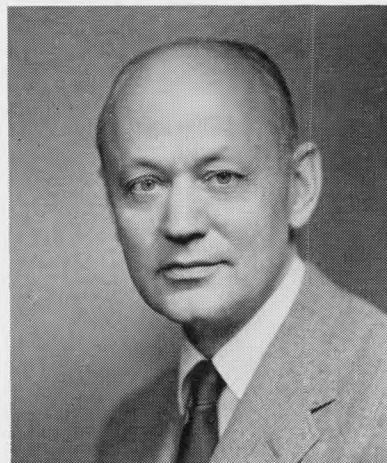
*Northwestern Banker, March, 1962*



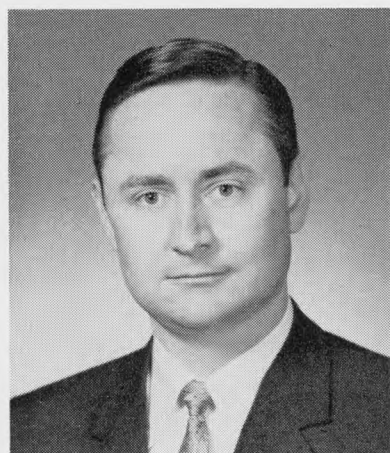
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LEFT—Ralph Beerman, 3rd District Congressman (seated), with B. M. DeLay, pres., DeLay First National, Norfolk; E. M. Black, pres., First National, Fullerton; H. L. Gerhart, pres., First National, Newman Grove, and N. T. Tiemann, pres., Commercial State, Wausa. CENTER—H. L. McKibbin, pres., First National,

Bayard; J. V. Johnson, pres., Johnson County Bank, Tecumseh, and Floyd J. Patton, pres., Blue Springs State, reflected the mood of the crowd as the group listened to Osce W. Johnson (right), pres., Bank of Burwell, recite "The Shooting of Dan McGrew" without a slip.

a change from dues based on deposits to dues based on total resources. Nebraska already operates on this basis.

**Other Bills**

Other bills discussed were the Douglas "Truth in Lending Bill" which is opposed by ABA, HR 7796 dealing with real estate mortgages, HR 8874 which would permit two or more banks to own stock in a service corporation, and a bill introduced last session requiring all banks to join the Fed.

S2528 and HR 9122 are identical bills. This is a bi-partisan proposal to establish federal mutual savings banks, under supervision of the Fed-

eral Home Loan Bank Board, with deposits insured under the FDIC. These banks could branch in states where permitted to do so under S & L or bank laws, and would permit a federal or state S & L to convert to a federal mutual savings bank. The ABA maintains such a measure is not fair in many states and apparently S & L's also oppose the measure.

Following this briefing the NBA group were luncheon guests of the National Association of Supervisors of State Banks.

**Personal Calls**

Monday afternoon was spent in calling on the Nebraska Congres-

sional delegation in small groups. This was also done throughout the day on Tuesday. Many bankers had an opportunity to watch sessions of both the House and Senate, as well as sit in on a hearing before the House Agricultural Committee, where Agriculture Secretary Orville Freeman was testifying on his new farm plan. Nebraska Congressman Ralph Beerman is a member of this committee, devoting a major share of his time to this work.

**FDIC Luncheon**

The chairman and other officials of **NEBRASKA TRIP . . .**

(Turn to page 96, please)



LEFT—Dave Martin, 4th District Congressman; C. H. Hosler, pres., Fullerton National; T. T. Varney, Jr., pres., Broken Bow State, and H. D. Kosman, pres., Scottsbluff National. RIGHT—

H. W. Hendriksen, v.p., First National, Fremont; Walter E. Nolte, exec. v.p., First Continental National B&T, Lincoln; James J. Saxon, Comptroller, and Chapman C. Fleming, deputy.



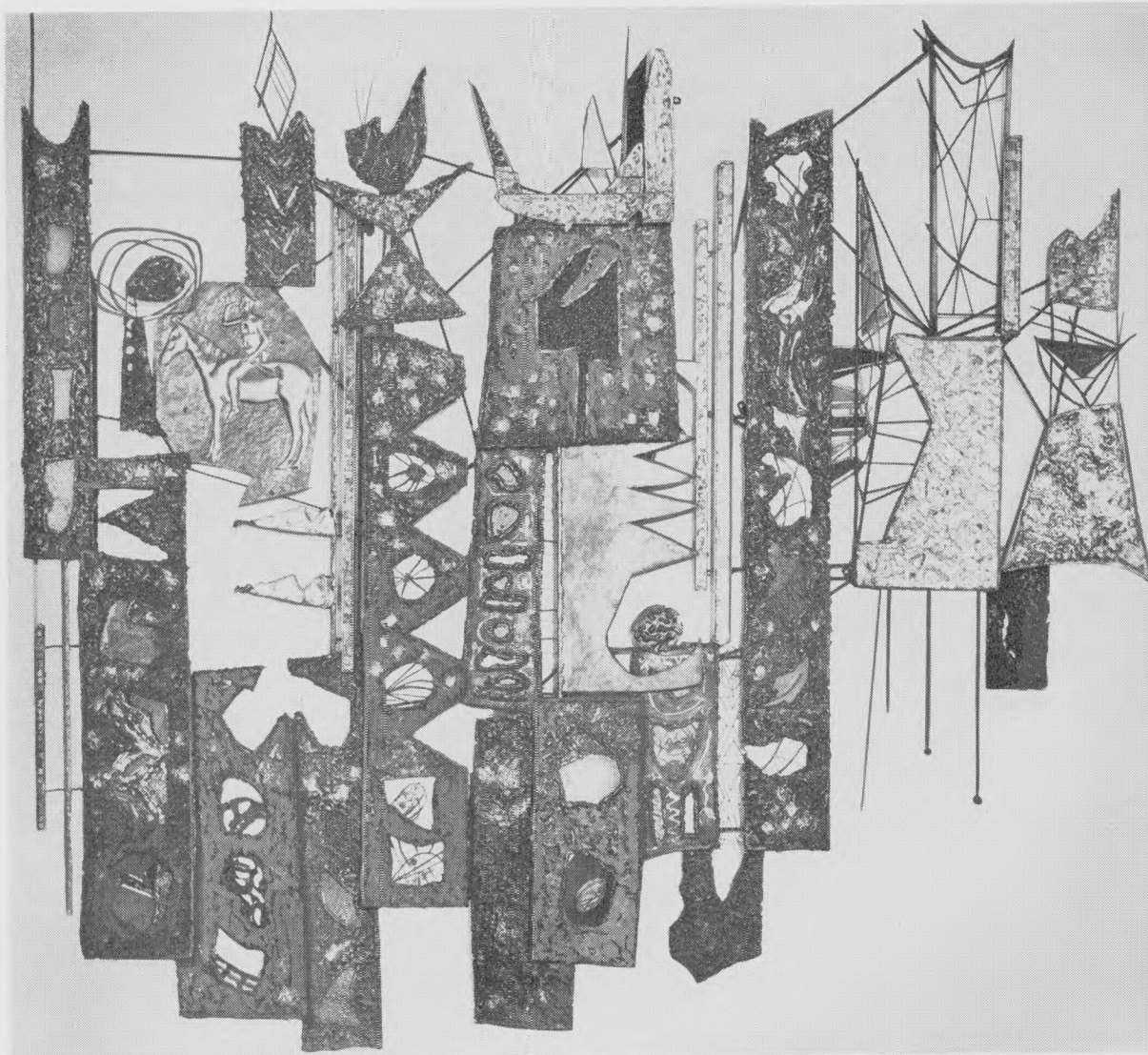
LEFT—Chas. T. O'Neill, asst. genl. counsel; Chas. R. McNeill, dir. of Washington office, and J. O. Brott, genl. counsel, all with ABA in Washington; B. D. Berkheimer, NBA pres. and pres.,



First National, Gordon, and H. V. Osterberg, secy. of NBA, Omaha. RIGHT—Ralph Misko, Nebraska director of banking, with Hollis W. Burt, exec. v.p., N.A.S.S.B.

*Northwestern Banker, March, 1962*





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#### First Continental

**JULIUS RIED** has been elected assistant cashier of the proof and transit department. **Paul Munson** of installment loans was promoted from assistant cashier to assistant vice president. In the trust department, **Bob Kahm** was promoted from assistant trust officer to trust officer, and **Dave Schomburg** was promoted to trust officer and farm director from assistant trust officer and farm director.

\* \* \*

#### First Nebraska Securities

**Arthur W. Coffland** has been appointed director of research. He formerly was supervisor of financial research for Northern Natural Gas Com-

pany of Omaha, and prior to that was a senior analyst with Investors Diversified Services, Inc., of Minneapolis.

\* \* \*

#### National Bank of Commerce

**L. Paul Fowler**, field representative for the National Bank of Commerce in Holdrege, has announced his retirement. Mr. Fowler is moving to Omaha where he will enter private business for himself. He has been a field representative for the bank and its predecessor, the First Trust Company, in Holdrege for 27 years. He is being replaced by **Dennis Choquette**, a farmer in the Upland area and a graduate of the University of Nebraska college of agriculture.—**End.**

### Lincoln Banks Lead the Drive . . .

## **'Industrial Park'—A Project For Future-Minded Banks**

**I**NDUSTRY is moving to the suburbs. As the trend continues to develop, no longer will tourists enter a city and see rows of dirty factories with tall stacks belching forth dirty, eye-irritating (literally and figuratively) smoke. Instead, they will see what appears to be well-planned residential areas with fine streets and clean neat buildings—the difference being that the buildings will be larger than homes as they are modern factories.

#### Enthusiastic Support

Two banks in Lincoln, Nebraska—The First Continental National Bank & Trust and the National Bank of

Commerce Trust and Savings—have studied the beginnings of the "Industrial Park" idea and wholeheartedly back such a plan for Lincoln. Not only are they lending the entire initial outlay—\$700,000 for 5 years at 5 per cent—but also they are leading the drive for development of the park. Lincoln businessmen and other farsighted citizens of the community also are pledging their financial support.

The banks are pledging 20 per cent of the quotas set up for the city's business people.

**C. Wheaton Battey**, chairman of the board of the First Continental, and **E. N. "Jack" Thompson**, senior vice president of the National Bank of Commerce, are team captains, representing their banks during the drive for funds. Successful completion of the drive is, at this time, assured.

"This is a real investment in the future of Lincoln," said Mr. Battey during a recent **NORTHWESTERN BANKER** interview, "and it is apparent to all that we must have a plot of ground ready for industry so they will settle here.

#### "Have an Edge"

"A town that doesn't get busy to furnish employment for its people is going to lose out. A town with an industrial site is going to have the edge . . . and our location is ideal. We are sure it will be a beautiful addition to Lincoln.

"Our two large banks are working together on this 'Industrial Park' project as we see it as a great opportunity for Lincoln. All businesses in Lincoln will have the opportunity to grow and develop when the park is a reality.

"Several Nebraska communities are doing an excellent job attracting industry and building their communities. Among them are Columbus, Cozad, Crete, Nebraska City and Kearney, to name only a few."

Mr. Thompson said, "The people at the National Bank of Commerce are particularly glad to make one of the largest contributions to the development of this park.

#### "Well-Planned Project"

"This is Nebraska's first and only full-fledged Industrial Park, which will be fully planned and landscaped by one of the outstanding professional firms in this field.

"Lincoln's business community is showing extraordinarily fine support for this project which will place our city in the forefront of Nebraska's drive for industrial development."

The zoned and highly-restricted industrial "home site" area consists of 308 acres at the corner of 14th and Nebraska Highway 2, bounded on the east by 20th Street and on the south by the Rock Island Railroad. Ground is to be broken early this Spring and construction and site development is to follow immediately. It is understood that the first industry is ready to break ground as soon as the site development is completed.

#### Project for Banks

Calling this a profitable investment for banks in a community, planners of the Lincoln Industrial Park predict these advantages: More payroll dollars, more spendable income, more customers, clients and patients, more purchasing power for all business, more opportunity for the continued financial success of all business and more diversified employment opportunities for all.

**James F. Garvin**, assistant general manager and industrial development director, Lincoln Chamber of Commerce, is handling the promotion of the project and states this double-meaning phrase, "Lincoln Means Business!"—**End.**



C. W. BATTEY

E. N. THOMPSON

**Northwestern Banker, March, 1962**





Investment officer . . . Outdoor man . . .



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## WILLIAM C. SMITH

Bill Smith, with First Continental for seven years, finds his comprehensive Nebraska University economics background invaluable. Buying and selling government and municipal bonds for the bank, Bill also reviews correspondent bank portfolios, suggesting to correspondents ways to earn more money with governments.

Out of the office, it's the great outdoors for Bill — golf, fishing, especially skeet-shooting.

Last July Bill and his wife Linda moved into their new home, which they blueprinted themselves. Now there are two new stars in the Smith household — daughter Kristi Jo and, of course, Bill's golden retriever Rusty.

*Northwestern Banker, March, 1962*

At National Bank of Commerce . . .

## 600 Hear Bank Profit Tips

By **WALTER T. PROCTOR**  
*Associate Editor*

**O**FFICERS of the National Bank of Commerce of Lincoln, Neb., entertained more than 600 of the bank's correspondents and wives last month with several informative business sessions and equally interesting social events.

All of the talks, discussions and a panel meeting were focused generally on how bankers can derive more profits from banking. Social highlights included "Mr. Roberts" at the Lincoln Community Playhouse; a social hour, dinner and entertainment at the Legionnaire Club; an evening at the "Ice Capades" and other social hours, breakfast and luncheons.

### Trust Men Speak

A trust breakfast featured members of the banks' trust department . . . and dispensing valuable information were: John C. Whitten, Sr., vice president and trust officer; O. L. Clarke, Jr., vice president and trust officer; E. N. Thompson, senior vice president, and John E. Wilson, trust officer, all of the host bank.

Beryl W. Sprinkel, vice president and economist at the Harris Trust and Savings, Chicago, in his "Prospects for Business and Banking," predicted a good year ahead and said, "This could result in one of our best non-war years."

Mr. Sprinkel also expects an increase in consumer spending, industrial spending (up 11 to 12 per cent)

and a decrease in unemployment by nearly 25 per cent.

### Farm Gains Reported

"Timely Topics" featured a farm discussion by experts, moderated by Winton Buckley, assistant cashier and ag representative. Dr. J. O. Young, chairman, department of horticulture and forestry, University of Nebraska; Jim Lemley, program specialist, storage management, Nebraska State A.S.C.S. Office, and Hugh "Scotty" Mactier, president, Omaha Livestock Exchange, and member, Mactier Bros. Commission Company, reported state gains in the areas of vegetables, grain and livestock, respectively.

Herman A. Brockmeier, senior vice president, National Bank of Commerce, discussed "Emergency Record Storage," and Dr. Carl S. Winters, lecture staff, General Motors Corporation, inspired the bankers with his lecture "The Bankers' Glory Road."

### Bank Profit Tips

"Bank Profitability" was the afternoon panel discussion that attracted much interest and favorable comment. Gene C. Eaton, senior vice president, National Bank of Commerce, called the meeting to order and introduced Dr. Miller Upton, president, Beloit College, Beloit, Wis., as moderator. Panel members were: Mr. Sprinkel; Mr. Brockmeier; Robert A. Wekesser, senior vice president, and Myron Weil, executive vice president, the last three being with the host bank.

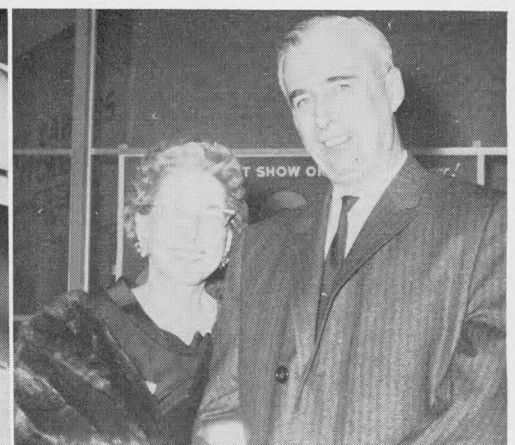
During their discussions of deposit development, income creation and expense control, various visiting Nebraska bankers were called upon to explain how they were doing a profitable job with a certain phase of their banking operations. These were Charles Fisher, cashier, The Bank of Kimball, who had conducted a market analysis in his area; John W. Cattle, president, Cattle National Bank, Seward, who has a program to help youngsters learn how to be profitable cattle feeders; C. H. Hosler, president, Fullerton National Bank, who discussed several community projects the bank has sponsored; E. K. Yanney, cashier, First State Bank, Lodgepole, whose bank has developed a profitable phase of installment credit on automobiles, and Ed Coblentz, vice president, Farmers State Bank, Aurora, whose bank helped farmers of the area afford new wells, new barns and a stronger interest in cattle feeding.

Members of the panel wove their talks around the comments of the guest bankers who had been called upon.

### Additional Coverage

A more complete compilation of the comments from this informative discussion appears on page 26 of this issue of the *NORTHWESTERN BANKER* . . . and is entitled "More Profits for Smaller Banks."

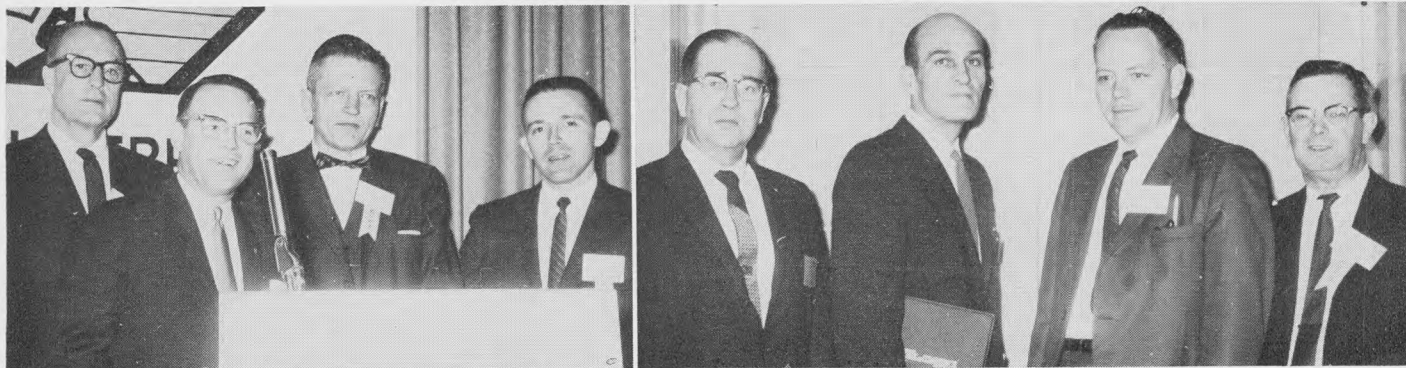
D. L. Sommerhalder, vice president of the bank, was asked for investment program advice and he said, "Every investment program should provide a steady runoff of maturing securities. With this plan, a bank is assured of a constant flow of funds it can reinvest to use to make loans. A sound investment policy should always in-



"HAPPY BIRTHDAY, BYRON DUNN" was sung by Nebraska bankers when this large birthday cake was presented the National Bank of Commerce's chairman of the board. **SECOND PHOTO**—Beryl W. Sprinkel, v.p. & economist, Harris Trust & Savings, Chicago, uses large projector with his outlook discussion. **AT RIGHT**—Mr. and Mrs. Glenn Yaussi prepare to enter Pershing Municipal Auditorium to see "The Ice Capades," a social highlight of the conference. Mr. Yaussi is president of National Bank of Commerce.

*Northwestern Banker, March, 1962*





**AT TRUST BREAKFAST** were speakers, from left: **John C. Whitten, Sr.**, v.p. & t.o.; **O. L. Clarke, Jr.**, v.p. & t.o.; **E. N. Thompson, sr.** v.p., and **John E. Wilson**, t.o., all with National Bank of Commerce. **SECOND PHOTO**—Visiting between ses-

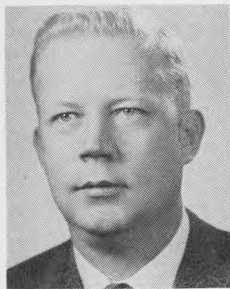
sions were, from left: **K. L. Stewart**, cash., and **Eldon Johnson**, a.e., both of Citizens State Bank, Polk; **Kenneth Hurner**, v.p. & cash., Bank of Monroe, and **Rex E. Miller**, v.p., National Bank of Commerce.

clude the regular spacing of maturities."

The one and a half day event was concluded with a social hour, banquet and evening at "The Ice Capades."—**End.**

**Joins Stock Yards National**

Dale V. Neumeyer has joined the correspondent bank division of the Stock Yards National Bank, Omaha, according to A. J. Hallas, president.



**D. V. NEUMEYER**

Mr. Neumeyer is a 1959 graduate of Montana State University, and was raised on the family farm at Bennington, Neb. An experienced cattle feeder, he has had two years agricultural lending background.

**Crawford**

The Crawford State Bank recently increased the bank's capital to \$75,000 through a stock dividend. One new director, Rex Hagemester, was elected at the annual meeting. He is a local grain and feed dealer.

**Fullerton**

Remodeling work has been completed on the interior and front portion of the First National Bank.

The newly remodeled bank lobby has an enclosed entrance in the southeast corner of the building. The teller windows are streamline in design and diagonally arranged in the lobby. The wall paneling and floor tile blend with the color scheme of the teller counters. The new lowered ceiling and the modern lighting arrangement enhance the lobby. A private office is located to the right of the entrance in the northeast corner of the building. The ex-

terior finishing of the building is of brick and vitrineer panels.

President E. M. Black said that a new burglar alarm and customers' safe deposit boxes are also being installed in the over-all improvement project. After refinishing work is completed in the rear area of the building, which has served as the bank's temporary quarters for the past three months, a formal opening will be held.

**Kimball**

Grand opening was held by the American National Bank last month in its newly remodeled building. Nearly 5,000 people visited the bank in two days. A striking contrast is provided by the new front of the bank. It is designed with glass and black tile with modern solar brick.

The bank also announced an increase in capital to \$200,000. Surplus is \$300,000.

Complete renovation inside features carpeting throughout, with walnut desks and tellers' counters. A modern suspended ceiling with moveable light panels gives the room a bright touch.

Walls are smartly decorated, and include walnut panels on light blue background, and textured panels. All new fixtures harmonize with the surroundings.

Bookeeping rooms are located in the east part of the building, with a directors' room in the northeast. Tellers are in the east section of the main room and officers are in the west section. A private office is located in the southwest corner.

**Kenesaw**

The Adams County Bank has started an extensive remodeling program, according to a report from Ramon Nolte, cashier.

The ceilings have been lowered and replaced with accoustical tile; new lighting has been installed; drapes have been ordered and a new interior paint job has been completed. Within

the next few weeks, a new glass door will be installed; planters will be added and the officers' area remodeled.

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... make it *your* correspondent!  
The *only* bank with up-to-the minute information on livestock marketing and financing!

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SOUTH ST. JOSEPH, MO.

*Northwestern Banker*, March, 1962

## ***1st Continental Addition Shown***



**ARCHITECT'S DRAWING** of the new First Continental National Bank as it will appear after the addition at left is completed adjacent to the present building. The \$1.1 million addition will nearly double the banking area and provide space for expansion of the installment and commercial loan and trust departments. The fourth floor will be available for future growth. The addition will replace the Lincoln Theater Building.

### **Scottsbluff**

Kenneth Littlejohn has been elected assistant cashier of the First State Bank.

Two new directors were named by the bank: Eugenia T. Abbott and John T. Rodgers.

### **Both Scribner Banks Sold**

R. G. Freudenburg and his son, Eldon G., of West Point, have purchased majority stock in both the First National Bank and the Farmers State

Bank at Scribner. R. G. Freudenburg is president and Eldon is executive vice president and cashier of the First National Bank of West Point. They will continue to hold these positions.

On February 10 they purchased 87 per cent of stock in the Farmers State Bank from Arthur H. Shultz, president, and other members of the Shultz family. On February 20 they purchased in excess of 80 per cent of stock in the First National of Scribner from directors and active officers of

the bank. The Freudenburgs took over both banks at the close of business February 24.

It is understood they will subsequently merge the two banks. The Farmers State showed deposits of \$1,821,174 at the end of 1961 with capital and surplus at \$230,000. The First National of Scribner had deposits of \$1,361,596 at the end of 1961 with capital and surplus of \$150,000.

Henry H. Byers, president of Bankers Service Company, Des Moines, negotiated the sale for all parties concerned.

### **Sidney**

Eugene Bonkiewicz, vice president of the Sidney National Bank, has resigned to accept a sales job with Lockwood Graders, Inc. at Gering.

### **Spalding City**

Hanna T. Sullivan, vice president of the Spalding City Bank, died last month.

### **Stamford**

Miss Susan Carraher has been promoted from vice president to president of the Stamford Bank, replacing the late Joseph Flammang.

William F. Pentz was promoted from cashier to vice president and cashier.

### **Waverly**

An expansion program is underway at Lancaster County Bank at Waverly, according to Don Dunlap, executive vice president.

Plans call for the remodeling of the building directly north of the present bank building to provide additional office and lobby space.

### **NEBRASKA TRIP . . .**

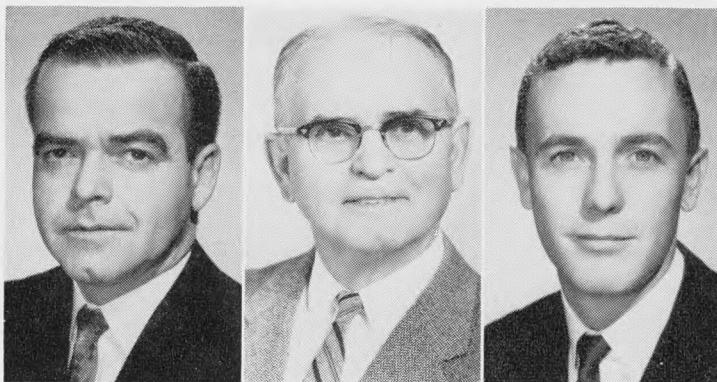
(Continued from page 90)

The FDIC were hosts at luncheon Tuesday noon. Chairman Erle Cocke reported the FDIC fund now is \$2.3 billion. It is estimated it will be \$3.6 billion at the end of 1969 with deposits of \$360 billion insured. It was also brought out that in commercial banks 98 percent of accounts are less than \$10,000, while approximately 56 percent of the dollar amount in deposits is insured, showing that the public has considerable confidence in commercial banks today above and beyond the insured account limit.

Savings and Loan associations have approximately 99.7 percent of their accounts less than \$10,000, while approximately 95 percent of their dollar amount invested is insured.

### **NBA Reception**

Tuesday evening the Nebraska Bankers Association was host to the state's two Senators and four Representatives, as well as 24 officials from



John Van Horne

Edwin Van Horne

Michael Van Horne

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# *Van Horne*

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Northwestern Banker, March, 1962



supervisory agencies and a number of guests from other federal agencies, trade associations and Omaha and Lincoln newspapers.

#### Conference With Comptroller

The first conference on Wednesday morning, February 21, was with James J. Saxon, Comptroller of the Currency. In a forthright manner he stated his office would be run on two principles. The first is public disclosure of all documentation of the office. The second is a public procedures program which will mean that all parties concerned with or affected by any matter pending before the Comptroller will be notified so they may have full knowledge of any proceedings taking place.

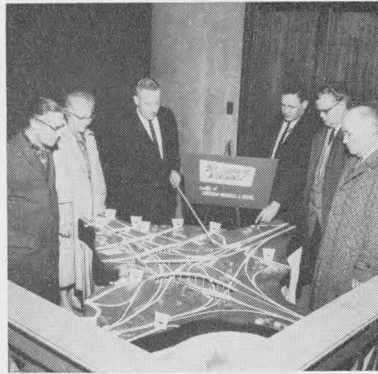
His office currently has 160 people in Washington, D. C., and this staff is being materially expanded now, particularly with the aim of building up a complete department that can handle all matters relating to trust work of banks. He has written to all national banks asking their opinions of all forms, operations, etc. of the Comptroller's office, with a view toward constructive revision of the national banking structure. He expects this study to be completed by September when much of the change will be put into effect. That which requires legislation will be given to Congress.

Mr. Saxon then stepped without hesitation into a controversial issue he has initiated. He stated that "excessive chartering of banks is occurring primarily in states where state supervisors do not have authority to grant expansion of facilities such as branches. This is uneconomical and is a subterfuge to get around branch banking limitations." The Comptroller advocates wider branching privileges. After a recent, extensive elucidation of his stand on this matter, he said, he was informed by the president of one large New York bank that this would lead to destruction of the dual banking system. Mr. Saxon said he replied this was "utter nonsense."

This reporter asked him if it was true that he favored national bank branching across state lines, but a firm answer was not given, only reference to the fact that such permission was in force prior to 1927 when it was stopped, and the 1927 law could be revoked. He believes that Congress should enact a branching law with a deferred date to permit state legislatures to enact equal or more liberal legislation. He told the Nebraska group, "the laws of all 50 states have not kept up with progress."

This viewpoint of Congressional authority to pass laws overriding state laws was challenged by one of the

## Interchange



"WOW! How complicated can it be?" was among comments heard in the main lobby of the First National Bank of Omaha recently when the bank displayed a model of the Midtown Interchange connecting Interstate Highway 480 to Omaha's proposed West and North Expressways. Don R. Ostrand, vice president, left with pointer, and Jim Cook, agricultural representative, right, are shown explaining the model. The display attracted the most interest of any display shown in recent years by the bank. Construction on the interchange is to begin this spring.

Nebraskans. Mr. Saxon in turn disagreed with him, stating that the state is a creature of Congress and the latter can create laws to permit national banks to operate differently than state banks.

#### Treasury Conference

A conference followed with Robert V. Roosa, Under Secretary for Monetary Affairs of the Treasury Department and his staff. A number of interesting slides were shown, giving the latest figures on the budget and relating these expenses to the income, the effect on the national debt and resultant steps that are taken in debt management. It was reported that the current offering of \$11 billion refunding, which ended the day of this meeting, was going very well. In fact, where previous refundings normally brought in major activity on the final day and even in final hours of the announced period, much of the activity this time had taken place in the first days after the actual refunding started.

#### Visit With Fed

The last official function of the delegation was a luncheon with Governors of the Federal Reserve System in the Fed building, followed by a conference in the beautiful board room. Governor Shepardson, himself a former university dean of agriculture, was keenly interested in receiving first hand live stock and feed grain reports from the various parts of the state. He emphasized that one of the

main problems affecting the Nebraska and midwest area right now is how the farm program of the European Common Market will relate to our farm products. He said everyone connected with agriculture in the midwest should have a vital interest in this matter.

One of the high points of this trip was the excitement that was felt everywhere in the nation's capitol on Tuesday, February 20, when Lt. Col. John H. Glenn rocketed into outer space for his high-speed, three-orbit spin around the earth. TV sets and radios blared everywhere. If meetings were being held, notes were constantly passed to the presiding chairman. The feeling of everyone was like electricity, jumping from one person to the next with enthusiastic remarks and responses.

After an extra day to permit sight-seeing in the nation's beautiful capitol, the group entrained at 5:15 p.m. Thursday on George Washington's birthday, arriving in Omaha Friday evening. First-hand reports by various members of the delegation will be given at each of the Nebraska Bankers Association group meetings coming up in April. These reports will be given at the "for NBA members only" closed session during each of the six meetings.—End.

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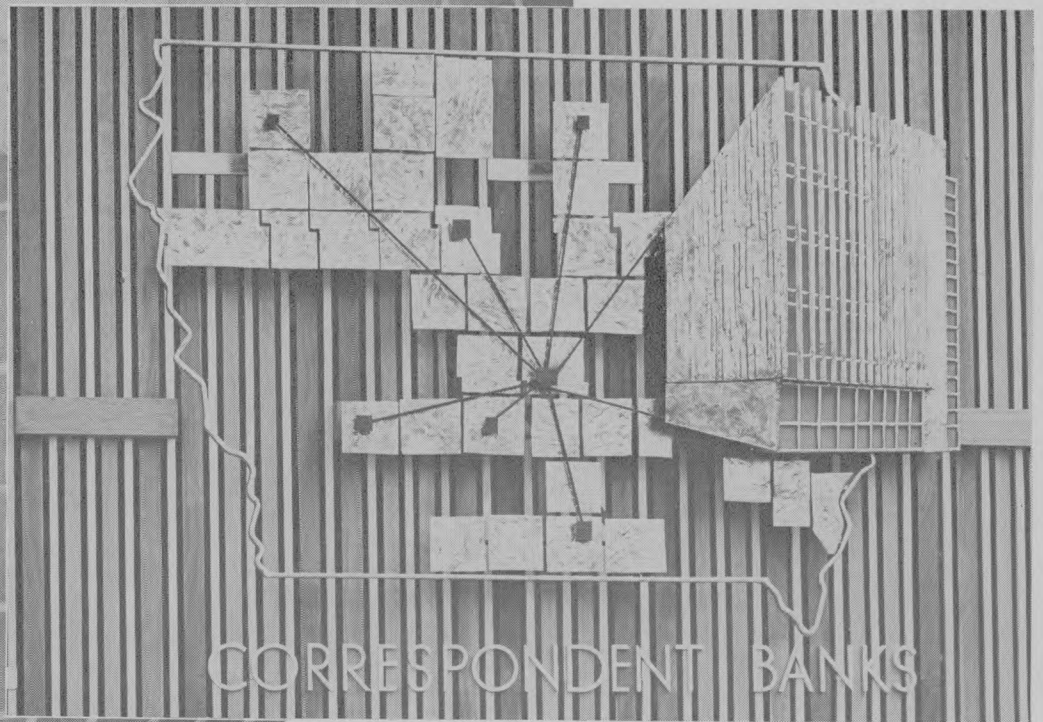
Correspondent Bank Department



CYRUS D. KIRK



HOMER R. JENSEN



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# Iowa NEWS

CHARLES H. WALCOTT President Sioux City  
FRANK WARNER Secretary Des Moines



## Spring Bank Meeting, March 12

THE 41st annual State Banking Conference and 22nd annual meeting of the Iowa Junior Bankers Association will be held Monday, March 12, at the Hotel Savery in Des Moines. Following is the program:

A.M.

- 8:00 Registration—Mezzanine Floor.  
9:00 Call to Order—John R. Reid, president, Federation of County Bankers Associations; cashier, Security State Bank, Hubbard. Welcome—C. H. Walcott, president, Iowa Bankers Association; president, Security National Bank, Sioux City.  
“What Do Banks Owe Their Young Men?”—Leo F. Kane, president, Iowa Junior Bankers Association; vice president, American Trust & Savings Bank, Dubuque.  
9:15 “American Institute of Banking Work in Iowa”—R. J. Nachazel, vice president and cashier, Farmers and Merchants Savings Bank, Burlington; John E. Mangold, A.I.B. associate councilman for Iowa, and Leslie H. Olson, also A.I.B. associate councilman for Iowa.  
9:35 “How to Turn Your Employees Into Salesmen”—William N. Flory, assistant vice president, Harris Trust and Savings Bank, Chicago.  
10:05 “Industrial Development and the Small Bank”—James W. Cravens, vice president, Sanborn Savings Bank.  
10:20 “A Bank’s Front Line—The Tellers”—Thomas O. Cooper, president, Jefferson State Bank, Jefferson.  
10:50 “The Importance of Being Prudent”—John H. Reid.  
11:00 “Recent Amendments to the Federal Wage-Hour Law”—F. L. Ludemann, Jr., field office supervisor, wage and hour and public contracts division, U. S. Department of Labor, Des Moines.  
11:30 Recess for luncheon.  
P.M.  
12 Noon Luncheon.

- 12:30 “Educational Dividends”—Paul S. Amidon, president, Paul S. Amidon & Associates, Inc., educational consultants, Minneapolis, Minn.  
“In Account With Youth”—Isabell Giddings, executive vice president, Paul S. Amidon & Associates, Inc.  
1:30 Call to Order.  
“Internal Revenue Service—Numbers and Letters”—Ernest W. Bacon, district director, Internal Revenue Service, Des Moines.  
2:00 “What Is the Foundation for Commercial Banks?”—Neal A. Sands, Iowa co-chairman of the Foundation, and president, Valley Bank & Trust Company, Des Moines.  
2:10 “Area Bank TV Promotion”—James A. Wolf, cashier, American State Bank, Mason City.  
2:25 “Action Taken by Grundy County Bankers Association on Increasing Rate of Interest on All Time Deposits”—A. V. Dieken,

- president, Farmers Savings Bank, Grundy Center.  
2:35 “Increasing Interest Rates on Bank Savings and Time C/D’s, Why?”—Robert D. Dixon, president, Rolfe State Bank.  
2:45 “Several Years Ago It Was Claimed That Banks Could Not Pay 3 Per Cent, How Can They Pay 4 Per Cent and Make Money?”—Kenneth Benda, executive vice president, Hartwick State Bank.  
2:55 General Round Table on Interest Rates.  
3:15 “How Bank Deposits Are Taxed or Not Taxed—Assessment”—Wendell B. Gibson, member, Gibson, Stewart and Garret, Des Moines, legislative attorneys of the Iowa Bankers Association.  
3:30 Report of Nominating Committees.  
4:00 Adjournment.—End.

### Atlantic

C. D. Emmert, vice president of the Atlantic State Bank, has been named president of the bank, succeeding Fred R. Hunt, retired. Mr. Hunt had served as president since January, 1932. Mr. Emmert was a bank examiner prior to joining the bank in 1940.

W. R. Remien, who has been with the bank since 1918, will continue as vice president and will serve as chairman of the board. Harvey Hansen was named assistant cashier.

### Aurelia

Capital stock of the First Trust and Savings Bank has been increased from \$50,000 to \$100,000. Surplus remains at \$100,000.

## New Council Bluffs Drive-In



ARCHITECT'S DRAWING of the new motor bank facilities planned for the Council Bluffs Savings Bank. The facility will feature three drive-in windows and 4,000 square feet of storage space underneath the structure. It is being built immediately south of the present bank building. The Paulson Construction Company of Council Bluffs was awarded the contract at a base bid of \$129,000. New Mosler drive-up windows will be featured. It is to be in operation by next November.

Northwestern Banker, March, 1962

## "Sail Kar" Used at Farm Auctions



**SALE CLERKING CAR** used by the Davis County Savings Bank, Bloomfield, Iowa, has been named the "Sail Kar." Shown using the inside radio is **Virgil K. Hering**, executive vice president, and kneeling outside is **Joe Miller**, Lucas County Extension Director.

The bank purchased the sports wagon last year and installed a two-way radio, plus a pair of pocket phones. At auction sales, one man with a pocket phone follows the auctioneer and radios all information as to items sold, buyer, and price back to the car where all facts are recorded by another person. This expedites the time spent in settling the sale and also eliminates some very cold fingers previously received by the clerk. The bank also uses the car in routine work, such as providing communications at the county fair, transporting Little Leaguers and church youth groups.

### Ames

Floyd Andre, dean of the College of Agriculture of Iowa State University, was named to the board of the Union Story Trust and Savings Bank, according to A. W. Lucht, president. He replaces Louis H. Judisch.

Mr. Lucht said he anticipates moving into the new bank building early in the second quarter of 1962.

### Baldwin

A new building is being completed for the Baldwin Savings Bank. The tile block structure, with brick veneer exterior, is located just south of the old quarters.

### Baxter

The State Savings Bank has increased its capital from \$50,000 to \$100,000, bringing the total for capital, surplus and reserves to more than \$250,000.

### Bedford

Mrs. Clifford H. Young, 74, wife of the president of the State Savings Bank, died after an illness of several months. Beside her husband, she is survived by a daughter, Mrs. Kathryn Smith of Bedford, and a son, William G. Young, vice president of the bank.

**Northwestern Banker, March, 1962**

### Bloomfield

Charles N. Pettit of Bloomfield was elected to the board of the Davis County Savings Bank, filling the vacancy left by the passing of Harry Burchett, who had served on the board for more than 40 years.

### Cedar Rapids

#### Merchants National



**R. W. MANATT**

ing manager of the savings department, and has handled many phases of the bank's operations.

#### Guaranty Bank & Trust

The former Newman Department Store building in Cedar Rapids has been sold to the Guaranty Bank & Trust. Bank officials plan to utilize the property as a modern drive-in facility. The property has a 120 foot frontage on Second street and a 140 foot frontage on Second avenue. At

present, part of the property has a 3-story building and the balance has a 6-story building. The larger building will be demolished.

The bank has also named a new director, Paul R. Shawver, works manager of the Square-D Company.

#### Peoples Bank & Trust Company

Four staff promotions have been announced. Richard E. Newland and Douglas Grinde were promoted from assistant cashiers to assistant vice presidents.

James Livingston, auditor, was promoted to assistant cashier and auditor. Earl J. Caywood, a loan interviewer, was made an assistant cashier.

### Clarence

The Clarence Savings Bank has announced the promotions of Alma Ernsting from cashier to vice president and trust officer, and Lloyd Hasselbusch to cashier and farm representative. C. Wayne Saunders, executive vice president will also serve as a trust officer.

### Cumberland

L. L. Marchant, executive vice president of the Cumberland Savings Bank has announced the completion of an extension to the main bank building and a remodeled directors' room. The new addition measures 24 feet by 36 feet. An open house was held last month.

### Danville

M. E. Watts, executive vice president of the Danville State Savings Bank, announces an increase in the bank's surplus from \$50,000 to \$100,000. The bank is paying 4 percent on one year CDs.

### Diagonal

A. R. Sanderson, vice president and director of the First State Bank, has retired. He has served as manager of the bank's Shannon City office. Stanley Cregeen, assistant cashier, has taken over as office manager.

### Earlham

Fletcher F. Jennings has been elected assistant cashier of the Earlham Savings Bank. He serves as farm representative.

### Elkader

The Central State Bank has increased its board to 8 members by electing two new members at the annual meeting. They are: Emmett C. Whalen, clothing store owner, and J. C. Costigan, road contractor.

The bank also added \$50,000 to surplus, making a capital structure of \$100,000 capital and \$150,000 surplus.



IT'S OUR  
**50<sup>th</sup>** Anniversary



J. WM. VAN DYKE  
 Chairman of Board



C. C. VAN DYKE  
 President



E. E. ERICKSON  
 Vice President

WHAT'S IN A NAME? . . .

The name "Toy" has been associated with the financial history of Sioux City since the beginning of the 20th Century. The Farmers Loan and Trust Company, organized in 1883, was moved to Sioux City from Storm Lake in 1889 and has been in continuous operation since that time. James F. Toy (1850-1937),

the founder of the Farmers Loan and Trust Company also founded the National Bank of Commerce in Sioux City in the year 1912. Due to Mr. Toy's long association with the banking profession, the name of the National Bank of Commerce was changed in 1920 to the Toy National Bank. No reorganization was affected at this time, since the banking operations were, and still are, authorized under the original charter.

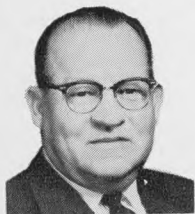
Deposits 1912  
 \$934,403.00

Deposits 1962  
 \$36,309,186.00

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C. ARTHUR JOHNSON  
 Vice President



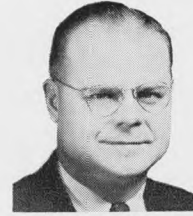
U. H. BUNKERS  
 Vice President



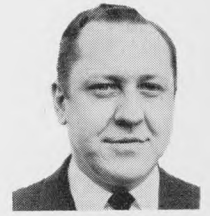
HOMER M. BOYD  
 Assistant  
 Vice President



CONRAD ARONSON  
 Assistant  
 Vice President



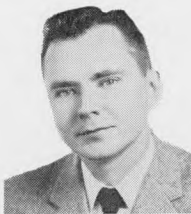
HENRY K. LARSEN  
 Assistant  
 Vice President



LESLIE H. OLSON  
 Cashier



CLARK WATKIN  
 Assistant Cashier



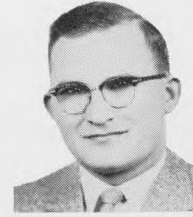
WAYNE HETTINGER  
 Assistant Cashier



RICHARD BREYFOGLE  
 Assistant Cashier



LEON V. HARBECK  
 Assistant Cashier



RONALD G. WILL  
 Assistant Cashier



JAMES V. TRITZ  
 Assistant Cashier

board of directors

U. H. BUNKERS  
 R. C. BURKE  
 GEORGE R. CALL

J. WM. VAN DYKE

E. E. ERICKSON  
 C. C. VAN DYKE  
 L. GARLAND EVERIST

C. ARTHUR JOHNSON

R. S. HOAK  
 ROBERT P. MUNGER  
 FLORENCE H. TOY

Northwestern Banker, March, 1962

## Remodeled Pella Quarters



**REMODELED QUARTERS** of the Marion County State Bank features nearly doubled floor space, tastefully done decorating with color accents, a combination pool, planter and check writing desk, and two private offices. Becker and Associates of Alta, Iowa, designed the project and directed construction by local contractors. Open house was conducted last month.

### Fontanelle

H. J. Stuhlmiller, president of the State Savings Bank, has announced the following promotions: R. H. Bower and R. E. Wollenhaupt were elected vice presidents; Thos. P. McDermott, cashier, and Leola Faurote, assistant cashier. Ernest Miller continues as vice president.

### Glenwood

Leonard C. Dean, 62, president of the Glenwood State Bank, died recently following a stroke. He had been associated with the bank for 37 years. Survivors include his wife and a son, John C. Dean, cashier of the bank.

### Griswold

Joseph (Bud) Prokop, who has served as a director of the Griswold State Bank, was elected to the position of executive vice president at the annual meeting.

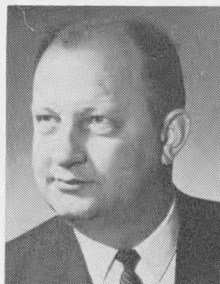
### Hopkinton

Dr. J. P. Connelly has been elected to the board of the Citizens State Bank, succeeding Ted L. James.

The year 1962 marks the 40th year that E. W. Mussmann, president, has been in the banking business.

### Hawarden

James D. Anderson, assistant cashier, The Citizens First National Bank of Storm Lake, has accepted a position as cashier of The Farmers State Bank of Hawarden.



J. ANDERSON

submitted his resignation, effective

Mr. Anderson, with The Citizens First National since 1956, has

April 1, at which time he will join the Hawarden bank.

### Hayesville

The Hayesville Savings Bank will enlarge its facilities by constructing a 40 by 60 foot building, according to Elmer H. Mertz, president. The building will be air-conditioned, with radiant heat, and have kitchenette facilities.

### Humboldt

The board of directors of the Humboldt Trust and Savings Bank has approved construction of a new bank building it was announced by J. L. Campbell, president.

The new building will be located on Humboldt's main street, one block east of the present location, on an 80 foot front which has been recently purchased. Walter Becker and Associates of Alta will design the building, and contracts will be let this month.

### Humeston

T. R. Henderson, cashier of the Citizens State Bank, Humeston, has been promoted to vice president and cashier, according to K. W. Richard, president.

### Indianola

W. G. Beatty has been elected vice president, and Gene Geadelmann named assistant cashier by the Warren County Bank and Trust Company.

### Keokuk

H. L. Bughman was promoted from cashier to executive vice president of the Keokuk Savings Bank & Trust Company. He has been with the bank since 1929.

### Lansing

James A. Ryan, assistant cashier, has been promoted to cashier of the Kerndt Brothers Savings Bank, according to T. M. Kerndt, vice president. Mr. Kerndt has previously held the title of vice president and cashier. Mr. Ryan has been with the bank since 1954.

### Latimer

P. H. Borcharding, president of the Latimer State Bank, has announced the election of J. E. Davis and I. D. Davis to the board of directors. Mr. I. D. Davis was also elected as cashier of the bank.

### LeMars

Gordon L. Mennen, president of the LeMars Savings Bank, reports that total assets of the bank exceeded \$10

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million at year-end for the first time in history. The directors promoted H. A. Ahlers to vice president from assistant vice president.

### Libertyville

Frank A. Dustin, 90, vice president of the Libertyville Savings Bank, died last month after an illness of several weeks. He was a former president of the Libertyville bank.

### Lenox

Ralph W. Zabel, president of the First National Bank in Lenox, reports the completion of a remodeling and expansion program. The enlarged building is 44 by 58 feet. Planning and construction was done by the Kansas City Bank Builders and Consultants, Kansas City 33, Missouri. Open house was held by the bank last month.

### Lowden

W. H. Witte, president of the American Trust & Savings Bank, reports that the stockholders have approved the leasing of temporary quarters for six months and to start the new building and remodeling of the present building as soon as weather permits.

### Mount Vernon

Dr. Roy Nelson was elected president of the Mt. Vernon Bank & Trust Company recently, succeeding the late Ben C. Neal, who had served the bank as president for the past 30 years.

Dr. Nelson, who is teaching for a year at college in Lakeland, Florida, plans to return to Mount Vernon at the end of the school year.

Raymond Mallie, director, was elected a vice president of the bank, and R. B. Wolfe was named as a director, taking the place of Mr. Neal.

### Manson

Fred Wade has been named cashier of the First National Bank. In other promotions, Keith Grimm, Glatha Fillenworth and Lera Blazek were named assistant cashiers.

### Maxwell

John B. Thompson has been elected cashier of the Maxwell State Bank, succeeding Dan Peters, who has resigned after serving as cashier since the bank's organization in 1943. Mr. Peters will continue on the board of directors.

### Maquoketa

The Jackson State Savings Bank recently transferred \$250,000 from undivided profits to surplus, making total surplus now \$500,000.

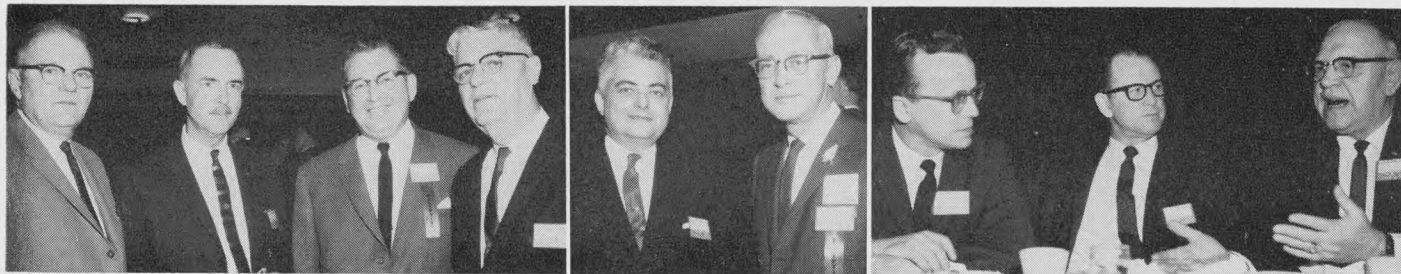
# Two guys at home anywhere in Iowa!

Take Mr. La Salle and team him up with Max Roy and you've got a winning combination! Max knows Iowa and Iowa farming, and Mr. La Salle represents a staff that can help La Salle's Iowa correspondents with trust work, business development, operations—well, you name it—and Mr. La Salle will do his best to oblige! Why not call Max and tell him you'd like to meet his partner! Max Roy lives nearby in Iowa City, but he headquarters at La Salle National Bank, 135 So. La Salle Street, Chicago 90, Illinois. STate 2-5200.



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COMPLETE TRUST SERVICES

Northwestern Banker, March, 1962



LEFT—Orval Spahn, v.p., First State, Mapleton; John B. Keeline, pres., Central T & S, Cherokee; Chas. H. Walcott pres., Security National, Sioux City (and pres., Iowa Bankers Assn.), and Julius Rohwer, pres., Farmers State, Schleswig. CENTER—Robert W. Thom, official asst., First National City, New York,

and J. Wm. Van Dyke, chmn., Toy National, Sioux City. RIGHT—Tilford C. Gaines, v.p., First National, Chicago; Clark Arnett, pres., Sac City State (and Group I secy.), and M. L. Abrahamson, treas., State of Iowa, Des Moines.

## Nationally Known Speakers Draw 825 Persons to Group I Meeting

By MALCOLM FREELAND  
President

ONE of America's best-known public speakers, addressing the annual banquet meeting of Group I of the Iowa Bankers Association in Sioux City last month, warned Americans to stop making concessions to the communists.

Dr. Kenneth McFarland, educational director for General Motors, told his audience, made up of more than 825 registrants, that one of the most desperate needs of our time is to teach fundamental Americanism to the American people. The dynamic doctor declared, "We have the defensive power to do anything we want. We had better start clenching our fists instead of wringing our hands."

F. A. Evans, president of the Woodbury Bank and Trust Company, Sioux City, in his role as president of the Sioux City Clearing House Association, introduced the guest speaker.

Delegates attending the annual luncheon gathering heard Dr. Earl L. Butz, dean of agriculture at Purdue University, tell them that it is high time we begin to act like the strong, responsible and proud nation we always have been.

In support of his appeal for a firm hand the Purdue dean noted that although the United States has only 7 per cent of the world's population it has three-fifths of the world's automobiles, half the world's electric power, over half the telephones, two-fifths of the steel production capacity, over 98 per cent of its farms electrified and a proportion of young people in high schools and colleges that far outstrips any other nation.

He also remarked that new home construction passed the 1,000,000 mark again last year for the 14th straight year. "Truly this is convincing evi-

dence that the great American dream of yesterday is constantly translated into better living today."

Dr. Butz asserted that "Our greatest error during the past 20 years has been in so frequently underestimating our growth potential.

"America's greatest danger today is our general indifference to the organized attempts to limit output per worker, per factory and per farm. Indeed, most of us belong to groups which subscribe in one way or another to the strangling philosophy of limited output.

"One of the remarkable phenomena of our age is that America continues to grow in total production and standard of living in spite of widespread organized attempts to prevent it."

GROUP 1 . . .

(Turn to page 113, please)



LEFT—John Davis, 2nd v.p., and Jerry Pickell, repr., both with Continental Illinois National, Chicago; Tom A. Peterson, v.p., Farmers Savings, Danbury, and Joe T. Grant, pres., First National, Sioux City. UPPER CENTER—Robert Kline, v.p., and John Woods, a.e., both with Northern Trust, Chicago, and Gerald O. Nelson, v.p., Iowa-Des Moines National, Des Moines. LOWER CENTER—R. K. Draper, repr., Live Stock National,

Sioux City; K. G. Klatt, pres., Dakota State, Tripp, S. D., and L. C. Olson, v.p., Bank of Union City, Elk Point, S. D. RIGHT—Seated: Chester C. Sjoberg, v.p., Farmers National, Aurelia, and Fred C. Cummins, v.p., Drovers National, Chicago. Standing: Dwain Loyd, cash., Climbing Hill Savings; George H. Coker, cash., First T & S, Merville, and Bernie Miller, a.v.p., Drovers National, Chicago.

Northwestern Banker, March, 1962





LEFT—Cy Kirk, v.p., Bankers Trust, Des Moines; E. E. Manuel, pres., George State, George, and John Diefendorf, a.v.p., Security National, Sioux City. CENTER—E. W. Youell Jr., pres., State Bank of Terril; John M. Shonsey, exec. v.p., and Herb Echtermeyer, v.p., Omaha National, and Wm. F. Wenke,

pres., Pender State, Pender, Nebr. RIGHT—Bill Whitman, a.v.p., American National B & T, Chicago, Walt Noack, pres., and Walter J. Johnson, a.c. both with Westside State Sav., and John E. Mangold, v.p., Merchants Natl., Cedar Rapids.



LEFT—Ed J. Carlson v.p., First National, Omaha; E. W. Nun, Cashier, Ute State; E. E. Popp, Cashier, Security State, Hartley, and Frank Love, v.p., First National Omaha. CENTER—Jim Jackson, a.v.p., City National B & T, Kansas City; Ed Wolf, a.c., Central National B & T, Des Moines, and C. C.

Fritcher, v.p., Security T & S, Storm Lake. RIGHT—Enjoying coffee at National Cash Register booth: William Hoffman, res. mgr. for Credit life, and Robert E. Puff, dist. mgr., both with Central States Health & Life, and Ralph E. Peterson, v.p., First National, all of Omaha.



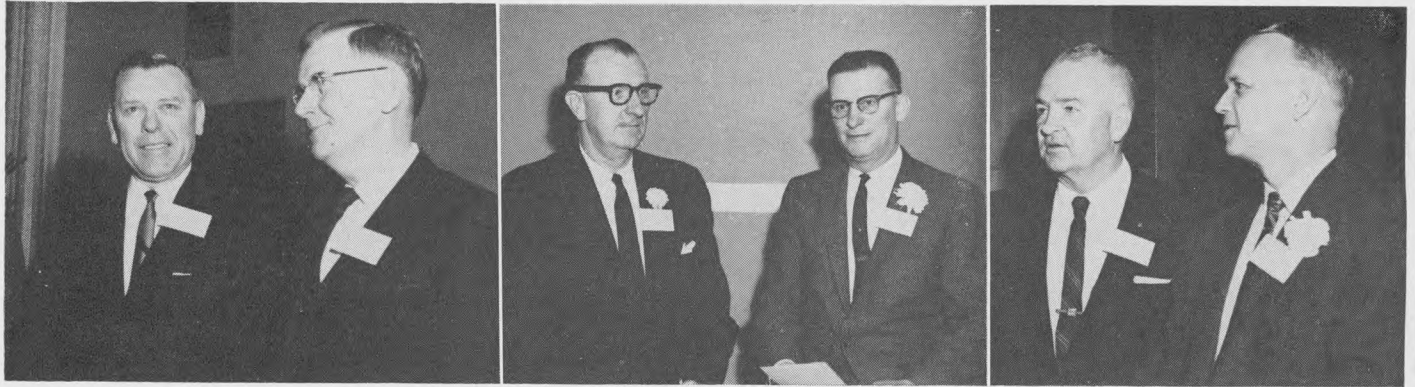
LEFT—Jay Bordewick, a.c., and Wayne Thorndyke, v.p., both with U. S. National, Omaha, and Jim Currie, pres., State Bank of Schaller. CENTER—Barney Gullickson, secy., South Dakota Bankers Assn., Huron, and H. V. Osterberg, secy., Nebraska

Bankers Assn., Omaha. RIGHT—Tom C. Cannon, v.p., Commerce Trust, Kansas City; Howard Sokol, Sibley State; Dean Henn, a.c., Bank of Elgin, Nebr., and Gil McEwen, a.c., Harris T & S., Chicago.



LEFT: Jack Ludwig (center) Recordak reg. mgr., Omaha, shows new equipment to Richard McCrea (left), cash., Holstein State, and James F. Meyer, a.c., First National, Paullina. TOP (left): Cliff Adams, pres., Live Stock National, Sioux City, and Harry Schaller, pres., Citizens First National, Storm Lake.

TOP (Right): Faye Evans, pres., Woodbury B & T, Sioux City; Joe Snyder, a.v.p., Manufacturers Hanover, New York. BOT-TOM: Clif Batchelder, pres., and Fred Pfaff, v.p., both with U. S. Check Book, Omaha; C. I. Ramsey, exec. v.p. & cash., First National, Sibley, and A. F. Hansen, v.p., Sec. State, Hartley.



LEFT—Paul C. Hodge, v.p. & genl. counsel, Fed. Reserve, Chicago, and Vincent P. Cullen, pres., National Bank of Burlington. CENTER—Charles H. Walsh, pres., Farmers & Merchants Savings, Burlington, who is secretary of Gp. 11, and Frank Kos,

v.p., Washington State, Washington, Gp. 11 chairman. RIGHT—E. A. Hayes, chmn., New London State Bank, and Hud Swiler, cash., Burlington B&T.

## 500 Attend "Astronauts" Ball at Group 11

OVER 500 persons left their "launching pads" last month to accept Ed Ebersole's "Blast Off" invitation to attend the annual meeting of Group 11 in Burlington.

In charge of preparing the printed programs for many years, Mr. Ebersole (who is vice president and cashier of the State Central Savings Bank in Keokuk), designed a missile-shaped program for the 1962 meeting that delighted the entire Group 11 membership. In fact, after attending the "Astronauts' Ball," the evening before the main briefing session, many were convinced that he had collaborated with Lt. Col. John H. Glenn, Jr., in arranging the orbital affair.

During the general briefing, held at the Capitol Theater, a number of serious problems affecting all Iowa banks were discussed by Group Chairman Frank L. Kos, vice president of the Washington State Bank; and Secretary Charles H. Walsh, president, Farmers and Merchants Savings Bank, Burlington; Superintendent of Banking Clay H. Stafford; IBA President Charles H. Walcott, and IBA Secretary Frank Warner.

One of the most urgent problems arises from the comments made by the Comptroller of the Currency in Washington, D. C., in regards to national banks originating branches, circumventing state approval. Comptroller James Saxon has indicated that he will seek federal legislation to give him the right to by-pass state authority in approving branches for national banks. Mr. Warner told delegates that the association was concerned about this attitude. Similar alarm on the subject was voiced by Joe Gronstal, former state superintendent of banking, in a talk in Sioux City at the Group 1 meeting.

Secretary Warner, speaking on behalf of the association, also questioned the new "holding companies" in Iowa that are selling stock for \$2 and \$5 per share. Numerous members of the association feel that their activities should be studied in view of the fact that they are investing funds in the controlling stock of several Iowa banks.

President Walcott suggested that all banks analyze their individual operations before paying higher interest on time money. He stated that if a bank does feel that it can pay the new 4 per cent permissive rate, it might be best to extend the rate to passbook savings, rather than restrict it to certificates of deposit. It was explained that this method would favor the small, regular saver, assuring better public relations for the bank. Mr. Warner also commented on this subject, mentioning that a number of Iowa banks have already been faced with problems in issuing CDs, particularly where the CDs have been lost.

Mr. Stafford told members of Group 11 that state legislation should be sought to adjust the salary ceilings for state examiners, so that qualified help can be retained by the state superintendent's office.

Special praise was given members of Group 11 by Bob Mullin, representative of the U. S. Savings Bonds Division, Des Moines. Mr. Mullin said that in 1961 the Group attained 106 per cent of its quota, which was the highest of any group in Iowa.

Delegates were treated to a very interesting lecture on China under Communist rule by Felix Greene at the closing luncheon.

### Illinois Promotion

H. D. Wilcox, former Iowa banker, has been elected president of the Bank

of Oquawka, Ill. He has served as executive vice president since his association with the bank about a year ago. Seth Richmond, former president, has been named chairman of the board.

Mr. Wilcox was associated with banks in Clear Lake and Winthrop before going to Illinois.

### Candidate for President

Charles H. Walsh, president of the Farmers & Merchants Savings Bank, Burlington, has announced his candidacy for election as president of the Iowa Bankers Association at the state convention October 21-24, 1962.



C. H. WALSH

Mr. Walsh received the support of Group 11 at their meeting last month in the form of a resolution which was passed unanimously.

Starting his banking career with the Farmers & Merchants Savings Bank in 1935, he has served in various capacities in the bank, and in 1950, he was elected president of his institution. He serves as a director of his own bank, as well as of the West Burlington Savings Bank.

Mr. Walsh served as vice president and treasurer of the Iowa Bankers Association in 1958-59. He has also served on numerous committees for the State Association, and he is currently secretary of Group 11.

He is now serving a three-year term as executive councilman of the American Bankers Association, having been elected in 1960. In 1955-56, he served as state vice president of the ABA.



**1963 ABA Candidate**

An Iowa banker who has been a long-time worker in the ranks of the American Bankers Association's committees is John B. Keeline, president of Central Trust and Savings Bank, Cherokee, and president of the Ruthven State Bank, Ruthven.



J. B. KEELINE

Mr. Keeline has acceded to the wishes of his friends and has become a candidate for the treasurership of the ABA at the election to take place in 1963.

Mr. Keeline has served two years as state vice president for Iowa for the ABA, and he has also served four years as regional vice president of the ABA organization committee. He has also served two years as chairman of the organization committee of the ABA.

In 1961, he was elected to the executive council of the ABA and for this year he has been appointed by the ABA president to serve on the state legislative committee of the ABA.

Mr. Keeline is widely-known among the members of the American Bankers Association, and his years of service to the ABA make him thoroughly acquainted with its organizational workings. He is, of course, well-known among the bankers of Iowa, having served as their Association's vice president-treasurer in 1954 and as its president three years ago. It goes without saying that Mr. Keeline will have the solid support of the bankers of Iowa.

**Building Firm Appointment**

H. C. Erkmann has been appointed to the bank sales force of Bank Building and Equipment Corporation, St. Louis, according to Earl T. Klein, vice president and sales manager.



H. C. ERKMANN

Mr. Erkmann has been with the firm since November, 1956, serving as a salesman in the commercial design division. After completing a specialized training period, he will report to the company's branch office in Chicago, where he will work under the supervision of S. L. Fisher, central division sales manager.



**WE CALL IT**

**"LIVE STOCK TERRITORY"**

The picture has changed since we were the first bank around Chicago's Stock Yards and feeders beat a steady path to our door.

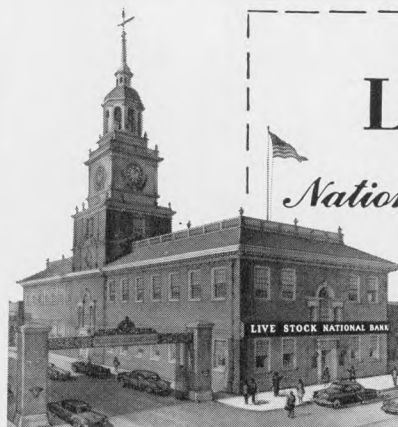
We don't wait for the customer to come in anymore. We're out doing business with the fifth generation of these fine families —through their local banks.

Our reputation for service has acquainted us with several hundred banks to whom we provide all the elements that make up an excellent correspondent program. Members of our Correspondent Banking Team are

continually "out in the Territory" assisting our banker friends with their problems.

If you are located in "Live Stock Territory", or in neighboring states, we would like to explain our Correspondent Services to you. Drop us a line, won't you? Or phone YARds 7-1220.

We take a great deal of pride in knowing and doing business with so many fine people in "Live Stock Territory", and in the respect they have for the famous old Bank at the Chicago Stock Yards Gate.



*The*  
**LIVE STOCK**  
*National BANK of Chicago*

4150 South Halsted Street, Chicago, Ill.  
Member Federal Deposit Insurance Corporation

SERVING AGRICULTURE AND INDUSTRY  
FOR OVER NINETY YEARS

*Northwestern Banker, March, 1962*



**INTERIOR VIEW** of the newly remodeled interior of the old Bankers Trust Company lobby is shown at left. This portion of the bank now houses the commercial loan and correspondent

departments. At center is the new office for the installment loan department on the second floor. At right is the trust department.

## ***Bankers Trust Holds Opening In Beautiful New Quarters***

**O**VER 300 bankers and their wives came to Des Moines last month from some 62 cities and towns around Iowa to attend a special open house at the beautiful new home of the Bankers Trust Company.

Construction of the new bank building was started in 1959 and completed in late 1961. Guests had an opportunity to tour the various departments of the bank after registering in the striking lobby of the main banking floor (shown on the front cover). Extending a half city block with entrances at the front and rear the lobby represents the functional styling and good taste to be found throughout the

bank. The floor is Italian terrazzo, and the colorful panel wall is a screen of birch, redwood and mahogany, containing plaques indicating the bank's many diversified services. Individual customer counters of different heights are a unique feature.

J. W. Hubbell, chairman of the board, acted as "master of ceremonies" at a special social hour and banquet, held for the bank's guests at Hotel Savery. Scott C. Pidgeon, president, gave a brief history of the bank, explaining that it was organized in 1917, and originally located at Fifth and Walnut. In 1919, the bank moved to its present location at Sixth and

Special guests included: Mrs. B. F. Kauffman, wife of the bank's first president; Clay Stafford, state superintendent of banking; M. L. Abrahamson, treasurer of Iowa; city officials and directors of the bank.

Cyrus D. Kirk, vice president in charge of the correspondent banking department, aided by his associate, Homer R. Jensen, assistant vice president, made the arrangements for out-of-town guests. The new correspondent banking department, located on the first floor off the main lobby of the new building, was included as a part of the tour.

Growth of the bank has continued

### **ON THE COVER**

J. W. Hubbell, chairman of the board of the Bankers Trust Company, is shown on the front cover with the modernistic main lobby in the bank's new building.



**LEFT:** From left: **Robert K. Popple**, v.p., Bkrs. Tr. Co., Des Moines; **Ben E. Summerwill**, v.p., Iowa St. Bk. & Tr., Iowa City. **RIGHT:** **Homer Jensen**, a.v.p., Bkrs. Tr. Co., Des Moines;

**Ernest A. Kenny**, v.p., Burlington Bk. & Tr.; **T. H. Swiler**, v.p. & cash., Burlington Bk. & Tr. Co.; **W. H. Swiler**, pres., Burlington Bk. & Tr., and **Crawford C. Hubbell**, Bkrs. Tr. Co., D.M.

*Northwestern Banker, March, 1962*





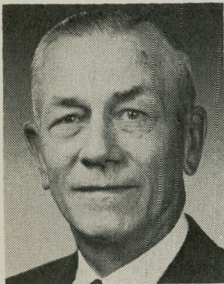
LEFT: From left: **Scott C. Pidgeon**, pres., Bkrs. Tr. Co., Des Moines; **R. J. Swanson**, pres., Citizens St., Clarinda; **John B. Monahan**, v.p., Bkrs. Tr. Co., Des Moines. CENTER: **Milton F. Darr, Jr.**, exec. v.p., LaSalle Natl., Chicago; **Mrs. Darr**; **James**

**W. Hubbell**, chm., Bkrs. Tr. Co., Des Moines. RIGHT: **L. M. Lanning**, v.p., City St., Madrid; **E. W. Morgan**, exec. v.p., Commercial Natl. Bk. & Tr., Knoxville; **Cy Kirk**, v.p., Bkrs. Tr. Co., Des Moines.

over the years, and at year-end deposits were listed at \$89,958,000. Offices are maintained by the bank in Grimes and Windsor Heights. A quarter block parking lot, located at the rear entrance of the new building in downtown Des Moines, is operated by the bank.

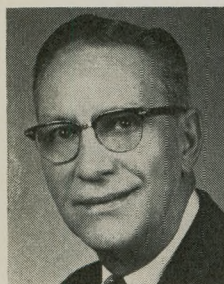
**Muscatine**

F. Warren Allen, vice president of the Muscatine Bank & Trust Company, has been elected president to succeed the late Byron L. McKee.

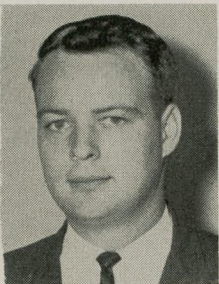


F. W. ALLEN

The bank has also announced five other executive promotions. Harold Lemkau, from assistant vice president and cashier to executive vice



H. E. LEMKAU



G. D. NELSON

president; Carl Spaeth, vice president; George Springborn, from assistant vice president and trust officer to vice president and trust officer; Richard A. Schultz, from assistant vice president to assistant vice president and cashier, and Gerald D. Nelson, from assistant cashier to assistant vice president and manager of the installment loan department.



Advantages of this Drovers Shipper's Order will be gladly explained to Iowa bankers by **Bernard D. Miller** (above), assistant vice president.

Form 40  
**DROVERS NATIONAL BANK** MEMBER  
 ORIGINAL UNION STOCK YARDS, CHICAGO, ILL. July 4 19 60  
 WE HAVE RECEIVED FOR YOUR CREDIT \$ 5,000. DEPOSITED BY Your Farmer Shipper  
 Commission Company  
**NOT NEGOTIABLE**  
 Name of Your Bank BANK  
 Anywhere, Iowa  
 NOTICE: THIS ADVICE TO BE VOID MUST BEAR THE RECEIVING SIGNATURE OF YOUR BANK. ALL CLAIMS FOR CREDIT MUST BE SETTLED SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS ADVICE.  
 PLEASE WRITE PLAINLY WITHIN THE CIRCLE

**IMMEDIATE CREDIT**

*on Livestock Proceeds*

Your customers can save time and effort by having Drovers collect the net proceeds from their livestock sales and transfer them to their accounts in *your* bank.

Within minutes after the sale is completed, a Drovers "Yellow Boy" is on its way to you . . . making the funds available to your customer from one to three days earlier than usual.

Be sure your livestock customers enjoy this faster, more dependable service. Have them fill out a Drovers Shipper's Order. We'll gladly send a supply. Write Bernie Miller today at:

*The Drovers Banks*

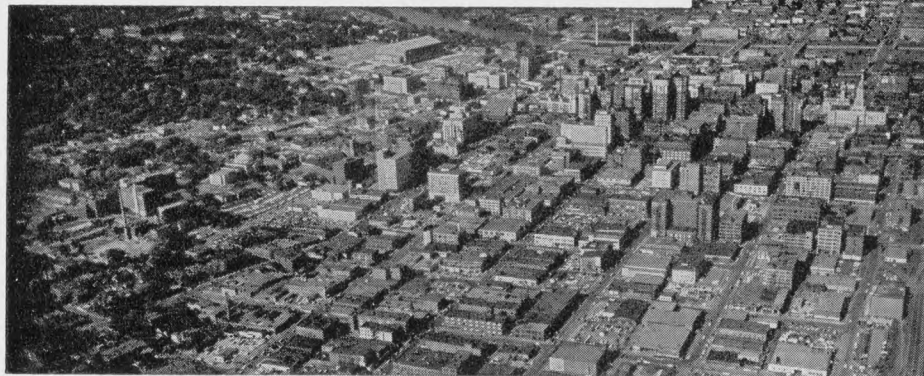
Drovers National Bank • Drovers Trust & Savings Bank

**UNION STOCK YARDS, CHICAGO 9, ILLINOIS**

MEMBERS, FEDERAL DEPOSIT INSURANCE CORPORATION



# Des Moines News



## American Institute of Banking

**A**CANASTA and bridge party for AIB women has been planned for March 12 at the Elks Club.

The Annual High School Relations Day is set for March 22. Five seniors from each of the Des Moines high schools will visit one of five banks during the day. Participating banks are the Bankers Trust Company, Capital City State Bank, Central National Bank and Trust, Iowa-Des Moines National and the Valley Bank and Trust. A banquet is to be held at 6 p.m. at the Hotel Kirkwood and all AIB members are urged to attend.

The monthly speech club meeting for March is to be at 6:30 p.m., March 26, at Younkers, these announcements being made by Mary Hiddleston, Iowa-Des Moines National.

\* \* \*

**Robert Perkins**, 65, head teller until his retirement in September, died last month. Well known to all at the bank, his passing was noted with regret throughout the various departments. He had been with the bank 45 years.

**Larry Chamberlin**, comptroller, discussed "Revolution in Bank Accounting" before members of the Des Moines Chapter, National Association of Accountants at their recent monthly technical meeting.

**Robert A. Krane**, business development department, was a speaker at

last month's "Career Conference" at the State University of Iowa, Iowa City.

\* \* \*

## National Bank of Des Moines

**C. Robert Brenton**, Dallas Center, president of Brenton Bros., Inc., has been elected a director of the bank.

\* \* \*

## Northwest Des Moines National

**Richard Toon**, formerly sales manager in Des Moines (10 years) for the American Republic Insurance Company and most recently a real estate broker, has been elected an assistant cashier.

\* \* \*

## South Des Moines National

**Carma J. Overmeyer**, with the bank since its opening in May of 1958, has been elected assistant cashier.

\* \* \*

## Valley Bank and Trust Company

**J. Locke Macomber**, vice president and trust officer, Valley Bank and Trust Company, recently announced that the bank had contributed \$53,800 of its 1961 profits to the Valley Bank Profit Sharing Trust Fund. The announcement was made at a coffee for directors, officers and employees held in the bank lobby after banking hours.

The profit sharing plan was established in 1949 with an initial contribution of \$18,000. The bank has now contributed a total of \$460,800, including the 1961 contribution which was

the largest to date. On December 31, 1961, \$86,000 had been distributed to former employees and their beneficiaries, and the market value of assets in the fund was \$565,714. Seventy-three employees are members of the bank's profit sharing plan, but employees make no contribution to the fund.

Mr. Macomber attended last month's Mid-Winter Trust Conference in New York City.

## Perry

**Thomas R. Smith**, executive vice president of the First National Bank, has been named "Boss of the Year" by the Perry Junior Chamber of Commerce.

## Riceville

**Russell L. Noble** has been named assistant cashier of the Riceville State Bank, according to Paul Bringgold, president.

Mr. Noble, 36, has had seven years' banking experience. He was raised on a farm, and is presently engaged in cattle feeding.

## Richland

**Fay B. Schultz**, cashier of the Union State Bank, has been named president of the bank, succeeding Mrs. Helen B. Jones of Ottumwa. Mr. Jones will remain as a member of the board. Ralph Steel was promoted from assistant cashier to cashier.

## Rockford

The First State Bank has moved into its new modern banking home, according to T. Edw. Batty, president.

The new structure is a one-story brick, 76 by 41 feet. A drive-up window is located on the west side of the building. There is also a night depository.

The interior features a spacious lobby with five teller windows; and officers' area, and two private offices. The walls are paneled with walnut.

## Ruthven

The Ruthven State Bank has moved into its new glass front brick building, two blocks south of the former structure, which was occupied for 65 years. The interior contains walnut paneling, and new furniture has been installed. John Keeline of Cherokee is president. William Brennan is cashier.

## St. Ansgar

**Donal R. Halvorson**, executive vice president, reports that total footings of the St. Ansgar Citizens State Bank reached an all-time high of over \$4 million at year-end. Capital was increased from \$75,000 to \$125,000, making total capital structure of over \$320,000.

*"Strong friend of the Independent Banker!"*

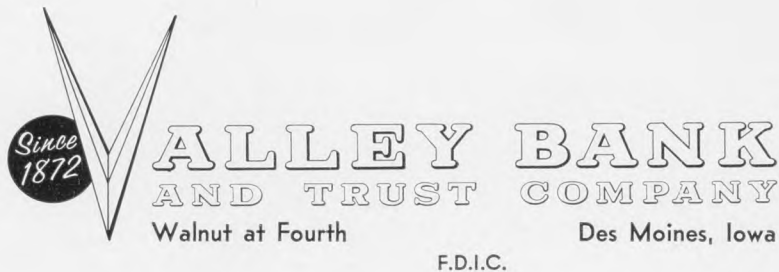
**Federal 3-5411**

**The MARQUETTE National BANK**  
OF MINNEAPOLIS  
*Seventh at Marquette*

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



NEARLY A  
**SINCE**  
 CENTURY OF SERVICE  
**1872**  
 TO THE BANKS AND  
 PUBLIC OF IOWA



## Make Savings Bond Report



**FEATURED** on the "Freedom Bond Drive" program were, from left: **H. L. Ollenburg**, pres., Hancock Co. Natl., Garner; **Elmer L. Rustad**, national sales director, U. S. Savings Bonds, Washington, D. C.; and **Marvin M. Schmidt**, volunteer state chairman, U. S. Savings Bonds, Des Moines.

**R**EPRESENTING Iowa bankers at a nation-wide meeting of volunteer savings bonds workers in Washington, D. C., recently were Charles H. Walcott, president of the Iowa Bankers Association and president of Security National Bank, Sioux City, and Herb L. Ollenburg, president of Hancock County National Bank at Garner. They were part of a large group from Iowa at the conference.

At a later meeting in Des Moines of

volunteer workers from all of Iowa's 99 counties, Mr. Ollenburg gave reports on two talks delivered at the national meeting. Marvin M. Schmidt, volunteer state chairman, said Iowa's quota for the Freedom Bond Drive has been set at \$78,104,000. The drive will be held during May and June, with all sales the first six months counting in the quota. January sales accounted for \$15,023,967 or 19 per cent of the quota.

### Sibley

The Iowa Business Investment Corporation of Storm Lake has announced the purchase of the controlling interest in the Sibley State Bank. Present officers will continue to manage the bank.

The bank has resources of more than \$4 million, and its officers include Chairman R. M. Yappen and President Fred Folkers. Property was recently purchased by the bank at Eighth Street and Fourth Avenue for possible use in constructing a new building.

The investment firm is headed by President Wendell Pendleton of Storm

Lake. His firm also made a substantial investment in Pioneer Finance Company of Lincoln, Neb. The firm also owns Hunter Industries, a bed manufacturing concern in Des Moines.

### Sheldon

Clifford Vander Wilt was promoted from assistant cashier to cashier of the Citizens State Bank, according to Keith Campbell, president. Mr. Vander Wilt joined the bank March 15, 1961.

### Stacyville

W. J. Schrandt, cashier of the Stacyville Savings Bank, has been elected

to the board of directors, increasing the number on the board to six.

The bank recently increased its capital from \$25,000 to \$50,000.

### Steamboat Rock

Annual meeting for the Farmers Savings Bank was postponed one week this year due to the funeral of the great granddaughter of the president of the bank. The child was fatally injured in an auto accident.

### Stockport

Jo S. Stong has been named vice president to replace Craig Ruby, who has retired.

Harold H. Johnson, manager of the Van Buren County ASC office at Keosauqua, has been named a new director, taking the place of Craig Ruby on the board.

### Tabor

Glen P. Weatherhead has been elected vice president of The First State Bank, succeeding C. M. Rodman, retired. Mr. Rodman will remain on the board of directors.

### Vinton

Alfred A. Happel, vice president and cashier of the Benton County Bank and Trust Company, has been elected to the board of directors.

### Waterville

Plans are being made for the Farmers and Merchants Savings Bank to move to Waukon in accordance with the approval granted by the state superintendent of banking. An office will be maintained in Waterville.

A location for the new bank in Waukon is being determined, and building plans will be announced within the near future.

### Walnut

Mrs. Marie Mertz has been elected to the board of the Walnut State Bank, replacing the late Frank P. Brennan.

### Wellsburg

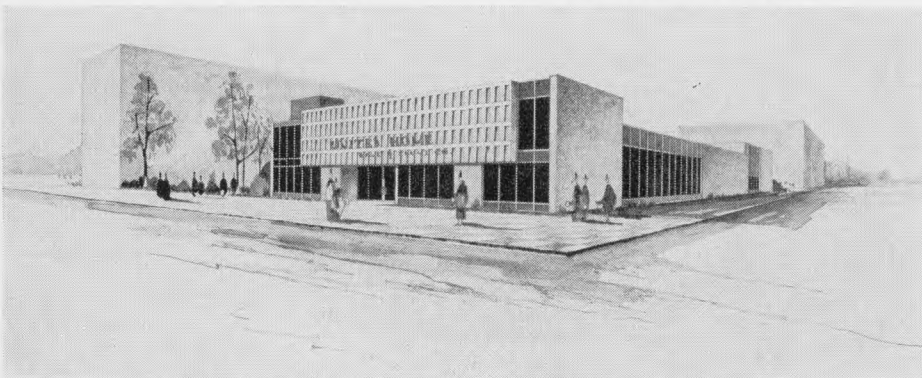
Simon Snittjer has been elected a member of the board of the Peoples Savings Bank, replacing Evert Boyenga of Cleves.

### Wilton Junction

John S. Zdyhncac has been promoted from assistant vice president to executive vice president of the Wilton Savings Bank, according to Harold G. Nicolaus, president.

Gale Nelson has been named as a new director, replacing the late A. J. Wacker.

## New Building For Mason City



**ARCHITECT'S SKETCH** of new building planned in Mason City.

**A** NEW bank building for Mason City in 1962 was announced recently by R. H. Isensee, president of the United Home Bank & Trust Company.

Construction will start about April 1 on a site at West State and Washington Streets. It will face Central Park and be ready for occupancy in December.

Northwestern Banker, March, 1962



**GROUP 1 . . .**

(Continued from page 104)

Dr. Butz advised that one of the great challenges facing Americans is to see that the economy is not dominated by government and that government helps rather than displaces private enterprise.

Tilford C. Gaines, vice president, First National Bank of Chicago, spoke on the topic "Bank Portfolio Management," explaining how to improve bank income consistent with liquidity and safety. He suggested that each bank should chart movements of their demand and time deposits, as well as of their various types of loans. Such an analysis, he said, would help to provide ample money for liquidity and aid them in placing the balance of their investment funds in more profitable channels. He warned that the payment of 4 per cent on time money should have no bearing on proper handling of an investment portfolio, and that banks should not get themselves involved in frozen portfolios.

Charles H. Wolcott, president of the Iowa Bankers Association and president of the Security National Bank, Sioux City, urged all banks to have adequate internal audit procedures.

"Be constructive with your lending," he advised. "Make your decision on whether you want to pay the increased permissive rate on savings and time money based on sound judgment and a careful analysis of whether you can afford it."

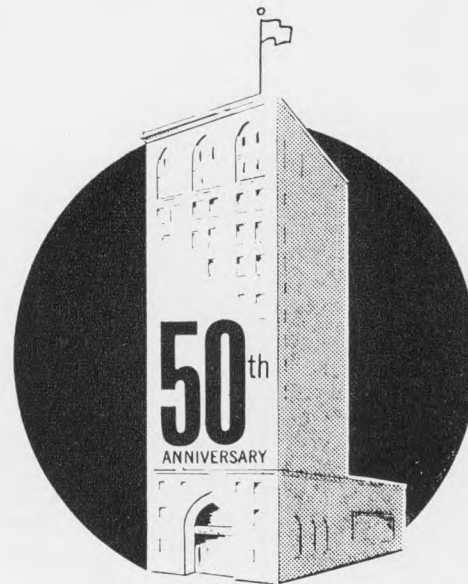
H. P. Knuth, chairman of Group I and president of the Holstein State Bank, presided over the afternoon session. Clay Stafford, state superintendent of banking, appeared on the program, suggesting that the legislature should give the banking board authority to adjust salary ceilings and to establish a retirement plan for examiners. Frank Warner, secretary of the IBA, also addressed the meeting.

Joe H. Gronstal, president of the Carroll County State Bank, made a special appearance on the program for the purpose of describing the important work being done by the National Association of State Bank Supervisors. He suggested that each bank give serious consideration toward becoming an associate member. The organization advocates removing the Comptroller of the Currency from the board of the Federal Deposit Insurance Corporation. The comptroller's office has indicated approving branches for national banks and bypassing state jurisdiction.

# WE'RE CELEBRATING

FIFTY YEARS of cooperation with correspondent banks. During this time we have freely put our banking experience and financial-industrial "know-how" at the disposal of bankers in the Tri-State Area.

May we begin . . . NOW  
. . . to do the same for you?



## American Trust and Savings Bank

DUBUQUE, IOWA

Member FDIC and FRS

SERVING THE NEEDS OF THE TRI-STATE AREA

# Observes 50th Anniversary



**OFFICIALS** of the Toy National Bank, Sioux City's oldest bank, gathered for refreshments at an open house last month to observe the bank's 50th year.

Left to right standing, are **Carleton C. Van Dyke**, president; **C. A. Johnson**, vice president and oldest employee in years of service; **Miss Sarah Kirby**, daughter of one of the original directors, **D. E. Kirby**, and **J. William Van Dyke**, chairman of the board. Pouring coffee is **Mary Lee Brown**.

The bank opened as the National Bank of Commerce under a charter issued February 12, 1912, and has served Siouxland without interruption since then. Name was changed in 1922 to the Toy National bank, in honor of the founder, **James F. Toy**, who founded his first bank at Storm Lake, Iowa, in 1873. The Toy is affiliated with the Farmers Loan and Trust Co., which at 79 years is Iowa's oldest trust company.

## Reveals 1961 Growth

The credit life division of the Investors Life Insurance Company of Iowa, Cedar Rapids, had \$15 million

of insurance in force at year-end, as compared to \$5 million a year earlier, according to Tommy Thomsen, vice president in charge of credit life.

## M. F. Kurt

M. F. Kurt, president of the Cascade State Bank, died last month. Survivors include his son, Robert E. Kurt, cashier of the bank.

## Sioux City Livestock Receipts Grow

Ray Rodene, president of the Sioux City Stock Yards Company, has reported that 4,015,979 head of livestock were sold in Sioux City in 1961, making the market the third largest in the nation. It trails the leader, Omaha, and second-place South St. Paul.

The Sioux City area has also gained as a meat slaughtering center, ranking third in the nation in this capacity.

## Lawler to Remodel

Vincent Kelley, president of the State Bank of Lawler, has announced plans for a complete interior remodeling job. The Kirk Gross Company of Waterloo is the contractor.

## 1961 Savings Bonds Sales Highest In Three Years

Savings Bond sales in 1961 were 4 per cent above the previous year and were the highest in the past three years. At the same time, redemptions were 10 per cent below 1960 and were the smallest in seven years.

Cash E and H sales totaled \$4,539 million during the past 12 months. Accrued interest on outstanding E bonds totaled \$1,293 million during 1961, bringing total investments for the year to \$5,832 million.

John B. Kimberley, regional director of the U. S. Savings Bonds Division of the Treasury Department, released the 1961 results and gave the following information for states in the NORTHWESTERN BANKER area. Figures are combined sales of Series E and H Bonds in thousands of dollars:

State	1961	1960
Colorado	\$ 37,726	\$ 34,570
Iowa	142,878	137,455
Minnesota	76,306	74,779
Montana	20,478	20,442
Nebraska	92,022	87,230
North Dakota	21,507	22,176
South Dakota	29,482	27,506
Wyoming	7,821	7,736

Effective January 2, a universal re-issue bond was put into use for all re-issue transactions, regardless of the issue dates of the bonds to be reissued. The use of this new item no longer requires Federal Reserve Banks and branches to maintain four separate designs (paper and punch card type) to handle transactions, including duplicates of bonds which have been lost, stolen, mutilated or destroyed.

## Record AIB Membership

The American Institute of Banking, educational section of the ABA, reported a total membership of 158,440 on January 1, 1962, with 64,572 enrollments in AIB classes.

## Correction

Total deposits for the Toy National Bank, Sioux City, as of December 31, were \$36,309,000, making the bank the seventh largest in Iowa. Figures were listed incorrectly in the last issue as being only \$33,309,000.

## BANK EXECUTIVES

"Leaders Choose Leaders"

**TOP MEN**—At every level know that Cadillac has the widest choice of the best available positions in the banking field—positions throughout the nation with growth organizations offering challenging work and top earning potential.

**LEADING BANKS**—Be they large or small, know that Cadillac's 35 year reputation has been built on effective confidential service to the employer looking for the right man.

**BOTH TOP MEN AND LEADING BANKS**—know that their confidence is well placed with the nation's largest executive and professional placement service.

*Whatever your requirements contact us in absolute confidence without obligation*

**ARVID D. JOHNSON**  
Personal Consultant to the Banking Field

**Cadillac Associates, Inc.**

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your Bank in the

**MIDLAND EMPIRE**

NEBRASKA MISSOURI  
KANSAS ST. JOSEPH

Since 1887

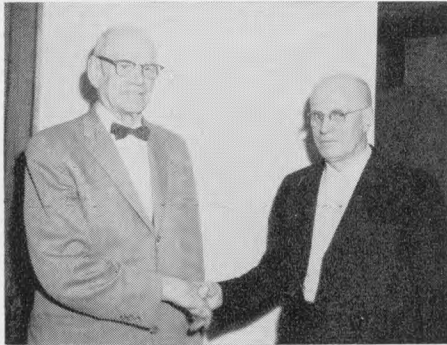
**THE AMERICAN**  
NATIONAL BANK  
ST. JOSEPH, MO.

MEMBER FEDERAL DEPOSIT INSURANCE CORP



**Brothers Manage Bank Together Since 1907**

Family combinations in banks around the nation are fairly common. Very few banking families, however, can equal the record set by two brothers, Frank and Art Lindquist.



**BROTHERS** Frank Lindquist, left, and Art Lindquist, Sr., active in Gowrie since 1907.

Working side by side at the First National Bank in Gowrie since 1907, Frank, age 82, serves as president, and Art, age 76, serves as cashier. Both men are active in the bank and in the community.

Cooperation in managing the bank's affairs has been the secret of their success for over 55 years. Their teamwork also permits them to take time off occasionally. For instance, Art managed the bank when Frank attended the Iowa Bankers Convention last fall. Frank returns the favor when his younger brother goes to Cedar Rapids to visit his son, Art Lindquist, Jr., vice president of the Merchants National Bank.

Next time you are in the Gowrie area, stop in for a visit. You will receive a cordial welcome, and Art will probably offer to take you next door and "trim" you in bowling!

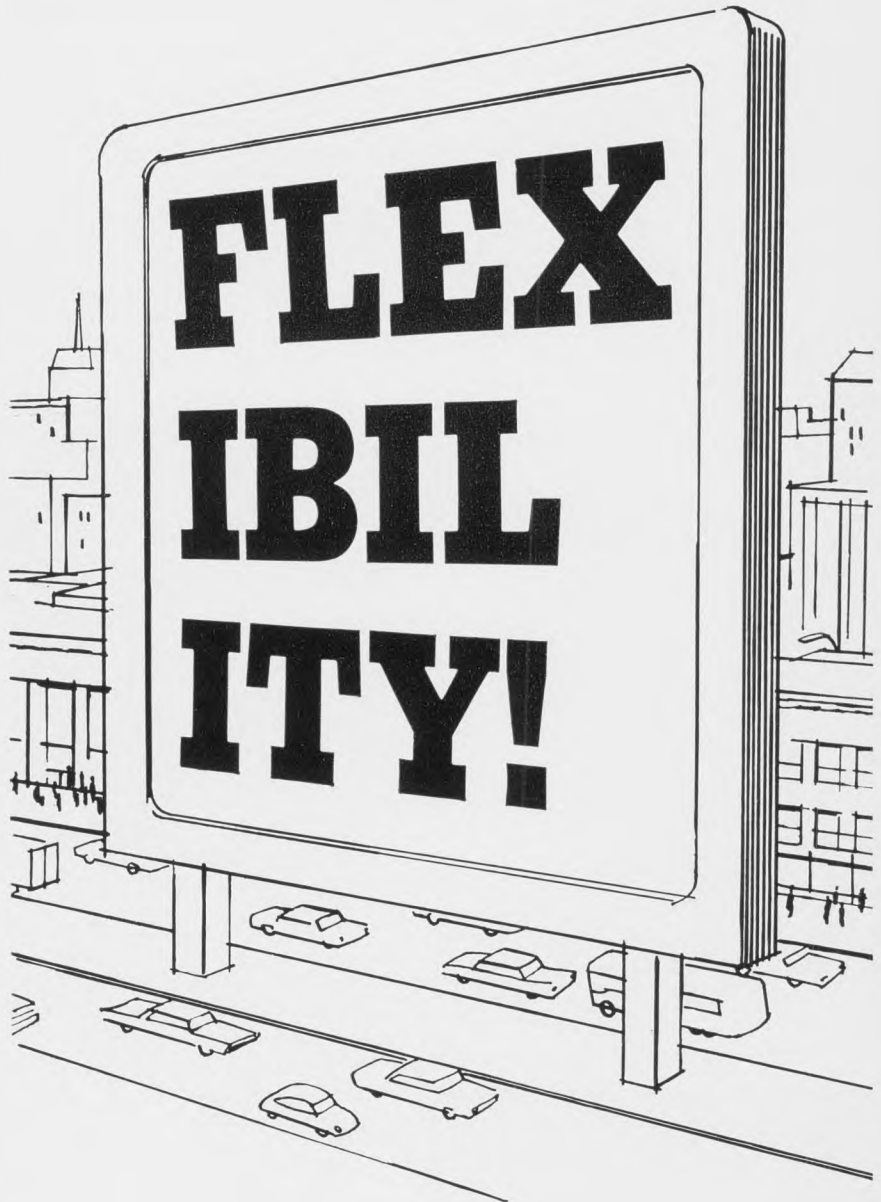
**Mrs. Gertrude Wiemer**

Mrs. Gertrude Wiemer, 78, president of the State Bank of Ledyard, died last month at her home in Ledyard.

Her son, W. E. Wiemer, is vice president and cashier of the Ledyard bank and vice president of the Swea City State Bank.

**CHECK**

**Kirk Gross Co**  
**BANK REMODELING**  
**Waterloo, Iowa**



When your customers' inventory can be converted into prime collateral, your bank gains new flexibility by extending loan services. Through field warehousing, St. Paul Terminal Warehouse provides Preferred Warehouse Receipts—the bonded collateral you need for credit extension, beyond open line limits. Loan profits increase because you are able to make more loans, and your inventory loans become more secure.

St. Paul Terminal's security, dependability and flexibility in field warehousing is unmatched. So keep the many benefits of this valuable service working for your bank . . . contact St. Paul Terminal today!



**ST. PAUL TERMINAL WAREHOUSE COMPANY**

*Offices in principal cities*

425 East 8th Street • St. Paul, Minnesota

**Northwestern Banker, March, 1962**

**WANT ADS**  
 Rates 20 cents per word per insertion. Minimum: 10 words.  
**NORTHWESTERN BANKER**  
 306 15th St., Des Moines, Iowa

**POSITION AVAILABLE**  
 Two Million Dollar Bank in Central Nebraska has opportunity for a second man. Must have a well rounded country bank experience. Opportunity for limited bank and insurance agency investment. Give education, experience, family and church background in first letter. Write BKC % NORTHWESTERN BANKER, 306 15th Street, Des Moines 9, Iowa.

**WANTED**  
 Young experienced sales-minded commercial loan officer to be president and managing officer of \$16,000,000 bank. Suburb to large midwest city. Salary open. Position to be filled immediately. Good opportunity, one that demands initiative and imagination. Only those with real enthusiasm and desire to work need apply. Write OZT, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, Iowa.

**HOLDUP PROTECTION**  
 One used Diebold delayed-action time lock safe, in very good condition. \$150. Strauss Lock Co., 711 Grand Ave., Des Moines 9, Iowa.

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

**KOCH BROTHERS**  
 PRINTERS  
 ESTABLISHED 1889  
 STATIONERS OFFICE OUTFITTERS BOOK BINDERS BUSINESS MACHINES  
 GRAND AVE. AT FOURTH DES MOINES, IA.

- OFFICE FORMS
- BOUND BOOKS
- CATALOGS
- RULED FORMS
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County and Municipal Supplies

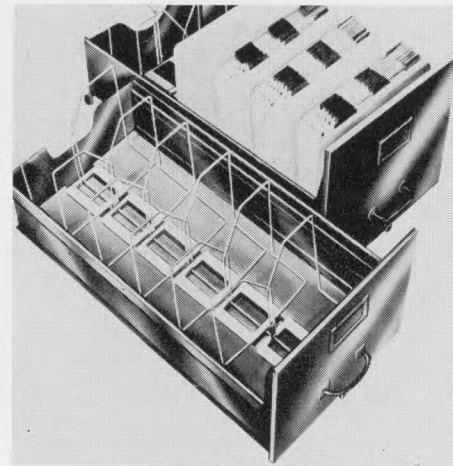
Northwestern Banker, March, 1962

# The Bankers' Market Place

A Page Telling What's New for Banks and Bankers

Each month the Bankers' Market Place will bring you listings of new products, specialty items, banking equipment, and gift items which will help you and your staff do a better job. This is the selection for this month.

**A** NEW filing drawer from the Cel-U-Dex Corporation, New Windsor, Newburgh, N. Y., eliminated the problem of filing stock certificates which, because of their shape and size, are difficult to file in an ordinary file drawer.



**NEW FILE UNIT**

Often there is a tendency for the certificates to slide down in the drawer, sometimes lodging under other certificates, sometimes becoming creased or dog-eared.

The Div-I-Dex filing units contain separate compartments, making it easy to locate certificates and keeping them upright and fresh looking. Elimination of the follower-block gains substantial space, one drawer in every four.

For information about Div-I-Dex and other materials and methods for increased efficiency in your bank, write the Cel-U-Dex Corporation.

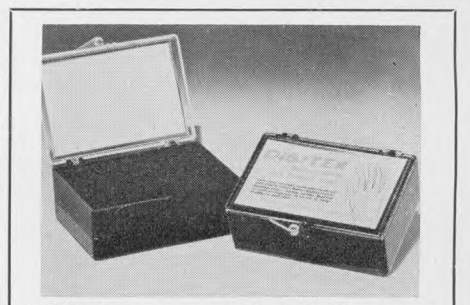
**A** SLIDING automatic door has been introduced by Horton Automatics, Inc., 121 Gibson Lane, Corpus Christi, Tex.

Outstanding feature of the door is that it provides architects with new possibilities in design. It is about one-third the cost of most swing-out type automatic doors and enable the architect to specify an automatic entrance even when the budget is limited. In addition, one door can be used as both entrance and exit.

Basically, the door consists of a rapidly opening sliding panel. In case of power failure, no pressure is left in the system and manual operation is restored.

**T**HREE new system coin trays that provide safe, economical and efficient coin handling and storage are being manufactured by Major Metal-faf, Inc., Chicago, 54, Ill. All three types of trays of one denomination stack and interlock with each other.

The three types are Dual Purpose, single layer, which holds both loose and wrapped coins; Rolled Coin, single layer, which holds specific amounts of rolled coin for stacking and storing; Extra Capacity, for rolled coin, which is a deep, large capacity box for storage. Slots are at each end for easy checking of contents.



**DIGITEX**, new, magical, invisible, finger-tipper makes it easy to count bills and coins, collate papers, riffle pages of newspapers or books. A boon in banks. Reduces "dip and count" motions. Cleanliness and cosmetic action appeals to women tellers, especially! Great for Bowlers, Golfers, and in other sports. Non-sticky, easy to wash or wipe off, leaves hands soft and smooth. In pretty plastic box, 3" x 2", 1" deep. \$1 a box, postpaid. 6 for \$5. CEL-U-DEX, NEW WINDSOR, NEWBURGH, N. Y.

SENT TO YOU AS A PUBLIC SERVICE

**1<sup>ST</sup> NATIONAL BANK**  
 JACKSON, MINNESOTA

**THE FARM PICTURE** for February, 1962

Four pages for 1962 can be made with more confidence than a year ago. Most price supports for the coming season are already known and the government machinery to handle them is already in operation.

Continued at the end of the program and before the year ends a complete issue by the National Bank of Commerce will be published. There will be more than 100 pages of information, including the latest in the program and its results. There will be more than 100 pages of information, including the latest in the program and its results. There will be more than 100 pages of information, including the latest in the program and its results.

**OUTSTANDING CHOICE OF OUTSTANDING BANKERS**

The bank newsletter for modern agriculture —providing an excellence of quality that elevates bank promotion to the full service level. Preferred by 8 out of 10 farmers because it helps with their "money matters."

**the FARM PICTURE** Dept. 43  
 P.O. Box 221  
 Urbana, Ill.



## Open London Branch

Continental Illinois National Bank and Trust Company opened its London branch March 1, David M. Kennedy, board chairman, said in Chicago.

Located at 58-60 Moorgate Street, a few minutes' walk from the Bank of England in the center of London's financial district, Continental's branch will offer full commercial banking services with complete deposit and lending facilities.

"The branch," Mr. Kennedy said, "will serve our American customers having plants, representatives, and investments in the United Kingdom or on the Continent, as well as our domestic and overseas correspondent banks.

"With the probability of the United Kingdom becoming a partner in the European Common Market, we expect London to become still more important as a financial center," Mr. Kennedy said.

## Low Foreclosure Rate In N.W. Banker Area

Delinquency rates on home mortgages continue to drift upward to new highs according to the 1961 National Delinquency Survey of the Mortgage Bankers Association of America.

While the total number of loans granted by the 400 reporting firms increased by 55,655, from a 1960 total of 2,742,961 to a 1961 total of 2,798,616, total number of delinquencies increased by 27,638, from a 1960 total of 77,106 to a 1961 total of 94,744 (a delinquency percentage rise of 2.81 in 1960 to 3.10 in 1961). The total number of in-foreclosures in 1961 totaled 8,106.

Iowa, Nebraska, North Dakota, South Dakota, Minnesota and Texas reported the lowest ratio of in-foreclosures in the nation.

## Booklet On Money

Nearly 5,000,000 copies of the Foundation for Commercial Banks' 12-page, full-color booklet, entitled "How to Make the Most of Your Money," have already been ordered by 1,600 commercial banks from every state of the Union.

The booklet will be published as a removable insert in the March 17 issue of The Saturday Evening Post, through which approximately 7,000,000 copies will be added to the local distribution.

Banks are planning to distribute the booklet as statement enclosures to paid-up time credit customers, as pick-up pieces in lobbies, as advertising write-in items and in many other ways.

## 50th ANNUAL FINANCIAL STATEMENT

# EMPLOYERS MUTUAL CASUALTY COMPANY

Home Office

210 Seventh Street

Des Moines

## Condensed Statement as of December 31, 1961

### DIRECTORS

JOHN F. HYNES  
Chairman of the Board  
Des Moines, Iowa

JOHN W. GUNN  
President, Treasurer  
Des Moines, Iowa

M. J. WILKINSON  
Exec. Vice-President  
Des Moines, Iowa

ROBB B. KELLEY  
Vice-Pres., Secretary  
Des Moines, Iowa

W. Z. PROCTOR  
General Counsel  
Des Moines, Iowa

W. J. HYNES  
Claims Counsel  
Des Moines, Iowa

F. E. BELLAMY  
President, Concrete Materials  
Div., American Marietta Co.  
Cedar Rapids, Iowa

E. C. BOOTH  
Secretary-Treasurer  
Lenox Industries, Inc.  
Marshalltown, Iowa

W. HAROLD BRENTON  
Pres., Brenton Companies  
Des Moines, Iowa

HJALMAR HJERMSTAD  
Pres., Citizens Fund  
Red Wing, Minn.

GEORGE A. MORRELL  
Former Director,  
John Morrell & Co.  
Ottumwa, Iowa

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

JOHN D. STODDARD  
President  
Stoddard Development Co.  
Des Moines, Iowa

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

R. W. WOOD, M.D.  
Director  
Newton National Bank  
Newton, Iowa

### ASSETS

Bonds .....	\$39,356,095.68
No bonds owned by the Company have ever been in default either as to interest or principal.	
Stocks—Market Value .....	10,163,212.00
Mortgage Loans—FHA Insured ....	381,085.92
Real Estate—Home and Branch Office Buildings .....	1,551,902.04
Cash in Banks .....	3,230,726.89
Premiums Receivable—not past due	4,202,169.50
Interest Accrued and Other Assets	1,152,748.62
<b>Total Admitted Assets .....</b>	<b>\$60,037,940.65</b>

### RESERVES

Reserve for Claims .....	\$23,016,318.00
Funds set aside to pay all incurred losses.	
Reserve for Unearned Premiums ....	19,035,797.14
Funds set aside to return to every policyholder the unearned premium in event of cancellation.	
Reserve for Taxes .....	1,363,682.62
State and Federal Taxes.	
All Other Reserves .....	1,605,010.09
Included in this reserve is a sufficient amount to pay 1961 dividends on all participating policies.	
<b>Total Reserves .....</b>	<b>\$45,020,807.85</b>
Guaranty Fund .....	\$ 750,000.00
Reserve for Contingencies .....	1,250,000.00
Reserve for Security Fluctuations .....	500,000.00
UNASSIGNED SURPLUS .....	12,517,132.80
<b>Total .....</b>	<b>15,017,132.80</b>
<b>Total Reserves .....</b>	<b>\$60,037,940.65</b>

### BRANCH OFFICES

Albuquerque, N. M. • Alliance, Neb. • Austin, Texas • Charlotte, N. C.  
 • Chicago, Ill. • Dallas, Texas • Denver, Colo. • Des Moines, Iowa •  
 Detroit, Mich. • Houston, Texas • Jefferson City, Mo. • Kansas City,  
 Mo. • Lansing, Mich. • Little Rock, Ark. • Merriam, Kans. • Mil-  
 waukee, Wis. • Minneapolis, Minn. • Omaha, Neb. • Philadelphia, Pa. •  
 Phoenix, Ariz. • St. Louis, Mo. • San Antonio, Texas • Sioux City, Iowa  
 • Springfield, Mo. • Vancouver, B. C. • Wichita, Kans.

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



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

## A NATIONAL INSTITUTION



# In the DIRECTORS' ROOM



### Patience Personified

Father (wheeling howling baby): Easy now, Danny. Keep calm. Steady there, Danny. It's okay, Danny boy.  
 Passerby: My, you're patient with



that child. What's the matter with little Danny?

Father: He's Christopher. I'm Danny.

### Stop Counting

Man (to friend): It sure is tough growing old alone. My wife hasn't had a birthday in six years.

### Big Improvement

You'll have to admit that today's short skirts make men look better.

### Weight a While

Woman: I can't stand my husband. He makes me so nervous I'm losing weight.

Friend: Why don't you leave him?  
 Woman: I will as soon as I get down to 120 pounds.

### Everybody's Problem

Why is there never enough time to do the job right, but always enough time to do it over?

### Time Ran Out

"I met my husband at a travel bureau. I was looking for a vacation spot and he was the last resort."

### Ask a Stupid Question . . .

"What's this fly doing in my soup?" inquired the business man who was getting more irritated by the minute.

"The waiter came back, stood a minute looking into the soup bowl: "Looks like the back stroke to me."

### A Wise Mother

Mother-of-the-House to Teenage Baby Sitter: We'll put the baby in her bed right here beside the refrigerator so you can keep an eye on her.

### "TGIF"

Teacher: This makes five times I have punished you this week. Now, Tommy, what have you to say?

Tommy: Thank goodness it's Friday.

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## “We’ve modernized our bank . . . and our bank services”

— says Mr. Eugene Elkins (standing), Vice-President and Cashier of The State Bank of Dixon, Dixon, Missouri. “We take great pride in being able to offer our customers the most modern facilities for their banking needs.”

Mr. Price Prewett (seated), Vice-President, reports that the modernization and additional services have “increased business tremendously.”

“We feel one of the most important services was offering Central States Bank-Health Program to our checking account customers,” Mr. Prewett said. “By adopting the Bank-Health Plan, we have increased our revenue, acquired several new accounts, and greatly improved customer relations. For all of this, our bookkeeper spends only about an hour and forty-five minutes a month.”

**VIP\*** IN OVER 700 BANKS \**Voluntary Insurance Protection*

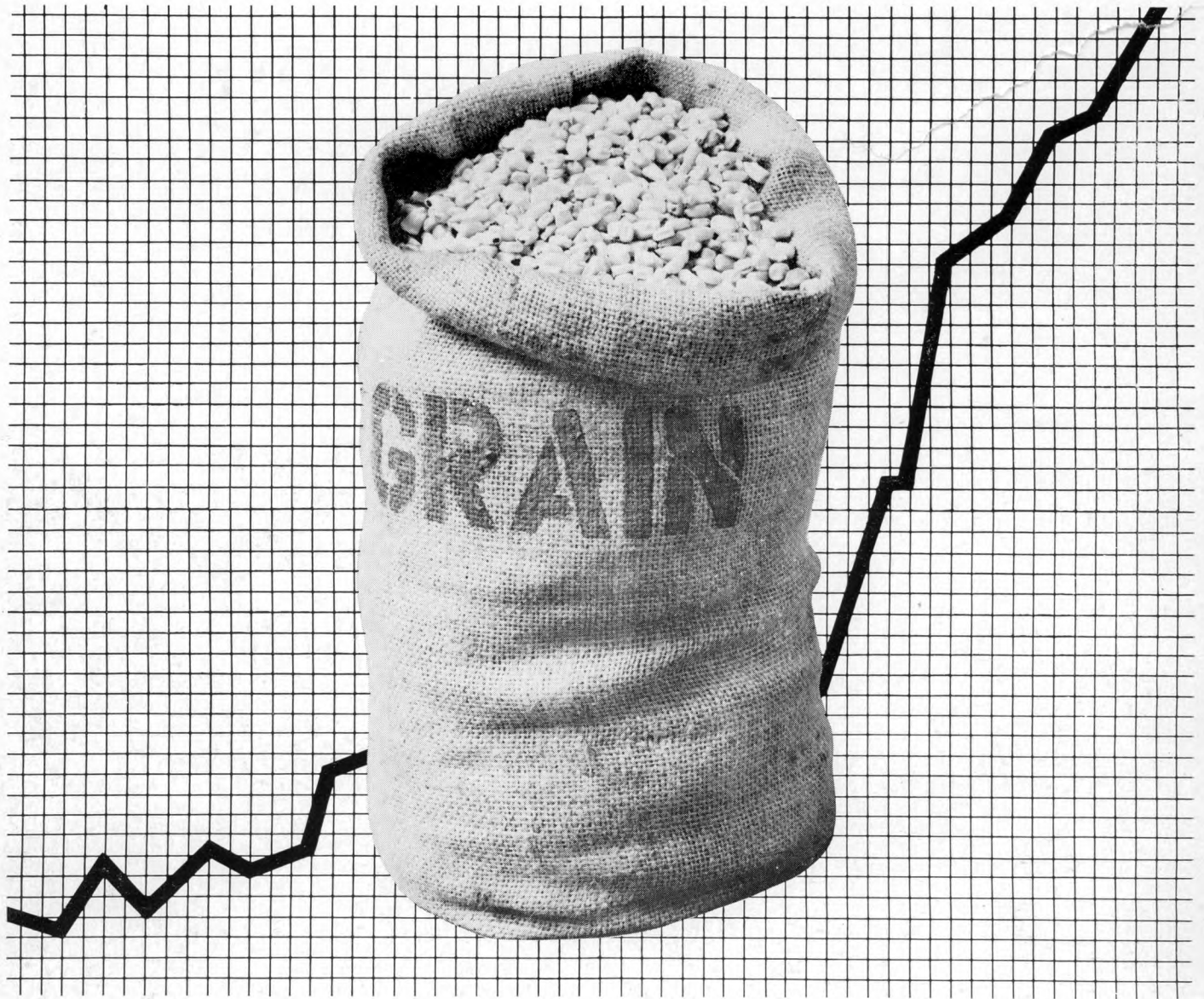


### **CENTRAL STATES HEALTH & LIFE CO. OF OMAHA**

**T. LESLIE KIZER, President**

**CENTRAL STATES INSURANCE BUILDING  
HOWARD AT 18TH STREET • OMAHA**

UNDERWRITERS OF CONSUMER CREDIT INSURANCE  
AND LIFE, HEALTH, ACCIDENT AND HOSPITAL  
INSURANCE THROUGH FINANCIAL INSTITUTIONS



## *Need help with increasing grain trade?*

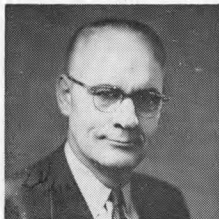
Helping out is part of our business. In fact, overline loans are just one of many, many specialized services the Iowa-Des Moines can offer your bank.

We can serve you as depository: Des Moines, located in the American Heartland, is a primary communications center, provides every facility for progressively faster transfer of funds everywhere in the U.S.

We can expedite your collections: our round-the-clock

transit operation makes for faster service. Float is minimized. Try our Direct Notification Plan for fast reporting on non-payment checks. Your special needs get extra special attention.

Grain drafts . . . credit information . . . commodity loans . . . purchase, sales and safekeeping of securities . . . trust and estate service . . . internal operations . . . Iowa-Des Moines offers complete banking service. These five men are here to help you get it. *Always a little faster.*



Jerry Nelson, Vice President



Geo. Harnagel, Ass't Cashier



Bob Bueneke, Ass't Cashier



Ben Elders, Ass't Cashier



John Hunt, Ass't Cashier

*We're here to help you get what you want*

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6th and Walnut, Des Moines 4, Iowa

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