

# COMMERCIAL WEST

*The Weekly News Magazine of*  
**FINANCE and INDUSTRY**

**33<sup>rd</sup>**  
**Year**

February 3, 1934

**10c**  
a copy

**Federal Backing Puts Farm  
Loans in Favor Again**

**Northwest Investors Gain  
Millions in Stocks**

**Manufacturers Are Swamped  
By New Orders**

**Washington Hears Talk of  
Big Gold Deal**

*Published Every Saturday at Minneapolis, Minn.*



## December 31, 1933, Statement Ready

Our year end financial statement by S. H. & Lee J. Wolfe of New York, auditors and actuaries, is just off the press. Interesting items are:

Cash, bonds and securities increased during the year from \$7,639,951.67 to \$13,517,806.45.

Capital surplus and reserves increased from \$6,233,947.95 to \$6,480,168.06.

Total resources increased from \$50,473,090.35 to \$54,514,850.26.

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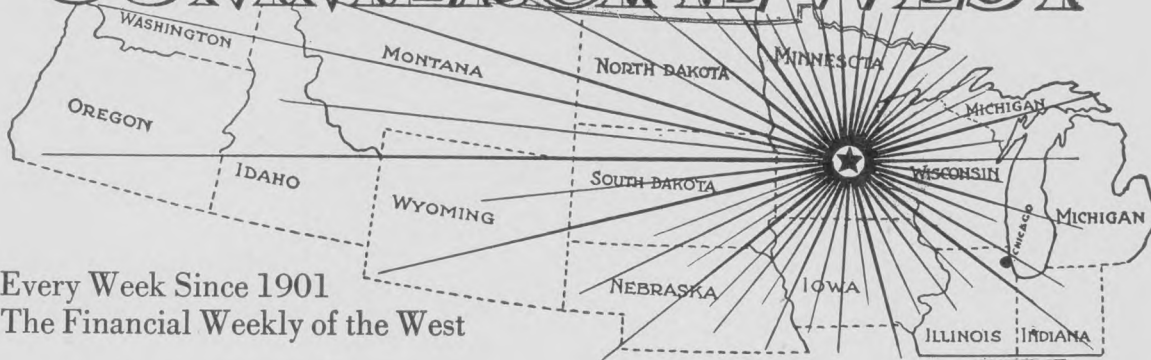
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# COMMERCIAL WEST



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The Financial Weekly of the West



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When doing business with our advertisers please mention the *Commercial West*.  
The influence of this old-established publication thoroughly permeates the business life and home habits of the Twin Cities and the Northwest.

Its readers are the real business leaders—the people of incomes and influence—chiefly in the great agricultural west.

Advertisers and subscribers, desiring information on Northwest activities, should address the editor.

# EDITORIAL

## *It's Becoming Persecution*

FEDERAL CONTROL of stock exchanges of the nation was proposed to Congress this week in the report of the special investigating committee.

One of the committee's recommendations says: "The specific practices of the market must be made reliable and clean, no matter what point of view is adopted with regard to the larger question."

It is doubtful if Congress could devise a set of rules for practices of the stock market that would be more stringent, or as clean, or as reliable as those now in effect by the New York Stock Exchange and followed by every legitimate brokerage house, investment dealer and minor stock exchange of the country.

Crusading against stock markets, grain markets, banks and investment houses is growing a bit tiresome, especially when, after the sifting is completed, nothing much is found but the echo of the publicized tirade.

Why continue to try to tear down the structure because some of the timbers were rotten. The faulty places have been repaired. Let's give those who are trying to live up to the law the opportunity to do so.

## *Morals Code for Politicians*

WHEN PRESIDENT ROOSEVELT gets through cleaning house in Washington the political fabric of this nation promises to be a whole lot whiter.

The President won't tolerate petty graft in the national capital. Men who think they can get deals through the White House or through Congress by party pull, are being told in no uncertain terms that it can't be done.

Because of the tremendous development of government enterprise and money expenditures through the recovery program wily politicians are charged with selling their influence back home.

The President will have none of it and the fact that it has been tried is starting him on a crusade that promises the clapping on of a lid, permanent and effective.

We commend the President for the strong hand he has raised against the practice.

## *Clean Them Out*

IT DOES NOT SEEM that man could fall so low as to traffic in the need of the unemployed through diversion of CWA money to their own pockets. But it is charged that they have, even here in our own Northwest.

There is no punishment too severe for such a person. He not only has betrayed his own trust, he has betrayed our President and all the people. He has gone further and tried to rob the workman of the opportunity to retain his manhood.

There is no room in CWA for grafters, chisellers and petty bribers and thieves. They must be cleaned out root and branch.

## *CWA Makes Good*

COMMERCIAL WEST was one of the first, if not the first, business publication in the country to propose the CWA plan of starting things going. It did that nearly two years ago when it stated that one of the best ways to relieve unemployment would be to put men at work by the use of local and federal funds. Money had to be raised to supply those on the relief rolls with food, clothing and shelter. Why not give them the opportunity to earn their way?

Since CWA came into existence Commercial West has pointed out effect of the new payrolls would soon be felt in trade channels and it would give the people a new outlook on recovery—it was something tangible.

This week we confirm that prediction on another page by evidence of rapid consumption of goods and merchandise. Twin Cities wholesalers report retailers' shelves growing bare and find manufacturers unable to supply the demand because of piled up orders from wholesalers.

The reaction has reached Washington. Congress is beginning to talk of carrying on with CWA until these workers are naturally absorbed by industry.

## *Breaking the Credit Jam*

NOW THAT CONGRESS, acceding to the wish of the President, has enacted a law guaranteeing principal as well as interest of the two billion farm mortgage refinancing bonds they should begin to circulate freely through insurance, farm mortgage company and banking channels.

Herein perhaps will be found the key log that has been holding the farm credit jam together. Once these bonds, now fully guaranteed by Uncle Sam, begin flowing into the channels of trade the farm mortgage should take its place again as one of the prime securities of the nation and frozen farm credit become a thing of the past.

Once farm credit is well thawed out this nation can consider itself out of the hole and all set to go to town.

## *An Old Refrain From Tibet*

HERE'S A REVIVAL of the old slant on keeping men at work. It is the antithesis of technocracy.

Sitting high on some pinnacle of the Himalayas in Tibet one Tarchin Baboo, the only newspaper editor in the "forbidden land," rises up to say: "Abolish wheels." Which is another way of saying junk machinery.

Strangely enough this far-away Tibetan editor not only is alone on the job in Tibet but he prints a paper which reaches out to cover the world in utterance. His journal, he says, is "the mirror of the new vicissitudes of every corner of this universe." And in it Tarchin Baboo deals with such weighty subjects as trade and commerce, international unemployment, finance, the fear of war.

In his psychology, however, of abolishing wheels

Tarchin Baboo is not alone. He has many supporters, even right here in the Twin Cities.

So Commercial West is constrained again to say that we can gain nothing by going back to the Medieval stick for a plow and ox for a beast of burden.

When we learn to produce only about as much as we can consume then we will have no trouble about unemployment and even technocracy may be desirable.

### Help Capital Goods Industry

AS WE SEE IT the chief thing to do now in the progress of the recovery program is to spend some of the new billions in a practical effort to get the capital goods industry going again. Here is the chief source of employment and the principal producer of purchasing power.

Once this industry gets under way it will absorb quickly into normal wage earners a large part of the millions now out of work and dependent either directly upon government or indirectly through the CWA.

### TWENTY-FIVE YEARS AGO

—from the Commercial West, January 30, 1908

State Bank of Lismore, Minn., will erect a new building in the spring.

Sherburne County State Bank of Big Lake, Minn., has taken over the entire business of the Security State of Sears, Roebuck & Co. report earnings of \$22,000,000 in their statement for the last six months.

Arthur W. Stevens has been appointed special Northwest representative for the New York bond house of Fisk & Robinson, with offices at 210 Security Bank building.

George H. Partridge of Wyman, Partridge & Co. has been elected president of the National Wholesale Dry Goods Association of America.

The First National Bank of St. Cloud, Minn., is the largest bank now in central Minnesota, having resources of \$1,000,000 since it took over the Stearns County State Bank. E. F. Moore is president; L. W. Collins, vice president; W. W. Smith, cashier; and L. P. Moos, assistant cashier.

There is no question but that Duluth is going to be a great shipping center of the Northwest.

The main topic at the fifth annual meeting of Group 1, Wisconsin Bankers Association, was postal savings. President W. C. Ribenack's speech before Group 1 is reprinted in this week's Commercial West.

There is a report in this week's issue of the meeting of the Minneapolis Credit Men's Association held last week.

Redfield National Bank, Redfield, S. D., has increased its capital stock from \$25,000 to \$50,000.

Farmers State, Elmore, Minn., opened for business on January 4.

The First National of Beaver Creek, Minn., has elected Charles Shade, president; J. S. Crawford, vice president; M. O. Page, cashier; and B. R. Page, assistant cashier.

William Frost has been elected vice president of the First National of Pipestone, Minn.

The Security State of Rugby, N. D., is a new bank with capital of \$20,000. O. T. Tofarud and N. I. Romness are promoters.

The Farmers State of Fulda and the First National have consolidated. The name of the new bank is the first National but the officers will be the same as the old Farmers State.

Work on the foundation of "The St. Paul," the new million dollar hotel in St. Paul, is progressing satisfactorily.

## THE BULL'S EYE

By the Sharpshooter

BUSINESS to be lasting must be mutually profitable.

A Scotchman, old, wise and successful in his business told me that once upon a time when, as a youngster in business, I was calling on him in behalf of my house.

It is an excellent rule to go by and to be applied by both seller and buyer.

The successful salesman uses it. He may not do it because he has analyzed the matter and decided upon it as a program. It may just come natural to him. And in that event he is all the more successful, because it is really a part of himself he is employing.

The old Scotchman's sentiment is logical.

Right now it is finding expression in NRA. The whole Roosevelt recovery program is built on that one thought. Mutual profit is the keystone.

And it goes much further than mutual profit between buyer and seller. It goes to all factors of production and distribution and includes the manufacturer, his employe, the wholesaler, the retailer and, finally, the consumer.

The manufacturer must realize that the man who sells him the raw materials must have a profit. In figuring his profit the maker must take into consideration the wage of the man who helps him make that profit and he must be fair with that wage earner.

The wholesaler must take the same things into consideration and so must the retailer when he fixes his profit that the consumer will have to pay. All the way down the line from raw materials producer to retailer there must be constant thought of the wage earner and the consumer, for they are one—the great mass of the people who, in the last analysis will pay for every step in production and distribution.

If the consumer, who is the wage earner, has not been receiving a fair share of the distribution of profits he will not have the purchasing power that will make those profits possible through the ability to buy in volume.

So much for the Scotchman's thought as to barter and trade.

The salesman should employ the thought assiduously. I remember one time going with a salesman who had been unable to obtain a much desired account. He wanted me to go with him to find out what was the matter.

The executive upon whom we called listened to the salesman's story of the merits of our product and, while he was kindly and courteous, I could see he was bored and anxious to get back to his work. He was not being sold on our product.

Back at the office I asked the young man what he knew about the prospect's business. It was little. I made him study it, look for its weaknesses in making and selling. We found some, one important one.

The young man went back to the prospect with an idea that would help the business. It was sound, it was adopted and we got that firm's account.

If we want lasting business and if we want lasting friendships we have got to be mutually helpful, one with another.

## Electric Service Helps Raise the Standards of Living



MODERN civilization represents essentially an attempt to break away from slavery, drudgery—and raise the standards of life. ♦ No other agency has contributed so much toward this march of progress as the service rendered by public utilities. ♦ Electricity is made from fuel or water power, and delivered instantaneously to you whenever you flick a switch. ♦ For a few pennies it will perform household tasks which without its help would take hours of hard work. ♦ In terms of convenience, labor-saving, and comfort, the value of electric service can hardly be calculated. One can only realize its worth by trying to think what our daily lives would be without it.

**Northern States Power Company**



## Marquette National Bank Minneapolis

## Coming Events

Regional meeting, Northwestern Shoe Retailers Assn. at Sioux City February 4-6.

Minnesota State Automobile Assn., annual meeting at Lowry hotel, St. Paul, February 6.

Better Banking Conference, Wisconsin Bankers Association, Pfister Hotel, Milwaukee, February 9.

Twin City Market Week in Minneapolis and St. Paul February 12-17.

Twelfth annual Northwest Drug Show held in connection with annual conventions of druggists associations of the Northwest at Minneapolis Municipal Auditorium, February 13-16.

Minnesota annual state poultry show at Minneapolis, January 18-21.

North Dakota seed grain show at Minot, February 21-23.

Group One, Wisconsin Bankers Association, at St. Paul, February 22 (Washington's birthday). Headquarters: Hotel St. Paul.

Iowa Association of Lumber and Building Materials Dealers annual convention at Des Moines, February 27-28.

Illinois Bankers Association annual convention at Springfield May 21-22.

South Dakota Retail Lumbermen's Association annual convention at Rapid City, June 13-14.

Wisconsin Bankers Association, state convention, Hotel Schroeder, Milwaukee, June 19-20.

Joint Convention, North Dakota and South Dakota Bankers Associations, at Deadwood, July 2-4.

## U. S. Cash Balance Jumps

Uncle Sam's cash balance went up to \$1,500,000,000 Wednesday as last week's \$1,000,000,000 borrowing was listed on the Treasury's daily accounting sheet. Exact cash on hand was \$1,489,063,000.

Tremendous prospective expenditures are expected to push the deficit of \$1,871,308,000 to more than \$7,000,000,000 by the end of the fiscal year and has necessitated keeping a large supply of cash on hand.

Government spending, including both routine and emergency, is nearly at the \$1,000,000,000 a month mark. In the first 29 days of January, (latest figures available) the expenditures stood at \$921,175,000 for the month and \$3,543,046,000 for the year.

This increased rate of spending put the deficit for the year at \$1,871,308,000, as compared with \$1,859,841,000 on the same date last year.

This was the first time the 1934 fiscal year deficit exceeded the corresponding 1933 figure without counting adjustments for sinking fund payments.

The public debt Wednesday stood at \$24,968,929,000, as against \$20,802,062,000 on the corresponding day last year.

In seeking winter furs, the wife sometimes thinks hubby is an animal—she skins him.



# Investors Reap Millions

*Advance in Northwest Stocks Enriches Shareholders*

Millions of dollars are being put into the pockets of investors of the Twin Cities and throughout the Northwest by the bull market of the new year.

Some of the chief leaders in gain of values are Archer-Daniels-Midland, Minneapolis-Honeywell, General Mills, Munsingwear, Minneapolis-Moline and the railroads.

Minneapolis-Honeywell, because of its fine earnings record in '33 has been an outstanding stock in appreciation. Low on that stock in 1933 was 13. It closed Wednesday at 51½.

Archer-Daniels, with a low of 9¼ in '33 closed Wednesday at 30. General Mills went from 35½ to 60.

Minneapolis-Moline, with a low of 7½ last year reached 5½ Wednesday and showed an especially strong gain in preferred, which jumped from 6 in 1933 to a high of 32½.

Great Northern Railway went from 4½ to 29½; Great Northern Ore from 5½ to 13½; Northern Pacific, from 9½ to 30½; Soo Line, from ¾ to 4.

Munsingwear jumped from 5 to 22½; National Tea from 6½ to 17½; Pillsbury Flour from 9½ to 22¼. Cream of Wheat climbed from 23 to 34½.

The following tabulation, showing number of shares outstanding at the end of 1933, close Wednesday and low in 1933, gives some idea of the gains made by investors in stocks traded largely in the Northwest. Quotations are those of the New York Stock Exchange and are for common stock:

| Firm               | Shares Outstanding | Close Jan. 31 | Low 1933 |
|--------------------|--------------------|---------------|----------|
| Archer-Daniels     | 549,000            | 30            | 9¾       |
| Mpls.-Honeywell    | 197,000            | 51½           | 13       |
| G. N. Ry.          | 2,495,000          | 29½           | 45       |
| G. N. Ore          | 1,500,000          | 13½           | 5½       |
| N. P. Ry.          | 2,479,000          | 30½           | 9½       |
| Soo Line           | 252,000            | 4             | ¾        |
| Minneapolis-Moline | 700,000            | 5½            | 7½       |
| Cream of Wheat     | 600,000            | 34½           | 23       |
| Munsingwear        | 150,000            | 22½           | 5        |
| National Tea       | 660,000            | 17½           | 6½       |
| General Mills      | 675,000            | 60            | 35½      |
| Pillsbury Flour    | 519,000            | 22¼           | 9¾       |

Reflection of the bull market is beginning to be felt on the Minneapolis-St. Paul Stock Exchange and trading over the week has been brisk. Quotations, however, have not shown the spurt evidenced by listings on the Big board.

Close Wednesday and low for 1933 on stocks actively traded on the local exchange are: Diamond Iron Works, close Wednesday, 2, low in 1933, 1; Gamble-Robinson, 30 and 21; Minnesota Mining & Mfg. 8½ and 4¾; Stott Briquetts, 3 and 2; Tri-State T. & T., 9½ and 7; Yoerg Brewing, 3 and 2½; First Bank Stock 8½ and 5½; N. W. Banco, 6 and 3¼.

There were also some fine gains in values of preferred stock held in the Northwest.

Archer-Daniels preferred rose from a low of 95 in '33 to a close of 110 Wed-

nesday and General Mills preferred went from 92½ to 106½.

Wednesday's close was higher in some instances than the July highs of 1933 but for the most part fairly close to them. With the general improvement in the business trend, and last quarter earnings of 1933 showing fine advances and some reports for the year coming through in much better shape than was expected, traders now are looking for the present upswing to go considerably beyond the advance of last summer.

## MARKET FOR N. W. CATTLE

Sale of 500,000 or more head of Northwest cattle in foreign countries, chiefly in Russia, is planned by a new national organization of which W. S. Moscrip, dairy leader of Minnesota, is a member of the board of directors.

The organization has been named the American Livestock Association and F. W. Harding of Chicago, secretary of the Shorthorn Breeders Association, has been elected president.

# Minn. County Debt Low

Four Minnesota counties (Carver, Goodhue, McLeod and Winona) have no debt.

Four have per capita debt of more than \$100.

All the remaining 79 have debt well under \$50.

This and much other interesting and valuable information about the financial situation of Minnesota counties is revealed by Rudolph S. Juran's 1933 analysis just completed.

In this comprehensive study, neatly and concisely arranged on one sheet with comparative figures for preceding years, Mr. Juran gives the per capita debt of every county and its overlapping debt, the ratio of debt to assessed valuation, also a comparative tax collection record for the last five years.

For instance, the analysis shows the average county per capita debt last year was only \$26, against \$31 in 1931, a \$5 per capita reduction in the county debt during this period. By using the 1930 census of the state of 2,566,445 people, Minnesota counties have paid off from their outstanding debt during the last two years approximately \$12,800,000. In addition to this the underlying municipalities also show a reduction of debt approximating \$4 per capita which, by again applying the state's census, shows an additional reduction of debt of roughly \$10,300,000. This makes a combined reduction of about \$23,100,000.

"In face of the worst depression in our history," says Mr. Juran, "this is a splendid record and should impress tax-free

## DU PONT EARNINGS UP

The pamphlet report of E. I. Du Pont de Nemours & Co. for 1933 shows earnings applicable to common stock of \$32,921,253, equal to \$3 a share, compared with \$19,769,394 or \$1.82 a share in 1932.

Net income from operations was \$24,358,201 compared with \$10,354,134 in the previous year. Income from investments was \$18,065,487, which includes \$5,565,214 income from marketable securities, investment in affiliated companies not wholly owned, and miscellaneous investments, and \$12,500,273 from investment in General Motors. In 1932 this income totaled \$16,948,295.

## PAYS EXTRA DIVIDEND

Checks in payment of a 5 per cent extra dividend were received this week by stockholders of the Homestake Oil Co. of Great Falls, Mont., which had previously paid \$1,104,236.98 in dividends.

The company, which operates producing leases in the Cat Creek field, is headed by E. B. Coolidge. LaRue Smith is vice president and A. D. Becker is secretary-treasurer. These, in addition to J. C. Peters and H. R. Eickemeyer, comprise the board of directors.

Snappy News—That's Commercial West

bond buyers all over the country with the fact that Minnesota is an unusually sound state, having the capacity to pay its debt even during such trying times as we have experienced the past few years.

"By virtue of this debt reduction in the counties, the average county percentage of debt to assessed valuation has been reduced from 7.31 per cent in 1931 to 5.69 per cent in 1933.

"The delinquency figures also are significant. By glancing at these one obtains a good idea as to which parts of the state came through the depression in the best shape."

The tax delinquency percentage ranges from Winona county's 4.25 per cent delinquency, the best collection record, as against Lake of the Woods county's 81.81 per cent, the largest delinquency figure in the report.

Average Minnesota county tax delinquency figures have increased from 6.77 per cent in 1929 to 26.33 per cent for 1933.

Mr. Juran advises Commercial West that a limited number of copies of the report are available and may be had by writing him care of Justus F. Lowe Co., First National-Soo Line building, Minneapolis.

Sweet Young Thing (driving through suburb): "Would you like to see where I was vaccinated?"

He (with enthusiasm): "Sure."

S. Y. T. (pointing toward house which they were passing): "Well, right in there."

# Two Marquettes in Merger

Directors of the Marquette National Bank and Marquette Trust Co. have agreed upon a plan for consolidating these two institutions under the name of the Marquette National Bank of Minneapolis. Meetings of the stockholders of these institutions will be called for February 28, at which time the consolidation agreement will be submitted for ratification. The consolidated institution will have capital, surplus, undivided profits and reserves of \$500,000 and deposits in excess of \$200,000.

Trust powers will be conferred upon the bank by the Federal Reserve Board, and the trust department, heretofore operated by the Marquette Trust Co., will continue to be operated by the Marquette National Bank, as will all other departments of the trust company.

Marquette Trust Co. was organized under the charter of a general building and loan association 45 years ago. It ceased to do a building and loan association business, however, in 1905 and thereafter performed the functions of a savings bank, only, until 12 years ago when it was converted into a trust company, continuing its savings deposit business and adding thereto all the usual functions of a trust company.

Marquette National Bank began business in November, 1920, under the name Payday National Bank. Its name was changed to Marquette National Bank in June, 1922, at which time it moved to its present quarters and came under its present management.

All officers and directors of both institutions will become officers and directors of the consolidated institution.

Ralph W. Manuel, president of the affiliated institutions, gave Commercial West the following statement concerning the consolidation:

"The consolidation of the Marquette Trust Co. and Marquette National Bank is taking place mainly because the old-fashioned set-up of a national bank and trust company under the same ownership and management has outlived its usefulness.

"At the time that these twin institutions were created all about this country, national banks were not permitted, under the law, to perform trust functions such as acting as executor and administrator of estates, guardian, trustee for trust funds and bond issues, etc.

"In order to offer the most complete service to the public it was, therefore, necessary to maintain two institutions, a national bank for the most efficient conduct of commercial banking business, and a state chartered trust company to perform trust functions and, usually, to conduct a savings deposit business.

"Since national banks are now permitted to operate savings departments, and the Federal Reserve Board is permitted to confer trust powers upon national banks there is no longer any occasion for maintaining this awkward

double-headed arrangement, and throughout the country these companion institutions are being consolidated under national bank charters.

"Some economies are effected, great inconvenience is eliminated, and more efficient service to the public is thereby rendered."

## Earnings Gain 25 Millions

An increase in net income for 1933 of more than 25 million dollars above 1932 was shown by four railroads in the Northwest.

The four are the St. Paul, Northern Pacific, Great Northern and Omaha roads.

The increases, with the exception of the Omaha line, are not reflections of drastic cuts in operating expenses, but resulted principally from increases in operating revenues. However, all the roads showed a decrease in operating expenses.

Three of the roads showed operating deficits in 1932, while all of them were out of the red ink figures at the end of 1933.

The increases in net income by roads are:

|                        |              |
|------------------------|--------------|
| Northern Pacific ..... | \$ 3,985,584 |
| St. Paul Railroad..... | 9,115,435    |
| Omaha .....            | 1,548,436    |
| Great Northern .....   | 10,519,675   |

Total .....

\$25,169,130

The Actress: "I don't wish to attract attention. I don't like publicity."

The Press Agent: "Great Stuff! We'll make a big story of this."—Goblin.

# Bryan Succeeds Zwickel

Silas M. Bryan, widely known in Minnesota Democratic and building and loan circles, has been appointed and taken over the duties of acting manager in Minneapolis of the United States bureau of foreign and domestic commerce. He succeeds E. M. Zwickel who will devote his entire time to the National Emergency Council.

Mr. Bryan's duties are those of cooperating with the business men of Minnesota and the two Dakotas in any problems relating to foreign trade.

Facilities of the bureau of foreign and domestic commerce are made available to all lines of business through this office, including information gathered by commercial attaches and trade commissioners in foreign countries, and all kinds of data regarding business. His office is at 215 Federal building.

Mr. Bryan is a graduate of the University of Nebraska and the Harvard law school and has practiced law in Minneapolis for a number of years. He has specialized on financial, building and loan and related subjects.

## SILVER COMING IN

Receipts of silver by the United States mints under the executive order of December 21, 1933, were 477 ounces for the week ending January 19. All of this was received by the Denver mint. Total receipts since the President's proclamation became effective have been 2,181 ounces, of which 1,789 ounces were received at Denver and 392 ounces at San Francisco.

## Shippers Hear Fitzgerald

At the annual meeting in Minneapolis Tuesday of Northwest Shippers Advisory Board A. A. D. Rahn of Minneapolis, vice president, Shevlin, Carpenter & Clarke Co., was elected general chairman, as successor to C. W. McDonnell of Bismarck, N. D.

Peter A. Lee of Grand Forks, secretary, Farmers' Grain Dealers Association of North Dakota, was named alternate general chairman.

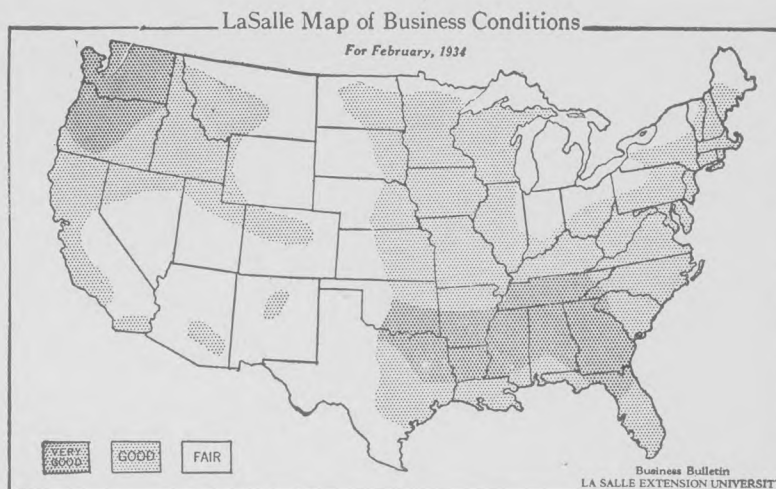
Martin F. Smith, Minneapolis general secretary, and James C. O'Connell, Minneapolis, were re-elected. Edward J. Fisher, Minneapolis, was named assistant general secretary, to succeed Herman Mueller, St. Paul.

John M. Fitzgerald, vice chairman, committee on public relations of Eastern railroads and executive vice president, Associated Traffic Clubs of America, was guest speaker at the luncheon. Covering the present-day position of the railroads Mr. Fitzgerald paid his respects to unfair competition of trucks and buses, government regulation, the tax burden, and sinking funds are out of the question on basis of present earnings, and made the point that if the country cannot support the railroads now under private ownership and present competitive conditions it cannot support them under government ownership.



SILAS M. BRYAN

# Manufacturers Swamped Again By Orders For Merchandise



*Nation's Business Map is Getting Better and Better*

Manufacturers are again unable to supply the demand for merchandise. The cycle is being completed. CWA money, corn, hog and wheat bonus cash and PWA money is on the way out of the country towns of the Northwest to wholesalers and manufacturers of the Twin Cities and the East.

Combining with a natural pickup in business which has taken hold where it left off last September, this pouring into the country of government recovery funds is giving an impetus to trade and industry all along the line.

Retailers' shelves are growing bare; they are piling orders on the wholesaler and he in turn is passing the good word on in orders to the manufacturer.

Already demands on manufacturers for goods have reached the point of last August when they began to accept orders only on an "if, when and as" basis.

Wholesalers this week tell Commercial West they are having the same trouble now. NRA, because of overproduction last fall following the piling up of goods when retailers were trying to get stocks ahead of the NRA price increases, put textile mills, shoe factories and other producers of merchandise on short production weeks. This inhibition is still on and manufacturers are unable to produce goods to fill present demands. Twin Cities wholesalers tell Commercial West that in some instances they cannot get merchandise needed now before next May.

In view of the situation, which probably is true over most of the United States, it is believed NRA will loosen up soon and permit mills to operate on a longer week.

Here is what leading Twin Cities

Traveling salesmen and business men of the Twin Cities, who have visited various sections of the Northwest over the past two weeks, bring back the same report—a complete change of sentiment. Country merchants, bankers and other business men in the smaller cities and towns all are busy and looking for continued improvement in the whole business situation.

wholesalers say concerning the improved situation:

Earl Partridge, president, Earl Partridge Co., general merchandise:

"Our chief problem now is to get goods from the manufacturers. We are back in the same predicament we were last summer when first effect of the NRA code was a speeding up of production. Result of that situation was overproduction which caused the NRA order to shorten the hours on textile mill operation. Now we find the markets have absorbed the overproduction and, handicapped by the short hours, are unable to produce the goods for which there now is an insistent demand. I have orders in now for clothing and underwear which I need immediately to fill orders from country districts of the Northwest which the mills tell me they will be unable to get out before next May. The increase in volume of our business in January was more than 100 per cent over that of January, 1933, and I look for February to show an even greater increase. Collections have not been so good but I find out from merchants that farmers are paying back taxes, interest at the bank, chattel mortgages and so on, letting the merchant carry the load, as he has always done. His turn will come, however, and then collections as well as orders will improve. Merchants have been helped out with some CWA cash but they have had to turn that back into new goods."

J. A. Diever, general manager, Butler Bros., general merchandise:

"Our volume of business has increased considerably since the first of the year. The gain has been general with emphasis, I should say, on workmen's wear, overalls, shirts, shoes, stockings, mittens

and gloves, things men and boys wear around the farm and on rough work such as the CWA men have been doing. A great many farmers are coming directly into the country retail stores with their government bonus checks, cashing them and buying things they need. The volume is chiefly in such things as are needed and evidently what they have been going without. Merchants in the country with whom we are in contact state that there has been a complete change about in psychology since last year at this time. In my opinion the outlook now is hopeful."

Gamble-Skogmo, Inc., operating retail stores and retail store agencies, in which the store is owned by the operator:

"We have had a fine increase in business, covering all lines of general merchandise. The outlook for spring is good and, with the generally improved situation, betterment should last through the year, growing in volume. It looks as though we were on our way up."

The two large mail order houses of Minneapolis both reported good gains in business during January due to the improved position of farmers and CWA wages. Volume was increasing as the month ended and they were of the opinion this demand will increase and gain heavily about 45 days from now.

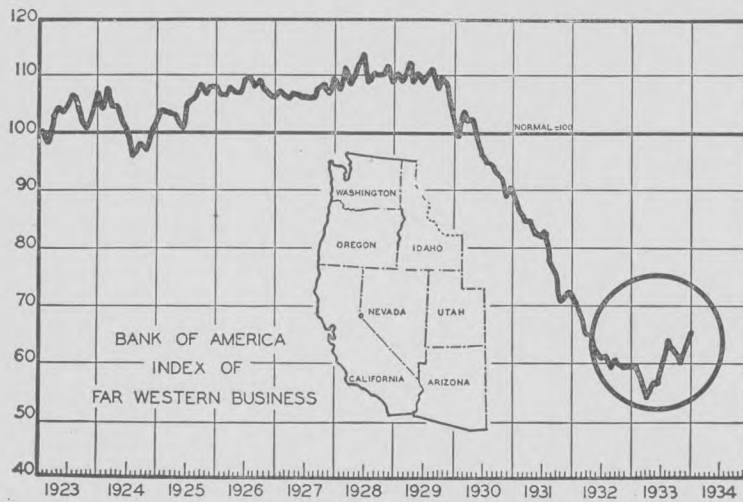
Bearing out the reports of wholesalers are Federal Reserve statistics reported to Commercial West showing increased business volume as represented by cancelled checks passing through the banks. For the week ending January 24, chief cities of the Northwest report business volume of \$98,673,000. This is \$18,157,000 greater than the volume reported for the same week a year ago. Cities showing gains are Minneapolis, St. Paul, Aberdeen, Billings and Helena; Duluth, Fargo, Red Wing, Sioux Falls and Winona.

In the Chicago territory, 36 leading clearing house cities report a volume of \$709,085,000 this January 24 week as against \$606,374,000 for the corresponding week of a year ago, an increase of 16.9 per cent. Chicago reports a volume of \$427,866,000 compared with \$335,000,000 a year ago.

(Continued on Page 12)

# Far West Business Booms

*The Chart Shows How Pacific Coast is Coming Back*



Ending the most eventful year in a generation with a decided upturn, the chart above shows far western business registered 64.7 (preliminary) in December, the highest point reached in the past 20 months. This represents an advance of 10.9 points over the record low of March, when the index mirrored conditions which accompanied the nationwide moratorium by dipping to 53.8. A quick recovery was recorded with the figures of 56.5 in April, after which the index climbed steadily during the harvest season and closed the year with a vigorous upturn, reflecting a brighter outlook throughout the Pacific and Rock Mountain states.

Based on carloadings, bank debits and power production, the index, prepared by the Bank of America, is weighted and adjusted for seasonal fluctuations and trend. It covers California, Washington, Oregon, Nevada, Idaho, Utah and Arizona.

A review of conditions in industries whose operations influence the factors which determine the index figures discloses a substantial improvement in business throughout the Western area. Virtually every section reports increases in the number of persons employed and a decided change in general business, with actual profits supplanting month-by-month deficits.

Bank deposits in the Twelfth Federal Reserve district are making consistent increases over the corresponding periods of a year ago and higher agricultural and commodity prices are returning a fair degree of prosperity to individuals and entire communities. A revival in the gigantic California wine industry already has contributed importantly to the welfare of the West with a revenue of many million dollars over a few months' time. Similarly, the reopening of the breweries and the consequent development of widespread activity in barley and hops has aided the residents of the West.

Meanwhile the extensive and varied

mining industry, the highly important petroleum industry, shipping, lumber, general construction and a score of other great industries are becoming stable and showing a new vigor that promises better times in 1934.

## Manufacturers Swamped

(Continued from page 11)

491,000 a year ago. Milwaukee reports \$41,284,000 against \$35,497,000; Detroit, \$120,117,000 compared with \$99,835,000; Sioux City, \$6,694,000 and \$5,091,000; Indianapolis, \$25,580,000 and \$22,442,000.

For the nation as a whole, the volume was \$5,745,000,000 compared with \$5,122,000,000 a year ago. Boston district reported \$394,105,000 and \$305,159,000. New York district, \$3,152,689,000 and \$2,855,267,000; San Francisco district, \$428,384,000 and \$394,926,000; Atlanta, \$163,494,000 and \$127,276,000.

Keeping step with the better construction outlook, lumber orders for the week ended January 20 were heavier than those booked during any week of the previous three months, with the exception of the three weeks' spurt in November, and were 26 per cent greater than the previous week.

For the second month in succession, cost of living declined in December, according to the regular monthly survey conducted by Investors Syndicate of Minneapolis. The declines were fractional, but showed that prices were not advancing faster than the power of the producer to absorb them.

Further analyzed, cost of living was shown to be subject to wide differences among its individual parts. Rents, for instance, are still below a year ago, while cost of food has mounted very fast. Clothes, also, cost the average consumer much more than they did in December

### AS HORSES AFFECT HUMANS

The Horse and Mule Association of America, through its secretary, Wayne Dinsmore, is out with a strong circular in support of bringing horses and mules back as the power plant of the farm. The arguments are based on the way the dearth of these animals affect humanity's income. It says in part:

"Every man, woman and child in America has been affected by the decrease in horses and mules. The connection is direct and inescapable."

Mr. Dinsmore then points out how farmers gain by raising crops to sustain a horse population coupled with annual income from horse and mule production.

### WANTS 10-YEAR RFC LOANS

Chairman Jesse Jones of the RFC board in Washington asked this week for legislation permitting RFC to make loans for a period of 10 years instead of the present limitation of three years. Mr. Jones urged the extension is necessary if industrial loans are to become popular. Given 10 years in which to repay he pointed out larger backing will come from local industrial loan associations, banks, trust companies, insurance companies, mortgage firms, etc., which now must offer and guarantee payment of such loans.

of 1932, although lately there has been some reduction in this respect.

Auto buying was below a year ago, and also below the preceding month, but this is explained by the fact that production lagged this year due to labor troubles and the fact that announcement of the new models was delayed.

Shipments of Portland cement in December (latest figures) increased 31.9 per cent over December, 1932. This is the best showing cement has made since depression slowed down construction and again demonstrates the improvement in building and highway construction.

A leather manufacturer with national distribution said this week: "For the first time since the depression started I believe we can look at the future with deserving optimism. We can really go ahead with courage and confidence and lay important plans for the future. In the leather industry the basic stability of hide prices is distinctly heartening and demands for products of the industry most encouraging."

Definite improvement in the status of the California agricultural real estate market is reflected in the 1933 showing of California Lands, Inc., subsidiary of Transamerica Corp., which, in the year just ended, closed more contracts, sold more acreage and received a greater return than in any year since its incorporation in 1929.

Reach Northwest business in Commercial West.

# There's Talk of Big Gold Deal

*Washington Hears U. S., England and France Have Heads Together*

Speculation is rife right now in Washington on how far the Roosevelt gold policy is going to travel.

There are some who say it is going to go across the Seven Seas and that it will comprehend an arrangement with a couple of great European countries whereby currency stabilization and gold valuation will be agreed upon as a basis for a great trade revival and world power.

That would mean getting back to the gold standard to the extent of gold as a background for a new currency and expansion of gold holdings to whatever extent the European nations and the United States finally devalue their currency unit.

Taking into consideration inflation of credit based on the new gold values Uncle Sam and the nations tying in with him would be able to influence pretty much all of the world's trade.

The nations most mentioned as forming such a coalition with the United States are England and France.

## Would Control World's Gold

They would control the gold of the world, inasmuch as latest figures obtained by Commercial West from the Federal Reserve Board show the United States now has \$4,250,000,000; France, \$3,022,000,000 and England, \$928,000,000. United States figures are as of January 30; those of England and France as of December 31. Total of the three nations is \$8,200,000,000. The next four largest European holders, Spain, Switzerland, the Netherlands and Italy, hold \$1,565,000,000 gold, about equally divided amongst them.

Dominance of the three nations, therefore, is evident. But, if Uncle Sam's gold value is increased one-half by devaluation of the dollar, say to 50 cents, then this nation will have \$6,375,000,000 and England and France, if they follow suit in still further lowering their currency unit values of pound and franc to the United States standard, will have largely increased their gold values.

All this means a tremendous increase in gold credit, to somewhere around 120 billions of dollars for the three nations.

Advocates of the idea and those who are talking it point to the vast possibilities for increased trade, industrial expansion and absorption of unemployment that would follow.

Mind you, none talking this claims it is a program actually being worked out by this country and England and France, but they say inklings of such a deal are in the air. And they say it would be logical.

Friends of the administration are "pointing with pride" to the upturn in trade that has taken place since the first of the year, and especially, to the strengthening of the bond market, which is building up resources of banks and lin-

ing investors' pockets with appreciation of their holdings. They point to the fact that bonds are the underlying securities of the nation and that when they put on as steady an advance as they have over the past several weeks it is because the people have become convinced that business is on the way up and going to stay up.

Those who are bold enough to carp at the Roosevelt recovery program are holding up to taxpayers the probable 32 billion indebtedness in sight and are pointing to the \$314.22 they figure each person in the United States is underwriting in prospective taxes. One thing they fail to point out is the fact that a considerable part of the 32 billions ought to come back because it is being advanced as loans.

Silver men of the West were considerably encouraged when the Senate turned down the Wheeler amendment to the monetary bill by a scant two votes with a count of 45 against and 43 for. Now, it is reported Senator Wheeler of Montana intends introducing a separate silver bill for rehabilitation of the white metal as a backing for the issuance of new currency. Whether it will be on the basis of a 16 to 1 ratio or somewhere between that and the present 51 to 1 remains to be developed by the best minds amongst silver proponents.

## To Boost Construction

John H. Fahey, chairman of the federal Home Loan Bank Board, gave lumbermen of the nation a considerable set-up the other day, when in an address before the Northeastern Retail Lumbermen's Association, he outlined the prospect for employment of HOLC bonds in expansion of the construction industry. He said home construction has fallen off 85 per cent from the two to three billion industry it was in the '20's and that it will have to come back. HOLC, he said, stands ready to help finance the undertaking, returning something like 1,250,000 building employes to work and revitalizing manufacture and trade in building equipment.

From the President down, not missing Treasury Secretary Morgenthau on the way, there was much satisfaction in administration circles at the way the first billion of government financing for 1934 went over. With total subscriptions aggregating \$4,770,000,000 (official figures issued this week), the administration now feels it is going to town on the balance of the six billions needed for this year's job of refinancing.

There is much to do these days over demands of the unions that dues of members come out of their CWA wage.

Those who criticize the unions assert CWA money is being spent for the purpose of putting men to work who have been on the relief rolls; that unions were

carrying them as to dues when they were getting the dole, and that the unions ought to give their members an opportunity to spend what money they are getting for necessities rather than clamping the lid on part of it for dues.

Union technicalities enter into the picture. The unions point out that unless a member has his dues paid up he is not a union member, hence cannot work on a union CWA job. It is a rather ticklish point, but sentiment around the corridors here in Washington is that the unions ought to waive the technicalities and give the men a chance to buy some socks and other things with the money they are getting before they clamp down on them for dues. They say, imagine what a clamor there would be if some of the stores to which the CWA men owe bills would garnishee their CWA wages? And there's something to that.

Administration adherents, more especially those who may be classed as leaning rather heavily toward the left, were pretty loud in praising enactment of the monetary measure. To quote one of them: "The death knell of private control of the nation's money system has been sounded."

## Call It New Freedom

They call it a new found freedom. Conservatives point to the long, and mostly honorable, experience of our country through all its history, and assert we can get along without any kind of inflation, even the small trend that way of gold revaluation and dollar devaluation. They assert also that the banks, supposedly the money power referred to, have done a good job in supporting the gold standard and in handling credit and financing. Time will tell, they say, which idea is right for this nation of ours.

The National Recovery Administration has acted to relieve public hospitals of the burden of increased prices for materials and supplies which might result from the operation of industrial codes.

An order issued by Administrator Hugh S. Johnson, effective February 2, provides that industries may disregard code regulations in sales to hospitals which are supported by public subscription and not operated for profit.

## MOVIES STRESS SAFETY

Highway safety is in the movies now. Last week, theatres throughout the country showed newsreel films explaining how traffic violations caused automobile accidents. Actual smash-ups were photographed and weaving, driving on the wrong side, speeding, right and left turns, cars out of control, violations of stop-light signals, and accidents at railroad crossings were the subjects used. The film was sponsored by the National Bureau of Casualty and Surety Underwriters.

# What's Doing in Congress

By REP. EINAR HOIDALE of Minnesota

(EDITOR'S NOTE: Congressman Hoidale, at the request of Commercial West, has brought down to date important legislation before the Seventy-third Congress affecting interests of the Northwest. His comment upon the St. Lawrence waterway, the Missouri river diversion project and the banking and securities acts are of particular significance.)

The Seventy-third Congress has already disposed of what is, in the opinion of most people, the most important measure to be considered this session—the monetary bill. The main purpose of revaluation of gold is to increase the circulation of currency for trade purposes. Incidentally, the government profits to the extent of more than three billion. This will go a long way toward making up for the money we are spending in our fight against the depression.

We are now working on routine matters and busy considering amendments to legislation enacted at the special session last spring. It is a rather remarkable fact that the large body of experimental emergency legislation adopted has been so well suited to conditions that there is no suggestion or demand that any of them be repealed. There will be some amendments but, so far as we can now foresee, no changes that operate to destroy the original planning.

Ratification of the St. Lawrence-Great Lakes Waterway treaty is a matter for consideration by the Senate only. The sentiment in the House is no doubt heavily in favor of the treaty. Ratification requires two-thirds of the vote in the Senate. The President is wholeheartedly for the treaty and the impression is that it will be ratified.

The Missouri River Diversion project is a matter of considerable interest to the Northwest. The aim is to hold back and retain in the lakes of North Dakota and, to some extent, in Minnesota, the flood waters of the Missouri river which in springtime quickly run off into the Gulf of Mexico, with the result that rivers and lakes go dry. There is no summer evaporation and consequently a reduced rainfall. Subsoil moisture disappears, seriously affecting production as well as well-water supply. The PWA is giving exhaustive study to the proposition.

The House agricultural committee will no doubt report a bill to amend the farm relief act so as to bring in cattle as a basic commodity. As to whether a processing tax will be imposed is a question to be decided by the Department of Agriculture after hearings at which cattle producers and other parties interested will express their views.

Many suggestions are advanced for amendments of the banking and security acts passed by the extra session but it cannot be said that sentiment has become crystallized on any definite modifications.

There were many, some months ago, who expressed doubts as to the prac-



HON. EINAR HOIDALE

ticability of CCC and CWA efforts, but evidently they have changed their minds. No one is now heard to raise his voice against these emergency enterprises and they will probably continue for some months until employment in industry is largely increased.

But we cannot have the benefits resulting from these enterprises without having the offsetting burden of paying the bills. The natural answer is that with improved conditions resulting from money put in circulation we will have something to pay taxes with. We cannot, however, proceed upon the theory of the congressman who said he "would vote for all appropriation bills and against all bills to raise taxes."

Nearly all people will gladly pay their debts and their taxes if their earnings are what they should be and must be in order to carry on.

Bearing in mind that we live in a wonderful land producing everything contributing to human needs and happiness in abundance, we must and will have confidence that an honest and earnest effort to put our house in order will succeed.

## GAS TAX DROPS

Revenue from South Dakota's four cents gasoline tax dropped off \$330,089 during 1933 as compared with 1932, State Treasurer Frank Siewert reports. Collections in 1932 totaled \$4,174,643, while last year only \$3,844,554 was collected.

A survey of the major oil companies operating in the state showed a decrease of about 20 per cent in the consumption of gasoline last year as compared with 1932, the treasurer said.

"Hand Pressing by Experienced Tailors"—Notice in Tailor's Shop.  
We call this a liberty.

## WAGE SCALE PROBLEM

Variations in construction wage and labor policies promulgated by various governmental agencies come up under the convention, held January 29, 30 and 31, in Washington when an effort was made to secure uniform wage and labor stipulations on all public construction work.

For the first time in many years the labor turnover on construction work has mounted to alarming proportions and contractors are now facing the wildest wage scale chaos imaginable.

## WANT CWA KEPT GOING

Continuance of the civil works program at least until spring to prevent unemployed persons from applying for poor relief was urged from Duluth by St. Louis County board last week in telegrams to President Roosevelt, Federal Relief Administrator Harry L. Hopkins, and Minnesota members of Congress.

The CWA program in St. Louis county is furnishing much needed employment to several thousand persons who otherwise would be on public relief rolls, the telegram stated.

A curtailment of the program before winter ends will result in hardship to many needy persons who are willing to work, but who are reluctant to apply for direct relief, it was stated.

Commissioner W. A. Newman, chairman of the emergency relief committee, who was asked to write the message, declared the civil works program is the best plan thus far inaugurated by the government to provide work for relief of the needy unemployed.

## Millions from Sugar Beets

Factories of the American Beet Sugar Co. at Chaska and East Grand Forks in Minnesota and at Mason City, Iowa, have finished their job of grinding the 1933 beet crop. They consumed 505,000 tons of beets and made 1,500,000 bags of sugar, which is approximately 100,000 more bags than were manufactured from the 1932 crop.

First payment to growers amounted to \$4 a ton returning approximately \$2,000,000 to them. Further substantial payments will be made this spring as sugar is disposed of in the markets.

Beet workers employed in the fields on thinning and hoeing were paid on an acreage basis, varying from \$8 to \$10 per acre. Their average daily earnings ran from \$3 to \$7 a day and at harvest time they earned about the same daily amounts. Each of the factories during the season averaged about \$50,000 a month in payrolls, practically all of which went to local Northwest labor.

Revenue received by railroads serving the factories amounted to approximately \$1,500,000 from freight haulage of beets and sugar.

Average sugar content was slightly above the five-year average, being around 17.65 per cent at East Grand Forks; 15.9 at Chaska and 15.4 at Mason City.

"Papa, what's a net?"

"A net, my son, is a bunch of holes tied together by little pieces of string."

# What's Doing in Northwest

By the *COMMERCIAL WEST Outfielder*

Approved federal loans of South Dakota farmers on stored corn has reached the sum of \$270,764, made in 11 counties, reports C. A. Russell, secretary of agriculture. A total of 496 loans were recorded secured by 601,699 bushels of corn.

Repeal of the federal one-cent a gallon gasoline tax and a reduction of the four-cent gasoline tax in South Dakota were urged by the South Dakota Independent Oil Men's Association in resolutions adopted at the final session of its convention in Sioux Falls.

## Around Iowa

George F. Silknitter, 2932 Jackson street, was re-elected president and general manager of the Sioux City Stock Yards Co. and president of the Sioux City Terminal Railway Co. at annual meetings just held. Other officers chosen for the stock yards company included: William Milchrist, vice president; H. C. Anderson, secretary-treasurer; R. M. Harben, traffic manager, and H. H. Burdick, superintendent.

Beef producers of Iowa were responsible for more than half the movement of feeder cattle and calves from the Sioux City livestock market during 1933, according to figures released by the United States department of agriculture. Of the 213,736 head of thin cattle sent to the feedlots of the territory from this market, Iowa absorbed 145,094. Likewise, of the 39,496 calves sent out 27,885 went to Iowa feeders. More than \$4,500,000 changed hands in the purchase of these animals. Increases over 1932 were 40,412 and 7,999 calves.

## Gathered in Montana

With Uncle Sam passing out contracts right and left for the \$72,000,000 dam across the Missouri 16 miles south of Glasgow, Mont., citizens of that town are no longer concerned with "the big, bad wolf." Glasgow, once famous as the largest wheat shipping point on the Great Northern railway, is back in the headlines again. A new theatre, remodeling of another, laundry, warehouse, lumber yards, garage, and two-story brick business building are scheduled to start within 60 days. Others are under consideration. Increasing population has already made the housing problem acute, and plans are under way for a number of new residences. The town's present population of 2,500 is expected to swell rapidly with the employment of several thousand Montana citizens on the big earth fill. About 700 men are working on the project now.

A new scenic, cut-off highway connecting the northern portion of Glacier National Park with Waterton Lakes National Park, in Canada, will be pushed to early completion, being assured by an appropriation of \$113,000 just approved by PWA.

Filling a vacancy in the position left by the death of Frank Scotten on Sep-

tember 13 last, Clinton T. Booker has been appointed manager of the Great Falls district of the Montana Power Co. and will assume his new duties at once. He was division superintendent of the district.

Despite the fact that business conditions were not at their best, gasoline tax receipts for 1933 in Montana totaled \$3,414,255, or only \$17,058 less than the 1932 figure.

## Picked Up in Wisconsin

Completed plans for settlement of 200 families in the Superior, Wis., National Forest comprehend utilization in all for such purposes of 140,000 acres in the tract. Federal funds will be employed for the purpose and the Superior program is part of a nation-wide drive to get unemployed, or those on part time, off relief rolls and on small self-supporting tracts of land. Under the program each family will be assigned a tract of 5 to 10 acres in a compact community provided with roads, schools, store, postoffice, community hall and other facilities. A dwelling will be provided on each homestead and possibly some other structures. The home, under the plan as finally adopted, will be offered for sale at cost on long-time payments.

## Minnesota Happenings

New directors elected by the Moorhead, Minn., Chamber of Commerce are Lee S. Myller, Clarence Evenson, A. S. Sigurdson, Max Goldberg, Louis Benson, Henry Neubarth, William Wallwork, P. F. Fountain, Memfred Nelson, A. E. Bergland.

Fred W. Bruscke of Good Thunder, Minn., was elected president of the Minnesota Retail Hardware Association at the thirty-eighth annual convention in Minneapolis. Daniel E. Billman of Minneapolis was elected vice president, and Ebert Johnson of St. Cloud was elected a new member of the executive board.

Moorhead's biggest improvement in a score of years, widening of streets in the business section, was another step nearer accomplishment this week when the state CWA headquarters approved an expenditure of close to \$17,000 for labor required for the project.

## Found in North Dakota

North Dakota State Fair week was set for July 6-14 at Fargo at the annual meeting of the North Dakota Association of Fairs held recently in Grand Forks. Other class A fairs in the state are at Minot, July 2-7 and at Grand Forks, June 25-30. Class B dates are: Stutsman county fair at Jamestown, July 2-5; Towner county at Cando, July 2-4; Wells county at Fessenden, July 10-13; Cavalier county at Langdon, July 16-18, and Pembina county at Hamilton, July 19-24.

Contracts for 1,152 miles of road construction work in North Dakota were awarded in 1933 at a cost of \$2,538,-

779.22. This work, awarded at eight lettings, includes 513 miles gravel surfacing, 183 miles regraveling, 397 miles earth grade, 58 miles oil-mix, 1,708 miles paving and seven special structures.

Directors of the North Dakota Crop Improvement Association, recently elected, will hold their annual business session at Minot, February 21. New directors are: O. W. Klindworth, Fessenden; C. H. Hoffstrand, Churches Ferry; Joseph Thompson, Nash; Orris Nordhaugen, Leeds; T. E. Stoa, agronomist at the North Dakota Agricultural College, and E. M. Gillig, state seed commissioner. Holdover directors are: R. M. Points, Crosby; George Robinson, Cole Harbor; Zeno Muggli, Richardton.

Tentative plans for the annual winter session of the Northwest Farm Managers Association, in Fargo, February 20, 21 and 22, have been formulated. Committee in charge includes F. Paul Smith of Amenia, president; Ben Rodgers of Lakota, vice president; Cap E. Miller of Fargo, secretary-treasurer; A. R. Wije of Dwight, William Guy of Amenia, Roy Johnson of Casselton, Walter Kreiselmaier and Robert B. Reed of Fargo, Guy Gardner of Jamestown and Perry Johnson and N. E. Kiester of Minneapolis.

## MUTUAL SAVINGS REPORT

Mutual savings bank depositors increased last year by 144,583 in the 18 states where such institutions operate. This gain brought the grand total of depositors to 13,413,049 on January 1, within 20,000 of the record number for all time, states the National Association of Mutual Savings Banks.

The trend of saving in the last six months was distinctly better than in the first half year. In the first six months savings declined \$337,628,392, but in the final six the decline was only \$47,708,187, leaving total deposits of \$9,594,610,845.

Trend of assets followed the same curve, reduction in the first six months having amounted to \$241,959,476 and in the last half year to \$82,249,258. Total assets January 1 were \$10,856,000,262. Surplus increased \$24,758,800 to a total of \$1,166,871,819. This figure represented a ratio of 12.1 per cent of deposits, or 12 cents of earned reserve as security for each \$1 of deposits, and showed a gain in ratio of 6/10 of 1 per cent for the year, thus increasing the depositor's margin of safety by a substantial sum.

The average account of depositors was \$715.32 and the average interest rate paid was 3.31 per cent.

## WISCONSIN FARM PRICES

With the preliminary December Wisconsin farm price for milk at 95 cents per hundredweight and the average milk price for the past year at 97 cents per hundredweight, an increase of 9 cents over the 1932 average, the price level of Wisconsin farm products for 1933 was 70 per cent of the 1910-14 average, an increase of 4 points over the 1932 index.

Snappy News—That's Commercial West

# Vast Business Field Open

*Survey Shows Need of Small Homes Financing*

Congress now has before it proposals for financing remodeling of homes and construction of new homes. It is a timely move. There is opportunity, as Commercial West has pointed out repeatedly, for a big revival along this line in the Northwest that will put thousands at work and start a great flow of cash into business channels.

Live small-home prospects, meaning bona fide prospective builders possessed of a lot or cash or both, to a total of approximately 300,000 in the Northwest and throughout the country, who want only adequate and conservative financing to start construction, are revealed through a survey just concluded by the National Lumber Manufacturers Association. The survey also shows moderate financing will release a demand for 256,000 farm buildings, 35,000 small business structures, and innumerable remodeling and repair jobs.

These figures are based upon reports from dealers in 883 counties in 48 states. With one or two exceptions, they urge that the federal government undertake to relieve the situation in some manner. Of those reporting, 73 per cent find no first mortgage money available in their trade territories; only 18 per cent admit a limited amount available, and this for loans varying from 20 per cent to 50 per cent of a conservative appraisal. Dealers in 124 counties report no lending institutions of any kind. A bare 6 per cent report adequate first mortgage funds are to be had, while second mortgage money is almost non-existent, only eight-tenths of 1 per cent finding it possible to obtain such loans.

The new construction jobs in sight vary from \$500 to \$11,000 in value. Fifty-six per cent of them need 75 per cent, long term, amortized loans, 28 per cent can be handled with amortized loans up to 50 per cent of the appraisal, while 16 per cent could go ahead with three to five-year interest-bearing loans.

The dealers are almost unanimous in commending any move toward relief of the credit situation. "This endeavor on your part," writes a retailer in New Jersey, "is the most hopeful sign we have yet seen on the recovery horizon, and the accomplishment of such a project will be the one and only method of resuscitating our industry, the most lifeless of the national industries today. It will be hopeless for years to revive our loan institutions."

Many of the dealers point to the effect upon the employment situation. A local dealer submits a schedule which shows that the ordinary low priced home would average 50 hours' employment for excavating, 32 hours for grading, 106 hours for masons, 620 hours for carpenters, 56 hours for plasterers, 32 hours for tin-smiths, 80 hours for plumbers, 32 hours

for electricians, 102 for painters, and 32 hours for furnace installation.

This estimate, however, takes into account only labor at the site. As adequate financing would mean a market in 1934 for 7,000,000,000 feet of lumber, employment would be provided for hundreds of thousands at the sawmills and in the woods, in the planing mills and the retail establishments. Other industries to be benefited would be masons supplies, roofing materials, plumbing equipment, heating, hardware dealers, electrical supplies, not to mention the country's transportation industries. As a matter of fact, a wave of re-employment would be set in motion, ripples from which would be felt in practically every industry in every section of the country.

The foregoing is based upon new construction only, for it is impossible to estimate the amount of remodeling and repairing which would be set in motion by proper financing facilities. A western dealer writes "there are hundreds of homes in this small city alone which need either remodeling or repairs to keep the building from falling to pieces." Another declares that many families have doubled up in his territory, and that as re-employment enables them to escape huddling they have difficulty in finding quarters, the vacant homes being "old and obsolete houses hardly habitable without needed repair and modernization."

A total of 1,743 dealers replied to the questionnaire. Many listed the names of their prospects, gave the total value of the project contemplated, the amount of cash possessed by the prospect, and the kind and size of loan needed. These reports showed that a total of 575,000,000 feet of lumber would be involved; as the reporting dealers represent roughly one-twelfth of the 20,000 retailers in the country today, it will be easily seen that proper financing of low cost homes alone would mean a 1934 market for 7,000,000,000 feet of lumber.

## MOORHEAD PCA

Permanent organization of the Moorhead (Minn.) Production Credit Association has been effected with election of Frank McCabe, Sabin, president; A. W. Berg, Barnesville, vice president, and John W. Friday, Moorhead, secretary-treasurer. Headquarters have been established in the First National Bank building, Moorhead. Territory to be served will be Clay and Norman counties and the two north tiers of townships in Wilkin. The association now is ready to accept applications for loans with capital of \$50,000 furnished by the government.

"One baby is born in New York every three minutes," says a newspaper. That must be awfully tiresome for the baby." —Salt Shaker.

## CATTLE ON FEED

There was a decrease of about 8.5 per cent in the number of cattle on feed for market in the 11 Corn Belt states on January 1 over the number on January 1, 1933, according to the cattle feeding estimate of the Bureau of Agricultural Economics. There were decreases in all states except Iowa and Nebraska, where small increases are estimated. The decreases in the area east of the Mississippi, where cattle feeding had been increasing for several years, amounted to 17 per cent. In the area west the decrease was only 6 per cent in spite of a decrease of 50 per cent in South Dakota.

In the western states the number of cattle on feed January 1 was not greatly different from the number a year earlier, a small decrease being indicated. In Texas and Oklahoma, however, the number on feed was sharply reduced with the estimated number this year for the two states combined one-third less than a year earlier.

## New AIB Contest

The subject "Constructive Customer Relations" is announced by the national public speaking committee, American Institute of Banking, as the topic for the annual speaking contest for the A. P. Giannini educational endowment prizes, to be held at the convention of the Institute at Washington, D. C., the evening of Monday, June 11.

For purposes of selecting contestants the country has been divided into nine districts within which contests will be held among representatives of local chapters of the Institute, each district being entitled to one entry in the final. The same topic will be used in the preliminary chapter and district contests as in the final. In addition to delivering the prepared six minute speech under this topic, each contestant will be required to deliver without notes or other assistance a three minute extemporaneous talk on a subject to be assigned at each meeting by the chairman. The contestants in the final will receive their convention expenses and the winner will receive a prize of \$500, in addition to which there will be a second prize of \$300, a third prize of \$200, and a fourth prize of \$100. The chairman of the national committee in charge is Maurice Allendoerfer, of the Federal Reserve Bank, Kansas City.

## NEW PEAK IN RYE

The largest increase in winter rye acreage in South Dakota's history is reported for the fall of 1933 by C. J. Borum, federal agricultural statistician. Preliminary estimates give the total as 733,000 acres, a gain of 35 per cent compared with the acreage seeded in the fall of 1932.

At the same time Mr. Borum disclosed that the winter wheat acreage seeded last fall was estimated at 296,000, a decrease of 15 per cent from the previous season.

December 1 condition of both winter wheat and rye was given as only 49 per cent of normal. This is the lowest figure on record for that date, the statistician said, and "suggests above average abandonment and below average yield."



# The Savings Business

By HENRY S. KINGMAN, *Treasurer, Farmers & Mechanics Savings Bank*

(From an address delivered January 26 before the Eastern Regional Savings Conference in New York City. Mr. Kingman is president, Savings Bank Division, American Bankers Association.)

The savings business means cash. Savers do not talk in terms of credit—cheap or dear, or over extension. The savings business is a cash business. Because it is a cash business it has had tough going since those lush days in 1928, 1929 and 1930 when savings deposits in banks and trust companies of the United States reached the sum of almost 28½ billions of dollars with over 53 million depositors.

The loss of markets, cessation of industry, slowing down of transportation, with consequent unemployment, has reduced the volume of deposits by 25 per cent. In 1928, about 44 per cent of our people had savings accounts. The number is now reduced to 31 per cent.

To you it is not necessary to speak of the causes of this decrease of savings deposits or the loss in depositors. The cause is written in every idle locomotive on the railroad sidings of the country, on the ships swinging idly at anchor in many harbors, in the dead smokestacks of industry, and in the silence of the coal bunkers.

That the cessation is more than temporary no one believes. Already there are indications that people now employed have geared themselves to a new scale of living, and are making the income balance the outgo with a little to spare for that dream of the former days. For the saver is an incurable optimist. He has learned of the power of ready money.

Under what conditions will savings operate in this new year? Can we foresee the immediate future? In some respects I think we can. One fact stands out clearly—depositors have lost their fear of banks, though it still may be a sort

of negative confidence. The causes of this absence of fear are fairly well understood. It arises from many fundamental changes in the social and political philosophy of the American people. In those bright days before the 1930's, the country was in the throes of what often has been termed the New Era. Industry flourished; commerce, both domestic and foreign, was at high tide, wages and salaries were good, and earnings were satisfactory. People had confidence in themselves, their future, their own country, and other countries of the world.

When the storm had taken its toll the greatest loss was in confidence. Nobody trusted anybody or anything, bankers were pilloried en masse, and the despoilers of the people's substance. They were pictured not as victims of a world collapse, who had waged, sometimes alas, an uneven fight, but as leering autocrats, who reaped financial harvests against the poor. A banking system had been developed which was predicated on a philosophy of the survival of the weakest, so that when the test came the strong were forced to suffer with the weak, and this added to the general debacle.


During these troublous times the only remaining confidence of the masses in monetary matters seemed to remain in the United States government. The story of our Postal Savings system during these years tells this only too vividly. You are already familiar with the record, but it is worth repeating. After 20 years of existence on June 30, 1930, the Postal Savings banks were not a very important part of the American banking system, as they had only accumulated \$175,000,000 to that date. Three years later, on June 30, 1933, this total had risen to \$1,187,000,000, or nearly 10 times the amount held in 1930. This was concrete evidence of the lack of confidence in our banking system, and that confidence remained only in the United States government. People did not and do not go to a Postal Savings bank for banking facilities. The restrictions placed on such deposits are not to their liking. Safety was the only motive for such an increase of deposits. The record during the last six months of 1933 with reference to postal savings shows a very different story. From June 30, 1933, to December 1 there was an increase of only \$12,000,000, and it is quite likely that since that date there may have been an actual decline.

But this same government has had much to do with the restoration of confidence in other ways. Government agencies have come to the aid of banks. The RFC has extended loans so that bank assets, temporarily of low market value, may not have to be sacrificed. Federal Home Loan Banks and the Home Owners Loan Corp. have helped with mortgages. Preferred stock has contributed to liquid-

ity, but above all is the reconstituted confidence of our fellow men.

The insurance of deposits constitutes an element impossible to evaluate. Gains in deposits in banks have occurred, apparently without reference to whether they are insured, thus insurance would appear to be only one factor among many.

If, then, fear of banks has gone, and



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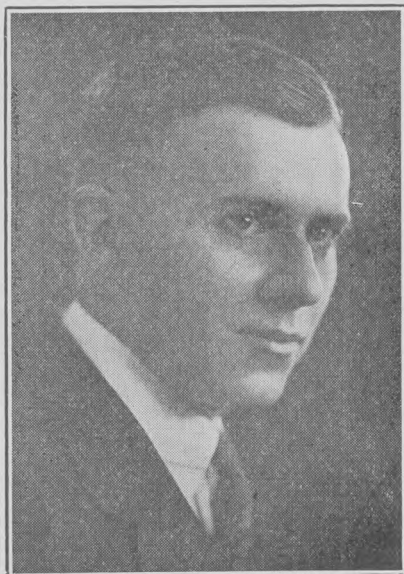
|                         | Coach  | First Class |
|-------------------------|--------|-------------|
| <b>MINNESOTA—</b>       |        |             |
| Alexandria .....        | \$2.62 | \$3.92      |
| Detroit Lakes .....     | 3.00   | 5.76        |
| Duluth .....            | 3.00   | 4.50        |
| " and return .....      |        | 5.65        |
| Glenwood .....          | 2.44   | 3.65        |
| Thief River Falls ..... | 4.87   | 9.24        |
| <b>NORTH DAKOTA—</b>    |        |             |
| Carrington .....        | 5.49   | 10.61       |
| Kenmare .....           | 8.68   | 15.45       |
| Minot .....             | 7.68   | 13.95       |
| Valley City .....       | 4.17   | 8.64        |
| <b>WISCONSIN—</b>       |        |             |
| Chippewa Falls .....    | 2.19   | 3.27        |
| " and return .....      | 3.30   |             |
| Fond du Lac .....       | 6.09   | 9.12        |
| Marshfield .....        | 3.57   | 5.34        |
| Neenah-Menasha .....    | 5.49   | 8.22        |
| Oshkosh .....           | 5.73   | 8.58        |
| Stevens Point .....     | 4.21   | 6.31        |
| Superior .....          | 2.90   | 4.35        |
| " and return .....      |        | 5.65        |
| <b>MICHIGAN—</b>        |        |             |
| Gladstone .....         | 7.02   | 10.51       |
| Manistique .....        | 7.89   | 11.83       |
| Sault Ste. Marie .....  | 10.05  | 15.06       |
| <b>CANADA—</b>          |        |             |
| Calgary, Alta. ....     | 28.77  | 33.68       |
| Edmonton, Alta. ....    | 28.77  | 33.68       |
| Moose Jaw, Sask. ....   | 15.11  | 21.22       |
| Regina, Sask. ....      | 16.56  | 22.43       |
| Saskatoon, Sask. ....   | 22.06  | 26.58       |
| Vancouver, B. C. ....   | 32.50  | 52.13       |
| Winnipeg, Man. ....     | 7.38   | 13.04       |

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HENRY S. KINGMAN

confidence is returning, have people learned through experience about sav- ings? Before fear of banks had entered the minds of depositors, many a saver, beguiled by dreams of sudden wealth through rapid rises in stock prices, had seen his savings swept away by a crash which reduced the prices of even some highest grade bonds by 54 per cent and representative stocks of the better grade by 80 per cent, and sent many lesser grade issues clear outside the quotations.

Frankly, I believe many savers are now wiser than ever. Through visions of rapid enrichment, through a hysteria of bank fear and bank baiting, they have remained true to their purpose and ob- jective. Few investments during the past five years show increase of 50 per cent, but that is exactly where the savings dollar of 1928 or 1929 now stands. First their dollar was deposited. It has in- creased by interest possibly 20 per cent more. Its purchasing power even under the higher prices of 1934 is still about 30 per cent higher. Thus many have come to recognize that the savings dollar, though it is the longer and more difficult path to attain, is the most secure dollar, and the most profitable in the long run.

Constantly efforts are being made to win the reserves set up in banks by thrifty people. Not many years ago in- stallment buying was hailed as the great panacea for prosperity. It was heralded as the hand-maiden of an era which would smooth down the violent curves in

our industrial system. Experience, that dear teacher, has proved that install- ment buying was an important factor in the depression because it had increased commodity production unduly. In so do- ing it had forced higher prices. Finally when the structure thus created fell of its own weight, the indebtedness resting upon the installment buyer, many of them now with little incomes, prevented a resumption of normal buying. Many of the installment buyers have seen their purchases seized. Others have suffered privation and mental torture in at- tempting to meet their obligations. The installment buying plan for consumers' products grew out of a great idea. Now we know the evils which a few years ago were only suspected.

What is a good theory of spending? Is savings a virtue? Of what value is the building up of a financial reserve? Again the experience of four years indicate the futility of attempting to quicken the business life of the country by emotional appeals to spend money. Expenditure of money depends upon its being received. Expenditure can be charted on that basis. Buying comes as a result of earnings and not necessarily of needs. Individuals can not be expected to spend more than they naturally would. The great majority of our people believe they must live within their means. Otherwise they will be in financial difficulties.

So much for the background that leads up to the immediate future, as to sav-

ings in 1934. Confidence in banks has been restored, but savings banks will operate under different conditions than those existing during the last three years. First, a large increase in deposits is imminent. It is already evident. It is due to money coming out of hiding in vast quantities, to vast sums expended by the government through many of its alphabetic agencies which will continue to find its way back into the savings bank, and last, but not least, there is and will continue to be a strong shift from demand to time deposits, due to the bank- ing act of 1933, which does not permit the payment of interest on demand de- posits. Yes, there will be a definite and large increase in savings deposits in the immediate future.

How will this money be invested under present conditions? The financing of trade through the banking system and the financing or refinancing of capital projects through private security mar- kets have become more and more matters of history in recent months. The old mechanism of finance has been rapidly replaced by a new order, in which the dominant features have been the ex- tension of credit, both for long and short term purposes, through various federal agencies. With the enormous financial program to be projected by the govern- ment, it is evident that a large portion of the savings dollar will find its way into short term government bonds at low rates of interest during the next few months.

Of the immediate future, I would there- fore say there will not only be a large increase in savings deposits, but a still further trend in the reduction of interest rates on time deposits.

A word as to federal deposit insurance. A great majority of the banks of this country are now members of the federal deposit insurance temporary fund, and within six months they must cross the bridge that requires membership in the permanent fund. Insurance of deposits as created, though it was opposed generally by the banking fraternity, is with us, and with us to stay for the time being, at least. It is insurance in name only, as in no way does insurance of bank deposits consult the actuarial table or classify the risk. It is merely a definite stopgap to provide confidence for millions of small depositors, who had lost confidence in their banking system. During this breath- ing spell further fundamental changes should be made in our banking laws that will enable us to proceed with a thor- oughly sound banking system, which never again will cause the alarm and dis- trust such as existed during 1931 to 1933. First it would seem highly desirable that the permanent fund be limited, in the matter of insurance, to say \$2,500 to \$5,000 per account, which amount would undoubtedly cover at least 98 per cent of the bank depositors of this country. Sec- ond, a definite limit as to the liability on the part of the banks should be estab- lished. Another fundamental change in our banking laws which seems desirable and requires much thought is a more

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definite clarification of the difference between time and demand deposits.

Our entire banking structure, as far as federal regulation is concerned, is predicated on a central bank which, in theory and in practice, is essentially a demand deposit bank. When the Federal Reserve System was established in 1913, there was a preponderance of demand deposits in the United States, but through establishment of a 3 per cent legal reserve rate for savings and the natural accumulation of savings, the pendulum has swung the other way and we have in the United States a time deposit country operating under a demand deposit central bank. The present banking act will tend to still further increase time deposits.

As to the long time view for savings deposits, few people would hazard a guess under present economic and political conditions. The fortunes of both the largest and the smallest accumulations of wealth are cast largely with the social, political and financial plans of our federal government. It is natural for man to save, it is a primitive and fundamental instinct, for thereby he knows that he can best save himself. It is a false philosophy, only too oft repeated in recent years, to spend first and pay for it afterwards, for thereby are created the great debt structures of individuals, corporations and governments which cause the undoing of monetary systems.

It is only through the accumulated savings of its individual Americans that the federal government can now launch itself on its present program of further spending and the additional piling up of debt. Can the wheels of private enterprise catch up and mesh with the cogs of governmental stimulation of business and thus carry the load created for it? We all hope so. The future of our accumulated savings depends upon it.

Yesterday the federal government offered \$1,000,000,000 in Treasury notes and certificates of indebtedness. They will be taken readily. Why? Because there are \$21,000,000,000 of savings deposits in banks. The banks—the much maligned banks—are now holding one-half the great indebtedness of the federal government. They will continue to absorb these federal offerings, believing that with the resumption of normal industry the savers of the country will buy these securities, leaving the bank funds for extending bank credit, now in such abundance, and so little requested.

The whole credit of the United States government rests back upon the savings of the people.

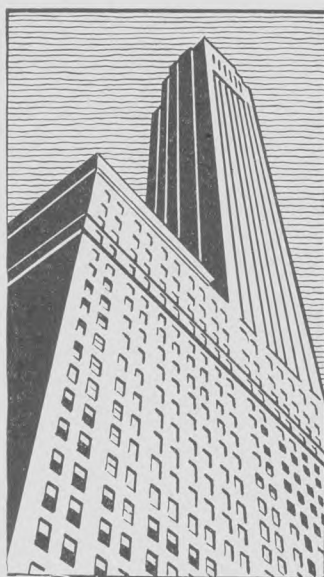
That there are certain fundamental conditions that must be brought under control (and which are controllable) no one will deny; The first of these is written into the last platform of the Democratic party, wherein it said, "We favor maintenance of the national credit by a federal budget annually balanced as the basis of accurate executive estimates within revenues raised by a system of taxation levied on the principle of ability to pay," and Mr. Roosevelt's own state-

(Continued on Page 34)



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# Farm Loans Again in Favor

*Bonds Have Competition for Growing Bank Deposits*

Deposits continue to pour into banks of the Northwest. Federal Reserve figures as of January 24 show a total of \$387,219,000 reported by 20 banks in the 12 chief cities of the Ninth district, compared with \$338,826,000 on January 25, 1933.

Inasmuch as the commercial loan situation still remains about the same, i.e., no demand, and short term paper is practically out of the market, bankers are turning again to prime farm loans, preferably chattels, and bonds.

Enactment of the new law providing the guarantee by Uncle Sam of the principal of federal farm loans as well as their interest, is opening the way for the thawing out of farm credits and it bids fair to make the farm mortgage as

eligible as it used to be as a fundamental of country bank investment.

This trend is going to give bonds some pretty stiff competition for a place in the banks' portfolio. Live bond houses are realizing that fact and are making a more vigorous campaign for bank business than they have at any time since things went haywire.

It's an ill wind and so forth say bankers of Minnesota, now that the law enacted at the recent special session of the legislature is in effect liberalizing their holdings of public fund deposits. Heretofore Minnesota's bankers have had to deposit securities acceptable to the state and other governing bodies, such as counties, townships, school districts, cities, and so on, to guarantee repayment on demand of such public deposits placed with them.

Since the first of the year, however, these deposits, up to \$2,500 each, have been insured along with individual deposits under provisions of the new FDIC fund. Feeling that this protection was ample the Minnesota legislature passed a law providing that bankers no longer need put up securities or surety bonds covering such deposits.

North Dakota bankers were not so fortunate, however. Its legislature did not pass on that matter when it was in session last spring and the attorney general of the state has ruled the law providing for a surety or personal bond on public deposits is in no way affected by the fact that a bank has been admitted to membership in FDIC. The state law requiring such protection, therefore, must be followed the same as before.

In advising his members of the situation Secretary C. C. Wattam of the North Dakota Bankers Association, in a recent bulletin, says:

"This ruling will have to stand until the next session of the legislature when, it is anticipated, we may be able to obtain a change in the law covering this point."

In this connection it is interesting to note that the Minnesota law comprehends public deposits for FDIC coverage as follows: Each certificate up to \$2,500 is considered a separate deposit. If a municipality, for instance, has \$2,500 in a checking account and two time certificates for \$2,500 each all three would be covered by FDIC.



**HEADS HILLSBORO BANK**

*J. I. Hegge is the new president of the First National of Hillsboro, N. D., being elected at the recent annual meeting. W. H. Schram was elected vice president; Leonard Beal, cashier, and Lynn Ferguson, assistant cashier. On the board with Messrs. Hegge and Schram are Theo. Kaldor, A. G. Foogman and Earle R. Sarles.*

## RECOVERY COST JUSTIFIED

Discussing the President's recovery program Guaranty Trust Co. of New York this week says:

"While the indicated amount of the debt as set forth in the budget is a tremendous sum—approximately \$5,000,000,000 in excess of the post-war peak in 1919—the President's message is interpreted in many quarters as definitely fixing the cost of the recovery program according to the estimates of the administration. In this respect the budget, enormous as it is, is considered constructive. And many observers feel that, if the major objectives of the government's program can be attained at that price, the results will justify the cost."

## CREDIT FOR RUSSIA

New York bankers are arranging extensive credits for Russia to develop trade between that country and the United States. Two hundred millions or more may be raised.

Backers of the loan are reported to be Owen D. Young, Thomas Lamont and other big New York bankers. They are working with Alexander A. Troyanovsky, Russian ambassador to the United States, on the program.

## Materialman's Lien vs. Mortgage

In a local case, proceedings for the foreclosure of a materialman's lien sets forth the claim that a mortgage previously filed on the property involved is an inferior lien and that the rights of the mortgagee should be decreed subject to the materialman's lien.

Title insurance protects title investments.

(Next week — another actual case.)

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of Minnesota**  
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MINNEAPOLIS



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## To Make Temporary FDIC Fund Permanent

Congress now has before it the expected legislation to make the temporary deposit insurance fund program permanent.

The bill was introduced in the Senate Tuesday by Senator Vandenberg of Michigan, who had a considerable hand in shaping the 1933 banking law and who was opposed then to the permanent features of the act.

If the Vandenberg bill is adopted the present temporary insurance law will become permanent after July 1 this year. The bill also continues eligibility of non-member Reserve banks to become members of FDIC without joining the Reserve or increasing their capital, provided they pass the necessary examination for insurance participation.

In presenting his message Senator Vandenberg said: "The present formula insures 97 per cent of the depositors of the country without risking less than 30 per cent of our banking resources. That is sufficient protection, in that the small depositor is well covered and that was the chief aim of the law."

Objections to the permanent fund have been based on the fact that no restriction was placed on the amount banks might be assessed and that in a situation similar to last spring such payments could break every bank in the nation; also that strong banks should not be asked to protect weak, badly managed banks; that the law would leave open opportunity for careless and unscrupulous bankers to wreck their institutions, knowing depositors would get their money back.

## Pointers from Starring

Executive Manager Geo. A. Starring, South Dakota Bankers Association, is elated over the response of his membership to the special 40 per cent contribution to maintain the association through the year. "It looks now," Mr. Starring says in a report to members, "as though it will be an almost 100 per cent collection. We want you to know that we here in the office appreciate that."

Manager Starring also calls attention of members to two important matters. He says:

"Returns from the check tax in November were \$3,341,834 as against \$3,835,995 for the same month in 1932. For October the tax netted \$3,400,237. This is less than half the income expected by those who sponsored the tax, and certainly not enough to compensate for the havoc it is creating.

"Postal savings deposits upped in December \$10,144,278 to a total of \$1,209,425,417, in spite of insurance of bank deposits. It is reported that Postmaster-General Farley favors increasing the legal amount for each depositor from \$2,500 to \$5,000, although he apparently is opposed to add checking privileges to postal savings. Here is another place where business men are overlooking a good bet. They should realize that for

every \$10,000 in postal savings, \$100,000 of the community's available and usable credit is tied up."

## JOINS BANK OF AMERICA

Vallejo Commercial National Bank, one of the pioneer institutions of the San Francisco Bay region, became a part of the Bank of America statewide branch banking organization effective this Saturday. The Vallejo bank will be operated as the Vallejo commercial branch of the Bank of America.

## New Minn. Bank Laws

Reporting this week to members on banking legislation enacted by the special session Secretary William Duncan of the Minnesota Bankers Association, stresses the large liberalization of securities to result from the act freeing banks from having to post securities or bonds to cover public funds deposits. Mr. Duncan also points to the law placing HOLC bonds in the legal list and to that which allows state banks to carry bonds and obligations of HOLC without limit, where taken in exchange for mortgages on homes, contracts for deeds, etc.

## Reserve Appointment

Wm. H. A. Johnson, for 12 years assistant secretary, Continental Illinois National Bank & Trust Co., Chicago, has been appointed trust examiner of the Seventh Federal Reserve district by Federal Reserve Board, effective February 1.

Mr. Johnson has been connected with Chicago trust companies since his graduation from Northwestern University Law School in 1913. At that time he entered the service of Central Trust Co. of Illinois and subsequently became secretary of the Fort Dearborn Trust & Savings Bank.

Mr. Johnson is known nationally as a writer and lecturer on trust law and trust company procedure and is a member of the A. B. A. committee on trust education.

During the war Mr. Johnson served as lieutenant of infantry with the eighty-sixth and twelfth divisions. He is now a captain of infantry in the Reserve Corps, assigned to the three hundred forty-second Infantry, with which regiment he served during the war.

Snappy News—That's Commercial West

THE HOUSE of HOSPITALITY and GOOD CHEER



PAUL E. FISCHER  
MANAGING  
DIRECTOR

•  
UNEXCELLED  
DINING-ROOM  
FACILITIES  
•

## NEW HOTEL DYCKMAN

HOTEL management is something more than a business at the Dyckman. It is the continuation of friendly associations that have set it apart in the minds of the traveling public. Under the capable direction of Paul E. Fischer, the Dyckman is setting a new standard of efficiency and service at a minimum of cost. Right in the heart of the Loop, it is only a few short blocks from theatres, department stores, and wholesale centers.

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# Visiting Around Banks

Officers of the First National of Cannon Falls feel justly proud over their December 30 statement which shows capital \$60,000, surplus \$12,000, undivided profits \$12,726, reserve \$2,000, circulation \$60,000 and deposits \$633,977, a total of \$780,704. Main items on the other side are cash \$69,021, United States government securities \$423,324, other securities \$168,265, and loans and discounts \$104,755.

A. T. Scriver, trustee of the Citizens State of Cannon Falls, depositors' trust fund, announces a second 10 per cent payment to holders of their trust certificates. This makes a total of approximately \$90,000 released from the trust fund since it was set up last April. It is one of the first banks in Minnesota to pay a second dividend from trustee assets. Payment is being made through the First National in Cannon Falls.

Christmas Club workers of the First National Bank & Trust Co., Minneapolis were guests at a dinner dance at the Curtis hotel last week. Many officers attended.

Bringing tales of pleasing improvement in many Milwaukee situations, E. R. Ormsby, vice president, First Wisconsin National, visited Twin City contacts Wednesday. He speaks particularly of good business by malsters and the grain men of his city. He says a considerable amount of Minnesota barley is going to Milwaukee and that Milwaukee brewers like it. This in addition to the regular Wisconsin supply.

As Commercial West went to press this week no further word had been heard from Edward G. Bremer, president, Commercial State of St. Paul, who was kidnaped January 17. The family is still hopeful that he will be returned safely and has assured the kidnapers the ransom will be paid without police interference. Mr. Bremer is a nephew of Otto Bremer, Minnesota HOLC manager, head of the American National and largely interested in banks of the Northwest. His father is Adolph Bremer, president of the Schmidt Brewing Co.

N. P. Delander, vice president, First National of St. Paul, was elected president of the St. Paul Town and Country Club at the annual meeting this week. Town and Country is an exclusive St. Paul golf and social club.

Henry J. Harms, president, First State, Brunsville, Iowa, has won two bets in

prophecy. He called the turn on the coming of the depression back in 1929, got his affairs in shape and his bank outrode the storm without losing a sail. Four years ago Mr. Harms agitated for an increase in horse and mule raising, arguing that hard-pressed farmers would get back to horses as their tractors wore out and that increasing prices would make horses a profitable farm crop. He was correct in that, too.

The 1934 annual convention of the Illinois Bankers Association will be held May 21 and 22 at Springfield, states President J. E. Mitchell in a report this week to Commercial West. Entertainment and arrangements are in the hands of Presidents Pascal E. Hatch, Logan Coleman and G. W. Bunn of the First National, Illinois National and Springfield Marine banks, respectively, Clearing House members of Springfield.

Farmers State of Arnegard, N. D., is removing to Watford City which has been without banking facilities since its bank closed in the summer of 1932. Olaf Drov Dahl is president and Arthur Hagen and Iver Drov Dahl are vice presidents. Farmers State is the only bank in McKenzie county.

Now it's just plain First National Bank of Mankato, the comptroller on January 23 having approved the change in title made necessary by dropping of trust powers.

A. E. Thompson, cashier, National Bank of Lakota, N. D., has been elected a director succeeding J. J. Holicky, resigned. Remember last year, Commercial West printed the picture of this flying cashier and his airplane. He was busy then but still busier now, it seems. For instance: says he, "Do not find much time to read, but manage to take 'time out' for the Commercial West."

## NON-MEMBERS RECOGNIZED

NRA administrator General Johnson has approved modification of the banking code, effective February 1, increasing the membership of the banking code committee.

Under the new order the committee will be made up of not more than 25 representatives of A. B. A., three selected by non-members of A. B. A. and one chosen by President Roosevelt.

The old order provided for 15 A. B. A. members and only one non-member representative.



## SLATED FOR FDIC CHAIRMAN

Leo T. Crowley, general agent of FCA in St. Paul who has been picked, state Washington reports, to succeed Walter J. Cummings as chairman of FDIC board. Mr. Crowley's home is in Madison, Wis., and he now is chief advisor to Gov. A. G. Schmedeman of that state. Mr. Cummings resigned recently to become RFC representative as chairman of the board of Continental-Illinois Bank & Trust Co., Chicago. Elevation of Mr. Crowley leaves an important Northwest post open, but no successor had been mentioned at the time Commercial West went to press.

## GIANNINI OPTIMISTIC

Dr. A. H. Giannini, chairman, general executive committee, Bank of America, talking before the Eastern Regional Savings Conference with reference to the New York banking investigation, said he did not entirely agree with statements that banking had been critically hurt in its reputation or that as a result of exposures it faces destroying government regulation. Further he does not believe that kicking the chiselers out of the banking business will destroy banking initiative or power of the banks to supply legitimate credit at a reasonable profit.

## BANKER'S MOTHER DIES

Mrs. Emma Birch, 1776 Pinehurst avenue, St. Paul, mother of President F. A. Birch of the Stockyards National Bank, South St. Paul, died last Sunday. Funeral services were held Tuesday.

BONDS FOR BANK INVESTMENT

WELLS-DICKEY COMPANY

ESTABLISHED 1878

ST. PAUL

MINNEAPOLIS

DULUTH

ORDER FOR HEARING GUARDIAN'S  
THIRD ANNUAL ACCOUNT  
File No. 22364

STATE OF MINNESOTA, }  
County of Hennepin } ss.

IN PROBATE COURT

In the Matter of the Guardianship of Anna Hazen, Insane.

On receiving and filing the Third Annual Account of Marquette Trust Company as Guardian of the above named Ward, and its petition praying for settlement and allowance of said Account;

IT IS ORDERED, That said petition be heard and said Account examined at a Special Term of this Court to be held at the Court House, in the City of Minneapolis, in said County, on Wednesday the 21st day of February, 1934, at two o'clock in the afternoon, and that all persons interested in said matter appear before said Court at said time and place, then and there to show cause, if any there be, why said account should not be allowed.

And, It is Further Ordered, That notice of such hearing be given to said Ward and to all persons interested therein, by publishing This Order once in each week, for three successive weeks prior to said day of hearing in the Commercial West, a newspaper printed and published in said County.

Dated at Minneapolis this 17th day of January, 1934.

By the Court:  
MANLEY L. FOSSEEN,  
Judge.

ORDER FOR HEARING GUARDIAN'S  
FIRST ANNUAL ACCOUNT  
File No. 25143

STATE OF MINNESOTA, }  
County of Hennepin } ss.

IN PROBATE COURT

In the Matter of the Guardianship of Edna Tuomi.

On receiving and filing the First Annual Account of Marquette Trust Company as Guardian of the above named Ward, and its petition praying for settlement and allowance of said Account;

IT IS ORDERED, That said petition be heard and said Account examined at a Special Term of this Court to be held at the Court House, in the City of Minneapolis, in said County, on Wednesday the 21st day of February, 1934, at 2 o'clock in the afternoon and that all persons interested in said matter appear before said Court at said time and place, then and there to show cause, if any there be, why said account should not be allowed.

And, It is Further Ordered, That notice of such hearing be given to said Ward and to all persons interested therein, by publishing This Order once in each week, for three successive weeks prior to said day of hearing in the Commercial West, a newspaper printed and published in said County.

Dated at Minneapolis this 17th day of January, 1934.

By the Court:  
MANLEY L. FOSSEEN,  
Judge.

ORDER FOR HEARING GUARDIAN'S  
FOURTH ANNUAL ACCOUNT  
File No. 19027

STATE OF MINNESOTA, }  
County of Hennepin } ss.

IN PROBATE COURT

In the Matter of the Guardianship of Shirley J. Kinkle, Minor.

On receiving and filing the Fourth Annual Account of Marquette Trust Company as Guardian of the above named Ward, and its petition praying for settlement and allowance of said Account;

IT IS ORDERED, That said petition be heard and said Account examined at a Special Term of this Court to be held at the Court House, in the City of Minneapolis, in said County, on Wednesday the 21st day of February, 1934, at 2 o'clock in the afternoon, and that all persons interested in said matter appear before said Court at said time and place, then and there to show cause, if any there be, why said account should not be allowed.

And, It is Further Ordered, That notice of such hearing be given to said Ward and to all persons interested therein, by publishing This Order once in each week, for three successive weeks prior to said day of hearing in the Commercial West, a newspaper printed and published in said County.

Dated at Minneapolis this 17th day of January, 1934.

By the Court:  
MANLEY L. FOSSEEN,  
Judge.

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# THE QUAKER OATS COMPANY

Buyers of Oats Corn Wheat Barley

Mills at Cedar Rapids, Ia. St. Joseph, Mo. Akron, Ohio

Address: Chicago, Ill. Grain Dept.

## Insuring Wheat Profits

With wheat and coarse grains prices advancing, carrying out predictions of Commercial West, and with Congress tinkering around with market inquiries, the question arises why throw a monkey wrench into machinery which for years has demonstrated its ability to conduct an orderly marketing of grain with profitable returns to farmers when profits are possible.

A study of the records of wheat growing and wheat marketing in this country produces abundant proof that in the effort to rehabilitate agriculture the problem of orderly production far overshadows any new need for orderly marketing.

The reason is that in normal periods the established grain exchanges have proved that they supply the machinery for cheap, efficient, and above all orderly movement of crops from the fields to the dining tables of consumers all over the world.

From July 1, 1904, to June 30, 1914, it has been pointed out, was a period of normalcy on the Minneapolis market.

In these 10 years there were in all only six days when shippers actually "dumped" wheat on the market. Instead of the bottom going out the record shows that there was no visible effect on price. On two of the six days, the price of wheat dropped, the maximum drop being a half cent. On one day of the six the price rose a half cent. On three days the price remained the same.

During the same 10-year period there actually were five days when the shipper withheld all wheat and there were no wheat receipts at all. The price didn't soar on those five days. Instead, there was no visible effect on price at all. On two days the price dropped, the maximum drop being one cent. On two other days, the price rose, the maximum rise being two cents. And on one day there was no change in price.

"The daily picture of the market every day for 10 years," states one Minneapolis commentator, "shows that the market

meets successfully that most severe of all tests, the so-called dumping.

"The wheat 'dumped' is bought for cash, paid for, and is hedged in the futures market with no visible change in price. The reason there is no change is that the wide futures market is the shock absorber."

Although they have drifted back into the haze of experiments which failed, both the Canadian Pool and our own Farm Board can be resurrected to support the importance of the present system of orderly marketing.

Together, the wheat pools and the Farm Board spent hundreds of millions of dollars—all of which was lost—in their theory of orderly marketing. The money spent, it can be mentioned, went to pay for the education of the farmer concerning the respective merits of orderly marketing and orderly production.

The lesson demonstrated was that marketing wheat and cotton through the organized exchanges already is orderly marketing and that dumping wheat on the market is without visible effect on price provided there is a wide, continuous, liquid futures market there to absorb the hedging sales and purchases.

In the congressional record of more than 40 years ago—July 20, 1892, Michael D. Harter of Ohio, a practical flour miller, testified to the United States Senate that: "At one mill where I am interested we are not only large buyers of wheat but have great storage capacity, and this coming harvest we shall put into our warehouses about 600,000 bushels of wheat.

"If the price were to advance before it were ground into flour, 10 cents per bushel, it would make us \$60,000, but if it should decline 10 cents per bushel we should lose \$60,000. Not being speculators, knowing that wheat speculation in the end results disastrously to most of the people who engage in it, we should be unwilling to buy such a vast quantity of wheat if we were not able to sell the

## Grain Price Range

|            | Jan. 24  | Jan. 31    |
|------------|----------|------------|
| WHEAT—     |          |            |
| May .....  | \$0.86   | \$0.87 1/4 |
| July ..... | .85 7/8  | .87 1/2    |
| OATS—      |          |            |
| May .....  | .34 3/8  | .34 1/8    |
| RYE—       |          |            |
| May .....  | .60 1/2  | .60 1/4    |
| BARLEY—    |          |            |
| May .....  | .47 5/8  | .47 5/8    |
| FLAXSEED—  |          |            |
| May .....  | 1.86 1/2 | 1.87 3/4   |
| July ..... | 1.88 1/2 | 1.89 1/2   |

futures against it, and thus protect ourselves against loss on our transactions.

"Therefore, if we had no future market in which we could sell this wheat we should buy very much less of it, and should not be able to pay the farmer within 10 cents per bushel as much as we pay him now, because we would have to have that additional margin to insure us against fluctuations in the market. What is true of us is equally true in varying degrees of every miller, warehouseman, and exporter in the United States."

## Flax Outlook Not Good

How large a flax acreage will the United States plant in 1934? It has taken a long time for the authorities to realize that while our country grows a surplus of wheat, corn, etc., says the Archer-Daniels-Midland Co., it has raised less than one-half of the flax needed in the past few years. Some agitation is now beginning for an increased flax acreage. Last year 1,750,000 acres were sown. This was probably 1,000,000 acres less than the 10 year average.

A 50 per cent increase over 1933 is being recommended for 1934. But how is this going to be accomplished? First, there is a shortage of flaxseed in this country for seeding purposes; second, there are 12,000,000 acres in the Northwest infested by grasshoppers for the eradication of which there are not adequate funds. The flaxseed plant is particularly pleasing to the grasshoppers. Third, legislation to promote seed loans has not been adopted at Washington; fourth, land taken out of wheat growing under the processing arrangement can-

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not be sown to any other crop which is marketed directly or indirectly. Therefore, flax must find its way to new land. Personally, we are not optimistic about the size of this year's flax crop because of the above mentioned obstacles.

Stocks of flaxseed at the mills on December 31, 1933, amounted to 75,171 tons compared with 87,384 tons for the same date in 1932, with 104,192 tons in 1931, with 125,218 tons in 1930, with 121,782 tons in 1929, and with 214,578 tons in 1928. Stocks of linseed oil reported by the crushers were 119,656,272 pounds on December 31, 1933, compared with 90,409,811 pounds for the same date in 1932, with 123,626,578 pounds in 1931, with 83,035,584 pounds in 1930.

### N. D. Wheat Rushed Out

Movement of wheat from North Dakota to the terminal markets at Duluth and Twin Cities has stepped up sharply in the last week, freight traffic officers of the Great Northern, Soo Line and Northern Pacific report, following increases in the price. They pointed out that, although the restrictions against wheat movement from the state, which were imposed by the governor's embargo, were lifted some time ago, the price was not an inducement to the holders of the wheat to ship to market.

In the last week the movement was fully three times greater than in the second week of January. The railway agents say a large amount of wheat still remains to be shipped from the 1933 crop in North Dakota.

### SIoux CITY GAS REPORT

Gross receipts of Sioux City Gas and Electric Co. in 1933 amounted to \$2,371,715 and operating expenses and taxes totaled \$1,409,804.

The company had a surplus of \$961,910 above its operating expenses at the end of the year, the report showed. In addition to the operating surplus, the company derived \$155,725 in revenue from other sources.

From its gross income above operating expenses, the company deducted \$600,484 for various expenses which were not listed specifically and spent \$161,000 for repairs and replacements in its equipment.

After all deductions had been made the company had \$356,152 left for the payment of dividends on preferred and common stock. Of that amount, \$338,709 was paid to holders of preferred stock and \$17,443 was divided among holders of the common stock.

The company listed assets totaling \$14,302,344.

### DROP INDIAN SCHOOLS

Four Indian boarding schools will be closed in June this year and their pupils sent to public schools and reservation day schools.

The Indian Bureau said the new budget contained no funds for continuation of schools, located at Rapid City, S. D., Genoa, Neb., Theodore Roosevelt, Ariz., and Mount Pleasant, Mich.



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# Insurance Club Meeting

*Plans Being Made for Annual Election*

Members of the Insurance Club of Minneapolis are getting ready for the big annual meeting to be held February 19, probably in the evening. A meeting of the program committee, of which Waldo E. Hardell of Underwriters at Lloyds of Minneapolis is chairman, was held Friday of this week to plan for the gathering.

Election of officers for the ensuing year is the big job of the meeting. Nominees will be presented by a committee comprising the following members: C. W. Hall, assistant secretary, Northwestern Fire & Marine; W. U. Knight, state agent, Insurance Company of the State of Pennsylvania; J. C. Matchitt, publisher, Northwest Insurance. This committee will offer a slate comprising two candidates for each office, namely, president, vice president, secretary, treasurer and one director for a term of three years. Vacancy on the board is due to expired term of Frank J. Ney of the Fred L. Gray Co.

An auditing committee to go over the club's books has been appointed as follows: Donald B. Lundsten, insurance manager, First Bank Stock Corp.; Norton H. Roberts, state agent, Underwriters at Lloyds of Minneapolis, and Percy L. Gedney of the Chas. W. Sexton Co., Minneapolis.

The committee does not expect to have a very tough job on its hands because

the club is winding up its fiscal year with a balance of \$300 in the treasury, which, as Treasurer George W. Nelson of the Wood-Nelson Co., says, is sure keeping the big bad wolf away from the doors of the club.

One of the biggest turnouts of the season graced the January meeting of the club Monday noon when E. S. Larsen of the Dayton department store was guest speaker. Mr. Larsen is assistant treasurer and insurance buyer for the Dayton Co. As such he has had ample opportunity to study insurance. His subject was "Stock Agency Handicaps," and he outlined for the benefit of insurance men some of the short comings to which they are subject. He did not criticize but he gave the boys some very pertinent pointers on how they can improve their sales work and the stock companies can place themselves in better position to command more business.

One of the features of the luncheon was attendance of Earl Dean of Aetna with seven members of his company. The aggregation was duly recognized by President Edward Johnstone.

Visitor: "And how is your husband, Mrs. Grubbins?"

Mrs. Grubbins: "Oh, very tryin' ma'am. All last week 'e was down with influenza an' all this week 'e've bin up with insomnia!"

## SCHOOLS FOR AGENTS

Between 20 and 25 general agents, managers and agency supervisors, representing companies in the eastern United States and Canada, will meet at Niagara Falls, Ontario, February 5, in the first of four agency building schools to be conducted this year by the Life Insurance Sales Research Bureau of Hartford. The school will meet for two weeks and the subject matter will include topics having to do with the building and maintaining of up-to-date agencies. The 1934 schools will cover a wide range of territory. Following the Niagara Falls gathering, the next school will be held at Mineral Wells, Texas, for two weeks beginning April 9, and the third will open June 4 at Santa Barbara, Calif. The fourth school will meet at Chicago, July 30.

## Finds Business Gaining

After a swing around the country Vincent Cullen, president, National Surety Co., in the Twin Cities last week-end, finds a distinct rise in business volume.

"There is less financial uncertainty than previously was the case and also many indications of increased bank deposits," states Mr. Cullen, "which in turn promotes stability and permits resumption of normal loaning, a situation certain to stimulate legitimate business everywhere.

"The surety bond business in itself is an index of business because demand for bonds is a necessary accompaniment of increase in office and factory personnel and merchandise stocks. The records of all the surety companies show great increase in inquiries and applications the last few weeks and this can be interpreted in no other way than that new buying is starting the wheels in all lines."

While in the Twin Cities Mr. Cullen was the guest of H. E. Berreau, vice president of the William B. Joyce Agency.

## Hits Bootleg Insurance

A warning against "bootleg" insurance companies or associations, not licensed by the South Dakota insurance department, has been issued by Commissioner W. J. Dawson.

Declaring that "a vigorous campaign by mail, radio or newspaper advertising, and traveling unlicensed agents, has been launched by many fly-by-night organizations" for South Dakota business, Commissioner Dawson has advised the public not to patronize companies which do not comply with state insurance laws.

"Persons who send their money to this type of company are most assuredly doomed to disappointment," he states.

"Evils arising from illegal and unauthorized solicitation often results in misrepresentation and fraud with which the department has no jurisdiction to deal," Commissioner Dawson says. "Often policyholders are denied relief in South Dakota courts because of the terms of such policies."

That's it—Read Commercial West

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**IN YOUR ROOM WITHOUT CHARGE**

Completing our \$200,000 Modernization Program

**ALL ROOMS WITH BATH AND RADIO \$2. UP**

Breakfast.....25¢  
Lunch.....35¢  
Dinner...65¢ and up

**AGAIN THE FINEST HOTEL IN**

**MILWAUKEE**

NOW UNDER NEW MANAGEMENT



## Arnold in Life Group

O. J. Arnold of Minneapolis, president, Northwestern National Life, has been appointed a member of the important valuations of securities committee of the American Life Convention. Other members of the committee are: T. W. Appleby, president, Ohio National Life, Cincinnati; George A. Boissard, president, National Guardian Life, Madison, Wis.; Victor Etienne, Jr., president, West Coast Life, San Francisco; William Montgomery, president, Acacia Mutual Life, Washington, D. C.; E. G. Simmons, vice president and general manager, Pan-American Life, New Orleans; and Herbert M. Woollen, president, American Central Life, Indianapolis.

Joseph B. Reynolds, president, Kansas City Life, is to be chairman of the policy provisions for cash and loan values and related subjects committee; Colonel Charles B. Robbins, president, Cedar Rapids Life, Cedar Rapids, Iowa, heads the departmental supervision committee, while Gerard S. Nollen, president, Bankers Life, Des Moines, is the ranking member of the valuation of securities committee.

### HARDWARE INSURANCE MEETING

Salesmen from eight states took part in a departmental sales conference held in Minneapolis this week under direction of the Federal Hardware and Implement Mutuals. All phases of selling and advertising fire and casualty insurance were discussed. A dinner for salesmen was held Tuesday evening at the Curtis with King Merritt of Minneapolis, the principal speaker. Approximately 60 salesmen were in attendance. Twenty-one offices are maintained by the group of companies in principal cities throughout the United States. The Federal Hardware and Implement Mutuals, of which the Retail Hardware Mutual Fire Insurance Co. of Minneapolis is a member, has a sales force of more than 300 men.

### FEDERAL JOB INSURANCE

The insurance business is facing unemployment insurance through federal channels which is expected to establish whatever form is finally decided upon in every state by 1936. The legislation is being pushed by the United States Labor Department and Sen. R. F. Wagner of New York and Rep. R. J. Lewis of Maryland are sponsoring a bill, expected to be

## Six States

Wisconsin — Minnesota — North and South Dakota — Kansas — Nebraska — agents in these six states find Citizens service both extensive and dependable. So do their customers! Whether you write or buy insurance, you can rely on this organization for the best there is in it.

## CITIZENS INSURANCE COMPANY

of New Jersey

JOHN H. GRIFFIN, *General Agent*

New York Life Bldg.

Minneapolis

introduced soon, which will carry out the program.

Employers will have to contribute to the fund in various states, but will be permitted to deduct such sums from their federal income tax reports.

### GOES TO CHICAGO

Francis B. Crowley, formerly manager of the Indianapolis branch office of the National Bureau of Casualty and Surety Underwriters, has been appointed assistant manager of the Chicago branch, under Manager Peter Malah. All the work of the two recently closed Midwestern branch offices of the National Bureau has been transferred to Chicago to be carried on under the direction of Mr. Malah.

### FEDERAL 'HOPPER HELP

Northwest business men and farmers who are waging a war on grasshoppers were greatly encouraged this week when advice was received from H. R. Sumner, secretary, Northwest Crop Improvement Association, stating the way has been cleared for a federal appropriation of \$2,500,000 with which to carry on the campaign of eradication.

Mr. Sumner has been in Washington several weeks in behalf of obtaining government aid. Senator Wheeler of Montana is sponsoring the appropriation and it has been approved by Budget Director Lewis W. Douglas.

## Best Year Since 1929

Northwestern National Life Insurance Co. of Minneapolis in 1933 recorded increases in assets and surplus and the largest volume of new business in any year since 1929, President O. J. Arnold said in his report at the annual meeting of the company Wednesday. The company's financial position became more liquid last year and on December 31 had 16.8 per cent of its assets in cash and United States government bonds, more than three times as much as at the end of 1929 and comparing with an average of 5.9 per cent for all life insurance companies.

Resources of the company increased about \$500,000 in 1933, to \$47,611,681, and contingency reserves and surplus increased \$407,799 to \$4,596,171. Assets now represent 110 per cent of all liabilities. In the five years since 1928 insurance in force of the Northwestern National Life has increased 24 per cent, from \$288,000,000 to \$357,000,000.

Joseph B. Eastman, federal coordinator of transportation, threw a bombshell into government ownership ranks the other day in his report to Congress when he advised against federal government taking over the railways and even against some of the proposed consolidations of system. Said the time was not ripe for such things.



## Standard Accident Insurance Co.

Detroit, Michigan

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300 SECURITY BLDG.

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August 33%  
September 100%  
October 300%  
**November 400%**

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over the same period in 1932.

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In South Dakota write

**O. S. GRANNER, Mgr.**  
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921 Plymouth Bldg., Minneapolis

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Most attractive and unusual proposition open to party or parties who can make investment. Proposition will stand most rigid investigation. Speculative in sense that money will not be liquid. But sure and safely invested and protected. Possibility of huge return most promising. State amount you could invest if proposition appeals. Address: Box 474, Commercial West.

## Agency Appointments

### LIFE

**Allied Counties Benefit**—Harry R. Wornson, Frank Warren Nehring, both of Mankato; John H. Nelson, Sherburn.

**Bankers Life**—David E. Weldon, St. Paul.

**Canada Life Assurance**—John Boyle, Minneapolis.

**Central Minn. Mutual Benefit**—Louis B. Zumbroo, Minneapolis.

**Community Mutual Benefit**—E. S. Sears, Dawson; Paul W. Schmitz, Dumont; M. D. Scarborough, Willmar.

**Consolidated Benefit**—A. V. Moline, Wm. Duffy, both of Austin; Oscar E. Reslow, Brooten; John A. Roslansky, W. W. Child, both of Lakefield; Mrs. Margaret Swanson, Minneapolis; Henry G. Seifert, Sherburn.

**Continental Assurance**—Clarence E. Larson, Minneapolis.

**Equitable Life Assurance**—Jos. M. Baylor, Norwood.

**Federal Life & Casualty**—H. F. Peter, Minneapolis.

**John Hancock**—Patrick Doherty, Minneapolis.

**Lincoln National**—Chas. F. Bierbaum, Minneapolis; John S. Wolfson, Jos. Rosenblum, both of St. Paul; W. J. Mueller, Edw. G. Vogel, both of Springfield.

**Mass. Protective**—Roy E. Milham, St. Paul.

**Modern**—Paul R. Ufer, Fairmont.

**Mutual Life of N. Y.**—Myron D. Wechsler, Fergus Falls; Carl H. Pearson, Robbinsdale; Guy V. Current, Sleepy Eye.

**National Benevolent**—Erick Peterson, Evansville.

**New Deal Benefit**—O. W. Larson, Madison.

**New England Mutual**—H. A. Plankerton, Minneapolis; E. H. Youngquist, St. Paul.

**New World Life**—W. A. Cusick, Easton; E. W. Tolzmann, Minnesota Lake.

**Northwestern Mutual**—Karsten O. Nelson, Breckenridge; Walter A. Randt, St. Paul.

**Northwestern National**—J. A. Anderson, Cannon Falls; Clarence E. Arendsee, Minneapolis.

**Pacific Mutual**—Walter F. Byrnes, Eva M. Rees, both of Minneapolis; John M. Schweizer, Ben Bratter, both of St. Paul.

**Park Region Benefit**—Chas. Link, Aldrich; Rev. Bernard Karels, Grey Eagle; Jessie M. Devlin, Long Prairie.

**Paul Revere Life**—Roy E. Milham, St. Paul.

**Penn Mutual**—Frank N. Mowalt, Jas. K. Bowe, Fred H. Miller, all of St. Paul.

**Provident Life & Accident**—G. D. Lindenberg, Austin.

**Prudential**—Fred H. Stoller, Albert Lea; O. J. Fowler, Minneapolis; B. M. Leadon, Montevideo; B. C. Terhark, Rushmore.

**Policyholders National**—S. B. Donahue, Minneapolis.

**Southern Minn. Benevolent**—Paul J. Pagel, Bemidji; Jas. Steichen, Faribault; B. K. Soby, Fergus Falls; Geo. J. Plath, Hutchinson; John W. Malone, Jackson; C. J. Nelson, Kandiyohi; Herman Rossow, Lakefield; T. W. Shogren, Lancaster; Victor E. Segerstrom, Minneapolis; E. A. Rohern, Minnesota Lake; F. A. Schwanke, Randall; John E. Yngve, St. Paul; Henry C. Stone, Viking; W. L. Waldren, Winnebago.

**Travelers**—Paul Siever, Ira E. Meagher, both of Minneapolis.

**Western Aid**—T. C. Tracy, Minneapolis.

**Wisconsin National**—David H. Dahlgren, Minneapolis.

### FIRE

**Aetna**—Wallace H. Aiken, Grand Rapids; W. H. Ebert; LeCenter; C. E. Gesme, Northfield; O. L. Young, Slayton.

**Alliance**—Alex. Campbell, John M. Harrison, Fred S. Head, Gordon B. Loomis, Chas. S. Wartenbe, Art. W. Armatage, all of Minneapolis; Leslie Batchelder, St. Louis Park; T. J. Kerr, Waseca.

**American Eagle**—Wm. L. Kling, Minneapolis.

**Austin Mutual**—Louis Robards, Glenwood; Nels A. Johnson, Miltona.

**Automobile Insurance**—Wesley Storms, Duluth.

**Badger Mutual**—C. O. Giere, Hayfield; Mrs. Alice H. Groff, Minneapolis.

**Boston Insurance**—Olaf T. Mork, Madison.

**British General**—John Wavra, Angus.

**Central Fire**—Clarence H. Berge, Ernest W. Wise, both of Brainerd.

**Central Union**—A. E. Kief, Montevideo.

**Citizens Fund Mutual**—John H. O'Leary, Fergus Falls; B. J. Laing, Freeport; Clarence G. Olson, Hayfield.

**Concordia**—John Gaida, Browerville.

**County Fire**—Keo Leroux, M. A. Spang, both of Grand Rapids; Emma M. Thompson, Hastings.

**Fireman's Fund**—A. D. Bertrand, Sleepy Eye.

**Fire Marine Tornado Cy. & Windstorm**—G. J. Trester, Winona.

**Great American**—Wm. O. Jahnke, Hutchinson.

**Insurance Co. of North Amer.**—Frank L. Collins, Beardsley; Wm. M. Roberts, Sleepy Eye.

**Mercury**—Wm. S. Ericson, Crookston.

**National Retailers**—N. T. Woodward, Litchfield.

**Northwestern Fire & Marine**—A. L. Hillmond, Alexandria; Rollo J. Ruble, East Chain.

**Philadelphia Fire & Marine**—Helen C. Mortrud, Minneapolis; Clifford E. Gesme, Northfield.

**Town Mutual Dwelling**—Rollin F. Knapp, Long Prairie; John W. Quinn, Alex. W. Eberhardt, both of Minneapolis.

### CASUALTY

**Autoist Mutual**—E. L. Firmine, Duluth; Wm. Bonneville, Minneapolis; John H. Jackson, Redwood Falls; John W. Mitchell, St. Paul.

**Builders & Manufacturers Mutual**—J. W. Thomes, Winsted.

**Commercial Casualty**—F. C. Campbell, Minneapolis.

**Hartford Steam Boiler**—Lewis Lohn, Fosston.

**Mass. Protective Ass'n**—Roy E. Milham, St. Paul.

**Mutual Benefit Health & Accident**—John Kurvink, Luverne.

**National Casualty**—L. McFarlane, Marie Brown, C. F. Liscomb, all of Duluth; G. W. Knudson, Farwell.

**National Surety**—A. E. Arntzen, Appleton; J. A. Herzog, Bird Island; T. E. Kuehl, Lamberton; John Rucker, Morgan.

**North American Accident**—Carl W. Runck, Springfield; Andrew Katus, Worthington.

**Ocean Accident & Guarantee**—Frank J. Steiner, Blue Earth; Norman R. Barlinghaug, C. Harold Brace, both of Minneapolis.

**Progressive Mutual**—Jos. Steinman, Duluth.

**Seaboard Surety**—G. D. Lindenberg, Austin; Chas. F. Liscomb, Duluth; Robt. L. Cobb, Don Miller, Oscar C. Strecker, all of Minneapolis; A. M. Oskamp, B. R. Nevius, W. A. Baumann, all of Winona.

**Standard Accident**—J. W. Peterson, Duluth.

**Standard Surety & Casualty**—M. A. Peck, Phil G. Kraft, both of Minneapolis.

**Travelers Indemnity**—Ira E. Meagher, Minneapolis.

**Underwriters at Lloyds**—H. W. Wallin, Evelyn M. Kothoff, Len Long, John W. Mitchell, all of St. Paul.

**Western Surety**—Thos. W. Walker, Duluth.

## CWA Graft Curbed

Quick action of the Roosevelt administration in clamping down on CWA graft probably has saved that arm of the recovery program from disruption and has served notice on chiselers that they cannot get by with that kind of crude stuff.

Arrest in Iowa of Lieut. Gov. Nelson G. Kraschel and Carlton D. Bleh, investment dealer, climaxed the eruption, while six others from various parts of the country have been taken into custody charged with grafting of various kinds.

The charges against Messrs. Kraschel and Beh were contained in two indictments returned by a federal grand jury. Both were named in one indictment charging a conspiracy to defraud the United States and Mr. Beh was named alone in another indictment charging that he forged several pages of an application for a \$140,000 loan and grant to the city of Ottumwa.

Mr. Beh, it will be remembered, stirred up a hornet's nest in Minnesota when he was awarded \$8,000,000 of Rural Credit bonds last spring, which award was contested and action is still pending in the courts.

## ARMOURS AT HELM AGAIN

The Armour family has again assumed a dominating place in the affairs of Armour Co. with the backing of Frederick H. Prince, 74-year-old Boston capitalist. Four members of the famous old family have just been named to the board of directors, as were Prince and three of his representatives. Philip D. Armour, III, and Lester Armour were elected to the board, while A. Watson Armour and Lawrence H. Armour were re-elected.

With the installation of the Armour and Prince interests into the control of the company, banking interests which had been dominant since the downfall of J. Ogden Armour more than a decade ago were supplanted.

## The Insurance Keyhole

Be it ever so humble there's nothing so pleasing as a likeable personality in an insurance man.

True they work like the devil if they are competent men and if they are not—well, it's just too bad.

But a man with a good natured smile, a firm handclasp and the stick-to-itiveness of a leach will go places in the insurance business.

W. W. Scott has a new man by the name of Hall. R. D. are his initials.

Hall has been in the insurance business only five weeks—but—he's got all the ear marks of an old timer.

One thing for sure is the fact that Hall has all the necessary qualifications that go to make a good insurance salesman.

So, good luck to you, Hall, and congratulations W. W. Scott for your early training—with the foundation you have laid this timber or material should be a great support for your agency.

Last week Paul Clement of the Minnesota Commercial Men's was left to the mercy of advertising salesmen or anyone that had wares to sell. His cold caused his voice to fly out the window and he couldn't answer back. All he could do was sit and listen. He was better this week and sure made up for his several days of silence.

An insurance man put much faith in his wife's ability as a manicurist and let her work out on his ham-like hands. With the result that the poor fellow couldn't even dial the telephone when he got to work, his fingers hurt so. Your ol' fren' sympathized with him and suggested reversing the treatment. He wouldn't go for that, however, but did say he would trade jobs with her. He'd look good over a dishpan, too. No offense "ma fran."

There are 52 insurance companies with homes in the Northwestern National Bank building.

Leave it to the Keyholer to hobnob with the president of a South Dakota in-

surance company. S. H. Witmer is the president and the Policyholders National is the company. He's a great fellow to meet and one who impresses your ol' fren' as being a fellow that would put himself out just to help someone. In discussing "the situation" he feels that while 1933 was a good year for the company 1934 will be a lot better. Land values are coming back and he says that it will be a matter of just a few months when mortgages will be looked upon as a good investment again. With high grade bonds back to par and with low yields in government's people are naturally going to go back to land as their first choice for a good investment.

Up pops M. C. Laughman again. This time in the role of manager, Northwest division, New World Life Insurance Co. While the agency has been here for some time it falls to Mr. Laughman's lot to start from the bottom and build an agency force. According to the agency appointments in Commercial West every week he's doing a good job of it.

F. D. Mitchell of America Fore, Minneapolis hail special agent and adjuster, has just completed a tour of Minnesota and the Dakotas and finds things looking much better, although collections are still tough in some sections.

Miss Violet Schutta has joined the staff of E. L. Wurst & Co. as casualty underwriters so they are better equipped than ever to render agents first class service on casualty and fire business. Miss Schutta has had many years of experience, holding responsible positions with casualty companies.

There was a terrific crash. The grocer hurried out of his shop and saw his plate glass window shattered to pieces, while down the road ran the obvious culprit.

Without wasting much time, the grocer streaked after him and caught him at the end of the road.

"Now, then," he said, shaking the boy vigorously, "what do you mean by breaking my window and running away?"

The boy raised two pleading eyes. "Oh, sir," he replied, "I couldn't bear to see my ball go through all that pane."

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who are members of their respective state associations

Immediate Coverage Available  
For Dependable Bank  
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Minneapolis

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Write in Confidence to  
Box 150  
Care of Commercial West

# Securities Hit New Highs

*Minneapolis-Honeywell Hangs Up Comeback Record*

While any number of industries in the Northwest came back in 1933 with a better earnings record it remained for the Minneapolis-Honeywell Regulator Co. to hang up a comeback mark to shoot at that will keep all the rest of them busy equaling.

With net income after all reserves, including federal taxes, of \$831,240 Minneapolis-Honeywell earned \$3.77 a share compared with 51 cents in 1932, based on net income that year of \$190,323.

This is a remarkable showing in a bad year and it was brought about by a definite program of market development coupled with introduction of an improved heat regulator system which went over big.

Sales for 1933 were \$4,493,511 against \$3,636,617 in 1932, \$5,272,968 in 1930 and \$6,233,395 in 1929, banner years of the company's recent history.

Earnings of the company back to 1928, which was the year following consolidation with the Honeywell company, have been as follows: 1928, \$1,037,262; 1929, \$1,437,523; 1930, \$961,954; 1931, \$680,524; 1932, \$190,323; 1933, \$831,240. Earnings per share were: 1929, \$7.99; 1930, \$5.06; 1931, \$2.90; 1932, 51 cents; 1933, \$3.77.

Balance sheet of the company at the end of the year shows cash, government and marketable securities amounting to \$2,711,285 and total current assets of \$4,363,332, compared with total current liabilities of \$479,946. Because of its strong cash position the company retired \$178,000 of bonded indebtedness February 1.

During the year there was a market increase in the use of gas for house heating which resulted in increased demand for heat controls and the company anticipates a growing demand in this field with revival in building activity. A subsidiary company is being formed in Amsterdam, Holland, to handle the firm's export business, which heretofore has been conducted through an export department in its New York office. This is expected to result in largely increased European business.

Someone asked the question the other day why stock market values were going up. He was a skeptic. He was told increasing values and buying activity were due to substantial improvement in

earnings statements being shown and that would be shown by industry in 1933.

The foregoing report of the Minneapolis-Honeywell Regulator Co. bears out that statement. But it is being amplified every day by reports from all over the nation.

The stock market has ample reason for its advancement.

## Bonds in Strong Advance

Continuance of the strong advance scored in recent weeks by the bond market marked the week just closed. These underlying obligations have turned millions back to investors in the past few weeks in appreciation on their bond holdings and this in turn has brought about an entirely changed public psychology.

Strengthening of the bond market is one of the best evidences of returning confidence and permanent upswing in the business cycle. They reflect stabilized sentiment more truly than almost any other factor because they so truly represent fundamentals of business and industry.

As a result of the improved position of bonds banks are in the market again for them and dealers are becoming more active than they have been at any time since the slump came on.

During the fore part of the week there was unusual activity in government obligations, brought on by certainty of enactment of the President's monetary program.

The industrial list showed strength and several issues reached new high prices for the year. Goodrich 6s hit 80 for the first time in two years. There was special strength in the motion picture company group. Loew's, Inc., 6s established a new 1933-34 high above 92. The Paramount group rallied substantially. Issues of steel companies were at around the best prices for the past year.

Pronounced strength developed in domestic corporation bonds when many issues reached the best prices in two years. There was a big demand for low priced railroad issues. Erie 5s, 1975-67 established new high prices for 1933-34. The Nickel Plate group showed notable strength. St. Paul 5s advanced more than a point. The industrial list moved in sympathy with the share market and numer-

## Bank Stocks

January 30, 1934

|                             | Bid  | Asked |
|-----------------------------|------|-------|
| MINNEAPOLIS                 |      |       |
| First Bank Stock .....      | 8¼   | 8½    |
| N. W. Banco .....           | 6½   | 6¾    |
| NEW YORK                    |      |       |
| Bankers Trust .....         | 63¼  | 64    |
| Chase .....                 | 28⅞  | 29¼   |
| First National .....        | 1435 | 1455  |
| Guaranty Trust .....        | 325  | 327   |
| National City .....         | 28¾  | 28¾   |
| CHICAGO                     |      |       |
| Central Republic .....      | 1    | 1¼    |
| Continental Illinois .....  | 46¾  | 47½   |
| First National .....        | 108  | 110   |
| Harris Trust & Savings..... | 205  | ...   |
| City National Bank.....     | 95   | 105   |

## Commodity Prices

|  | Jan. 31 | Jan. 24 |
|--|---------|---------|
| Butter (lb.) .....   | \$0.22¾ | \$0.19¾ |
| Eggs (doz.) .....  | .23¼    | .24¼    |
| (Butter and egg prices are New York wholesale market on "firsts.")   |         |         |
| Hogs (cwt.) .....  | 3.35    | 3.25    |
| Cattle (cwt.) .....  | 5.75    | 6.00    |
| Lambs (cwt.) .....   | 8.75    | 8.85    |
| (Livestock prices are South St. Paul quotations for top sales.)  |         |         |
| Potatoes (cwt.) .....  | .90     | .90     |
| Potatoes (cwt.) .....  | .75     | .75     |
| (Potato prices are those paid growers in carlots. Higher price for Minneapolis district, lower for shipments from northern part of state.) |         |         |

ous bonds made new high prices for the year. American Water Works 5s, 1934, jumped 2 and established a record high at 106¼. Keith Theatre 6s jumped 6 points to 66, the best price in two years. Remington Rand 6½s sold at a high of 87½, up ½. Western Union 5½s pushed above par for the first time in several years. Baltimore & Ohio conv. 4½s and M-K-T adj. 5s each gained a point.

Average price of 40 corporation bonds reached a new high for the year Monday at 89.15, up 0.17. All classes of bonds used in the table of averages made gains, the industrial list leading with a gain of 0.31 at 90.77, a new high for the year. Second grade railroad issues were up 0.20 at 77.30 while the high grade rail issues rose 0.08 at 94.57. Public utility bonds advanced 0.11 at 93.97.

### MADE NEW YORK MANAGER

Hans Roggenburg, financial advertising manager of Thomas Skinner & Co., publishing house of London, Eng. and Montreal, has been placed in charge of the company's New York office, 280 Broadway. For several years Mr. Roggenburg has been the traveling representative of Skinners in the United States, calling on banks and law firms. At the conclusion of his trip last autumn he met with a serious automobile accident en route from Detroit to Montreal, and was but recently discharged from hospital. Mr. Roggenburg is a former army officer, world traveler and linguist and he holds several degrees in law.

## PIPER, JAFFRAY & HOPWOOD

MINNEAPOLIS

ST. PAUL

STOCKS

BONDS

GRAIN

COMMERCIAL PAPER

MEMBERS OF

NEW YORK STOCK EXCHANGE  
MPLS. CHAMBER OF COMMERCE  
CHICAGO BOARD OF TRADE

NEW YORK CURB EXCHANGE  
MPLS.-ST. PAUL STOCK EXCHANGE  
CHICAGO STOCK EXCHANGE

## Commerce Commission

The Minnesota Commerce Commission registered its first distillery stock on Tuesday, in fact, placed its okey on two applications. They are:

Old Lewis Hunter Distillery Co., Lexington, Ky., to register 100,000 shares of Class A common stock at \$1.25 per share, and,

Kelly Breweries & Distilleries, Inc., Minneapolis, to register 200,000 shares of Class A common stock at \$1 per share.

Three other applications were granted, namely:

Mankato Brewing Co. to register 40,000 shares of common stock at \$3 per share, and

Administered Fund, New York, a second registration of investment trust shares.

Texas Gulf Producing Co. to register 20,000 shares common stock at not to exceed \$8 per share.

### Broker's License Granted

Harris, Burrows & Hicks.

### Cancelled by Request

Durand Brewing Co.

### Suspended

Wm. P. Stuart & Co.

### New Application

Windsor Distilleries, Inc., Minneapolis, has applied for registration of 100,000 shares at \$1 per share.

## Sees Better Steel Year

Despite a decline in earnings in the fourth quarter of 1933 Myron C. Taylor, chairman, United States Steel Corp., this week reported improvement over 1932 operations and voiced the belief that 1934 will witness a decided betterment in volume of output.

The decline in earnings in the final three months of last year, after the sharp improvement in the preceding quarterly period, had been indicated by the decline in ingot production, but it failed to reduce the company's gross earnings to the extremely low levels of the like quarter of 1932.

The report was made public following the quarterly directors' meeting at which another 50-cent quarterly dividend was ordered on the \$7 cumulative preferred stock. The regular dividend of \$1.75 was cut to 50 cents a year ago.

Operating earnings for the December quarter, after ordinary expenses, totaled \$5,537,084 against \$11,816,832 in the September quarter and \$3,828,272 in the final quarter of 1932.

After interest, depreciation, depletion and other charges, the corporation had a deficit for the quarter of \$7,945,445 contrasted with losses of \$2,717,014 in the third quarter and \$16,729,368 in the 1932 December quarter.

After deducting preferred dividend payments the deficit for the December quarter was \$9,746,850 against \$4,518,419 in the previous period and \$18,530,773 in the last three months of 1932.

Snappy News—That's Commercial West

We are in the market for bonds of municipalities in Minnesota, North Dakota, South Dakota, and Montana, at prevailing prices.

*Communicate with us for bids*

## ALLISON-WILLIAMS COMPANY



NORTHWESTERN BANK BUILDING  
MINNEAPOLIS, MINN.



Successor to investment banking business of Drake-Jones Company

TELEPHONE ATLANTIC 3475

## ALONG FINANCIAL ROW

Investment dealers, bankers and insurance agents of Minneapolis made up the larger part of an audience of nearly six hundred persons hearing A. Lawren Brown's illustrated lecture, January 26, on "The Blind Spot of Science." Until recently assistant state manager in Illinois for Investors Syndicate, Mr. Brown now is connected with the organization's public relations department in Minneapolis. His lecture dealt with economic conditions and Investors Syndicate progress.

\* \* \*

See what Harry Rice of Bigelow, Webb & Co. brought home this week from Glencoe, Minn. He says the tale as told to him was that they were so busy with CWA work in Buffalo (near Glencoe), that no one could be found to dig a grave for a man who died. They had to wait until a bo blew in who didn't want work. They forced him to do the digging.

\* \* \*

The Arms-Chrest Co., investment bankers, moved this week from the north to the south side of the Rand Tower. They are now in suite 735 and, says Rupe Chrest, "We get the sun over here."

\* \* \*

C. S. Ashmun returned this week from an extended southern and eastern trip. Cliff has a way of pulling his friends enroute out of bed early in the morning, have them ride his train during the breakfast hour after which they are permitted to go to their offices (if they can find transportation back).

\* \* \*

There'll be a big party in Omaha February 22 — first formal offering of new Krug beer, and it will be a 60-day-old beer at that—says George Welsh, who, with his partner, Kelly Dray (Associated Distributors) hung up an enviable record in marketing Krug stock in

Minnesota. But what adds zest to the party is the fact that February 22 marks the 75th anniversary of the first offering of Krug beer.

\* \* \*

Warren F. Scribner, managing partner of Paine-Webber & Co., in charge of the Minneapolis house, is in New York attending the annual meeting of his company and is expected to be away about 10 days.

\* \* \*

They say John Stewart, partner in Chas. E. Lewis & Co., has quit trying to beat the game at the cigar counter next door. John says he can guess what the market is going to do fairly well, but when it comes to telling where the little marble is going to land—well, that's another thing again.

\* \* \*

Charles Patterson, Twin City investment man, dropped dead in Minneapolis Thursday morning.

\* \* \*

Charles H. Driver, vice president, Blyth & Co., Chicago, visited their Minneapolis branch Wednesday of this week.

\* \* \*

G. H. Stillman, Minneapolis manager, H. M. Bylesby & Co., was a Chicago visitor this week.

\* \* \*

Special mention goes to Arms-Chrest, Inc., this week for being the first Minnesota investment firm to advertise for sale the stock of the first distillery deal (Old Lewis Hunter) qualified by the Minnesota Commerce Commission.

\* \* \*

Guaranty Trust Co. will be exclusive agent in the U. S. for the Dutch Colonial government in handling conversion of Dutch East Indies dollar loans.

**RUDOLPH S. JURAN**

Government and Municipal Bonds

1933 Financial Analysis  
of Minnesota Counties  
Free on Request

Associated with

**JUSTUS F. LOWE COMPANY**

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Geneva 3693 Minneapolis**NORTH DAKOTA  
State and Municipal Bonds**

Bought, Sold, Exchanged

**H. E. MUELLER**  
Hazen North Dakota

Have you checked your investment portfolio recently in the light of present rapidly changing conditions?

A careful analysis at this time may reveal that changes or replacements could be made to your advantage.

We will be glad to assist you in making such an analysis.

**Mannheimer-Caldwell, Inc.**

Investment Securities

First National Bank  
St. PaulRand Tower  
Minneapolis**WHOLESALE PRICES STEADY**

Trend of wholesale commodity prices was unchanged during the week ended January 27, the index remaining at 69.5. During the preceding week the index gained four points and for several prior weeks it had also advanced slightly.

# How S. D. Got Out of Hole

*As Told By Gov. TOM BERRY to Commercial West*

There has been much said and many reports made of the financial status of South Dakota. In the main these, while they have varied as to detail, have shown the state emerging from a financial burden, which for a time threatened to engulf it. Like Minnesota, South Dakota got into the hole to the estimated extent of \$20,000,000 odd through operation of its Rural Credits Department.

Just when the financial situation of South Dakota, because of its Rural Credits mess and lean years due to drought and grasshoppers, was beginning to get into what looked like desperate straits the people elected Tom Berry governor. Ranch owner, cowboy and business man Governor Berry turned his mind to solution of the state's financial demand and it has reduced its indebtedness and did a good job. In fact, so good that the state's bonds now are in demand.

But let Governor Berry tell the story. Commercial West asked the governor a few days ago for a statement of the state's position. Here it is:

"A condensed report taken from the state treasurer's records, showing the indebtedness of South Dakota, a copy of which is herewith enclosed, indicates the total net indebtedness of the state has been reduced over \$12,000,000 from the fiscal year ending June 30, 1926, to December 31, 1933. This statement further indicates a reduction of \$1,293,316 during the last calendar year.

"The decrease in the total net indebtedness during the last calendar year was accomplished under very adverse conditions. Approximately 67 per cent of the 1932 ad valorem tax has been paid up to December 31, 1933, the date of this report. In spite of this fact, through the reduction of governmental state expense and constructive legislation, the statement reflects a very favorable showing, as compared with the previous year.

"In addition to the above saving, approximately \$500,000 has been provided for the aid of the common schools of the state, over and above the regular interest and income funds, and a considerable

amount of money has been spent for relief of the distressed within the state.

"Inasmuch as agriculture is the predominant industry of the state, and with the favorable and constructive attitude towards agriculture in Washington, and in view of the above record, I have every reason to feel very optimistic about the financial future of South Dakota."

**S. D. LAND SALES UP**

Despite low prices of farm products, grasshoppers and drought, there still remains a market for South Dakota land. This is evidenced by the land sales of the state Rural Credit department, which in less than seven months have amounted to more than 26,500 acres.

The first sale of 1934 resulted in the department disposing of 3,196.43 acres for a total price of approximately \$33,100, according to C. L. Chase, rural credit director.

Mr. Chase reported that 1,402.78 acres were sold west of the Missouri river for \$5,500, an average price of \$3.95 an acre. East of the river 1,793.65 acres were sold for \$27,600, an average of \$15.38 an acre.

**BIG S. D. CWA PAYROLL**

South Dakota's civil works payroll for the week ended January 18 amounted to approximately \$623,786, says Carl Boe, chief clerk in the state CWA office. Checks totaling that amount were distributed to 42,672 persons.

In addition to the CWA payroll, a civil works service payroll totaling \$12,594 was distributed to 1,043 employes, most of whom are women.

**FAILURES SHARPLY DOWN**

Business failures in the United States in the last six months of 1933 were 6,805 lower than the total during the same period in 1932 and 3,420 below the total for the last half of 1928, a decline of 47 per cent from 1932 and 31 per cent from 1928. The year 1928 was one of good general business conditions and relatively low commercial mortality. For that reason it is particularly significant that the failure totals of the last six months of 1933 were under those of the last six months of 1928.

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### Dakota Bonds Stronger

Returning from a Chicago visit, W. J. Allison of Allison-Williams Co., Minneapolis, reports a greater interest on the part of Chicago dealers in bonds of both South Dakota and North Dakota. He ascribes this in part to the fact that most other bonds have gone up so much in price that the Dakotas are cheaper in comparison. Therefore, a better buy from a profit standpoint.

E. L. Williams of the same company spent a portion of week before last in Pierre, S. D., and was decidedly pleased with the attitude he found among state officials. He says they are constructive in all their thinking and actions.

He says they cannot understand why South Dakota bonds are quoted as low as they are in the light of what they have accomplished in the way of state debt reduction. (See Governor Berry's statement on opposite page.) They anticipate the worst that can happen will be possible refunding of around \$1,000,000 of bonds in '35 or '36.

It is Mr. Williams' opinion that a gradual strengthening in South Dakota bonds is reasonably certain.

#### BIG GAINS SHOWN

Two big industrial corporations have just made public their 1933 earnings statements and both reflected substantial increases for the comparative period of the previous year.

Bethlehem Steel reported a profit for the first time since the middle of 1931, earning net income of \$629,671 in the final quarter of 1933, compared with a loss of \$5,621,672 in the same quarter of 1932.

General Motors earned \$83,214,000 for the full year 1933, equal to \$1.72 a common share, compared with a net income of only \$165,000 the previous year.

Snappy News—That's Commercial West

#### ORDER FOR HEARING GUARDIAN'S THIRD ANNUAL ACCOUNT

File No. 23461

STATE OF MINNESOTA, }  
County of Hennepin } ss.

#### IN PROBATE COURT

In the Matter of the Guardianship of Anna Hazen, Mary Hazen, John Hazen and Andrew Hazen, Minors.

On receiving and filing the Third Annual Account of Marquette Trust Company as Guardian of the above named Wards, and its petition praying for settlement and allowance of said Account:

IT IS ORDERED, That said petition be heard and said Account examined at a Special Term of this Court to be held at the Court House, in the City of Minneapolis, in said County, on Wednesday the 21st day of February, 1934, at 2 o'clock in the afternoon, and that all persons interested in said matter appear before said Court at said time and place, then and there to show cause, if any there be, why said account should not be allowed.

And, It is Further Ordered, That notice of such hearing be given to said Wards and to all persons interested therein, by publishing This Order once in each week, for three successive weeks prior to said day of hearing in the Commercial West, a newspaper printed and published in said County.

Dated at Minneapolis this 17th day of January, 1934.

By the Court:

MANLEY L. FOSSEEN,  
Judge.

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# BUSINESS WANT DEPARTMENT

## HELP WANTED

Cashier—West Wis. town, 2000 pop. One bank. Inv. \$5,000. Hines Company, St. Paul.

## SITUATIONS WANTED

Young experienced bookkeeper wants work; millwork plant, department store, garage, bank or what have you? Address box 503 Care Commercial West.

Wanted position as cashier or assistant in country bank, twelve years experience, speaks Norwegian, steadily employed, wants change. Address Box 502 care Commercial West.

Want to lease or job to operate apartment properties in Twin Cities. Years of experience, now an officer and assistant manager of country bank—moving to the city to give children better educational advantages. Please give full particulars of your properties. References exchanged, confidential. Address Box 505 Care Commercial West.

Ten years experience including cashier-ship in Minnesota bank, 28 years old, excellent record, immediately available, can invest substantial amount. Address Box 506 Care Commercial West.

**RATES** for advertisements in this department are 4 cents per word each insertion. Words displayed in Capitals 8 cents per word. Initials, name, address, location and abbreviations count as one word each. Copy paragraphed, 28 cents per line. **CHECK OR POSTAGE STAMPS MUST ACCOMPANY ALL ORDERS.** All answers to advertisements under key numbers must be accompanied by a three-cent stamp.

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## FARM LAND OPPORTUNITIES

Just the kind of a chicken farm you've dreamed of, 10 miles from Minneapolis. 6 acres, 6 room house, new sixty foot chicken coop, double garage, grain house, good water, orchard, and two hundred strawberry plants. Bargain terms.—No dealers—Write Box 500, Care of Commercial West.

## GOOD FARM ON TROUT STREAM

On account of Husband's death will sell fully equipped 180 acre farm with two dwellings, large barn, machine sheds, silo and water power feed mill about ten miles east of Stillwater on State Highway 24. Address—Mrs. Beebe, Boardman, Wisconsin.

## INVESTMENTS

Am open to consider investment in Minnesota bank. Give all important facts in first letter. Must be clean bank in prosperous community. Box 481, care Commercial West.

Control, state bank, town 2500, western Wisconsin, investment \$15,000. Might consider cashier with around \$5,000. Hines Co., Guardian Bldg., St. Paul, Minn.

## MUNICIPAL BONDS WANTED

Swift County, Minn., bonds bought at discount. Quote your lowest price. Address Box 504, Care Commercial West.

## FURNITURE AND FIXTURES

1 Brandt automatic money changer, \$35.00. 1 Shaw-Walker steel bookkeeper's desk, \$45.00. 1 hand Cummins check perforator, \$22.50. 1 Cummins foot power check perforator, \$35.00. 1 large size Safe-Cabinet, Underwriters' "B" Label, cost over \$800.00, sell for \$225.00. 1 Meilicke note interest calculator, machine type, cost over \$200.00, sell for \$45.00. Address, C. A. Doyle, Midelfart Clinic Bldg., Eau Claire, Wis.

## BANKERS ATTENTION

HERE'S THE CHANCE OF A LIFETIME to buy a complete set of bank fixtures and furniture. This includes desks, typewriter, adding machines, and a McClintock alarm system. Will sell whole or separately. Any of the above named articles can be purchased at a very reasonable figure. Fixtures by Moorman. Address box 501, Care of Commercial West.

## The Savings Business

(Continued from page 19)

ment of July 30, 1932, "Let us have courage to stop borrowing to meet continuing deficits. Stop the deficits?"

These admonitions, given nearly two years ago, are evidence that the President recognizes therein that even with the possibility of fiat money dispelled, that a country cannot too long write up its bank assets with governmental debt—for fiat credit is sooner or later the same thing as fiat money. A rapidly mounting public debt, unless checked in time, can only lead to the inevitable. The budget must be balanced.

And secondly, I would advocate that a subject too infrequently discussed since April, 1933, but which is of paramount importance to the United States for its future prosperity, i.e., the creation of international trade agreements and a general lowering of its tariffs. Too long have we pursued the practice of pulling ourselves up by our own boot straps—especially is this true in relation to our foreign trade.

In conclusion, may I say that though

in the light of history many of the present monetary policies may appear to be leading towards disaster, that America is still a country of unequalled resources with a vigorous, energetic people. In a surprisingly short time in the history of the world they have developed their present social order, surely they have the vigor and ingenuity to carry on and preserve what they have accumulated.

## Dollar Cut to 59.06

President Roosevelt, under new authority of the monetary law, advanced the gold price of \$35.00 an ounce Wednesday and devalued the dollar to 59.06.

With the cut in the dollar's gold content there was established automatically a \$2,000,000,000 stabilization fund for regulating the foreign value of the dollar, which officials said might not have to be extensively used, as they expected exchange rates would be firmly pegged by the price set on gold sales for export.

Action of the President places the U. S. back on a modified gold standard basis.

Snappy News—That's Commercial West

The Judge: "This lady says you tried to speak to her at the station."

Student: "It was a mistake. I was looking for my roommate's girl, whom I had never seen before, but who'd been described to me as a handsome blonde with classic features, fine complexion, perfect figure, beautifully dressed and—"

The Witness: "I don't care to prosecute the gentleman. Anyone might have made the same mistake."

## NEW NORTHWESTERN PATENTS

The following patents were issued as of January 23 to Northwest inventors, as reported by Williamson & Williamson, patent attorneys, 925-935 Metropolitan Life building, Minneapolis: C. Blomstrom, Minneapolis, hand sanding tool; A. Brune, et al., Albert Lea, vehicle coupler; J. Copilovich, St. Paul, lighter; T. K. Cummins, et al., St. Paul, hand brake mechanism; G. D. Doherty, Minneapolis, air humidifier; E. P. Hartry, St. Paul, automobile body construction; E. P. Hartry, St. Paul, lubricating device; I. A. Johnson, Winona, Minn., dish washing machine; J. F. Reynolds, Minneapolis, fluid pressure control apparatus for pressing machines; E. C. Sandeen, St. Paul, disk harrow.

## LEGAL DECISIONS

The complete opinion in any case noted in this department and reported in the National Reporter System, can be obtained from the West Publishing Company on receipt of twenty-five cents.

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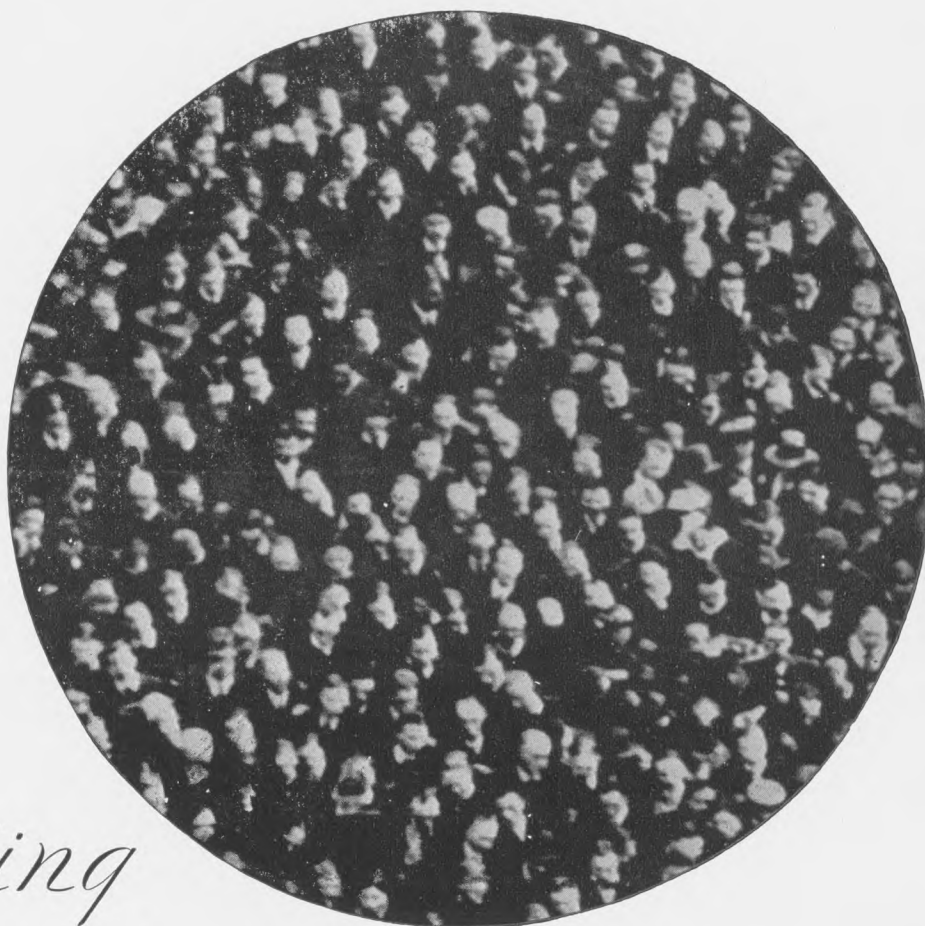
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