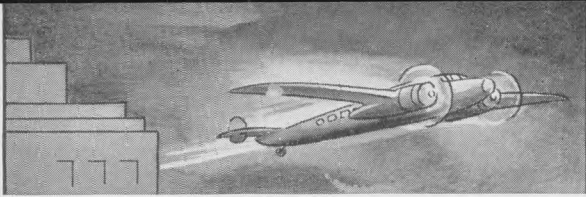
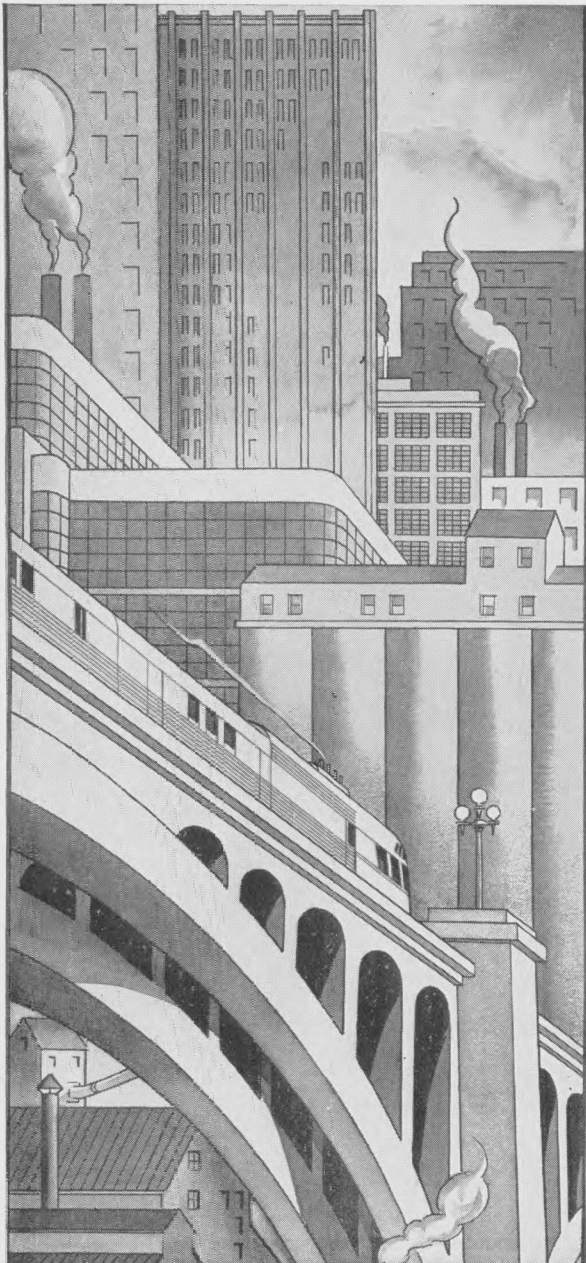


February 8, 1936



The
COMMERCIAL WEST

WEEKLY



●
**Carloadings Emphasize
N. W. Business Gain**

●
**Banking Associations Push
1936 Activities**

●
**New Federal Reserve Board
in Saddle**

●
MINNEAPOLIS



NEW ISSUE

*Exempt from present Federal Income Taxes
Tax Exempt in the State of Minnesota*

\$561,000

City of Duluth, Minnesota

2¾% Bonds

Dated April 1, 1936

Due April 1, as shown below:

*Legal Investments, in our opinion, for Savings Banks and Trust Funds
in New York, Massachusetts and Connecticut*

These Municipal Water & Light Refunding Bonds, in the opinion of counsel, will be valid and legally binding obligations of the City of Duluth, Minnesota, which has power and is obligated to levy ad valorem taxes for the payment of the bonds and interest thereon upon all the taxable property within the City subject to taxation by the City within the limitations prescribed by law.

*These bonds are offered when, as and if issued and received by us and subject to
approval of legality by Messrs. Chapman and Cutler, Chicago*

| <u>Amount</u> | <u>Due</u> | <u>Yield</u> | <u>Amount</u> | <u>Due</u> | <u>Yield</u> | <u>Amount</u> | <u>Due</u> | <u>Yield</u> |
|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|
| \$29,000 | 1937 | .50% | \$28,000 | 1941 | 1.80% | \$ 56,000 | 1946-47 | 2.60% |
| 28,000 | 1938 | 1.00 | 28,000 | 1942 | 2.00 | 56,000 | 1948-49 | 2.70 |
| 28,000 | 1939 | 1.30 | 28,000 | 1943 | 2.20 | 112,000 | 1950-53 | 2.75 |
| 28,000 | 1940 | 1.60 | 28,000 | 1944 | 2.40 | 84,000 | 1954-56 | 99½ (Price) |
| | | | 28,000 | 1945 | 2.50 | | | |

(and accrued interest)

A prospectus is available at the offices of the undersigned:

First National Bank and Trust Company
of Minneapolis

Piper, Jaffray and Hopwood
Minneapolis and Saint Paul

First National Bank
of Saint Paul

February 8, 1936.

Mercantile Acceptance Corporation of California—San Francisco

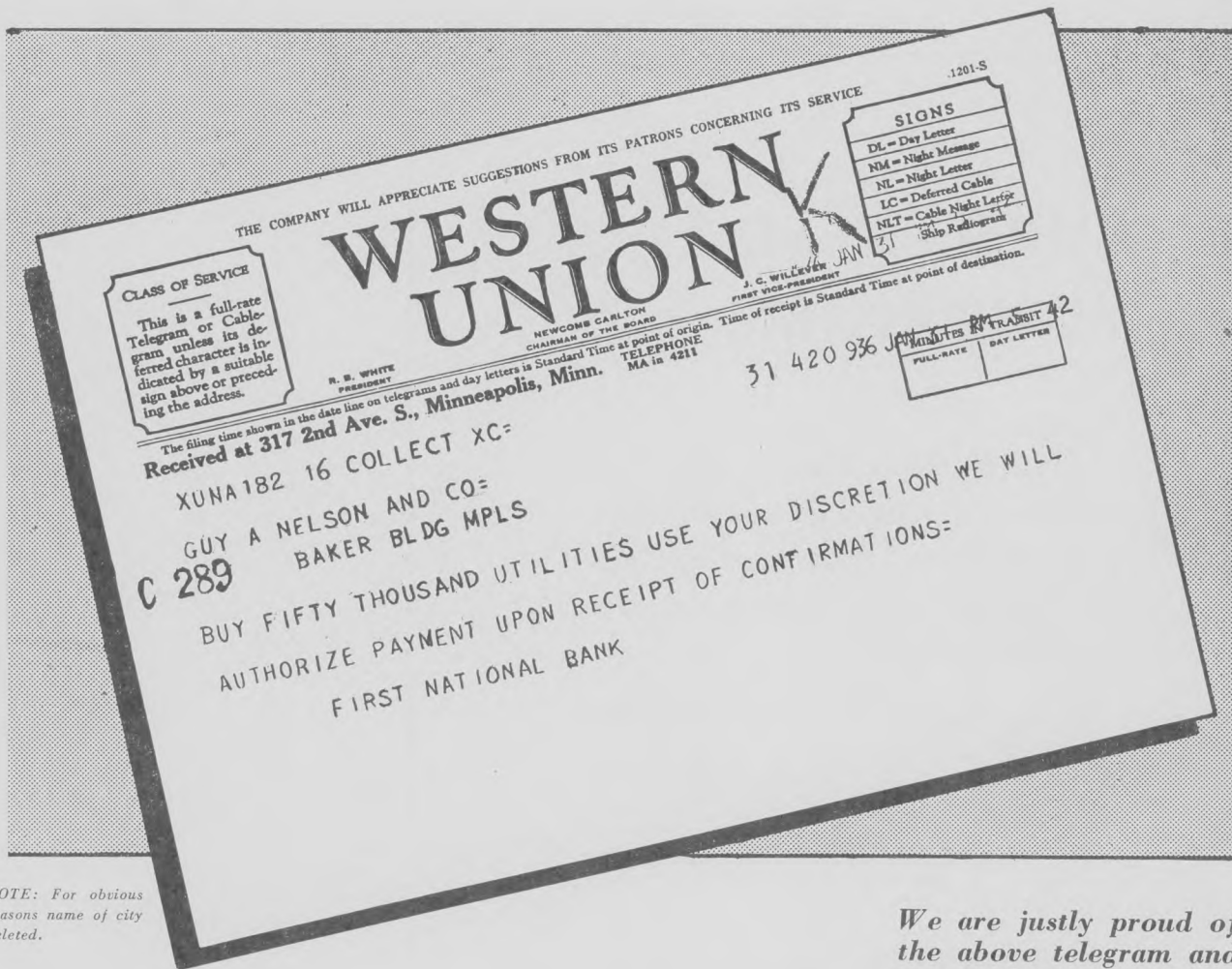
Collateral Trust Notes
For Banks On A Discount
Basis

Geo. G. Struthers
Northwestern Representative
4014 Sheridan Ave. South
Minneapolis, Minnesota

Assets Over
\$5,000,000.00

Confidence

IN OUR INTEGRITY
 IN OUR JUDGMENT
 IN OUR EXPERIENCE



We are justly proud of the above telegram and accept the responsibility it places upon us.

More and more banks in the Northwest are relying on us more and more for assistance in handling their bond investments

GUY A. NELSON COMPANY

Builders of Sound Investment Portfolios

BAKER BUILDING

MINNEAPOLIS, MINN.

Here's Supreme Court Decision Holding Preferred Stock Taxable

Ruling of the United States supreme court this week, declaring preferred stock of national banks held by the RFC as collateral for loans taxable by the states, has got everybody up in the air. The Northwest will be hit by a tax on nearly \$75,000,000 stock.

The ruling said nothing about state banks. Now the question is can they be taxed on their debentures up for collateral?

Minnesota Bank Commissioner Robert D. Beery frankly says he doesn't know, but he is going to ask the attorney general for an opinion.

Tax Commissioner Harry E. Boyle, who handles bank tax matters in Minnesota, said he doesn't know and will await the attorney general's opinion. Undoubtedly the matter will be taken into the courts irrespective of legal opinions should the

attorney general rule state bank debentures taxable.

Neither would Commissioner Boyle say whether the tax will be levied against national banks themselves or against the holders of preferred stock put up for collateral. "Not having read the opinion," he said, "therefore not knowing, I would be inclined to believe the tax will be against the banks."

If it is against the holders, Manager Ben C. Maynard of the Minneapolis RFC office says RFC, hence the government, will be stuck for the tax.

A footnote of the opinion, which is appended in full, says the tax is to be levied against holders of the stock, but holds the banks responsible for payment of the tax, in case those who hold the stock fail to make payment. See this footnote, it is important.

The RFC annual report just issued shows banks in five states of the Northwest have borrowed a total of \$98,423,886 on preferred stock, capital notes and debentures. This includes all banks, state and national, of which about 80 per cent is estimated to be preferred stock of national banks. Of the total amount borrowed \$7,426,790 has been repaid, leaving approximately \$75,000,000 taxable. In Minnesota alone the taxable amount is estimated at \$12,574,000 in round numbers. In five states of the Northwest the situation is as follows, according to the RFC report:

| State | Total Loans | Repayments |
|--------------|--------------|-------------|
| Minnesota | \$17,301,025 | \$1,487,633 |
| North Dakota | 4,004,500 | 433,500 |
| South Dakota | 4,438,100 | 549,939 |
| Wisconsin | 33,065,600 | 2,324,368 |
| Michigan | 39,614,661 | 2,634,850 |

In Minnesota the tax would be levied as on personal property on the basis of 33 1/2 per cent of the full value of the stock at the regular mill rate in effect in the district where the tax is levied.

Following is the complete text of the decision, obtained by Secretary Duncan, Minnesota Bankers Association, by air-mail from Washington and supplied to Commercial West just before going to press:

Justice Cardozo delivered the opinion of the Court.

This case presents the single question whether shares in a national bank, subscribed for and owned by the Reconstruction Finance Corporation, may be taxed by a state.

The Baltimore Trust Company closed its doors in February, 1933, and was unable to reopen. It was reorganized in August of the same year as a national banking association under the name of the Baltimore National Bank with a place of business in Baltimore, Maryland. To set the business going, the Reconstruction

(Continued on page 12)

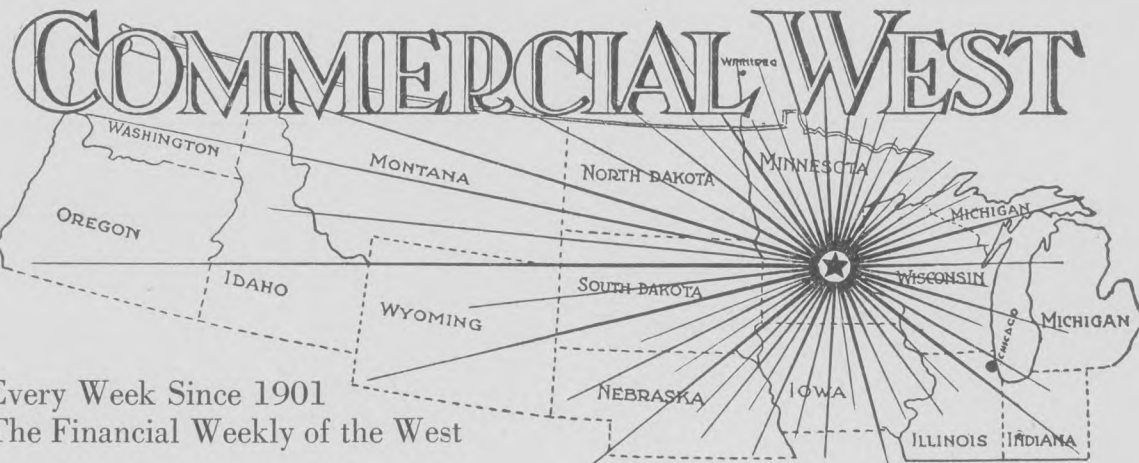
PICTURE THESE THINGS IN YOUR HOME

How much more modern and comfortable your home would be if you added an electric refrigerator, an electric range, and an electric water heater!

You can now enjoy these conveniences you know, at a much lower cost than ever before. The new low electric rate has drastically reduced their cost of operation.

Investigate this new low rate today. Full information gladly furnished upon request. Northern States Power Company.

Electrify YOUR HOME



Vol. 71—No. 6

February 8, 1936

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Published by THE COMMERCIAL WEST COMPANY Minneapolis, Minn.

THOMAS A. BORIGHT
Publisher

WILLIS L. WILLIAMS
Editor

J. P. MATTOX, JR.
Advertising Manager

Executive and Editorial Offices: 445 Rand Tower
New York Office: Robert S. Farley, 165 Broadway

Subscription price, payable in advance: One year, \$5.00 in United States and Mexico; \$6.00 in Canada; \$7.00 in Europe. Single Copies, 10 cents.

Advertising rates on request or furnished by any responsible advertising agency.

Commercial West does not assume responsibility for the writings or statements of others not directly connected with this publication.

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—in the great agricultural West.

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

EDITORIAL

Driven Out By High Taxes

IT HAS FINALLY COME TO PASS. A Minnesota corporation has decided to do its expanding outside the state rather than face the menace of confiscatory taxes. Minnesota Mining & Manufacturing Co., St. Paul, will locate a plant in Detroit instead of its home city for the purpose of manufacturing a new product. President W. L. McKnight makes the reason very clear. He says:

"We have been forced to give up our original plan to manufacture this product in St. Paul, because of taxation policies in this state tending to render location here much more unfavorable to industry than in such states as Michigan. . . . We have been particularly apprehensive of the corporate excess profits tax, which, in our case, would be confiscatory, and of the threatened increase in corporate income and moneys and credits taxes, the high rate of general property taxation, and other policies existing or in the making that render unfavorable the competitive position of Minnesota industries doing their principal business in the national market."

That's the story. We have emphasized editorially and in news stories this position of some of Minnesota's greatest industries. They are not fooling. They mean business. Two of Minnesota's largest industries located in Minneapolis, as we have heretofore related, have threatened to pull up stakes and leave the state, may yet do so. Another is withholding the erection of a new plant on a site already purchased, others are refusing to expand, may follow the example of the St. Paul firm.

The "policies" stated by Mr. McKnight undoubtedly refer to our unfortunate strike situation which has witnessed temporary closing of plants, latest being the boarding up of the Berst-Forster-Dixfield match factory at Cloquet, leaving some 800 persons in that northern Minnesota city out of employment, the town without its weekly payroll.

This tax and strike condition has grown extremely serious. Action has taken the place of words. The "soak the rich" policy is one that must be abated or else the Twin Cities, Duluth and other leading industrial centers of the state are going to lose the industries that keep a large part of their people at work, furnish the payrolls that provide their business volume, create a raw products' market and supply transportation with a large share of its tonnage.

Confiscatory taxes and the coddling of radical strike movements have got to be stopped.

New Tax Burden For Banks

ACTION of the United States supreme court this week in declaring taxable by states the preferred stock of national banks when it is held by the RFC as collateral for loans was not only a surprise but will prove a further unwelcome tax burden upon the banks. Estimates are that national banks of the Northwest alone will find themselves loaded with an additional tax on \$60,000,000, that being the aggregate of national bank stock in the hands of RFC from this section.

The burden may be added to state banks, too, at least in Minnesota, but that is a question to be set-

tled by opinion of the attorney general, which is being asked. It would involve taxation of their debentures, which in reality, are merely notes.

Another question, and a burning one, is whether banks or the holders of the preferred stock will have to pay the tax. Nothing appears in the court ruling as published on that point. If the holder has to pay, which seems doubtful, then the RFC, says Ben C. Maynard, Minneapolis manager, through whom the Northwest loans were placed, will have to pay the tax, which would leave it up in the air, as its interest charge on the loans was only 3½ per cent and it paid approximately 2 per cent for the money with which to make the loans.

Whatever comes of final administration of the court's ruling it would appear our banks are stuck for a lot more taxes.

The Inflation Spectre Arises

THE DANGER of currency inflation has grown more imminent with the enactment of the veterans' bonus payment. Already outstanding inflationists in Congress are planning for printing press money. They are winning over some of those not ardently opposed who prefer some means other than new and additional taxation.

The inflationists have a plausible argument—issue it against the balance of gold and silver bullion in the Treasury—but inflation begets inflation. In no time paper money would "just be printed" with nothing but the good name of the country back of it.

We all know what the experience of nations of the Old World has been in the operation of uncontrolled inflation.

We talk blithely of "controlled" inflation, but that is not possible. No, let's face the facts. We must have more revenue. Let's get it by the direct and creditable method of increasing the taxes, making the burden as fair as possible for all concerned. It is the only fundamentally correct way out of the situation.

The Logical Farm Plan

TAKING the dilemma by its horns President Roosevelt this week asked Congress to scrap the remaining three branches of AAA—namely, the cotton, potato and tobacco control acts—and the Senate already has repealed the measures. The hide goes with the horns. There was little else that could be done. Soon or late the other acts would have met the parental fate.

Failure of the AAA confirms again the age-old fundamental that supply and demand are beyond the ken of successful legislation. Something might be accomplished by voluntary local control, as certain industries have done, but in the long run it is development of foreign markets, tariff protection against European dumping supplemented by reciprocal trade agreements, fair prices to consumers creating demand, that will provide agriculture with a fair price for its products.

An Unsatisfactory, Piecemeal Method

STANDING in the shadow of the threat of government ownership the order of Joseph B. Eastman, federal coordinator of transportation, for consolidation of railroad terminal facilities in 11 cities of the nation would not appear much of a solution of the problem. While the Twin Cities are not included in the list they may be brought into the picture later.

Thus, while we in the Northwest are not immediately interested, still it is a matter of national import as affecting the interests of one of our greatest industries. It is of particular import to the cities affected and the men and women who will lose their jobs by means of these proposed consolidations. Immediate cost to the railroads of the readjustments, comprising terminal switching changes, abandonment of properties, etc., is something that must be considered and will offset for a long time any saving that might be effected.

We believe it much sounder for this matter to have been approached along the broad and comprehensive front of coordination of all forms of transportation, as we have heretofore recommended, consolidation into fewer systems, and so on, rather than by way of the proposed piecemeal method.

TWENTY-FIVE YEARS AGO

—from the Commercial West of February 11, 1911

The Nassau Bank, one of the oldest state banks in the city of New York, will become a national bank on March 1.

W. F. Myers, formerly vice president of the Capital National Bank, St. Paul, has been elected vice president and managing officer of the Merchants & Manufacturers Bank, Milwaukee, succeeding Martin A. Graettinger, resigned.

Flour City Ornamental Iron Works of Minneapolis has secured the contract for the iron and bronze work of the new \$6,000,000 Insurance Exchange building in Chicago.

E. W. Decker, vice president Northwestern National Bank, Minneapolis, reports, on his return from New York City, a change in sentiment and an increase in business optimism that makes the general feeling more favorable there than at any time for the last three years.

L. C. Dorweiler has been promoted from assistant cashier to cashier of the State Bank, Chokio, Minn., to succeed R. A. Johnson, retired.

J. R. Foote has been elected cashier of the First National Bank, Cass Lake, Minn.

First National Bank, Windom, Minn., bank building was recently destroyed by fire at a loss of \$40,000. It will be rebuilt in the spring.

The First National Bank, Milwaukee, is expanding. The new building they are erecting will also be the home of the First Savings & Trust Co.

State banks in Minnesota increased 48 in number during 1910, from 648 on January 31, 1910, to 696 on January 7, 1911.

Kelsey Chase, the new superintendent of banks in Minnesota, has announced the following reappointments of assistant bank examiners: H. P. Hill, Faribault; E. F. Kendrick, St. Paul; W. W. Churchill, Rochester; F. E. McGregor, Crookston; and O. I. Brandall, Dalton. New appointments were A. J. Mellentine, Sleepy Eye; J. M. Mullard, Willmar; and W. J. Regan of St. Paul.

California Bankers Association will hold its annual convention from June 15 to 17 at Lake Tahoe.

Since the report of the Tariff Commission, recommending the admission of wheat from Canada free, the price of Minneapolis Chamber of Commerce memberships has advanced from \$3,100 to \$4,000 bid.

THE BULL'S EYE

By the Sharpshooter

HUNTING WITH A CAMERA is rich in results for the hunter, whether he is trailing bird life, wild game, woods and field summer and winter, or the more exciting game—men and women.

It is easy to become an addict, too. I have a friend whose den and library are overflowing with his work. It's mighty interesting to spend an hour with him looking over the things he has "shot" in a score or more of years as a camera hunter.

Like most of the strictly amateurs at photography this friend began with a fixed distance box and worked his way up to the point where now he has a half dozen cameras, including a motion picture outfit and projection equipment. He's an artist now with all of them. One of the cameras is of the newspaper speed variety, so fast that he can catch running horses with all their feet in the air, show a bicycle rider pedaling as fast as he can go, but looking as though he were standing still.

And what an aggregation of various doodads he has! There is a dark room in his house that has got the proverbial black cat in a black alley backed off the boards. One of the gadgets looks like an electric light bulb with tin foil stuck in it, but it isn't. It's one of the new flashlight bulbs that is taking the place of the noisy, smelly, smokey old-fashioned flashlight powder that went off with a bang and left those in the picture looking as though they had just met a hungry lion.

This camera-minded friend of mine certainly knows his stuff. He uses a lot of his pictures in his business—groups of men and women, attending conventions and meetings, single shots of notables, etc. He knows light conditions to the nth degree, just how to set his camera for distance, speed, the background and all those little things that go to make a picture perfect. It's all Greek to me, but it's just plain ABC to him.

I have watched him in the woods and afield snapping wild life. His patience is remarkable, as I suppose must be true of all those who get the kick he does out of a perfectly trapped picture. I have been with him in cover when he was trying for a deer. The beautiful animals would come in sight, browse around and I would wonder why he didn't shoot. They looked near enough, seemed all right for a picture to me. But not for my friend. He was waiting for just the right pose, for just the right light and background.

That's what I get my kick out of, he will say. There is no sense in just taking a picture. The real enjoyment comes from getting one that will stand out, that will be different from just the average snap. The certain lift of the head, cocking of the ears of a deer, give a picture an individuality. Same is true of taking pictures of men and women. There is a certain cast of the eyes or gesture that marks the individuality of the person. That's what I want.

There certainly is a lot more to taking a picture than just taking a picture.

Minneapolis Reserve Bank Takes Action in Line With New Board's Authority

The new board of governors, Federal Reserve system, is in the saddle, has been since February 1. Its program is being framed.

Meanwhile boards of the Minneapolis and other 11 regional banks have taken action conforming to a general plan for election of officers.

Under the law creating the new board of governors, defining and broadening the board's power of control over Reserve banks and operations of the open market committee, titles of officers of the banks, as heretofore stated by Commercial West, are changed. Governors and deputy governors become presidents and vice presidents. Thus in the Minneapolis bank, for instance, Gov. William B. Geery will become president of the bank, Deputy Gov. Harry Yaeger will be first vice president. H. I. Ziemer, now deputy governor and cashier, will become vice president and cashier. John N. Peyton, as reserve agent and chairman of the board is appointed by the board of governors in Washington, but other members of the board are elected by member banks, some appointed by Washington as heretofore.

The Minneapolis board, at its January annual meeting re-elected all officers of the bank under their present titles, but to serve only until March 1. Next week or the week after, date has not yet been determined, the Minneapolis board will meet again and elect officers to conform to the new titles of president and vice presidents. The men elected president and first vice president will have to be approved for the positions by the board of governors in Washington. Others

named will stand as elected by the local board. As matters stand now there is little question but what Governor Geery who has held the office since 1927, and Deputy Governors Yaeger and Ziemer will be re-elected as president and vice presidents of the Minneapolis bank.

The same procedure has been and will be followed by all regional banks, results of the late February meetings being certified to Washington for approval.

Members of the Federal Advisory Council—one from each bank—of which Theodore Wold, Minneapolis, president Northwestern National Bank & Trust Co., is the Northwest representative, will be elected upon term expirations by the various districts as they have been in the past.

The new board of governors still is incomplete. President Roosevelt has nominated six members and they have been approved by the Senate. The seventh, representing agriculture, is to be named. Three men are known to have serious consideration of the President for the place. F. W. Peck, former Cooperative Bank Commissioner, now back on the extension staff of the University of Minnesota Farm School, was believed to be the President's choice and still may be, although some opposition to his appointment was reported recently from Washington to have come from the Northwest. The two others being considered are Ralph Snyder of Kansas and R. W. Brown of St. Louis.

Mr. Peck has been on the Minnesota Farm School staff for several years before being appointed Cooperative Bank

Commissioner two years ago and taking up his duties in Washington which immediately consisted of organizing the bank and getting it going. Having accomplished this he asked to be relieved at the end of the two-year period.

As was expected Marriner S. Eccles of Utah, who had been governor of the old board, was reappointed for the four-year term by President Roosevelt, as chairman of the new board, the title having been changed under the law from governor to chairman. The other five appointed by the President are M. S. Szymczak, Chicago, the only old board member to be reappointed; Ronald Ransom, Atlanta; Joseph A. Broderick, New York, former banking commissioner of that state under Mr. Roosevelt when he was New York's governor; John McKee, Ohio, and Ralph W. Morrison, Texas.

Amongst other things the Banking Act of 1935 gives the board authority to double the margins that member banks must maintain against deposits, gives it dominant powers in the open market committee which guides the system's participation in the government bond market, and grants the board power of veto over Reserve bank heads. The board also has the right to fix margins governing relations between bankers and brokers.

* * *

Made First Industrial Loan

The Minneapolis Reserve Bank, representing the greatest agricultural section of the country, always has held a commanding position in Reserve affairs. When the new industrial loans were instituted August 1, 1934, the Minneapolis bank was first to make a loan. Since then it has made loans aggregating \$2,890,000, of which \$1,385,000 has been repaid, leaving a balance as of January 1 of \$1,505,000. A total of 185 separate loans were made, the largest being for \$350,000. Only one loss has resulted, for \$1,285, being partial, as the total of the loan was \$3,000. Commercial banks of the Northwest participated in \$187,000 loans, meaning they advanced part of the loan, the Reserve bank the balance. The bank now has commitments outstanding on \$135,000 loans.

* * *

Picture in Demand

The Minneapolis Reserve bank motion picture, showing operations of the bank, is growing in popularity, Assistant Reserve Agent Oliver S. Powell, in charge of the showings, reporting that a fourth outfit had to be ordered this week.



Commercial West Camera.

Here you see Edmund S. Jones (right), vice president Marquette National Bank, Minneapolis, unpacking and shining up a fresh supply of pipes for next day's rush of smokers. Others in the picture, left to right, are F. F. Zander, vice president; R. S. Parker, president Louis F. Dow Co., and Merth E. Mortenson, assistant cashier. And in case you haven't heard the story here it is in a nutshell: A borrowing importer told the Marquette to take the pipes. It did. With approximately 1,800 pipes already sold the bank is about even with the boards.

Husband (feeling a twinge in the back while he is tuning in the radio): "I believe I'm getting lumbago." Wife: "What's the use, dear? You won't be able to understand a word they say."

Visiting Around at Sioux Falls

By the Commercial West Outfielder

Sioux Falls business leaders all agog over prospects for 1936. . . . Mercury 24 below in South Dakota. . . . Black Hills warm spot with 9. . . . Keen anticipation regarding Commercial West's 1936 Bank (Pocket) Directory. . . . South Dakota farmers victorious in fight against cattle testing. . . . More snow predicted for the Dakotas. . . . New dealers open relentless attack. . . . So what?

* * *

Anyway we had a nice trip out and back—the Northwestern way—cold and cold weather delays notwithstanding. Couldn't help but marvel at the splendid record of the "Knights of the Steel Trail." Just imagine how the storm-swept country would have been paralyzed without the railroads. Next time you take a train just listen attentively and appreciatively to the song that the locomotive sings.

* * *

H. O. Chapman and Bill Harris of the Policyholders National Life of Sioux Falls happened to be in Lincoln, Neb., starting (they hope) a couple of prospective agents on the road to fame and fortune. S. H. Witmer, president, was busy getting all loose ends tied so he could leave for Miami where he intends to stay until spring. But one end that he didn't tie was advertising.

* * *

That reminds me of the story about the advertising man's attempt to sell a country merchant on the benefits from advertising. No matter what arguments the advertising man used the merchant would always retort with, "Everybody in the county knows me—knows where I'm lo-



T. N. HAYTER
Tom Was in Illinois

cated—and does business with me." The ad man pointed up the street and asked what a particular building was. "Why, that's the church," replied the merchant. "Does everybody know where the church is?" asked the ad hunter. "Sure they do," said the merchant. "That church has been there for 60 years." "Is that so," chimed in the ad man. "As old as that church is and as well known as it is don't forget, Mr. Merchant, that they ring the church bell every Sunday."

* * *

First National's Tom Hayter made a quick trip to Illinois. They expected him back at the rail by Wednesday. Bill Baker hasn't lost any weight and didn't think that the bank's recent purchase of a Diebold cash box was news. He did say, however, that the new cuspidor they bought for Tom Hayter might be construed as news. (Well, we got it in, didn't we, Bill?)

* * *

This item is primarily for our readers in South Dakota, southeastern Minnesota and northern Iowa, but of interest to everyone: Meet Bill Britton. (Handshake.) As you might suspect Bill is with C. W. Britton Co., Inc., of Sioux City. Three months ago, sensing the need of an up-on-its-toes investment shop in Sioux Falls, he established an office there on the ninth floor of the Security Bank building. He chose to head this office none other than Bill Lau, formerly with Rieger-Jensen Co., Inc., Minneapolis. Bill Lau has quite an acquaintance in Minnesota and from the way he's pushing out in South Dakota's country territory it won't be long before he's well established.

"Since the office has been open we have done a surprisingly large volume of business," said Bill Britton. "I'm well satisfied with the way Bill Lau has taken hold of things. I know that we stand to go to town from a business standpoint." O. K., Mr. Britton—here's wishing you luck.

* * *

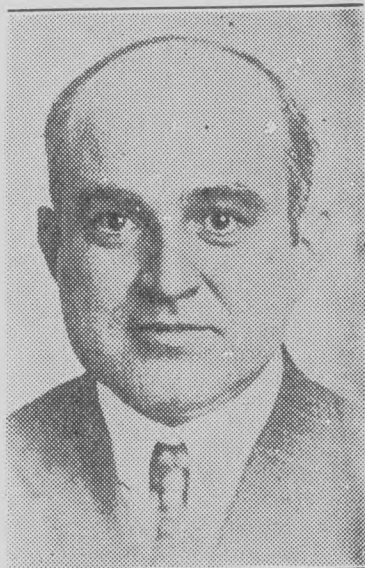
Wm. C. (Bill) Duffy of the Union Savings (we seemed to run into an awful flock of Bill's this trip) is very much pleased with the gains his bank has made. They have been pushing FHA loans, have met with marked success, he says. The bank has worked up a nice volume, intends to push this type of loans a lot harder this year, he said.

* * *

Denny Lemon, president, Queen City Fire Insurance Co., got all fed up on the cold weather and together with Mrs. Lemon hied for Mexico City. In due time his office received word they reached their destination safely, were enjoying themselves immensely. With the Regis hotel as their base they are making trips daily to various towns surrounding Mexico's capitol. They expect to be gone until the middle of February.

* * *

Deposits were up \$100,000 between the last two calls, says Otto V. Meyhaus, president Corn Exchange Savings Bank. Otto reports his directorate changed by loss of J. C. Vandagriff and addition of Frank Johnson and Henry Carlson. Mr. Johnson is the cashier of the bank, Mr. Carlson, president of the Carlson Construction Co. Otto says he looks forward eagerly to the bonus payment, predicts it



DENNY LEMON
He's Visiting in Mexico City



H. O. CHAPMAN
Rounding Up Nebraska Business

Carload Shipments Picture Gain in Northwest Business Volume

Figures just available from the Minneapolis Traffic Association reveal some very impressive facts of business gains in the Northwest as reflected by carload shipments of products and commodities out of the Minneapolis market during 1935 compared with 1934:

| | Cars Shipped Out | | Carloads Received | |
|----------------------------------|------------------|--------|-------------------|--------|
| | 1935 | 1934 | 1935 | 1934 |
| Agricultural implements | 790 | 416 | | |
| Automobiles | 37 | 28 | 5,327 | 3,697 |
| Binding twine | 198 | 42 | 8,546 | 7,286 |
| Brick | 42 | 33 | 84,061 | 62,177 |
| Eggs | 422 | 337 | | |
| Millwork | 222 | 167 | | |
| Sash, doors and blinds | 189 | 94 | | |
| Other forest products | 1,223 | 920 | | |
| Fruit | 178 | 108 | | |
| Grain | 45,898 | 41,889 | | |
| Structural steel | 427 | 378 | | |
| Scrap iron | 1,835 | 1,212 | | |
| Linseed oil | 1,449 | 759 | | |
| Linseed meal and cake | 3,401 | 2,234 | | |
| Machinery other than farm | 526 | 339 | | |
| Gasoline | 3,921 | 3,393 | | |
| Building and roofing paper | 1,237 | 1,131 | | |
| Sand | 1,019 | 547 | | |

(Only chief items listed in the foregoing table.) Total carloads shipped in 1935, 200,340; in 1934, 196,915.

Increase 3,425.

These products and commodities were shipped largely to points in the Northwest, but some went to the Pacific Coast, north into Canada, east to the Atlantic Coast and some of the machinery lines were shipped abroad. A part of the farm machinery shipments were to the South, South America, Europe and Africa.

Carloads of commodities, products and merchandise received in the Minneapolis market, some of which, of course, were included in the carloads shipped out showed an increase of 25,285, being 232,720 against 207,435 in 1934. Total cars

received and forwarded aggregated 433,060 compared with 404,350 in 1934, an increase of 28,710 carloads handled in the Minneapolis market during the year. Automobiles, fruit and grain comprised the bulk of the increase in cars received, grain accounting for most of the gain.

In addition to shipments received and forwarded via the railroads the Federal Barge Lines (Inland Waterways Corp.) operating on the upper Mississippi river, delivered to the Minneapolis and St. Paul ports 141,106 tons of various commodities, products and merchandise in 1935 against 55,103 in 1934 and shipped back 31,692 tons compared with 12,087 in 1934.

PREMIUM INCOME JUMPS

A jump of 52 per cent in premium income on new life insurance business in 1935 is partially due to a shift in public buying from low cost, "depression" types of temporary protection to higher premium, more permanent forms of policies, says O. J. Arnold, president Northwestern National Life Insurance Co., Minneapolis. The company's new premium income for 1935 was \$2,750,829, compared with \$1,806,286 in 1934, a gain of 52 per cent. Total premium income in 1935 was \$10,423,828, an increase of 13 per cent over the \$9,225,707 figure for 1934.

will give Sioux Falls a business boom that the city hasn't seen in years.

* * *

The Northern States Power Co. in Sioux Falls, according to A. J. Buchholz, manager, in 1935 showed a 7 per cent increase in kilowatt hour consumption over 1934. He expects a much larger increase in 1936 because of the increase of appliance sales that is bound to come with bonus payment. Labor difficulties at the Morrell plant cut down consumption materially during 1935. Mr. Buchholz pointed out several points that will interest our readers, so here they are: Out of the 220 people employed by the Sioux Falls branch, which, by the way, serves 400 miles of line, 141 of these live in Sioux Falls and are supporting 547 persons. This same 400 miles of line serves 41 retail towns, starting with Alexandria, S. D., on the west, Tracy on the north and South Canton and Inwood, Iowa, on the southeast. Mr. Buchholz also stated that the increase in volume did not by any means mean an increase in dollars and cents. Lower electric rates, plus the increase in taxes, have offset the gain ma-

terially. Mr. Buchholz is a very close friend of M. L. Hibbard of the Minnesota Power & Light Co. of Duluth. They worked together in Fargo from 1910 to 1912.

* * *

We were told that there are 40 retail liquor firms and 30 off-sale stations in Sioux Falls. Pretty good for a town of 34,000—don't you think?

* * *

Speaking for the Northwest Security and its branches, President China Clarke said: "As far as an increased burden on us here in the main office we notice it very little. The branches are operating as they did before, but with our supervision. Thanks to our large capitalization we now are in a position to extend adequate lines of credit to large industries in the towns our banks serve. Before the group was formed this good business went to the Twin Cities and Chicago. Business has been good and we are hopeful of doing our share in making it better."

* * *

Footings of the Citizens National were

\$1,675,413.19 last call. W. E. Stevens, president, said they were growing slowly but steadily, were kept busy trying to find profitable uses for surplus cash. Local demand has increased somewhat, but is not what it should be. He looks to 1936 very hopefully. With plentiful snow, and there has been, the Dakotas can be considered off to a good start toward the anticipated crop. "When there's been lots of snow, the summer always comes along with plenty of rain," he said.

Marquette National Earns \$9.37 Per Share

Marquette National Bank of Minneapolis last year earned the equivalent of \$9.37 a share, according to the following operating statement supplied to Commercial West by President Ralph W. Manuel:

| | |
|---|--------------|
| Interest received | \$141,193.25 |
| Interest paid | 13,728.92 |
| Net interest | \$127,464.33 |
| Miscellaneous income | 64,623.11 |
| Total | \$192,087.44 |
| Salaries | 79,485.80 |
| Other expense | 43,045.91 |
| Total expense | \$122,531.71 |
| Taxes | 18,603.17 |
| Total | \$141,134.88 |
| Net operating profits | 50,952.56 |
| Depreciation on building and fixtures .. | 5,214.32 |
| Loss reserves, 10 per cent of gross interest income | 14,119.32 |
| Total depreciation and reserves | \$ 19,333.64 |
| Net after depreciation and reserves .. | 31,618.92 |
| Dividends on preferred stock | 3,500.00 |
| Net earnings applicable to common stock | \$28,118.92 |
| Equivalent to \$9.37 a share. | |

Red River Valley Shows

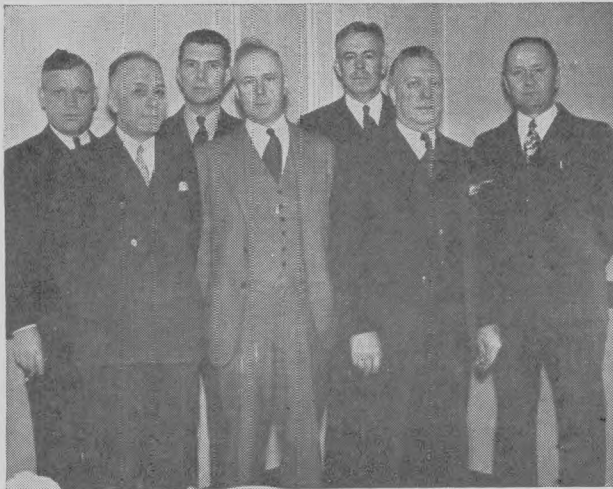
Special meetings have been arranged for the women each day during the Northwest School Farmers' week and Red River Valley Winter Shows being held at Crookston this week.

Speakers include Miss Gratia A. Countryman, Minneapolis city librarian; Miss Esther Thompson, home economics division, University of Manitoba, Winnipeg; Dean W. C. Coffey; Dr. E. C. Stakman; Prof. Henry Schmitz of University Farm, St. Paul; Mrs. J. J. Stewart, Crookston, together with special music and other entertainment.

The opening day of the Farmers' week and winter shows was devoted to livestock and crops judging contests, together with judging of open classes in the poultry and crops departments. The livestock judging was scheduled to begin Tuesday morning and to be completed in time for the presentation of trophies and other championship awards to winners late Wednesday morning.

RAIL HEADS TALK

President C. E. Carlson and Horace Johnson, retired president of the Duluth, Missabe & Northern Railway Co., were scheduled as speakers last Saturday at the annual meeting in Duluth of the road's Veteran Employees Association.



PROTECTION COMMITTEE. Left to right, Wm. N. Johnson, Minneapolis; William Duncan, Jr., Minneapolis; O. H. Odin, Minneapolis; J. G. Maclean, Minneapolis (chairman); Henry Riley, Minneapolis; A. P. Hechtman, Osseo; E. G. Souba, Hopkins.

UNIT OR INDEPENDENT BANKING. Left to right, J. A. Allen, Milaca; William Duncan, Jr., Minneapolis; J. K. Martin, Little Falls (chairman); J. Osbolt, Chisholm; Elmer B. Hanson, Fertile; E. J. LaFave, Morris; Wm. N. Johnson, Minneapolis.

Pension Plan Proposed for Minnesota Banks

Out of the wealth of new ideas—some already adopted and announced; others to follow—before committees of the Minnesota Bankers Association this winter comes the following important proposal from the January 30 meeting of the Unit or Independent Banking Committee:

A retirement pension plan which, the committee believes, will serve as a suitable reward to the officer or employee who devotes the greater part of his life to the cause of efficient banking service.

Present at the meeting were the following members of the committee: J. K. Martin, Little Falls (chairman); J. Osbolt, Chisholm; J. A. Allen, Milaca; Elmer B. Hanson, Fertile and E. J. LaFave.

The matter of bank legislation, both state and national, was discussed and it was the consensus of opinion that our present dual banking system will remain

undisturbed if the bankers themselves continue to prudently operate their banks, and do their part in the conduct of their business so as to avoid criticism. By so doing they will, to a great extent, eliminate a demand on the part of the general public for a change of our present dual system, and prevent agitation for the establishment of a central bank or some other system that may be suggested, which might possibly include universal branch banking.

In order that the conduct of the banking business be placed in a most favorable position, it was agreed, every intelligent effort should be put forth to maintain a highly efficient personnel, and with that in mind the following resolution was offered by Mr. Allen, seconded by Mr. Osbolt, and unanimously adopted:

“WHEREAS, our present dual banking

system has very efficiently and substantially aided in the development of Minnesota and the Northwest, both from the standpoint of agriculture and industry, and

WHEREAS, the Minnesota Bankers Association believes in the adequacy of said dual system, and has been opposed to any system of banking that would have a tendency to destroy or retard the development and further continuance of said system or the permitting of branch banking in this state, and

WHEREAS, it is the opinion of this committee that education and increased efficiency on the part of bank directors, officers, and employes, will contribute greatly in creating a clearer understanding, and appreciation on the part of the general public of the desire of the banking fraternity to develop and maintain an efficient personnel, and

(Continued on page 25)



SAFETY DEPOSIT COMMITTEE. Left to right, John Buettner, St. Cloud; Wm. N. Johnson, Minneapolis; A. J. Veigel, Minneapolis (chairman); D. E. Broadwater, Preston; Wm. Duncan, Jr., Minneapolis; Ralph A. Comaford, Minneapolis; L. L. Olson, Barnesville.

INSURANCE COMMITTEE. Seated—Wm. Duncan, Jr., Minneapolis; E. C. Wingen, Amboy (chairman); Wm. H. Johnson, Minneapolis. Standing—Frank Mann, Brownton; M. L. Lundsten, Buffalo; O. A. Olson, Braham; Geo. E. Buscher, Breckenridge; Guy Masters, Minneapolis.

Supreme Court Holds Preferred Bank Stock Taxable

(Continued from page 4)

Finance Corporation subscribed for the entire issue of preferred stock, 10,000 shares of the par value of \$1,000,000. Following a provision of the Maryland Code (1935 Supp., Article 81, Section 15e*), the State Tax Commission upheld a tax upon the shares, overruling thereby the protest of the bank, which made a claim of immunity under the Federal Constitution for the benefit of the shareholder as well as for itself. The order made by the Commission was reviewed upon appeal by the Circuit Court of Baltimore City, which canceled the assessment. In accord is a ruling of a District Court of the United States for the Western District of Kentucky. *United States v. Lewis*, 10 F. Supp. 471. Upon an appeal by the Commission to the Court of Appeals of Maryland, the order of the Circuit Court was reversed and the assessment reinstated. 180 Atl. Rep. 260. To settle an important question as to the taxing power of a state, a writ of certiorari issued from this court.

The Reconstruction Finance Corporation was organized in 1932 to give relief to financial institutions in a national emergency and for other and kindred ends. Act of January 22, 1932, 47 Stat. 5; Act of July 21, 1932, 47 Stat. 709; 15 U. S. C., c. 14. At the time of its creation and continuously thereafter the United States has been and is the sole owner of its shares. The purpose that it has aimed to serve is not profit to the government, though profit may at times result from one or more of its activities. The purpose to be served is the rehabilitation of finance and industry and commerce, threatened with prostration as the result of the great depression. We assume, though without deciding even by indirection, that within *McCulloch v. Maryland*, 4 Wheat. 316, a corporation so conceived and operated is an instrumentality of government without distinction in that regard between one activity and another. Even on that assumption taxation by state or municipality may overpass the usual limits if the consent of the United States has removed the barriers or lowered them.

*"Shares of stock assessable under this section shall be taxed to the several owners thereof, and the taxes thereon shall be debts of such owners, but may be collected in each case from the bank or other corporation, which shall be bound to pay the same for account of its stockholders whether or not dividends are declared thereon, as if such corporations were the ultimate taxpayer, but may obtain reimbursement therefor from the respective stockholders, and may charge the same in reduction of any amounts due to the several shareholders as dividends or otherwise."

We think consent has been so given where shares in a national bank are the property to be taxed, though an agency of government is the owner of the assets subjected to the burden. By Section 5219 of the Revised Statutes (12 U. S. C., Section 548; cf. Act of June 3, 1864, 13 Stat. 99, 112; Act of February 10, 1868, 15 Stat. 34) "all" the shares of a national banking association whose principal place of business is within the limits of a state are made subject to taxation at the pleasure of the legislature with conditions as to form and method not important at this time. This court has held that Congress in saying "all" meant exactly what it said, and that shares in a national bank belonging to another national bank were taxable to the same extent as if they belonged to any one else. *Bank of Redemption v. Boston*, 125 U. S. 60, 69, 70; *Bank of California v. Richardson*, 248 U. S. 476, 483; *Bank of California v. Roberts*, 248 U. S. 497; *Des Moines National Bank v. Fairweather*, 263 U. S. 103. "The manifest intention of the law is to permit the State in which a national bank is located to tax, subject to the limitations prescribed, all the shares of its capital stock without regard to their ownership." *Bank of Redemption v. Boston*, supra, at p. 70. True, as we have assumed, the Reconstruction Finance Corporation is a governmental agency, but so also is a national bank. *McCulloch v. Maryland*, supra. The question thus reduces itself to this, whether there is sufficient reason to believe that immunity from taxes of this kind has been given to the one agency, though by long accepted decisions it has been denied to the other.

In such a situation the burden is heavily on the suitor who would subject the word "all" with its uncompromising generality to an unexpressed exception. The petitioner reminds us that the ends to be served by the Reconstruction Finance Corporation are even more predominantly public than those of a national bank, since the bank, while promoting the fiscal needs of the government, is acting at the same time for the profit of its stockholders. The suggestion has its force, but force inadequate, we think, to carry to the goal. Its inadequacy is the more apparent when the capacity of the corporation to become a subscriber to the stock is followed to the sources. Until March, 1933, there was no power on the part of national banks to issue preferred shares. Act of March 9, 1933, Title III, 48 Stat. 5; amended June 15, 1933, 48 Stat. 147; 12 U. S. C., Section 51(a). Until then there was no power on the

part of the Reconstruction Finance Corporation to subscribe for such shares or indeed for any others. Act of March 9, 1933, Title III, 48 Stat. 5, 6; amended March 24, 1933, 48 Stat. 20, 21; 12 U. S. C., Section 51(d). By statutes then enacted a national bank was authorized to issue preferred shares of one or more classes upon the approval first obtained of the Comptroller of the Currency. The Reconstruction Finance Corporation was authorized at the same time, with the approval of the Secretary of the Treasury, to subscribe for preferred shares in national banks and also in state banks and trust companies that were in need of funds for capital purposes, subject to the proviso that no such subscription was to be permitted unless the holders of the preferred shares were exempt from double liability. This proviso in and of itself is highly significant of the understanding of the Congress that upon the acceptance of the shares the corporation would be exposed to the same measure of liability and would stand in the same position as shareholders in general.

Other signposts of intention seem to point us the same way, though perhaps with less directness. The newly created power to issue preferred shares was given by an act for the governance of banks (48 Stat. 5), now incorporated in the United States Code as part of title 12, regulating banks and banking. 12 U. S. C., Section 51(a). The newly created power to subscribe for preferred shares was given by the same act. 48 Stat. 5, 6; amended March 24, 1933, 48 Stat. 20, 21; 12 U. S. C., Section 51(d). The two are incidents and aspects of a unitary scheme. No one will deny that shares put out under this act would have been taxable to the holders in the event that some one other than this particular corporation had acquired the new issue through purchase or subscription. If they were to be exempt in the hands of a particular corporation, empowered to acquire them by an associated section, then was the appropriate time for announcing the exception. Instead there is a clear assumption, brought out into full relief by the exclusion of shares chargeable with double liability, that subscriptions when permitted are to stand on an equality, irrespective of their source. A shareholder in the banking system is a shareholder for every purpose, accepting the attendant liabilities along with the attendant powers.

We have reserved to the last an argument strongly pressed in behalf of the petitioner, but one more easily appraised in the light of what has gone before. The act for the formation of the Reconstruction Finance Corporation has its own provisions for exemption, which have now to be considered. "The corporation, including its franchise, its capital, reserves, and surplus, and its income shall

(Continued on page 29)

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First Bank Stock Corp. Report

First Bank Stock Corp., in its seventh annual report, mailed to stockholders this week in advance of the annual meeting next Tuesday, shows consolidated operating earnings for 1935 of the corporation; its banks and active affiliates, after deducting the amount applicable to minority interests, of \$2,764,781.64, equivalent to 90c a share on the 3,071,011 shares of its stock held by the public on December 31, 1935. This compares with 83c a share in 1934.

The combined capital, surplus, and undivided profits of banks and active affiliates in the group increased \$2,753,449.68, while \$1,315,986.22 was added to the surplus and undivided profits accounts of the parent company. This combined improvement of \$4,069,435.90 is after payment of dividends to stockholders of 25c a share, aggregating \$770,771.04, and resulted in an increase in the book value of the parent company's shares from \$12.21, reported at the end of 1934, to \$13.57 as of December 31, 1935.

During 1935, banks of the group retired \$1,240,000 of preferred stock, leaving only \$250,000 yet to be retired.

Net deposits increased from \$337,224,401.61 at the end of 1934 to \$383,753,176.57 as of December 31, 1935.

Holdings of U. S. Government bonds and bonds guaranteed by the Government, other than bonds held to secure circulation, show an increase over last year of \$21,025,097.44 to a total of \$128,474,477.75. Loans and discounts increased \$27,419,863.10, represented principally by loans originating under Title I of NHA and taken through an affiliate, First Banc-credit Corp. Total of such loans held in the group December 31 was \$20,064,852.12.

Federal, state and local taxes paid by the group in 1935 amounted to \$885,532.03, compared with \$774,616.26 in 1934. This tax item, the report points out, represents a sum equivalent to almost one-third of the net operating earnings of the group. To put it another way, for every \$1.00 paid to stockholders, taxing authorities collected \$1.15.

Other features in connection with the operation of the group and its affiliates during 1935 as outlined in the report were:

Three small banks were sold or liquidated, the location of one bank was changed, and the liquidation of several banks which had been in the process of dissolution was completed during the year. One new state bank was incorporated and added to the group.

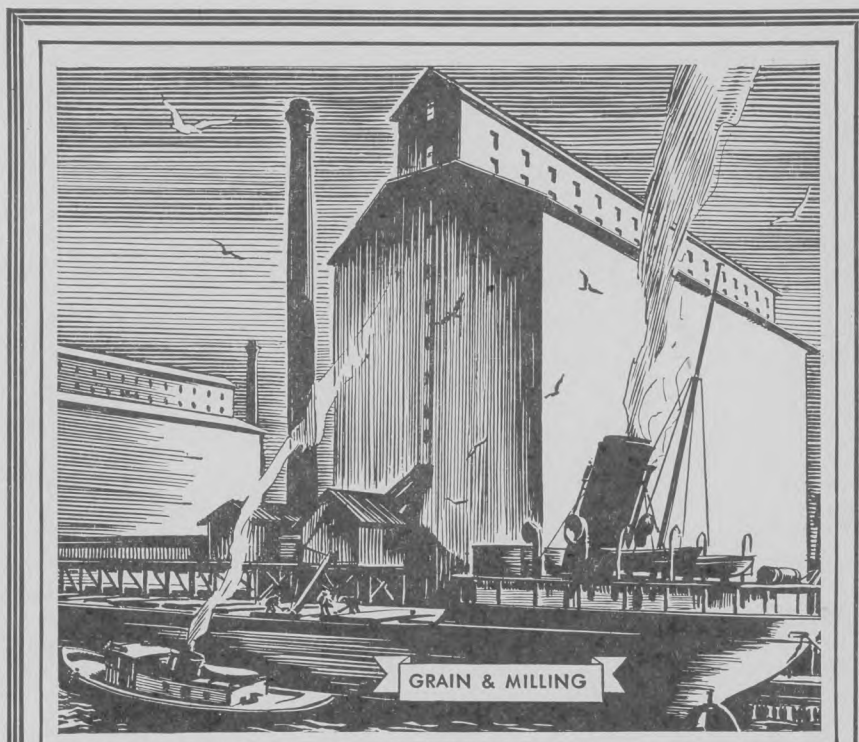
By a vote of the board of directors in December, 1935, a uniform pension plan modeled after plans which had been in operation in the group's Twin City institutions was adopted. This plan became effective on January 1, 1936. Every employe wishing to do so is eligible to participate, and contributions to the pen-

sion fund are made jointly by employe and the employing institutions.

In a brief discussion of the general conditions affecting this area, the report points to a distinct improvement which occurred in agriculture during 1935, but emphasizes that a lack of moisture in the wheat regions of central Montana and the western portion of the Dakotas must be remedied before those areas can be expected to recover fully. A principal problem of banks, it is pointed out, consists in finding a suitable outlet for their loanable funds. While average interest rates on investments are lower than

those which existed a year ago, the asset condition of banks in the group is reported to have shown great improvement during 1935 because of better bond prices and the liquidation of slow assets. For that reason, the report states, the corporation's directors felt justified, in the face of continued low interest rates, in increasing by a moderate amount the dividends paid to stockholders during 1935.

First Bank Stock Corp. group comprises 89 banking institutions, all located in the Ninth Federal Reserve District, two largest units being First National Bank and Trust Co. of Minneapolis and the First National Bank of St. Paul.



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WITH EVERY IMPORTANT INDUSTRY

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NATIONAL BANK AND
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The Bank Lobby

Shows Splendid Increase

Cashier A. E. Arntzen, Farmers & Merchants State Bank, Appleton, Minn., makes an excellent report as to the situation in his community. He writes: "The officers and myself are very well pleased over the progress of the bank during the past year. We received a very splendid increase in deposits and hope it continues during the coming year. After experiencing two consecutive complete crop failures out here our farmers were given some encouragement with a fairly good crop in 1935 along with ample feed to carry them through the winter. We have seed enough for the coming spring planting."

Martin People Progressive

President O. A. Hodson, Blackpipe State Bank, Martin, S. D., finds some very progressive business news in his town. He reports that Martin is putting in a water system, for one thing. He says: "A 10-inch 450-foot well is completed which gave us 155 gallons of water per minute in a 48-hour test. A contract was let last week for a \$48,000 grade school building, to be started March 1. The city has an active Chamber of Commerce."

Reflects Improvement

Directors of the Richland National, Sidney, Mont., re-elected Axel Nelson president and reappointed G. A. Hall cashier and E. M. Foubert assistant cash-

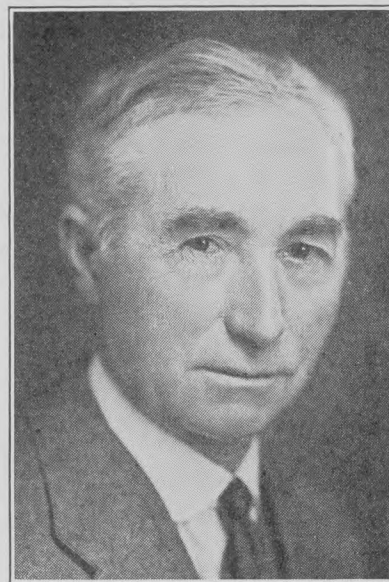
ier. "Our footings at the close of business December 31," writes Cashier Hall, "were \$943,433.18. Comparing this with the footings a year ago of \$621,914.70 shows an increase of \$321,518.48. It reflects the improvement in general conditions in this territory which we serve. Installation of complete new safe deposit box equipment was completed last week. It is in three sections containing 245 boxes and weighs approximately 5,000 pounds. Boxes are in three different sizes, all 24 inches long. They are constructed of heavy, reinforced metal, highly finished inside and out, the latest thing in safe deposit equipment. Following the annual meeting President Axel Nelson and Mrs. Nelson left for Los Angeles where they plan to vacation for a month."

Promotions at Superior

The old First National of Superior, Wis., founded back in 1887 by William B. Banks, who passed away January 10 after a colorful career at the Head of the Lakes, this year passed out promotions to two of its officers, namely, Robert L. Banks, from assistant cashier to vice president, and J. M. Kennedy to vice president along with his cashiership.

Earnings and Deposits Gain

Cashier S. J. Schafer, Farmers State, Waubun, Minn., writes that a second dividend of 10 per cent is being paid holders of trust certificates. He also reports a substantial gain in deposits during the past year as well as in earnings.



THEODORE AUNE
Long Time in the Harness

When the Glenwood State Bank was organized at Glenwood, Minn., in 1907 Theodore Aune was its first president—and for the intervening 29 years to the time of the annual meeting in January Mr. Aune continued as president and active executive head of the bank. At the annual meeting, however, the new office of chairman of the board was created, Mr. Aune resigned as president and now is chairman of the board. "I am still going to be in an executive position," Mr. Aune replies to an inquiry from Commercial West, "but I am not going to spend all my time in the bank." Vice President and Cashier J. O. Haugen was elected president. He has been with the bank 25 years, for 24 of which he has been cashier. To fill the vacancy E. A. Walter of Leola, S. D., who has bought quite a block of stock in the bank, was elected vice president and cashier. He had been vice president and cashier of the First National at Leola and has had about 20 years banking experience. The deal for his purchase in the Glenwood State was made through the Charles E. Walters Co. of Omaha. Louis Robards and H. B. Williams were re-elected assistant cashiers. Mr. Aune says: "The year 1935 was quite prosperous for us. We paid out a 5 per cent dividend and added about \$2,500 to undivided profits." The bank now has \$308,001 footings and loans and discounts of \$137,824 and deposits of \$270,240.

New Cashier at Fosston

Lorence Granum, assistant cashier was promoted to the cashiership of the Farmers State, Fosston, Minn., succeeding the late S. E. Bysom. Dr. H. A. Stolpestad was re-elected president and E. H. Cormont was elected vice president. M. R. Rusten was re-elected teller and Miss Doris Sovick bookkeeper. Mr. Granum started with the bank in 1917 after graduation from high school, was bookkeeper, teller and for the past four

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EXECUTIVE OFFICE NEW YORK BRANCHES IN PRINCIPAL CITIES

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A postponement of sale under foreclosure proceedings is attacked (in a recent case) under a claim that the postponement was made under collusion without recognition of claimants' rights.

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(Next week — another actual difficulty.)

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CAVOUR HARTLEY - Vice President
WILBUR F. MCLEAN - Vice President
J. R. COLBECK - V. P. & Tr. Off.
H. S. PEYTON - Asst. V. P. & Tr. Off.
J. E. BROWN - - - - - Cashier
J. C. BUCKLEY - - Assistant Cashier
Member Federal Deposit Insurance Corporation

itors, \$10,000 to the RFC, increased surplus \$1,000 and net profits of operation more than \$3,000. He also states that total deposits at the close of business December 31 were \$66,459.43, highest since 1931, that cash reserves and United States bonds held amounted to more than \$46,000. At the stockholders' meeting all officers were re-elected, being: C. B. Templeman, president; W. E. Hosmer, chairman and vice president; W. P. Campbell, cashier; Selma Shelver, assistant cashier. Directors in addition to officers are J. E. Lamoreaux, William Gottbreht and J. J. Douglas.

Advanced at Winthrop

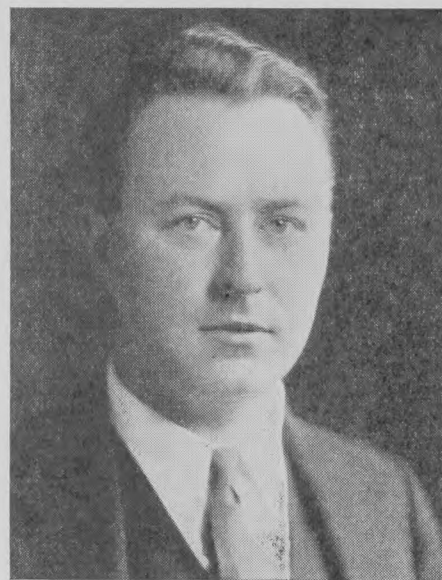
H. C. Stresemann was elected president of the First National, Winthrop, Minn., at the annual meeting. He succeeds J. Aug. Swanson who has served as president for 32 years. Assistant Cashier A. L. Olson was elected vice president to fill the vacancy caused by Mr. Stresemann's advancement. Cashier E. W. Olson, was re-elected, as was Miss Hannah C. Malm, assistant cashier. The bank reports a successful year, showing a gain of \$73,000 in deposits.

Buys White Sulphur Control

Stockholders of the First National, White Sulphur Springs, Mont., were undecided whether to sell or liquidate, following the death of President James T. Wood, until Robert W. Johnson, formerly assistant cashier Gallatin Trust & Savings, Bozeman, entered the picture with purchase of controlling interest. Mr. Johnson, although only 29, has had excellent experience, having been connected with the state banking department for two years and FDIC examiner for nearly two years, previously having been collateral clerk for a large New York investment banking house. Mr. Johnson became vice president of the bank, James S. Coad continues as president, and P. A. McIntosh as cashier.

All Happy at Le Sueur

"Business in Le Sueur in general was very good in 1935," writes J. T. Peterson, vice president and cashier State Bank of Le Sueur, Minn. "Crops were excellent and we are all happy." Facts supplied by Mr. Peterson from the annual meeting report bear him out. This is a new bank—organized in 1933—and it paid its first dividend on last year's business—5 per cent. It added \$1,000 to surplus and \$1,188 to other reserves, still leaving \$3,164.62 in undivided profits. Resources gained more than \$120,000 in the year. All officers were re-elected. They are: A. P. Garnatz, president; L. E. Felton, vice president; J. T. Peterson, vice president and cashier; W. F. Hinrichs and Evelyn D. Nelson, assistant cashiers; Helen Haegele, bookkeeper. Directors in addition to officers are J. W. Coleman and Dr. F. C. Osborn. Mr. Peterson, who had been cashier, was honored also with the new title of vice president and cashier.



A. E. FELSTED
Off for F. A. A. Conference

A. E. Felsted, advertising manager First National Bank, St. Paul, was scheduled to leave this Friday for New York City where, as a director, he will attend the mid-winter conference of officers and directors of the Financial Advertisers Association the coming Sunday and Monday. Officials handling the conference will be President Robert W. Sparks, vice president Bowery Savings, and Executive Secretary Preston E. Reed, Chicago. The conference will lay plans for the association membership's work this year on financial selling, advertising, publicity and public and customer relations.

On FDIC Advertising

Executive Manager Starring in his South Dakota bulletin calls attention to the fact that FDIC regulation No. III is effective since February 1. "In general," Mr. Starring says, "the regulation provides that bank advertising must embody this line: 'Member Federal Deposit Insurance Corp.,' or an approved variation of it. Exceptions are statements of condition published under requirements of state and federal laws, stationery, metal plates giving only the name and address of the bank and advertisements using only the name and address of the bank."

Going Good at Mineral Point

Farmers Savings Bank, formerly of Edmund, Wis., now at Mineral Point, Wis., has had an increase of over \$300,000 in deposits since June, 1935. This bank started at Mineral Point in April, 1935, having moved its charter from Edmund, where it now operates the old bank under a permit as receiving station. The newly elected officers are W. C. Skillicorn, president; G. A. Baker, vice president; L. K. Peterson, cashier; H. J. Beck and Bertha Anderson, assistant cashiers. L. K. Peterson, the cashier, is in direct charge of

both the main bank and the receiving station at Edmund. This is the only bank in Iowa county to have a complete service charge schedule and is the first bank in this county to adopt such a plan. Cashier Peterson reports the plan adopted has met with good success. The bank renders complete banking service to its community including foreign exchange and collections. Mr. Peterson is a former North Dakota banker and is a Minnesota man, his home being at Chisago City. The bank now has resources of over \$700,000.

Changes at New Prague

Time has taken its toll at New Prague, Minn., where at the annual meeting the veteran president and vice president of the New Prague State Bank retired. They are Jacob Mach, Sr., who had been president the past two years and a director for 31 years, and John Proshek who had been vice president for 31 years. In their places Dr. E. E. Novak was elected president and J. J. Remes, vice president. Both have been active as directors of the bank. A. G. Sirek was re-elected cashier. John F. Mach and H. Frank Proshek, sons of the retiring executives, were elected directors to succeed their fathers.

Land Bank Director

John L. Wilson, Stanford, Mont., was elected January 29 as a director of the Federal Land Bank at Spokane.

Turkey for Stockholders, Too

Cashier M. E. Kalton, Security State, Wells, Minn., writes: "We had our annual meeting with the usual turkey dinner at noon for our stockholders. I underlined that because it wasn't just for directors. A satisfactory year was reported as to earnings and increase in volume of business. The usual dividend was paid. It might interest you to know how our debits have run in the past three years: 1933, \$1,982,000; 1934, \$2,212,000; 1935, \$2,996,000. These figures tell the story of the increased purchasing power of this community. All officers and directors were re-elected, being: Wm. F. Rosenow, president; B. O. Ensrud, vice president; Martin E. Kalton, cashier; Val Yokiell, assistant cashier; Ernest A. Miller, Henry Barnick, directors. Footings December 31 were \$425,195, loans and discounts \$239,844; time deposits, \$187,739; checking deposits, \$139,076; savings \$45,934; cashier's checks, \$5,739.



Mr. KALTON

(Continued on page 26)



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TICKER TALK

By The Marketeer

After many weeks of see-sawing, the stock market swept upward on Friday of last week through its previous high point, recorded in November, 1935, and on to the highest level since July, 1931.

The rush of buying was almost exclusively from commission houses with traders doing very little. However, the class of stocks which furnished the leadership and paced the advance was so significant that it quickly attracted the professional element to the buying side. In a market where concerted action of the higher quality leaders had for months been lacking, the primary impulse of the rise was furnished by such issues as U. S. Steel, General Motors, Westinghouse and Johns-Manville.

Unquestionably the brightest spot in the entire performance was the resuscitation of U. S. Steel as a market favorite. With a brilliant earnings report for the final quarter of 1935 as a background, the stock advanced gradually to 50 where it was the object of heavy buying of a very good character. The subsequent rise to around 52 was aided by one of the largest of the professional traders.

From one standpoint the rally in prices at this time is surprising in view of the concurrent threat from Congress of a substantial additional tax levy to support the bonus and the new farm relief plan. The battle raging there between the currency inflation faction and the proponents of the orthodox method of raising revenues is, to say the least, disturbing. That there is real fear of a victory for the inflationists is demonstrated by the continued decline of the dollar to such a point that the first exports of gold since 1934 took place this week.

The stock market, however, has been steadily pursuing its course in appraising the trend of corporate earnings. The continued improvement in railroad car load-

ings and the excellent earnings reports of the farm equipment manufacturers has resulted in persistent strength in these two groups as contrasted with the discouraging decline in both American and Continental Can where earnings apparently reached their peak in 1934.

The fact that the market will continue to exercise this function faithfully is a steadying influence in a financial situation otherwise beclouded by the vagaries of politicians.

Hasty Judgment Upset

The speculator who is wont to exercise hasty judgment when confronted with an emergency will more often than not come to grief. A case in point is that of the sudden decline registered by the farm machinery stocks on the day, and for a short time after the supreme court invalidated the processing taxes.

Although the selling at that time was very scattered, this group suffered losses of from one to six points in rather short order. There was also a good deal of comment concerning a contraction in farm purchasing power and the resultant detriment to the farm implement companies.

The subsequent action of these stocks, however, strongly implies that such predictions were ill-considered. During the past two weeks a very substantial amount of buying has come into the farm equipment shares from mid-western sources. So insistent has been the demand that new 1935-1936 highs were recorded recently by International Harvester, Deere, Minneapolis-Moline and others. This sudden reversal of trend bespeaks a more mature consideration of the matter.

Pegging Optimism

From the welter of confusion surrounding the collapse of the AAA pro-

cessing tax theory, it is possible to piece together certain salient facts which tend to confirm the present optimistic attitude of the stock market.

In the first place, with a presidential election looming in the near future, it is inconceivable that the administration's policy of farm relief will be discarded. On the contrary, Congress is at present acting on an appropriation of nearly a billion dollars to finance a substitute farm subsidy plan.

It is interesting and instructive to note at this point that total benefit payments

Bank Stocks

February 6, 1936

| | Bid | Asked |
|-----------------------------|------|-------|
| MINNEAPOLIS | | |
| First Bank Stock..... | 15 | 15½ |
| N. W. Banco..... | 11¾ | 11¾ |
| NEW YORK | | |
| Bankers Trust | 64 | 66 |
| Chase | 39½ | 41 |
| First National | 1930 | 1960 |
| Guaranty Trust Co..... | 292 | 297 |
| National City | 35½ | 37 |
| CHICAGO | | |
| Central Republic | 20½ | 21½ |
| City National | 98 | 102 |
| Continental Illinois | 128 | 130 |
| First National | 257 | 261 |
| Harris Trust & Savings..... | 345 | 360 |
| Northern Trust | 620 | 630 |

Commodity Prices

| | Feb. 5 | Jan. 29 |
|--|---------|---------|
| Butter (lb.) | \$0.37½ | \$0.36¼ |
| Eggs (doz.) | .27¼ | .27½ |
| (Butter and egg prices are New York wholesale market on "firsts.") | | |
| Hogs (cwt.) | 10.25 | 9.75 |
| Cattle (cwt.) | 10.15 | 10.50 |
| Lambs (cwt.) | 10.50 | 10.50 |
| (Livestock prices are South St. Paul quotations for top sales.) | | |
| Potatoes (cwt.) | 1.25 | 1.25 |
| Potatoes (cwt.) | 1.10 | 1.10 |
| (Potato prices are those paid growers in carlots. Higher price for Minneapolis district, lower for shipments from northern part of state.) | | |

BONDS FOR BANK INVESTMENT

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to farmers during 1935 aggregated \$480,000,000 and that this amount was roughly only 6 per cent of the total gross farm income for the year, estimated by the Department of Agriculture at somewhat over \$8,000,000,000.

Secondly, it seems highly probable that the days of restricted production have passed. The new farm plan, now under consideration, creates bounties for the raising of crops of legumes to restore soil fertility and soy beans for industrial uses. During 1935 the acreage of important crops declined more than 25 per cent. The restoration of this acreage to production should further stimulate the demand for agricultural machinery.

Finally, three years of ravaging drouth and the doctrine of scarcity introduced by the AAA have resulted in the disappearance of the burden—some surplus of farm products which for years hung over and depressed quotations of their market. In consequence of this, the ratio of agricultural prices to industrial prices has registered a sharp improvement in favor of the farmer. This alone is solid reason for believing that the present high level of farm purchasing power will be maintained regardless of government subsidy.

Below is shown the prosperity-to-depression price range and the present position of the stocks of five leading farm implement manufacturers.

| | 1929 High | 1932 Low | Present Price |
|----------------------------|--------------|-------------|------------------|
| International Harvester | 142 | 10% | 66 |
| Deere & Co. | 158 | 3½ | 67 |
| Allis-Chalmers Mfg. Co. | 75½ | 4 | 41 |
| Case (J. I.) & Co. | 467 | 16¾ | 106 |
| Mpls.-Moline Implement Co. | 51½ | ¾ | 8 |



WILLIAM E. BINA
Out After Business Again

Mr. Bina, who has joined up with the George C. Jones Agency, Inc., Minneapolis (C. W., Jan. 25), took a flyer up around Benson and Willmar last week to feel out the territory. Investors are in the market, Mr. Bina says, and the outlook is good.

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N.W. Bancorporation Report

Northwest Bancorporation closed its seventh year of operation December 31, 1935, showing a marked improvement in the asset position of its affiliated banks and a stronger consolidated position reflected in the financial statements contained in the annual report of J. C. Thomson, president, mailed this week to stockholders ten days in advance of the annual meeting February 13.

During the year the obligation of the Bancorporation and its wholly owned subsidiary, Union Investment Co., in respect of the balance of the loan of \$3,000,000, obtained in 1933 from RFC, was paid a year in advance of its maturity. Liability in respect to preferred stock and capital debentures issued by affiliated banks has been reduced by \$3,760,000, due to retirements and to releases by reason of sale of interests in certain affiliated banks. At the close of the year there was a balance outstanding of \$18,505,000 which is payable by affiliated banks prior to maturity as their operations permit.

Consolidated operating earnings, including profit on securities sold for the year, before charge-offs and recoveries of the group after providing for minority interests, were \$3,814,899.30, compared with \$4,315,850.95 for 1934. Although loans and discounts show an increase over 1934, the interest earned showed a decline of \$1,664,455.90 for 1935, due, the report points out, to the abnormally low interest rates prevailing. This decline was partially offset by an increase in other earnings, a reduction in interest paid and other expenses.

The provision made by affiliated banks for charge-offs and write-downs after deducting recoveries and the amounts applicable to minority interests was \$4,103,666.41. This amount is reflected in the books of the corporation by charging \$3,096,813. 69 against reserve for contingencies and \$1,006,852.72, estimated normal provision for the year, against operations. After these adjustments, and after deducting \$734,805.34 for dividends and interest on preferred stock and cap-

ital debentures, the net income of the corporation for the year was \$2,073,241.24 compared with \$2,381,737.35 for 1934.

There was a net addition to surplus during the year of \$7,332,914.28 including net income of \$2,073,241.24 and \$3,903,186.31 transferred to surplus from the reserve for contingencies, leaving a balance set-up as reserve for contingencies of \$5,000,000, which is considered by the corporation as adequate at this time.

The analysis of addition to surplus follows:

| | |
|---|----------------|
| Net Income for Year..... | \$2,073,241.24 |
| Proceeds from Sale of Stock in Affiliated Bank in excess of book value at date of sale..... | 392,400.00 |
| Excess provision in prior years for Federal Deposit Insurance..... | 628,349.35 |
| Excess provision in prior years for losses of companies..... | 275,731.95 |
| Transfer from Reserve for Contingencies | 3,903,186.31 |
| Miscellaneous Recoveries | 62,245.33 |
| | <hr/> |
| | 7,335,154.18 |
| Less Surplus Adjustments relative to acquisition of Interests in bank stocks | 2,239.90 |
| | <hr/> |
| Net Increase in Surplus during year | \$7,332,914.28 |

The balance sheet of the corporation as at December 31, 1935 shows a capital and surplus of \$19,155,025.61, exclusive of reserves, which indicates a book value of \$12.07 per share on 1,586,289 outstanding, exclusive of treasury stock, compared with \$7.44 on 1,591,908 shares for 1934.

The balance sheet shows consolidated deposits of \$360,381,307.87 and loans and discounts of \$112,599,425.64, an increase in both items, even though the comparative figures at December 31, 1934 include assets and liabilities of nine banks sold or liquidated during the year.

At the close of the year the corporation had 94 affiliated banking institutions and 17 branch offices. During the year 18 banks completed the retirement of their preferred stock or capital debentures and 22 more made partial retirements. Thirty-one banks are without either preferred stock or capital debentures.

Aside from the institutions conduct-

ing a commercial banking and trust business, the corporation has three live stock loan companies and two mortgage companies, one of which, the Northwestern Mortgage Co., is engaged in the servicing of city and farm mortgages and in the making of mortgage loans.

Women Hear Safety Talk

Gil W. Carmichael, director drivers license division, Minnesota Department of Highways, addressed the members of the St. Cloud Business and Professional Women's Club at their January meeting. Mr. Carmichael in a very clear, definite and thorough manner outlined the department he directs, convincing his listeners of the necessity and value of this department for the safety of lives in the State. He said that more than 2800 drivers' licenses had been revoked for careless driving or other reasons during the time of its existence. The system used by Minnesota and the cost thereof is being studied by other states. Mrs. D. E. Crary of St. Cloud is state chairman of safety for the Minnesota Federation Business and Professional Women's Clubs.

Credit Men Elect

George B. Whalen of St. Paul was elected president of the Sixth District Association of the National Retail Credit Association held a few days ago in Des Moines. He succeeds L. R. Pearce of Des Moines, B. F. Collins of Minneapolis was named national director. Dean Ashby of Davenport was elected vice president, and H. R. Ames of Lincoln, secretary and treasurer.

Elected to the board of directors were W. E. Woodhead of Des Moines, Harry O. Wreun of Omaha, Alfred O'Brien of Sioux City, John Hesketh of Grand Forks, Robert M. Grinager of Duluth, and Mrs. Carl Wagner of Sioux Falls.

KENNEY ON COUNCIL

President William P. Kenney, Great Northern Railway Co., has been appointed a member of Secretary Roper's advisory council of 18 business leaders of the nation.

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ALONG FINANCIAL ROW

New Investment Firm

Formation of a new investment firm, Angland & Co., Inc., 500 Rand Tower, was announced this week by its president, Maurice P. Angland. Mr. Angland, a native of the Northwest and in the investment business in Minneapolis for 10 years, has received considerable publicity of late through having been one of the principals in the sensational reorganization of the Wayne Pump Co.

Associated with Mr. Angland as vice presidents, are Robert W. Barnes, formerly with Chase-Harris-Forbes in Minneapolis and later district sales manager for that firm in Denver, and John C. Heines, at one time with P. W. Chapman & Co., Chicago, later in the industrial loan division, Minneapolis Federal Reserve Bank. Paul T. Semple will be secretary-treasurer and in charge of the office while Walter C. Chapman and Zally Markus will be sales representatives. James B. Powell, formerly of Harris, Burrows & Hicks, will do the bond trading.



HAROLD E. WOOD
Takes on Another Honor

Mr. Wood was named by the St. Paul City Council Friday of last week as a director of the St. Paul Port Authority, succeeding to the vacancy caused by the recent death of R. P. Warner. Mr. Wood is head of the Harold E. Wood & Co. investment house of St. Paul, is a past president of the St. Paul Association and active in civic and business affairs of that city. He has already taken over his new duties as Port Authority director which has to do with river traffic in and out of St. Paul, the large part of which is represented by shipping in and out via the Inland Waterways Corp.'s barge line.

New Minneapolis Office

The end of this coming week Harold E. Wood & Co. will open a Minneapolis office with Tom Foster in charge of operations. The new office will be located at 1409 Northwestern Bank building. It is said the new office was necessary to furnish closer cooperation with Minneapolis firms and individuals.

Elected to Club Board

Henry E. (Hap) Atwood, who was vice president of the First National Bank & Trust Co., in charge of its investment department, has been vice president of the B. F. Nelson Manufacturing Co., since January 15 (C. W., Jan. 11) has been elected as one of four new governors of the Minneapolis Club. Others are D. F. Bull, Cream of Wheat; Carl W. Jones, publisher Minneapolis Journal, and H. H. Tearse.

Elected Curb Associate

Todd W. Lewis of Chas. E. Lewis & Co., Minneapolis, was elected to associate membership in the New York Curb Exchange at a recent meeting of the board of governors. Mr. Lewis, as announced some time ago in Commercial West, maintains a New York City office.

Personally Speaking

Stanley A. Russell and James A. Jackson, president and vice president, respectively, of Lazard, Freres, Inc., were recent Twin City visitors. Mr. Russell is a former National City Co. vice president, and Mr. Jackson was formerly vice president of the National City Bank of New York.

Don Green of Piper, Jaffray & Hopwood entertained a group of bond men at a stag party Friday night. He served Dunjeness crabs which he had shipped in from Seattle.

Harold Wood returned Monday from a week's visit in New York.

Edward Mott, Blyth & Co.'s Seattle office, spent Tuesday and Wednesday in the Twin Cities.

Geo. Schaust, First National Bank & Trust Co., Minneapolis, is on the Caribbean cruise—not a bad place to be these days.

Lawrence Shaughnessy, H. E. Wood & Co., has been on the sick list this week.

Cliff Ashmun, Justus F. Lowe & Co., who has been out of town on business, returned on Monday. Cliff was in the East for a week.

In these days keep posted by reading Commercial West.

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"Mother," said a little boy after coming from a walk, "I've seen a man who makes horses." "Are you sure?" asked the mother. "Yes," he replied. "He had a horse nearly finished when I saw him; he was just nailing on his back feet."

MUNICIPAL FINANCING

County officials and others interested are invited to report promptly all news for this department.

The municipal market still remains quiet—and tight. . . . Not much being offered locally. . . . Prices still high.

Halsey-Stuart and Bancamerica-Blair took the \$500,000 relief bonds offered Monday by Ramsey county at a premium of \$480 for 2½'s, running one to 20 years. Previous Ramsey county sale was at 2¾, so it can be seen the price is still going up. Twin Cities houses also were bidders, but were not inclined to boost prices any higher. Thus far none of the bonds has been offered for retail in the Twin Cities, the bulk of the issue, it is understood, being offered insurance companies, foundations and other long-term buyers.

Minneapolis board of estimate and taxation Monday voted to offer another \$500,000 for this year's relief and also authorized sale of \$125,000 storm drain construction bonds, both to be offered March 20.

First National Bank, St. Paul, has purchased an \$80,000 bond issue of the city of Cut Bank, Mont., funds from which are to be used for construction of a new high school. Rate is 4¼ per cent. Plans for the building are being made by Architect George Shanley of Great Falls.

PROPOSED ISSUES

Sioux City, Iowa—Plans are under way for the issuance of \$13,000 funding bonds. E. V. Moore, city clerk.

Minneapolis—The City Council Ways and Means Committee has recommended the sale of \$500,000 public relief bonds. Charles Swanson, city clerk.

Gilbert, Minn.—Plans are under way for issuance of \$10,000 WPA project bonds. A. W. Indehar, village clerk.

Chariton, Iowa—Plans are under way for issuance of \$25,000 sewage disposal plant bonds. C. W. Nelson, city clerk.

Cresco, Iowa (Howard county)—Plans are under way for issuance of \$15,000 refunding bonds. Geo. L. Champlin, county auditor.

Ironwood, Mich.—Plans are under way for issuance of \$43,000 refunding bonds. Leo Adriansen, city clerk.

Grinnell, Iowa—Petitions are being circulated calling for election on issuance of \$8,000 swimming pool bonds.

Stevens Point, Wis.—Plans are under way for sale of \$39,500 funding bonds. Eleanore Glodoske, city clerk.

COMING ELECTIONS

February 11

Mobridge, S. D.—On \$55,000 auditorium building bonds. R. C. Riddell, city auditor.

February 18

Centerville, S. D.—On \$19,000 school building bonds. Almeda Kron, clerk Board of Education.

February 27

McCook, Neb.—On \$10,000 swimming pool bonds. B. J. Lane, city clerk.

No Date Set

North Platte, Neb.—Election may be held in near future on issuance of viaduct building bonds. Clyde Trump, city clerk.

Rock Rapids, Iowa—Election will be held in near future on issuance of light and power plant bonds. W. F. Gingrich, city clerk.

Aberdeen, S. D.—Election may be held in near future on issuance of armory-auditorium building bonds. L. W. Kohlhoff, city auditor.

ISSUES VOTED

Sturgis, S. D.—\$57,000 school building bonds. E. V. Morrill, clerk Board of Education.

Heron Lake, Minn.—\$10,000 additional school building bonds. A. D. Sontag, clerk Board of Education.

Walnut Grove, Minn.—\$46,000 school building bonds. A. W. Olson, clerk Board of Education.

Minneapolis—\$125,000 storm drain bonds. C. C. Swanson, city clerk.

Ireton, Iowa—\$5,000 town well and pump bonds. G. T. Juffer, village clerk.

Pierre, S. D.—\$110,000 funding bonds. N. W. May, city auditor.

ISSUES DEFEATED

Hardy, Iowa—\$32,000 school building bonds. Glen Brayton, secretary Board of Education.

BIDS CALLED FOR

February 8

Valley City, N. D.—At 8 p. m. on \$55,000 auditorium building bonds. Denom., \$1,000. C. C., 2 per cent. W. T. Craswell, city auditor.

February 14

Staples, Minn.—At 8 p. m. on \$83,000 school building bonds for Independent school district No. 78. Denom., \$1,000. Int., 4 per cent. C. C., 2 per cent. B. C. Barrett, clerk Board of Education.

February 27

Vinton, Iowa—At 7:30 p. m. on \$38,000 sewer outlet and purifying plant bonds. F. J. Lynch, city clerk.

March 3

Butte, Mont.—At 8 p. m. on \$440,000 school building bonds for school district No. 1, Silver Bow county. Int., 4 per cent. Denom., \$1,000. C. C., \$22,000. Margaret A. Leary, clerk Board of Education.

AWARDED

Park Rapids, Minn.—\$43,000 sewer warrants. Int., 4 per cent. Prem., \$320, to Wells-Dickey Co. and Bigelow, Webb & Co., both of Minneapolis.

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A. I. B. Chapter News

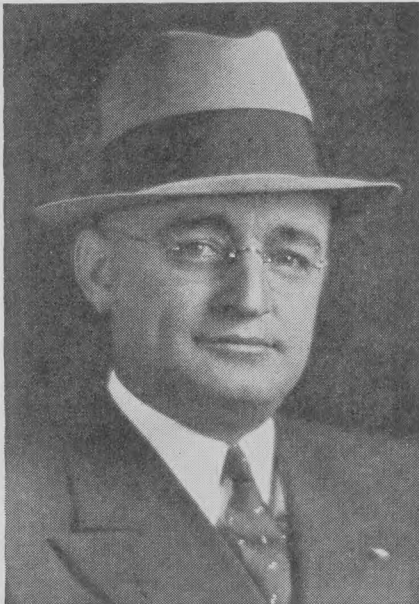
A. I. B. news for the coming week includes a breakfast bridge by the women's committee Wednesday at the Leamington hotel. Committee Chairman Frances Larson has arranged a style show by Dayton's and songs by the Misses Valdean Elliot and Evelyn Swanson.

Also on Wednesday afternoon the public affairs committee headed by Lubin Boehme has arranged a tour of the Sanitary Food Manufacturing Co. in St. Paul.

Saturday, February 8, the Minneapolis Chapter debaters will trek to Sioux Falls. They will be represented by Douglas X. Juneau and Paul W. Noreen who will take the negative side of the question, "Resolved: That Tax Exempt Securities Should No Longer Be Issued."

CONVERTS AS FEDERAL

Stockholders of the Twin City Building & Loan Association, Minneapolis, on Tuesday voted to convert under a federal charter. The new name will be Twin City Federal Savings & Loan Association.



ROY A. LATHROP
He's General Agent Now

The general agency of the State Mutual Life Assurance Co. of Worcester, Mass., has been divided and Roy A. Lathrop, since Mr. Habermann's departure as general agent, has been made general agent in Minneapolis over business that he has controlled for more than 25 years. He recently celebrated his twenty-fifth anniversary. Mr. Lathrop is well known among business men and insurance men of the Northwest and holds the distinction of being the State Mutual's most consistent producer. This week marks the fifty-second consecutive week that he has turned business into the home office. He is also credited with having more clients than any other member for the company's national organization. The Lathrop agency is the second agency of the company now in Minneapolis and is located at 910 Roanoke. Associated with Mr. Lathrop in his new capacity is Reuben Norbeck, who, for the past 15 years, has been with the same company.

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MUNICIPAL, COUNTY AND SCHOOL BONDS

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Chicago

THE INSURANCE KEYHOLE

The Insurance Club of Minneapolis will hold its annual meeting and election of officers next Monday noon at the Athletic Club. The nominating committee will make its report naming the following as officers for the ensuing year:

President—Donald B. Lundsten, manager First Bank Stock Corp., insurance department.

Vice Pres.—L. C. McGee, manager Twin Cities offices of Aetna Casualty and Surety Co.

Secretary—W. W. Vocht, Marsh & McLennan.

Treasurer—L. E. Hatlestad, David C. Bell, Inc., insurance department.

Nominations may be made from the floor, but it is a foregone conclusion that the report of the nominating committee will be adopted. Mr. Lundsten is advanced from vice president and succeeds T. G. Linnell as president, who automatically becomes a three-year director. Other directors are Waldo E. Hardell of the Sexton company and C. W. Hall, vice president Northwestern Fire & Marine.

The nominating committee consists of Frank J. Ney, chairman, Fred L. Gray Co.; E. C. Bowe, state agent Springfield Fire & Marine; John O. Lindskog, who operates the leading agency of the Lake street district at Lake and Nicollet.

There will be no speaker at the Monday meeting and luncheon, business only being the order of the day. Announcement will be made later of the annual banquet and social evening, to be held a few weeks hence.

New Man at Schimmel Agency

W. G. McKnight, for about eight years in the Chicago office of the Fire Assn., has come here from that city to join up with Dean Perry in hustling business for the Rudolph W. Schimmel Agency, Minneapolis. This agency is state agent for the Fire Association of Philadelphia, Lumbermen's Fire and the Reliance Fire, also of Philadelphia. Mr. Perry and Mr.

McKnight had expected to take a swing over the state this week, but the weather proved too tough, at least up to Commercial West's press time. Mr. Schimmel has not been very active in the agency for some time on account of ill health.

Helm to Duluth

Secretary-Treasurer Clyde B. Helm of the Insurance Federation of Minnesota has been invited as guest speaker and will address the Duluth Underwriters Association at its regular meeting next Monday. Mr. Helm will outline results of legislation affecting insurance as enacted and not enacted at the recent special session of the Minnesota legislature.

Takes the Long Cut

Alex Campbell, vice president Marsh & McLennan agency, Minneapolis, and chairman of the executive committee of the Insurance Federation of Minnesota, has departed for what should be a fine trip that will keep him away from home through March. First he is going by the way of western Canada to visit an uncle and aunt at Vancouver. Then he will swing down to San Francisco where he will visit his married daughter. From there he goes down the West Coast and will return home via New Orleans.

Wilson En Tour

Wirt Wilson packed his hair brush and left Tuesday for California. He intends to visit his brother and friends on the West Coast and then climb aboard a ship, thence through the canal and up to New York. He will spend a few days in New York and mix business with pleasure in Hartford. He expects to be gone about three weeks or a month.

New USFG Manager

James G. Twohig is the new manager of the United States Fidelity & Guaranty Co.'s Minneapolis office, succeeding J. J.

Dondore who has been transferred to the Chicago office. Mr. Twohig had been manager of the St. Paul office since last summer, but originally came from the Chicago office. For the present he will manage both the Minneapolis and St. Paul offices.

Adds to Field Staff

Arthur Hustad, manager in Minneapolis for the Travelers Life, announces the appointment of Palmer Anderson as field assistant. Mr. Anderson comes from the St. Paul office and has been with the Travelers six years.

Goes to California

W. W. Boyer, manager Austin Mutual Co., Minneapolis, left recently for Pasadena, Calif., with his wife. They will remain there until the first of April.

Goes With White & Odell

The White & Odell Agency, state managers for Northwestern National Life Insurance Co., have selected Ray Habermann, formerly general agent for the State Mutual, as supervisor. Ray was selected because of his qualifications in organization work. He is well known in insurance circles in the Twin Cities and the Northwest and has been highly complimented on his good work as manager of the State Mutual. The White & Odell Agency, while having a large organization throughout the state, feels that the time is now right for further organization.



RAY E. HABERMANN
He Takes Over a New Job

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Northwest Managers, State Managers and General Agents

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State Manager
CENTRAL LIFE ASSURANCE SOCIETY, Des Moines

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United Firemen's Insurance Company
Royal Exchange Assurance
Sentinel Fire Insurance Co.
Appleton & Cox, Inc. (Marine Insurance)
Equitable Fire & Marine Ins. Co. (Inland Marine)



CHARLES E. PETILLON
Will Wild Association Gavel

Newly elected officers of the Life Managers Association of Minneapolis, comprising the general agents and managers group, are:

President—Charles E. Petillon, general agent Berkshire Life.

Vice Pres.—Arthur Hustad, life and accident manager for the Travelers.

Sec.-Treas.—Lee J. Gillis, National Life of Vermont.

Directors—Frank McNally, general agent Massachusetts Mutual Life; S. G. Everts, manager White & Odell Agency; F. E. McMahon, manager Aetna Life.

Mr. Petillon succeeds Leon LaBounta, general agent Penn Mutual Life, as president.

Because of the absence of Mr. Petillon at the home office in the East, the next meeting of the association will not be held until after February 15, probably at the Athletic Club. The association is contemplating moving over to the A. C., where several insurance organizations now are holding their meetings.

Has Another Good Year

Underwriters at Lloyds of Minneapolis shows a gain both in premiums and favorable loss ratio on business written during 1935.

Their report to the insurance department of Minnesota shows:

| | |
|------------------------------|-------------|
| Assets | \$1,471,859 |
| Unearned premium reserve.... | 349,242 |
| Loss reserve | 182,795 |
| Net surplus | 876,110 |

The experience by classes of business is shown as follows:

| | Premiums | Losses |
|-----------------------|-----------|-----------|
| Auto fire | \$ 54,525 | \$ 13,805 |
| Auto theft | 51,917 | 16,429 |
| Auto tornado | 5,730 | 1,209 |
| Auto comprehensive... | 3,242 | 8,150 |
| Auto collision | 46,845 | 27,371 |
| Auto property damage | 138,726 | 53,300 |
| Auto liability | 448,362 | 230,668 |
| Miscellaneous | 8,837 | 4,286 |
| Total | \$758,184 | \$347,883 |

Eastman on Business Trip

Oscar Eastman, Northwestern Fire & Marine, left early this week on a busi-

ness trip to Chicago and northern Michigan. He intends to be back the fore part of next week.

Pension Plan Proposed

(Continued from page 11)

WHEREAS, we believe it to be the best interests of the banks that everything should be done by directors and stockholders to encourage officers and employes to do everything within their power to fit themselves, in every possible way, so as to be in better position to cope with the constantly changing economic conditions,

BE IT RESOLVED, that we recommend to the members of our Association that—

(1) Wherever possible employes take advantage of the educational courses offered by the American Institute of Banking.

(2) That the officers, directors, and employes of all banks, in every county association, arrange for regular monthly meetings for the purpose of studying banking and local county problems, using as a text book, "Constructive Customer Relations," prepared by the American Bankers Association.

(3) That the council of administration of the Minnesota Bankers Association, at their next meeting, appoint a committee to present to the member banks of our association a retirement pension plan, that will assure the officers and employes of a suitable income at retirement, and thereby encourage the personnel of all banks to become interested in better fitting themselves for their responsibilities.

HOMESTAKE MINE'S TAXES

Homestake Mining Co. in the Black Hills has just paid \$165,394 into the state treasury of South Dakota as its 4 per cent tax on the value of gold and other minerals mined during the last quarter of 1935. The payment was made under a new law which went into effect July 1 and for the period from that date to September 30 the company paid \$163,344, making a total of \$328,738 for the six months.

NEW PAUL BUNYAN HEAD

F. N. Russell of Brainerd was elected president of the Paul Bunyan Playground Association at the annual meeting. Ben Anderson of Pequot was named vice president, George Anderson of Onamia, treasurer, and M. K. Cragun, secretary.

EXCHEQUER CLUB MEETING

Exchequer Club of Minneapolis will meet Monday evening at the Curtis Hotel with C. W. Stein, Department of Justice, St. Paul, as the speaker on new federal legislation relating to banks.

Father: "Now I want to put a little scientific question to you, my son. When the kettle boils why does steam come out of the spout?" Son: "So mother can open your letters before you get them."

REALTY BONDS APPRECIATE

Los Angeles real estate bonds showed an average increase of 35.8 per cent in market value during the 12-month period ended December 31, 1935, according to an index of 53 representative issues, compiled by Griffith-Wagenseller & Durst, investment firm. Average market values have moved upward 79 per cent during the three-year period since the lows of December, 1932.

One of the most important underlying factors contributing toward the cleaning up and general improvement of the market as a whole has been the substantial progress made in reorganization or readjustment of real estate debts. In all, 79 per cent of the total amount of defaulted large building properties have been reorganized, or have plans of reorganization under way. Today only 20 per cent of the number surveyed remains in default as compared with a total default of 86 per cent.

REPORTS FINE GAINS

In its sixty-eighth annual statement, Live Stock National Bank of Chicago reports deposits of \$21,316,790—an increase of \$3,400,00 for 1935, equal to 19 per cent.

After all charges and reserves, net earnings of \$250,149 are reported. During the year, \$500,000 was transferred from undivided profits to surplus, thus increasing the account to \$1,000,000—the equal of capital. David H. Reimers, president, in his report to stockholders, states: "There are no known losses nor items of a doubtful nature, nor have any been so classified by either the federal or Chicago Clearing House Examiners." I. E. Bennett was elected assistant vice president.

BIG RANCH DEAL

One of the largest real estate and livestock deals in the history of Montana was consummated recently when E. L. Dana, pioneer cattleman of Montana and Wyoming, disposed of his interests in the E. L. Dana Livestock Co. to George C. Stinton of Manhattan, a prominent stockman. Involved in the deal were 19,000 head of cattle, 27,000 acres of land owned by the company in Montana and Wyoming and 400,000 acres of leased land. The Dana company is reputed to be the largest livestock outfit in the Northwest and one of the largest, if not the largest, west of the Mississippi and north of the Panhandle.

WHO SAID "SUBMARGINAL?"

Belvidere, S. D., in what Uncle Sam has called a submarginal farm land area, shipped 44 carloads of grain in 1935, 43 of them being good wheat, the other rye. Several thousand bushels of grain are reported being held by farmers. Now Belvidere community wants to know what's the matter with Belvidere and its "submarginal" farming section.

Commercial West covers all the worthwhile business news.

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OFFICIAL  HOTEL

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SPALDING GRILL
Finest Wines and Liquors

The Bank Lobby

(Continued from page 17)

New President at Walker

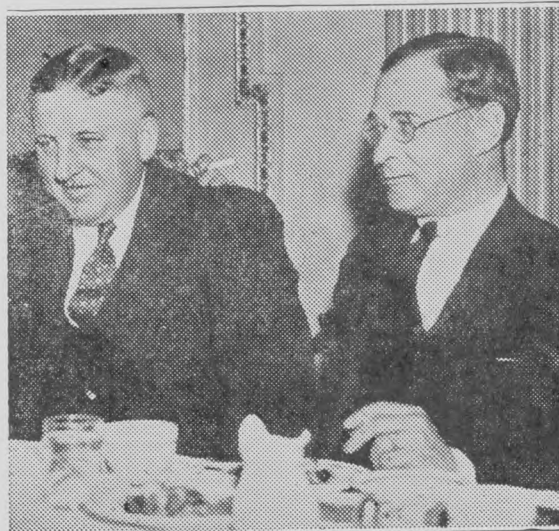
C. J. Elsenpeter was elected president of the First National at Walker, Minn., having been advanced from the cashier-ship. He succeeded Ed. I. P. Staede, who had been president since its establishment as the Walker State Bank in 1901. (Nationalized in 1906.) Dr. O. F. Ringle, owner of the Walker hospital, was elected vice president. He has served as director four years. R. C. Petterson, for nearly two years assistant cashier, was elected cashier to succeed Mr. Elsenpeter. W. F. Sethney, with the bank since February, 1929, as assistant cashier, was re-elected. Merle A. Peterson, owner of the Walker Drug Co., was added to the board of directors. Mr. Elsenpeter started with the State Bank of Loretta where he was assistant cashier for two years, going to the Walker bank as assistant cashier in January, 1924, was promoted to cashier in January, 1930. Mr. Petterson started his banking career with the old First National of Park Rapids in 1922, left there in 1929, then spent five years with a bank and livestock finance company in Montana. The bank's December statement shows footings of \$410,280 deposits, \$361,293; loans and discounts of \$98,963.

Davies Dies at Pipestone

Edward Davies, 80-year-old Pipestone, Minn., banker and capitalist, died at his home in that city January 30. He had been president of the Pipestone National, now a First Bank Stock affiliate, up to 1923 when he resigned to become chairman of the board. He was a former mayor of Pipestone and at one time owned controlling interest in a chain of South Dakota and southwestern Minnesota banks.

Head New Kiwanis Club

Competition — even the friendly competition that may exist — was out of the picture when these Hutchinson, Minn., bankers, officers of the newly organized Kiwanis Club of Hutchinson, sat at table Tuesday of last week as guests of the Minneapolis Kiwanis Club. Left to right they are: H. R. Kurth, president Citizens Bank, president of the new Kiwanis Club, and Cashier M. I. Higgins of the First National, who is secretary-treasurer of the club. A large delegation from the Minneapolis Kiwanis Club went to Hutchinson to help install the new club.



Reaches 50th Milestone

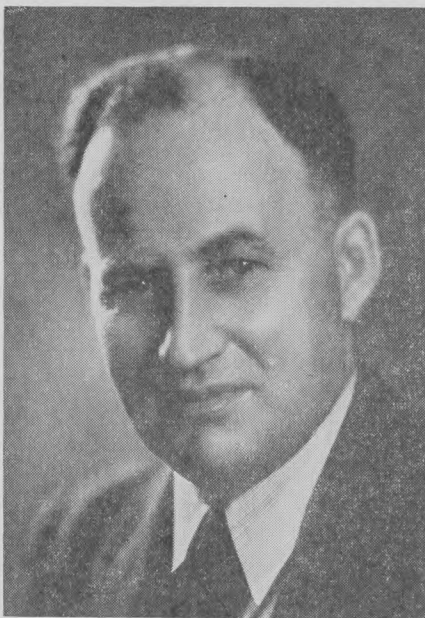
Cashier K. D. Bennett, First National, Park River, N. D., is a bit modest about his bank having served its community well and faithfully for half a century. He writes: "Do not know that it is news when a little country bank has reached the fiftieth milestone, but at any rate such is the fact in our case. This bank was started by David H. Beecher and Sidney A. Clark as a private bank. After running a couple of years they obtained their charter and the First National Bank of Park River, N. D., opened its doors after having purchased the private bank on January 18, 1886. It has been in continuous operation since. Karl J. Farup, who joined the bank in 1890, now is chairman of the board. C. W. Clow is president and C. W. Farup, vice president. Cashier Bennett joined the bank in 1910. A great many friends and customers of the bank dropped in during the day to extend their felicitations and carnations, candy and cigars were distributed. Displayed in the bank lobby and attracting much interest were original articles of incorporation, the oath of office of a director written in long-hand on a bit of rough paper, the bank's receipts for its 1886 taxes and a copy of the Treasury Department's authority to open the bank.

Good Year at Powers Lake

V. A. Helberg, president First State of Powers Lake, N. D.—"We had a good year taking everything into consideration, especially the fact that there was no crop aside from feed and some flax."

Closed Banks Pay Up Loans

Closed Minnesota banks which borrowed RFC money with which to hurry up payments to depositors have made a fine record in repayment of the loans. RFC loaned \$2,641,548 and \$2,337,946 has been paid back. A total of \$5,566,978 was authorized for Minnesota banks, but less than half the amount was advanced.



C. H. OLSON

Promoted by Fargo Bank

Assistant Cashier C. H. Olson was elected cashier of the Merchants National at Fargo and Lester E. Smith, who had been auditor, was elected assistant cashier to succeed Mr. Olson, who fills the vacancy caused by the resignation of Earl L. Shaw to become cashier and a director of the Fargo National. Mr. Olson was born in Minot, spent his boyhood at Frazee, Minn., was with the Northern Pacific until 1921 when he joined the staff of the Merchants National, becoming assistant cashier in 1929. Mr. Smith is a native of Flandrau, S. D., removed to Fargo in 1924, took a business course, joined the Merchants National in 1925, was named auditor last year.

In Sunny California

T. Melvin Lee of Valley City, who used to be a North Dakota banker, but more recently is in the farm lands business and manager of several large farms for outside owners, is at Upland, Calif., enjoying the warm sunshine, doing some deep sea fishing and hunting. His first fishing trip resulted in the capture of barracuda, he reports in a letter to Commercial West, adding: "It looks as if I will have to confine my hunting to goats on Catalina Island and wild boars at Santa Cruz. Before coming here it was my intention to do my hunting in Old Mexico, but a party of eight that just returned from there advise against my going. They bought licenses at the border and went in from New Mexico, but when they arrived at the place where they intended to hunt, 150 miles inland, an officer who seemed to have more authority than the first officer, took their licenses away from them. The only thing for them to do then was to come back to the good old U. S. A. This is quite different from the very courteous treatment accorded us by the Canadians on our moose hunt into that

country a year ago." Mr. Lee has been in California since early in December, expects to remain two or three weeks longer.

Here's One on Bankers

Hezikiah Brown, colored, lost a foreclosure action to a Topeka bank. The judgment gave the bank title to 19 of the 20 acres in Hezikiah's plat adjoining Shunganunga creek. Kansas law permits a defendant to retain one acre of his own choosing as his homestead, the only string being it must all be in one piece. Hezikiah chose a 15-foot strip starting at the creek bank and running around the outer edge of the property back to the creek. To reach their land, the bankers must row a boat across, or wade up the Shunganunga.

Declares Stock Dividend

Cudahy State Savings Bank, Cudahy, Wis., has declared a 3 per cent semi-annual stock dividend, reports Secretary Russel Wirth. This is a resumption of dividends following the lean years, due, Mr. Wirth says, "to continuation of recent favorable conditions."

Business-Like Bandits

Six business-like bandits on Friday of last week robbed the Saint Charles National Bank, Saint Charles, Ill., of \$20,000 in currency. They broke into the bank

some time during the night before, captured and overpowered five employes as they entered, waited until the time lock opened then scooped the cash out of the vault and made their get-away.

New Receivers Appointed

Francis B. Kelly has been appointed receiver of the Iron National Bank at Ironwood, Mich., and of the Hurley National Bank at Hurley, Wis., effective this Wednesday. He succeeds Daniel Waite who has resigned. J. F. Sherman has been appointed in the place of John G. Weldon, resigned, as receiver of the United States National Bank at Iron Mountain, Mich.

Banco Cases Are Dismissed

District Court Judge Byron R. Wilson of Clay county wiped out the last of the cases against officials and directors of Northwest Bancorporation in his court at Moorhead, January 31, when, on motion of Garfield H. Rustad of Moorhead, special assistant state's attorney general, he dismissed all charges. Mr. Rustad in asking for dismissal of the cases, advised the court that the state legislature had failed to appropriate money with which to carry on the prosecutions, and that the State Securities Commission, which had handled the cases, had exhausted its available funds. Sixteen officials and di-

(Continued on page 33)

THE NORTHWEST IS MARCHING ON

The Provident Life pushes on with the stream of better business which is flowing through the entire Northwest. All trade indexes and bank statements indicate upward trends. With the Northwest's increased income has come a renewed desire to save and to protect.

Building and growing in its terri-

tory, the Provident Life has enjoyed its share of the improved prosperity, marking up a record of a 52% gain in new business for the first ten months of 1935. The Provident record for financial safety and service to its policyholders has established its position among the growing institutions throughout the Northwest.

If real cooperation in agency building appeals to YOU, get in touch with us.

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Seed Conference Pushing Action for Government Loan

Despite below zero temperatures and raging blizzards all groups of the Northwest interested in getting good seed wheat and other grain seed to farmers are pushing ahead vigorously following out the program laid down at the Fargo Seed Conference.

L. A. Swanson, Soo Line, chairman ways and means committee of the Conference, was in Washington this week working with Congress in behalf of quick enactment of the seed loan appropriation bills. His work there is being backed up by Conference leaders, grain exchanges, milling concerns, farmers organizations, bankers associations and state organizations such as the Greater South Dakota and Greater North Dakota associations.

Two bills are pending, one in the Senate for \$60,000,000, that in the House for \$40,000,000. Mr. Swanson is trying to harmonize interests and get the two bodies to agree on an appropriation of at least \$50,000,000.

Need for action by Congress is urgent. In a few more weeks spring planting will be on in southern sections of the Northwest and farmers without seed and without money with which to purchase it need government loans.

Meanwhile the "good seed" program is being pushed to insure sturdy crops. Light weight seed is being carefully tested to determine if it will fulfill that requirement.

Secretary H. R. Sumner, Northwest Crop Improvement Association, has spent two weeks in the Dakotas addressing various seed and farm meetings urging proper tests and good seed.

* * *

World Wheat Outlook

Little change has occurred in the world wheat situation. Southern Hemisphere shipments remained small last week with only 651,000 bushels from Argentina and 2,348,000 from Australia. Takings of Canadian wheat were also below trade expectation reflecting a continued slow demand from European buyers. Authorization by the Portuguese government for the exportation of about 11,000,000 bushels of local wheat was a weakening influence. Argentine offerings, however, were considered out of line with other foreign wheats and no sales were reported.

The exceptionally small supplies re-

maining in the Southern Hemisphere bring prospects for the 1936 Northern Hemisphere harvest more prominently into the wheat situation. Preliminary data indicate about the same acreage as in 1935, but conditions on the whole appear less favorable than last season, although still slightly above average. The increase of 3,000,000 acres in the United States has been about offset by reductions in Europe and India. Estimates for important European deficit countries, including France, Spain, and Italy indicate seedings of 51,000,000 acres, against 52,200,000 acres for the same countries last year. This reduction is particularly significant because of the relatively high per acre yields in these countries.

Little change in acreage is indicated in Poland and Germany, but seedings in the United Kingdom, Scandinavian and Baltic countries are well under those of a year ago. No information is yet available on Russian seedings, but completion of the plan for autumn sowings indicate an acreage equal to that of last year when 58,500,000 acres were sown to winter wheat. Indian acreage reflects unfavorable seeding conditions and has been reduced 32,763,000 acres compared with the corresponding estimate of 33,168,000 acres last year and a final estimate of 34,485,000 acres. In North Africa seeding was delayed by drouth which reduced acreage in southern areas.

* * *

Flaxseed Markets Quiet

Flaxseed markets have shown little change during the course of the past few weeks, owing to light demand both in this country and in Europe, reports Archer-Daniels-Midland Co. Minneapolis and Duluth markets have become rather nominal affairs, since receipts are very light and few trades are put through. In the Argentine, on the other hand, we are getting into the most active part of the new crop movement. Clearances last week from River Plate ports were 2,087,000 bushels, as compared with 1,174,000 bushels the week before. In India, while the new crop will not be ready before April, there seems to be more desire to market the remaining old crop exportable surplus, as prices have become more competitive with those in the Argentine.

In the United States, interest at present focuses on prospects for the Cali-

Grain Price Range

| | Jan. 29 | Feb. 5 |
|------------|----------------------|----------------------|
| WHEAT— | | |
| May | \$1.08 $\frac{3}{8}$ | \$1.09 $\frac{3}{8}$ |
| July | 1.03 $\frac{1}{2}$ | 1.03 $\frac{3}{4}$ |
| Sept. | .92 $\frac{3}{8}$ | .92 $\frac{3}{8}$ |
| OATS— | | |
| May | .26 $\frac{3}{8}$ | .27 $\frac{1}{2}$ |
| RYE— | | |
| May | .51 | .53 |
| BARLEY— | | |
| May | .37 $\frac{7}{8}$ | .38 $\frac{1}{2}$ |
| FLAXSEED— | | |
| May | 1.80 | 1.80 $\frac{1}{2}$ |

fornia flax crop. As our readers know, the flax plantings were inaugurated several years ago in the Imperial Valley and have spread rapidly to the more northern valleys. In 1934, 11,000 acres were harvested, the total production being 242,000 bushels. The yield per acre, it will be noticed, is enormous as compared with the annual averages for the United States.

In 1935, 38,000 acres were harvested and the production proved to be 570,000 bushels. However, last season the weather was very dry at planting and a good deal of the flax put in the northern valleys was planted too late, so that a good many fields showed poor yields. This year, the estimates of acreage vary between 40,000 and 70,000. Recent reports indicate that the prospects are favorable, with the season two to three weeks earlier than last year.

* * *

Taking Carribean Cruise

W. E. Mullin, Mullin & Dillon Grain Co., Minneapolis Flour Exchange, left recently with his wife to take the Carribean cruise. He will be gone for about a month.

BEST IN 27 YEARS

American Surety Co.'s Minneapolis office had the best year in 1935 in 27 years, reports Manager A. E. Adams. Loss experience was less, salvage of trusts was greater, collections were better, volume of business transacted was larger.

She: "Haven't I always been fair to you?" He: "Yes, but I want you to be fair and warmer."

Preferred Stock Taxable

(Continued from page 12)

be exempt from all taxation . . . except that any real property of the corporation shall be subject to . . . taxation to the same extent according to its value as other real property is taxed." 47 Stat. 5, 9, 10; 15 U. S. C., Section 610.* The petitioner insists that the tax now in controversy is forbidden by that section. The contention is plausible, yet it will not prevail against analysis. For the tax now in controversy, whatever its indirect effect, is not laid directly upon the capital, reserves, or surplus of the corporation claiming the immunity or accorded the exemption. It is laid upon the shares in another corporation, a member of the banking system, which must pay it in the first place (Maryland Code, 1935 Supp., Article 81, Section 15e; Home Savings Bank v. Des Moines, 205 U. S. 503, 518), though with a right to be made whole thereafter. "Capital, reserves and surplus" are not taxable by a state if they belong to the Reconstruction Finance Corporation. Neither are they taxable if they belong to a national bank. First National Bank of Gulfport, Mississippi v. Adams, 258 U. S. 362; Des Moines Bank v. Fairweather, supra at pp. 106, 107; Domenech v. National City Bank, 294 U. S. 199, 204. This has not been thought to exclude the taxation of such a bank upon its shares in other banks, members of the federal system. Bank of Redemption v. Boston, supra; Bank of California v. Richardson, supra; Bank of California v. Roberts, supra; Des Moines National Bank v. Fairweather, supra. With hardly more reason may words of like extension have a broader meaning here. An earlier act, specific in its coverage, will be read as an exception to a later one directed to investments generally. "It is a well-settled principle of construction that specific terms covering the given subject matter will prevail over general language of the same or another statute which might otherwise prove controlling." Kepner v. United States, 195 U. S. 100, 125; cf. Ginsberg & Sons v. Popkin, 285 U. S. 204, 208; In re East River Co., 266 U. S. 355, 367; Washington v. Miller, 235 U. S. 422, 428; Rosencrans v. United States, 165 U. S. 257, 262; Red Rock v. Henry, 106 U. S. 596, 603. All shares in national banks—no matter by whom owned—shall be subject to taxation. R. S. Section 5219. Across the petitioner's path there still lies the stumbling block of that uncompromising "all".

The judgment is Affirmed.

*The real property of national banks is subject to a like exception. R.S. Section 5219; 12 U.S.C., Section 548, subdivision 3.

GAINS 900 PER CENT

Industrial construction, either undertaken or authorized, in the Chicago district during 1935 was 900 per cent ahead of 1934, it is disclosed by the Chicago Association of Commerce. Against 109 new or expanded factory construction programs, costing \$4,538,541 and undertaken in 1934, there were launched during 1935, 191 projects representing an outlay of \$38,341,575.

CARGILL
MINNEAPOLIS

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No hotel can carry a finer badge of distinction than the "7 Stop" insignia—proof that guests return again and again. When you feel the need of a rest—when vitality lags—when the outdoors calls—come to Hot Springs, Arkansas and stop at the 7 Stop hotel—Majestic

FIND NEW HEALTH AND VIGOR

The 46 famous Springs of Americas favorite Spa bring relief from a host of ailments including high blood-pressure, neuritis, rheumatism, etc. Every sport—golf, riding, hiking—at its best.

REVISED RATES ARE LOW...

Rooms from \$1.50—Apartments, 2, 3 and 4 rooms; cottages located on the same grounds. BRUCE E. WALLACE, Manager.

HOTEL MAJESTIC
BATH HOUSE & APARTMENTS
H. GRADY MANNING, President

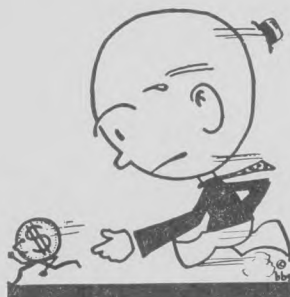
Every Southwest Hotel is a 7 Stop Hotel

IMPORTANT



NO DANGER
Of Ocean or Tropical Storms at Hot Springs.

THE WEATHER IS UNUSUALLY MILD AND THE ATMOSPHERE ALWAYS PLEASING.



Hundreds of thousands of dollars of Northwestern money would be spent for Northwest-made goods if those goods were judiciously advertised at home—to the people of incomes and influence.

Your home market is your best market.

Northwest industries should cultivate the Northwest market first.

Be better known at home—advertise in the Commercial West.

News of NORTHWEST INDUSTRIES

Back in Black Again

Minneapolis-Moline Power Implement Co. put itself in the black last year, first time since 1930. While the annual statement is not expected before next Wednesday talk along Financial Row indicates it will show net income for 1935 as somewhere between \$100,000 and \$200,000 with close to \$1,400,000 cash on hand. The firm's fiscal year ended December 31 and at that time it is reported all bank loans had been cleaned up. This farm machinery and structural steel manufacturing concern enjoyed probably more than the average upturn in the farm machinery demand during 1935, due to its location in the Northwest, from which section a large part of the increased farm machinery business originated. This is evidenced by sales of \$9,000,000 in round numbers, which was more than double those of 1934. The company looks for a considerable increase this year, especially if heavy construction gets under way, as is expected. Traders, up on their toes, evidently have had some wind of the improvement because the common stock is up between 8 and 9 and the preferred around 67.

Diamond Iron Out of Red

Diamond Iron Works of Minneapolis is another industry that stepped out of the red for the first time since 1930 and went into the black in 1935, as its annual statement, out in a few days, will reveal. It was the Mahr Manufacturing Co., the firm's subsidiary, which did the trick. This plant manufactures industrial steel heat treating furnaces as its chief product. It's improvement, of course, was due to the upswing in the steel industry, motivated largely by the big increase in automobile manufacturing. The betterment in the steel industry caught many plants with obsolete equipment, especially furnaces, which run into money, an average price for them, states President G. A. Bingenheimer of Diamond Iron Works, being around \$20,000, although some run as high as \$150,000.

Gas Light Co. Net Up

Report of the Minneapolis Gas Light Co. for December shows net income of \$66,761.54, an increase of \$13,484 over December, 1934. Net for common stock was \$42,865, a gain of \$14,730 over December a year ago. Operating revenue was \$373,731, a decrease of \$12, but net earnings, due to economy of management and absence of extraordinary expense, were \$132,958, an increase of \$18,226 over the December, 1934, figure.

Factory Space Doubled

Factory display space of the U. S. Bedding Co., St. Paul, has been doubled in remodeling operations just completed. Venetian blinds and indirect lighting have been added and the company offices have been remodeled.

Buzza Has a Good Year

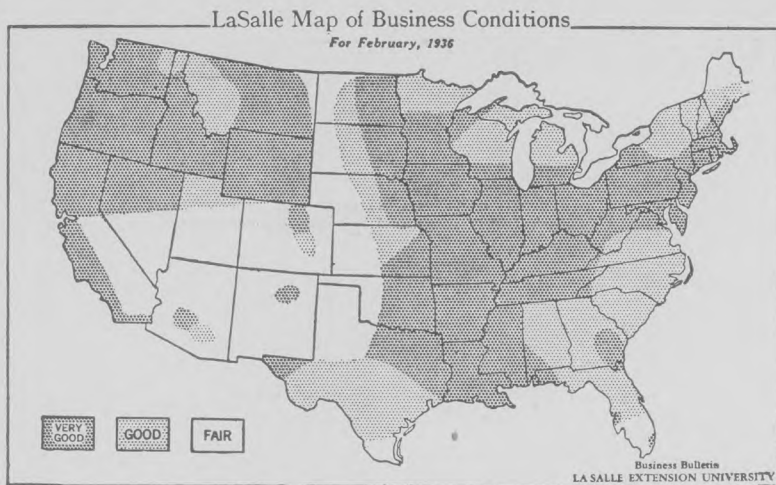
The Buzza Co., Inc., operating "Craft-acres" in Minneapolis, publishing a nationally distributed line of novelty cards, such as holiday greetings, birthday and other various anniversary cards, etc., enjoyed a considerably improved business during 1935 and will show substantial earnings. This firm's fiscal year ended January 31 and its annual report will be out in about a week. E. E. Blackley, president and treasurer of the company, now is in New York on business connected with the firm's publishing line.

Helena's Novel High School

After the earthquakes of last fall had tumbled down Helena's high school there was no chance of rebuilding it in time for the opening of school, so the Great Northern and Northern Pacific Railways went to the aid of the city and donated a string of their cars in which high school is being held. The picture shows a class seated at desks, which replaced the seats of the cars.



HIGH SCHOOL DE LUXE
Three R's Taught in Railway Car



FEBRUARY BUSINESS MAP
Usual First of the Year Slump Missing from the Picture

Business Holds Pace

January business and industry in all lines, with the exception of automobiles, maintained the December pace. First quarter predictions are for 6 to 10 per cent increase over the 1935 volume. The February business map on this page shows business continuing very good to good throughout most of the Northwest. Practically the entire eastern half of the United States now is consolidated in the very good or good areas.

917,089 compared with current liabilities of \$414,465.

Heads Builders Exchange

At the recent annual meeting of the Minneapolis Builders Exchange H. M. Porter was elected president; Thor Knutson, first vice president; W. C. Clark, second vice president; George Hauenstein, treasurer, and Clarence A. Gunn was re-elected secretary. Following Mr. Porter's election he announced a program by Minneapolis builders for the construction of

Strike Hit Earnings

Flour City Ornamental Iron Co., Minneapolis, suffered a net loss of \$21,000 in 1935, the report to stockholders just issued shows, but President Eugene Tetzlaff attributes it largely to the closing of the plant last summer because of a strike. Sales for the year were \$516,000. Contracts now on hand total \$547,000 which, with those to be acquired, Mr. Tetzlaff says, should bring this year's volume to approximately \$600,000. This, he says, will assure covering expenses by a fair margin and, if favorable conditions continue, should result in earnings for stockholders. The annual meeting of stockholders will be held next Tuesday. Company has current assets of \$254,672 against current liabilities of \$25,052.

Chain Belt Report

Chain Belt Co., Milwaukee, had a substantially improved year in 1935. "In all divisions of the business," says President C. R. Messinger, in his annual report, "our sales for 1935 show a substantial improvement over the preceding year, due largely to the generally improved conditions in the capital goods industries and the somewhat better situation in the construction industry. The net profit for the year amounted to \$362,019.37, or \$3.02 per share, after providing for full depreciation, all maintenance and repairs and taxes. This compares with a profit of \$209,987 in 1934 and a loss of \$106,233 in 1933." Current assets are given as \$2,-

10 model homes in the \$5,000 class over the next 10 years, first of which will be started next month.

Yoerg Plans Expansion

President Louis A. Yoerg of the Yoerg Brewing Co., St. Paul, reports the election of F. A. Thielen, a brewer with more than 30 years of experience, as treasurer and general sales manager of the company. Mr. Thielen now is making plans for expansion of the company's business throughout the Northwest. This company was established in 1848 and is one of the oldest brewing concerns in this section. Other officers are Henry Yoerg, vice president, and Frank Yoerg, secretary.

"I hear that Scotty lives a good clean life. What a remarkable character." "Remarkable nothing!—He does that so that he won't have to pay for his sins."

Thirty Years and Over
this old established firm has specialized in negotiating the sale of banks without publicity. We also furnish experienced, qualified, carefully investigated bank employees without charge to employer.
CHARLES E. WALTERS CO.
OMAHA NEBRASKA

TO WINNIPEG
VIA THE WINNIPEGER!

Now air-conditioned and operating on a faster schedule, The Winnieper is even more the crack Twin Cities-Winnipeg train. It enables you to leave the Twin Cities after dinner in the evening, yet be in Winnipeg for the morning's business. On your next trip say, "Reservations on The Winnieper."

Schedule

Leave St. Paul . . . 7:25 each evening
Leave Minneapolis . . . 8:05 each evening
Arrive Winnipeg . . . 8:40 each morning

\$100 FINE

TICKET OFFICES

Saint Paul Ticket Office:
Fourth and Cedar
Telephone CEdar 3392

Minneapolis Ticket Office:
Marquette at Fifth
Telephone MAin 1261

B and L All Set for Conference in St. Paul Next Week

St. Paul will be the Mecca next Wednesday (Feb. 12) of building and loan men and women when the mid-winter conference of the Minnesota League of Building, Loan and Savings Associations will be held at the Lowry hotel.

The general session will be presided over by L. H. Kelley of the Hennepin Federal Savings and Loan Association, president of the League. Edward A. Murphy of St. Cloud, president Security Federal Savings and Loan Association, just converted from the old Security Building and Loan Association, will be chairman of the interesting and instructive round table discussion, which comprises the feature of the conference from the viewpoint of exchange of information, new topics developed and so on.

Eats. The program is broken, according to custom, by luncheon served in the room at the "round" tables. This always is one of the enjoyable interludes of the conference and results generally in the table groups developing something of real interest to come up after the luncheon things have been cleared away and the conference gets going again on affairs of the regular session. An excellent list of speakers has been made up, including some important out-of-town personages, such as Ted Atkins of the United States League, and President Richardson of the Des Moines Home Loan Bank. A glance at the accompanying program not only will reveal some timely topics but equally

THE PROGRAM

Report of Cincinnati Convention—A. E. Hall, Albert Lea Building and Loan Association.

"Down and Around" with Building and Loan—Ted W. Atkins, United States Building and Loan League.

Building and Loan, as Seen by—Robert D. Beery, Commissioner of Banks, St. Paul.

Federal Social Security Act—N. M. Coursolle, Ben Franklin Building and Loan Association, St. Paul; R. L. Palmer, Pipestone Building and Loan Association, Pipestone.

How to Obtain New Loans—Axel Olson, St. Paul Federal Savings and Loan Association.

Lending Activities—John F. Scott, Minnesota Federal Savings and Loan Association, St. Paul.

Advertising—H. F. Miller, First Federal Savings and Loan Association, St. Paul; Philip Bradley, Minneapolis Savings and Loan Association.

Interest Rates—John Koch, Northwestern Federal Savings and Loan, Minneapolis; Geo. Umland, Hutchinson Federal Savings and Loan Association, Hutchinson.

Direct Loan Reduction Plan—F. A. Amundson, building and loan supervisor, St. Paul.

Advantages of Federal Insurance—M. J. Waldron, St. Paul.

Federal Home Loan Bank Report—Robert J. Richardson, president Des Moines Federal Home Loan Bank.

accomplished talkers. As usual, Mrs. D. E. Crary, secretary-treasurer, will be active and useful in looking after details of the conference.

* * *

St. Cloud Association Converts

Security Building and Loan Association of St. Cloud, having received its charter, has federalized as the Security Federal Savings and Loan Association. (C. W., Jan. 25.) Plans for the conversion were initiated some weeks ago and were approved 100 per cent by the stockholders. This is one of the old associations of the state, having been in existence 13 years. Federalization, of course, carries with it, as in all such cases, up to \$5,000 insurance for each investor under provisions of the Federal Savings and Loan Insurance Corp., with headquarters in Washington. Officers and directors of the old association were re-elected by the new association. They are: President, Edward A. Murphy; vice president, Fred C. Lindt; secretary-treasurer, Mrs. D. E. Crary. Directors, in addition to the officers, are O. S. Glover, A. A. Lagergren, J. H. Murphy, Chris Schmitt, Dr. C. S. Sutton and J. J. Quigley.

* * *

Paul Bremer Resigns

Paul G. Bremer has resigned as special representative of HOLC in Minnesota and will hereafter devote his time to the Bremer banks and other business interests. Practically all eligible loans have been closed, accounting for Mr. Bremer's



EDWARD A. MURPHY
He'll Run B and L Round Table

decision to get back to his private business.

* * *

Des Moines Bank Report

The Federal Home Loan Bank of Des Moines has paid to stockholders in 39 months \$244,000, of which \$207,800 went to the government, reports Robert J. Richardson, president. Since their establishment over three years ago, the 12 district banks have paid \$4,668,397 in dividends to their member thrift and home-financing institutions and to the United States Treasury. In addition, unallocated surpluses and reserves of the banks total \$2,278,140. Associations of the savings, building and loan type constitute the major portion of the banks' membership, although a few savings banks and insurance companies are included.

MADE GENERAL MANAGER

Ward D. Briggs, vice president and treasurer Crane-Johnson Lumber Co., Fargo, has been named general manager of the firm, succeeding the late Fred C. Potter.

Money to Loan on

Owner Occupied Homes

FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION OF MINNEAPOLIS

517 Marquette Ave.

Minnesota Federal
Savings and Loan Association

Robert at Fifth
St. Paul

129 So. 7th St.
Minneapolis

HOME LOANS

REFINANCING
REMODELING
BUILDING

Long Term—Low Rate

**Twin City Building
and Loan Assn.**

Fourth at Minnesota—St. Paul

The Bank Lobby

(Continued from page 27)

rectors were up for hearing. In a previous trial one of the officials of the corporation had been acquitted.

Big Deposits on Small Crops

S. L. Frydenlund, cashier, Elk Valley State of Larimore, N. D.—“In spite of a small crop in our territory our deposits increased nearly \$50,000.”

From V. P. to President

O. M. Gjermundson has been elevated from vice president to president of the Farmers State of Minnewaukan, N. D.

Bank Lobby Notes

Bowdle State Bank out in South Dakota's Edmunds county more than doubled its loans and discounts last year. December 31 they were \$35,426, compared with \$15,641 a year ago. Its listing in the new Commercial West Directory will show only three officers by the name of Gross against one Grosz. Last year the score was four to one. Out of the picture this year: C. C. Gross.

First State of Claremont, S. D., has retired \$5,000 of its original \$10,000 debentures. Its loans and discounts increased last year from \$68,836 to \$82,052.

Farmers & Merchants State of Scotland, S. D., has a 20 per cent reserve set up for retirement of its \$30,000 debentures and a reserve for interest on debentures for 1936.

Northwestern Bank of Gregory, S. D., has added an insurance department by purchase of a local agency.

Cashier W. J. Strate, Farmers & Merchants State, Clarkfield, Minn., reports \$1,000 transferred from undivided profits to surplus; \$3,000 to reserve for depreciation and a charge off of 10 per cent on furniture and fixtures; anticipates 1936 to be fully as good. Inadvertently this bank was accredited last week, through a typographical error, with declaring a 100 per cent dividend. It was a 10 per cent dividend.

Lucan, Minn., State Bank will be opened March 1, reports President W. H. Zimmerman. Anton Kramer is cashier.

Five County Group was to hold its meeting this Saturday at Cambridge, for which a fine program has been arranged, reports President Oscar A. Olson. Commercial West begs Mr. Olson's pardon for having located his First National at Perham instead of Braham, in an item last week.

Detroit Savings Bank has changed its name to the Detroit Bank.

There is talk of a three-in-one bank consolidation at Ann Arbor, Mich.

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To Save You Import Duty

MON AMI CHAMPAGNE

Extra Dry—Dry—Half Sweet—Sparkling Burgundy

Special New Offer

Large 26 Ounce Bottle—\$2.50

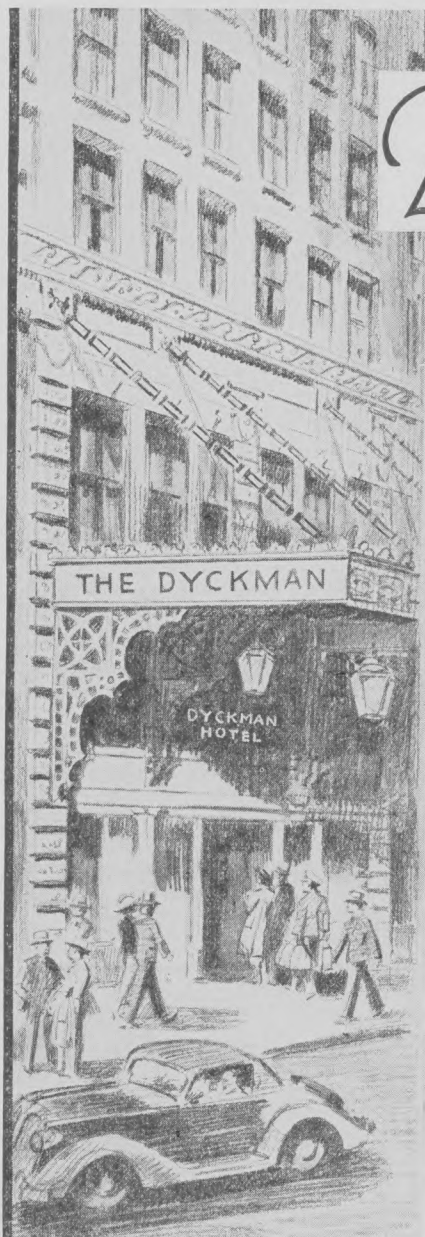
Charles Wine & Import Co.

523 Hennepin

“At the Sign of the Thermometer”

BR. 1156

Minneapolis



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Professional and business men from all over the Northwest return again and again to

THE DYCKMAN

CHAS. F. KNAPP
Manager

300 Rooms, Each With
Bath, \$2.00 and Up.



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American Hotels Corp.
J. LESLIE KINCAID, Pres.

SOUTH SIXTH STREET BETWEEN NICOLLET AND HENNEPIN

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SERVICE COMPANIES

ALL KINDS OF SIGN WORK expertly done. From the smallest window card to the largest billboard, we will cooperate and give you fair estimates. Window lettering a specialty. Call or write JOHN GEMLO SIGN CO., 1226 Washington Ave. N., Minneapolis, Phone Ma. 3882.

RE-UPHOLSTERING OR REFINISHING furniture for the home or office our specialty. One piece or suite at prices that merit your consideration. Will deliver free anywhere in the Twin Cities. Write or phone A C FURNITURE CO., 3705 Nicollet Ave., Minneapolis, Phone Re. 7865.

LET HARFF PAINT 'EM—AUTO PAINTING that has won the approval of hundreds of automobile owners. Our satisfied customers our best ad. We want more of them. Estimates will be cheerfully given. L. H. Harff, 15 North 12th St. Phone Main 4896.

TRUCK OWNER has one truck—capacity $3\frac{1}{2}$ ton—available for long or local hauling. Would like to make connection with Minneapolis or St. Paul industry shipping to any part of Minnesota. Address HENRY POTHEN, 406 E. 18th Street, Minneapolis. Phone: Bridgeport 4442.

WANTED—INSURANCE AGENCY

I am interested in acquiring an agency in a good Southern Minnesota town. Want a location where I can develop financing and real estate business in addition to insurance. Town must have good school and church facilities. Agency does not have to be large but bear good reputation in the community. Write Box 573, care Commercial West.

MISCELLANEOUS

We service land for non-resident owners in Burke County and adjoining counties. First State Bank, Powers Lake, N. D.

HELP WANTED

Wanted, Bookkeeper in small bank near Twin Cities. Young man 18-21. Bank experience desirable but not required, should be able to type, shorthand not necessary. German Catholic preferred. Address Box 580, care of Commercial West.

PAYS 50c REGULAR

General Motors Corp. has declared the regular quarterly dividend of 50 cents a share, payable March 12 to stockholders of record February 13. An extra 50 cents a share was paid for the last quarter of 1935.

G. N. HIGH IN EARNINGS

Great Northern Railroad ranks high in 1935 earnings according to reports covering 67 lines, average aggregate gains of which were 6.7 per cent over 1934. Great Northern, Pere Marquette, Pennsylvania, New York Central, Wheeling and Erie were the leaders.

Read Commercial West and keep posted.

Very Good Results says Minneapolis sign man

John Gemlo, Minneapolis signist, is very much pleased with the way his advertising in this department is pulling business for him. In a letter received last week the experienced signist said:

"It is gratifying indeed to know that all money spent for advertising is not wasted. The small ad carried in your classified department, I feel, is one of the best ads I ever had."

COMMERCIAL WEST
Rand Tower Minneapolis

FURNITURE AND FIXTURES

Large size fire-proof safe cabinet, heavy steel DIEBOLD vault door. Brandt Automatic Money Changer. DIEBOLD and MOSLER safe-deposit boxes. Cummins Perforating machine. Address Box 422, Eau Claire, Wis.

Left hand, Marble Fixtures and two Vault Doors for sale. Must sell at once. Address Box 553, care Commercial West.

HOUSE FOR SALE

For Sale—Attractive furnished summer home, Balsam Lake. \$1,000 under cost for quick sale. Address Box 563, care Commercial West.

SITUATIONS WANTED

NO CHARGE TO EMPLOYER

If in need of Bank Help, we suggest you communicate with this office. Fifteen years serving Banks and Bankers.

Northwestern Placement Bureau
734 Metropolitan Life Bldg., Minneapolis

Cashier with considerable experience in country banks desires a change. Have built up substantial record during the past and am in a position to invest. Am qualified to handle a difficult situation. Address Box 577, care Commercial West.

Position in country bank, Minnesota preferred, by young man (20) eager to take up banking as career. Now taking banking course in Minneapolis business college. German Catholic. Box 583, care Commercial West.

Assistant cashiership or cashiership wanted by experienced young banker. Can invest. Address Box 583, care Commercial West.

SITUATION WANTED BY EXPERIENCED BANKER. CAN MAKE SUBSTANTIAL INVESTMENT. Address Box 579, care Commercial West.

Wanted—Executive position in country bank. Years of experience in all lines. Can invest. Minnesota preferred. Write Box 578, care Commercial West.

Can invest up to \$20,000 in established bank or will organize new bank. Address Box 582, care Commercial West.

Experienced country banker looking for bank requiring assistant cashier. Can obtain best of references. Address Box 581, care of Commercial West.

BUSINESS OPPORTUNITIES

Here's the opportunity you have been looking for, an up-to-date progressive community in which to start a shoe store or ladies' ready-to-wear store. Just far enough away from the Twin Cities to make it convenient for you. Write Box 566, care of Commercial West.

NATIONAL PRESSURE DIVIDEND

Directors of the National Pressure Cooker Co., of Eau Claire, Wis., meeting Wednesday, declared an initial quarterly dividend of 15c a share on the common stock, payable March 1 to stockholders of record February 15. The company's entire capitalization consists of 100,000 shares of \$2 par stock, 40,000 shares of which were recently offered by Barney Johnson & Co. A leading factor in the pressure cooker field, the company also manufactures aluminum ware and canning equipment.

NEW NORTHWESTERN PATENTS

The following patents were issued in the last two weeks to Minnesota and Da-

kota inventors, as reported by Williamson & Williamson, patent attorneys, 925 Metropolitan Life building, Minneapolis: F. B. Bergholt, Minneapolis, automobile; A. E. Larson, Webster, S. D., claw guard; A. L. Spafford, Cloquet, Minn., insulation pad and construction; J. A. Burner, Minneapolis, refrigeration process and apparatus; R. K. Cooney, Yankton, S. D., pasteurization; S. A. Dean, et al., St. Paul, typewriter; A. D. Lund, Minneapolis, casting machine; W. G. Seeger, et al., St. Paul, water cooler for refrigerators; D. C. Shepard, St. Paul, bottom construction for laminated containers; F. R. Wedlake, et al., Eveleth, Minn., latching and righting mechanism for dump cars; K. C. Wright, St. Paul, humidifying heat-saver.

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.

WEST PUBLISHING CO.
ST. PAUL, MINN.

James F. Williamson

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TRADE
MARKS

PATENTS

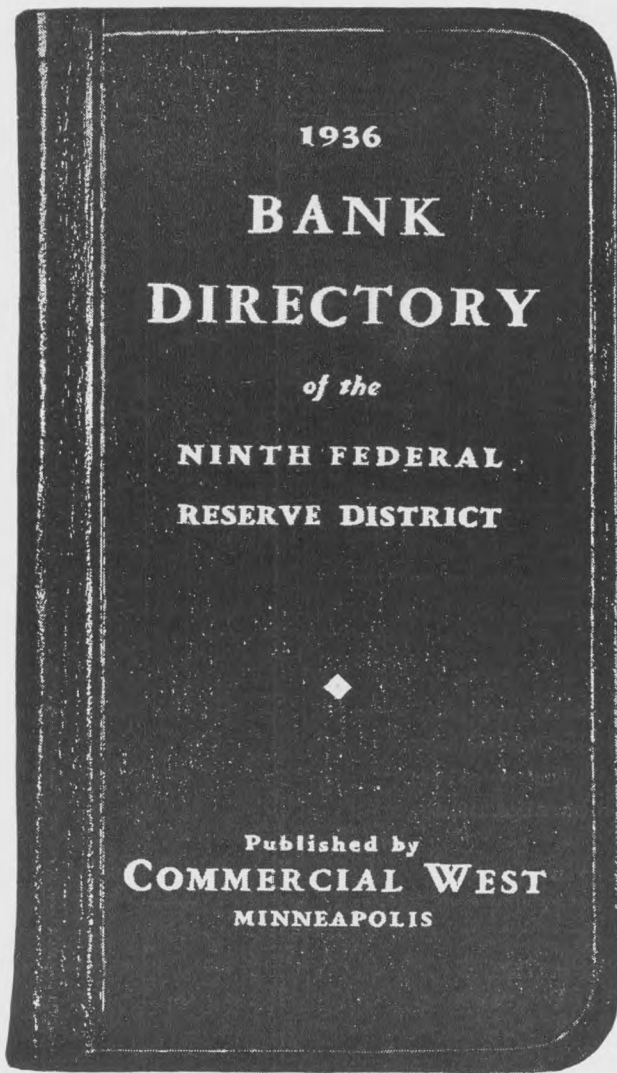
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Minneapolis



Actual Size in Genuine Leather Binding

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Attached is our (my) check for \$7.50 for which send the COMMERCIAL WEST for one year (52 issues) and one copy of your 1936 Bank Directory of the Ninth Federal Reserve District.

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 them together now at
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NORTHWESTERN SERVICES TO BANKERS

THE CREDIT DEPARTMENT

THE Credit Department, in its inception and development, is one of the most interesting adjuncts of modern banking.

In the early days of banking business in this Northwestern territory, commercial transactions were comparatively few and simple. The integrity and responsibility of each resident was well known to the bankers. With such conditions, the memories of the officers embraced the necessary information for granting credit.

As business and wealth increased and transactions became diverse and complicated, it was necessary to develop a comprehensive means for gathering, analyzing and interpreting information for measuring credit risks.

The Credit Department of a modern commercial bank is a highly technical organization, staffed by trained personnel with many years of experience.

We maintain a modern, well equipped credit department. While it is maintained primarily for our own use, it is frequently able to be of valuable assistance to our correspondents.

We solicit accounts of Banks and Bankers.

NORTHWESTERN NATIONAL BANK AND TRUST COMPANY

MINNEAPOLIS, MINNESOTA

SERVING NORTHWEST



BANKERS SINCE 1872

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

