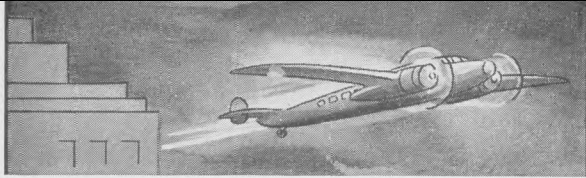
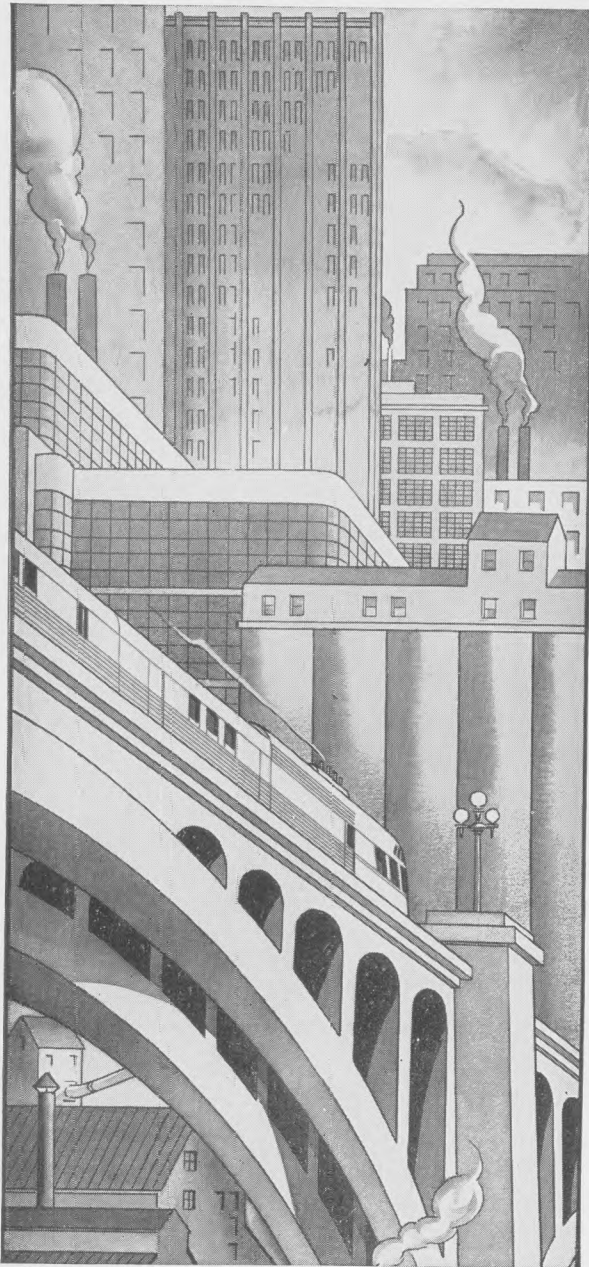


February 13, 1937



The
COMMERCIAL WEST

WEEKLY



**More Facts and Figures
on March of Banking**

• •

**Minnesota B & L Groups
Urge Law Changes**

• •

**Branch Banking Out
in the Open**

MINNEAPOLIS



ONE BILLION DOLLARS

PAID OUT IN BENEFITS BY
SUN LIFE OF CANADA
SINCE FIRST POLICY WAS ISSUED IN 1871

SECURITY

SERVICE

WORLD WIDE

Another Milestone of Achievement

in public service has been passed by the Company during 1936. Of the many significant features of the Annual Report, perhaps the most striking is that during sixty-six years of operation the Sun Life of Canada has paid in benefits to its policyholders and beneficiaries more than One Billion Dollars.

Features of 1936

ASSURANCES IN FORCE—The increase in assurances in force reflects the improvement in general business conditions.

INTEREST RATE earned on the Company's investments again increased.

ASSETS of the Company increased by nearly seventy million dollars in 1936 and are now seven hundred and seventy-five million dollars, the highest in the Company's history.

Dividends to Policyholders

Participating policyholders will share in the Company's progress by increased dividend payments during 1937.

ASSURANCES IN FORCE, December 31, 1936	\$2,775,949,087
NEW ASSURANCES PAID FOR	219,966,637
INCOME	172,215,217
DISBURSEMENTS	112,534,410
EXCESS OF INCOME OVER DISBURSEMENTS	59,680,807
PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES:	
During the year 1936	77,489,305
Since organization	1,046,104,001
ASSETS	775,145,354
LIABILITIES (ex. capital stock and shareholders' account)	740,485,627
PAID-UP CAPITAL (\$2,000,000)	
and balance at credit of shareholders' account	\$3,450,303
RESERVE for depreciation in mortgages and real estate	5,788,065
CONTINGENCY RESERVE	10,000,000
SURPLUS	15,421,359
	\$34,659,727

The above figures are in conformity with the form of statement authorized by the National Association of Insurance Commissioners of the United States.

Securities are carried in the balance sheet at book values which in the aggregate are lower than market values.

SUN LIFE ASSURANCE COMPANY OF CANADA

HEAD OFFICE . . . MONTREAL

J. D. SERRILL

Manager Minneapolis Branch

Telephone: Main 1336

1031 Northwestern Bank Bldg.

Minneapolis, Minnesota

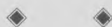
“Progress,” says Webster, “denotes advance or forward movement, especially toward an objective.”

Announcement

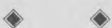
On and after February 20th, 1937, we will be located in new and larger quarters on the street floor at 133 South 7th Street, in the Baker Building.



To our friends who have made this evidence of progress possible—our most sincere thanks. Your number has grown measurably in the nine years of our business existence; a most troublesome nine years from the investors' standpoint. You made many important decisions based on information and analyses furnished by us. In acknowledging our responsibility, we shall continue to be guided by this main objective: “The financial well being of the client.”



To those whom we hope to add to our list we pledge our every effort to present the facts, to avoid exaggeration, to keep abreast of market trends—claim no occult power with which to anticipate them. We welcome your inquiries—will appreciate your call.



GUY A. NELSON COMPANY

“Builders of Sound Investment Portfolios”

133 South Seventh Street

Minneapolis, Minnesota

Tales

NOT MANY people know that Donald D. Davis, General Mills' president, is a stamp collector. He is, but he concentrates on one kind—airplane stamps. At the recent stamp collectors' show in Minneapolis he had one on exhibition valued at \$4,000, and it involved a hunt that ended in Europe for the agent who obtained it for Mr. Davis.

* *

MILWAUKEE newspaper headlines on Madison stories: "Progressives Split Over Spoils," and "Progressives Hunting New Governor."

* *

THERE STILL are golden eagles abroad in the land, not meaning, of course, those now confined in the U. S. Treasury. James Smith, Jr., of Anaconda, Mont., shot one the other day that tried to scoop up his pet fox terrier. It had a wing spread of six feet.

* *

EVER STOP to think how many postage stamps the people of the good old U. S. A. lick in a year and stick on envelopes and packages? You'd be surprised. Last year, for instance, Uncle Sam printed 14,500,000,000 valued at \$437,618,311.

* *

CLOSING their four-day convention in St. Paul last Saturday the Associated General Contractors of Minnesota elected to the board S. R. Okes and J. W. Kelsey, St. Paul; Fred R. Comb, Minneapolis, and Leon Joyce, Rochester. The board will meet soon to elect new officers.

* *

THERE WILL be no more careless throwing of lighted cigaret stubs from automobile windows in South Dakota, if a bill now in the House of the state's legislature becomes law. That is to say, if people do throw them they can be put in jail. It's a good idea. Some of our worst brush and prairie fires in the Northwest have been due to just that.

* *

OLD TIMERS in the railroad and newspaper business and in many other lines of enterprise throughout the Northwest felt a tug at their heart strings when news was received in Minneapolis this week of the death Sunday at Beverly Hills, Calif., of William R. (Bill) Callaway, from 1885 to 1921 general passenger agent of the Soo Line. He was 85, had enjoyed a long, useful and friendly life.

* *

THE FARMER is a capitalist, that's what. Utah State Agricultural College has just figured out that the average successful farmer must set up a capital investment of \$10,000 or more to assure a satisfactory income.

CORRESPONDENT BANK SERVICE

The Chase National Bank represents a large number of banks and bankers as New York correspondent and reserve depository.

In addition to routine banking service, the Chase offers correspondents:

Loan accommodations at short notice on terms warranted by conditions.

Current information and statistical data on all types of investments.

Facilities for the safekeeping of securities and for placing orders in all security, commercial paper and acceptance markets.

An international organization for clearing foreign items.

Reports on trade situations and on the financial condition of companies and individuals, here and abroad.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

Member Federal Deposit Insurance Corporation

THERE'S MONEY in the hog business these days, what with high prices, and all, especially if you go at it right. Fred Reetz of Potter, Neb., knows his hog business. A year ago he paid \$36 for a hog, sold it for \$56.10 and while he had it the hog raised 11 pigs which he sold for \$352.

* *

JUST CAN'T RESIST this false teeth one that blew in a day or so ago. Fred Weiland, 85, Oregon City, Ore., slept with the window and his mouth open during some of the "unusual" weather the West Coast has been having. When he woke up in the morning the teeth were frozen solid in his mouth.

FARIBAULT'S Chamber of Commerce is stepping out these days, able cooperator in maintaining and helping build up that Minnesota city's fame as an industrial and banking center (C. W., Feb. 6). There's a reason. There always is. The Chamber has a hustling young secretary, there some nine months now, in G. J. Bassingwaite, previously secretary of the Commercial Association, Oakes, N. D. Despite the fact he has been there less than a year it is surprising how Faribault's secretary gets around and how everybody leans on him when something's to be done. That, however, is what Chambers of Commerce secretaries are for, and Mr. Bassingwaite appears to be filling the bill 100 per cent.

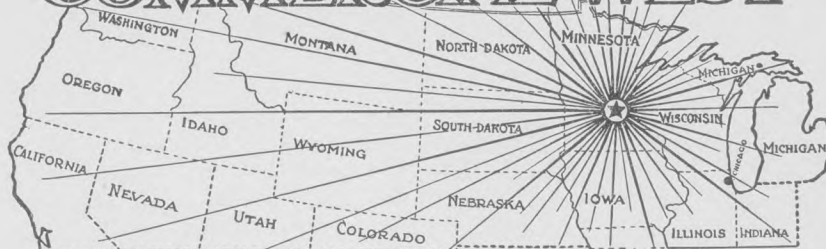
Next Week

- Wisconsin Retail Lumbermens Association, at Milwaukee.....Feb. 16-18
 Twin City Bank Auditors & Comptrollers, Dinner Meeting at Hotel Dyckman, MinneapolisFeb. 18
 Central States Conference Officers, at ChicagoFeb. 20

Later

- Group One, Wisconsin Bankers Association, at St. Paul.....Feb. 22
 Minnesota Retail Hardware Association, at St. PaulFeb. 23-27
 Nebraska Lumber Merchants Association, at Omaha.....Feb. 24-26
 Sixth Annual Northwest Combined Builders Show, Home Beautiful Exposition and Flower Show, at MinneapolisMar. 8-13
 Northwest Farm Managers Association, at FargoMar. 9-11
 South Dakota Retail Lumbermens Association, at Sioux Falls.....Mar. 10-11
 Meeker County Bankers Association (Minnesota) at Litchfield.....Mar. 11
 Annual Spring Conference, A. B. A. Savings Division, at New York...Mar. 11-12
 National Oil Burner and Air Conditioning Exposition and Convention at PhiladelphiaMar. 15-19
 Agricultural Committee, Nebraska Bankers Association, Spring Meeting at Lincoln.....Mar. 16
 Northwest Drug Show, at St. Paul...Apr. 5-8
 15th Annual Northwest Drug Show, at St. PaulApr. 6-9
 North Central States Association, at OmahaApr. 9-10
 Minnesota Credit Union League, at St. PaulApr. 17 or 24
 Executive Council, A. B. A., Spring Meeting, at Arlington Hotel, Hot Springs, Ark.Apr. 18-21
 Chamber of Commerce of the United States, Twenty-fifth Annual Meeting, at WashingtonApril 26-29
 Oklahoma Bankers Association at Oklahoma City May 6-7
 National Safe Deposit Association, at WashingtonMay 6-8
 South Dakota Bankers Association, state convention, Rapid City.....June 2-3
 National A. I. B. Convention, at Hotel Lowry, St. Paul.....June 7-11
 Minnesota League, Building, Loan & Savings Associations, Annual Convention, at WillmarJune 11-12
 South Dakota Retail Merchants Association 40th Annual Convention, at Sioux FallsJune 14-16

COMMERCIAL WEST



EVERY WEEK Since 1901 - - - - - The Financial Weekly of the West

Volume 73, No. 7

February 13, 1937

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

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

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

Entered as Second Class Matter at the Minneapolis Post Office.

Editorial

The Business Picture

MORE cash going into business, evidenced by two million drop in bank deposits the past week and an increase of more than 21 million in bank debits, (business volume) indicates trade and industry are beginning to step out. The picture:

	Feb. 3	Jan. 27
Bank Debits* (9th district).....	\$160,254,000	\$138,903,000
	Feb. 3	Jan. 27
Bank deposits** (9th district).....	\$514,000,000	\$517,000,000
Bank loans (9th district).....	163,000,000	165,000,000
Bank Clearings—	Feb. 10	Feb. 3
Minneapolis	\$ 8,769,458	\$ 9,364,484
St. Paul	3,338,584	5,194,749
	Feb. 10	Feb. 3
Average 30 industrial stocks.....	198.35	188.77
	Feb. 10	Feb. 3
Commercial paper rate.....	$\frac{3}{4}$ %	$\frac{3}{4}$ %

*Bank debits cover reports from 17 selected cities, including Minneapolis, St. Paul and Duluth.

**Bank deposits and bank loans are reported only for Twin Cities, Duluth, Fargo, Sioux Falls, Helena, Great Falls, La Crosse.

Cutting Both Ways at Banks

THE BANKING business appears to be the victim of cross currents operating in the Minnesota legislature.

On the one hand we find a group of legislators proposing drastic reductions in the legal and contract rates of interest. Over in another part of the chamber plans are being laid for an alleged curbing of the usurious loan shark rates but, insofar as we can see, this is more or less of a gesture that still will leave the sharks comfortably at ease as competitors of the small loans service departments of the banks, a business growing rapidly all over the nation.

We take it the prime motive of the legislature is, or it should be, to turn these small loans into such legitimate and business-like channels as the service the banks offer. It cannot be done, however, at the 30 per cent per annum rate proposed.

The banks have proved that they can operate their small loans departments at far less cost, still affording borrowers that service without having to put up collateral, and what's more giving borrowers interest on their savings deposits to cover payment of the loans.

That being the case, if the legislature really wants to put loan sharks out of business, it would appear to be its duty to provide a rate comparable with that of the banks. And if they want to keep the banks in business they'd better leave the legal rates where they are. That will at least be being fair to these servants of business and the public.

Popularizing Our Winter Climate

ST. PAUL is to be complimented upon the success of its winter sports carnival which closed last Saturday. Besides affording the people a fine and healthful week of outdoor play in the Northwest's in-

vigorating climate it heralded to the world the fact that we have one of the most admirable spots in the nation for all those varied snow and ice sports and festivities that lend their enchantment and life-giving zest to our northern winter time.

And why shouldn't we up here capitalize our winters? Our fame already is wide-spread for its delightful summer outing advantages. Let's add to that the proclamation that we are the nation's winter capital.

We heartily commend, therefore, the determination of St. Paul's business leaders and citizens generally to work to that end by creation of a permanent organization, to be known as the St. Paul Winter Sports Carnival Association, Inc.

This group will plan a greater carnival for next winter. It will be a stirring example for all communities of the Northwest to go and do likewise, providing smaller communities with festival winter days, building business for merchants, intensifying and consolidating the growing interest in winter sports, spotlighting this section as a great out-of-doors winter as well as summer playground.

Bankers at Market Week

VISITING AROUND wholesale houses, manufacturing plants and other places where merchants of the Northwest were gathered as participants in Twin City Market Week a representative of COMMERCIAL WEST was impressed by the large number of bankers or bank directors.

By and large, too, we found that these merchants were the leaders at educational and institutional meetings of retailers during the week—the men who do things. Likewise they are the enterprising merchants of their communities, here to keep their stocks and establishments up to the minute by buying new and attractive merchandise.

Presence and activity of these leaders during Market Week simply serves to emphasize what COMMERCIAL WEST has stated many times, namely, that the moving factors of the average country town, teaming together, are the banker and up-and-coming country merchant. Sometimes the banker is both. More often, however, we find that the merchant is an influential director of the bank. We venture to say there are mighty few banks of the Northwest that do not have on their boards one or more directors who are merchants.

As such they are interested in the affairs of the bank. In turn the bank is interested in affairs of the merchant. The twain cooperate in what is best for the benefit of the merchandising business of the town.

The jobber and the manufacturer, therefore, competing for the business of these merchants, may well take into consideration the position of the banker and his merchandising influence upon where and of whom the retailer buys his merchandise.

Making It Tough for Business

TROUBLE with a lot of us is that we lock the stable door after the horse has been stolen. To a man up a tree it begins to look as though that is what is going to happen when the Minnesota legislature gets through with its bill hoisting the state income tax. The time to get in our constructive arguments against destructive features of this bill is now, not after it has become law.

There is such a thing as taxing industry to the point where it has to go out of business. Some of the brackets in the proposed upward revision of Minnesota's income tax threaten to do just that.

Many of our smaller industries are just recovering from effects of the depression, building up their payrolls, trying to expand their enterprises. Some of these would be hit so hard they would have to fold up, adding to unemployment, retarding our industrial advancement.

We advise our legislators to go slowly and act wisely in this matter of increasing income taxes lest they defeat the very purpose they are seeking to accomplish. Furthermore, we advise them to try reducing state governmental expense as a means of balancing income against outgo. Then they won't have to hoist taxes quite so high.

Twenty-Five Years Ago

From the Commercial West, February 17, 1912

Fifth annual St. Paul Products dinner, sponsored by the Town Criers, that city's organization of advertising men, will be held April 17; everything from the table linen to coffee and cigars will bear St. Paul labels . . . Bismarck's city commissioners are studying the theatre situation in Minneapolis preparatory to building a municipal theatre at the North Dakota capital . . . That North Dakota is a safe place in which to loan money is shown in a report just issued by Wells & Dickey Co., Minneapolis, revealing the state realized a revenue equal to 53 per cent of its total assessed valuation through grain crops in 1911 . . . At its annual meeting, Northwestern National Life Insurance Co., Minneapolis, re-elected F. A. Chamberlain, B. F. Nelson, A. A. Crane, J. A. Latta, as directors . . . E. P. Wells has been named chairman, Karl De Laittre, vice chairman, of the Minneapolis Civic and Commerce Association's civic division, which held its first dinner at Donaldson's on Feb. 15 . . . E. W. Decker and associates this week purchased for \$100,000 the Hamline University property at Twelfth and Nicollet, Minneapolis . . . Another important Minneapolis real estate transaction this week, involving \$200,000, was the deeding to Bond Land & Cattle Co., Williston, by the Great West Investment Co., Minneapolis, of the block bounded by Washington avenue, Second street, Twelfth and Thirteenth avenues north . . . Upper Peninsula Development Bureau held its annual meeting this week at Marquette, decided Menominee should remain its headquarters . . . Executive Council, Minnesota Bankers Association, is considering taking up the good seed corn proposition this year . . . A jury this week convicted O. H. Havill, St. Cloud, of having unlawfully received deposits at the State Bank of Bowlus . . . A 30-minute schedule between the Twin Cities has been worked out by Twin City Motor Transit Co. for its new fleet of 12 buses; using a University avenue route, the new service will go into effect in about two months . . . Group One, Wisconsin Bankers Association, meeting at Eau Claire, elected the following officers: President, W. A. Blackburn, Bruce; vice president, E. J. Lenmark, Eau Claire; secretary-treasurer, W. E. Brady, Rice Lake; members executive committee, F. J. Carr, Hudson, and L. A. Copeland, Frederic.

The Bull's Eye

By The Sharpshooter

IN A TYPICAL New York City brownstone mansion on upper Fifth avenue, where he had resided most of his life, there passed away Sunday Elihu Root, last of the outstanding line of eminent American statesmen of a generation ago. In another eight days he would have been 92 years old.

President McKinley's secretary of war, President Theodore Roosevelt's secretary of state, Mr. Root had achieved a most enviable position in the councils of the nation.

As an organizer of the World Court, member of the Hague's permanent court of arbitration, head of President Wilson's mission to the Russian regime of Kerensky, his renown as a statesman became worldwide.

It was at the time of his appointment to the Hague court that I first met and came to know Mr. Root, not only as a diplomat in the course of world affairs, but as a man.

I was the only newsman from so far West as the Twin Cities to have been sent to New York to cover his appointment, and that was because my paper was particularly interested in finding out what Mr. Root had in mind as the U. S. member of the court.

For that reason, probably, and because I also wanted to get together data for a feature story on the whole arbitration program, Mr. Root insisted that I leave my hotel and live at his home during my stay in New York.

It proved one of the most interesting weeks of my newspaper experience.

Immediately to all intents and purposes I became one of the family. First thing after breakfast we had a walk in Central Park—a brisk mile led by Mr. Root himself. Sometimes we would go as far as the Drive.

Mr. Root dearly loved these morning walks. "It's the thing to keep you in fine condition," he would say.

There was a light noon collation. In the afternoon we got down to the business of my visit. The family dressed always for dinner, served in the softly lighted, stately dining room of the old mansion.

Mr. Root, himself, was a most kindly, gracious man, patient under inquiry, willing always to tell what he could without going too deeply into inside affairs of state.

He was a deep student of things fundamental, kept in close touch with current affairs, could discuss business and finance from any angle, and was called upon often for sound business advice.

Little given to social affairs, still once a year, observed as a custom, the fine old mansion was thrown open for a reception—and fortunate, indeed, did those deem themselves who were invited.

More Facts and Figures About Northwest's Vastly Changed Banking Picture

As Shown by New Commercial West Directory

These Banks Gained \$100,000 or More

Citizens State, Gaylord.....	\$ 162,269
Security State, Glencoe.....	123,639
Northern State, Gonvick.....	124,956
First National, Heron Lake...	110,743
First National, Hibbing.....	265,921
Citizens Bank, Hutchinson....	181,712
Internat'l State, Internat'l Falls	113,280
First National, Shakopee.....	107,702
Drovers Exch. St., So. St. Paul	101,423
Stock Yards Natl., So. St. Paul	692,821
Far. & Mer. State, Springfield	153,107
State Bank of Springfield....	193,129
Cosmopolitan State, Stillwater	129,803
Nor. State, Thief River Falls..	312,585
Union State, Thief River Falls	118,994
Far. & Mer. State, Tracy.....	165,091
Farmers State, Underwood....	113,437
First National, Virginia.....	147,020
Citizens State, Walnut Grove.	158,526
Security State, Wanamingo...	100,000
First National, Waseca.....	308,348
Security State, Wells.....	104,547
Citizens State, Westbrook....	198,085
Bank of Willmar, Willmar....	182,466
First National, Windom.....	136,745
Windom National, Windom....	213,383
Blue Earth Val. Nat., Winnebago	110,359
Merchants Bank, Winona.....	388,737
Winona Nat. & Svgs., Winona	352,485

MONTANA

Daly Bk. & Tr. Co., Anaconda.\$	613,516
Midland National, Billings....	377,569
Montana National, Billings....	324,777
Security Trust & Svgs., Billings	199,602
Security Bk. & Trust, Bozeman	129,831
First National, Butte.....	684,101
Metals Bank & Trust, Butte...	2,199,776
Bank of Glacier Co., Cut Bank	150,805
Deer Lodge B. & Tr., Deer Lodge	110,288
Mont. Bank & Tr., Great Falls	219,831
Western Mont. Natl., Missoula	842,037
Montana State, Philipsburg...	126,270

MICHIGAN

Mer. & Miners Bank, Calumet.\$	928,750
First National, Escanaba.....	327,542
State Savings Bank, Escanaba.	193,258
First National, Hermansville..	164,448
Houghton National, Houghton.	363,092
First National, Iron Mountain.	270,260
Gogebic National, Ironwood...	346,560
Peninsula Bank, Ishpeming...	269,905
Union National, Marquette....	362,301
Commercial Bank, Menominee.	194,706
Lumbermen's Natl., Menominee	146,541
First National, Negaunee.....	453,847
First National, St. Ignace....	187,128
Central Svgs., Sault Ste. Marie	127,263
First Natl., Sault Ste. Marie..	140,836
Sault Savings, Sault Ste. Marie	184,681
First National, Wakefield.....	137,124

CONTINUING its preview of authentic bank reports now pouring in for the 1937 edition of its Bank Directory of the Ninth Federal Reserve District (that indispensable "red book") the COMMERCIAL WEST this week presents further highlighting of banking progress. Next week it will ramble on into new territory as well as back over some of the territory already covered in previous articles. Interesting, entertaining and vitally essential the early reports show:

MINNESOTA

First National, Dunnell, with \$61,240 new deposits . . . Leoard N. Nelson promoted from a. c. to cashier of Echo's new (1936) Citizens State . . . State Bank of Edgerton's deposits up another \$84,758 . . . Elgin State (1935) with deposits \$125,000, loans \$43,000, L. J. Wehrs as new a. c. . . Charles H. Bade from cashier to president Bank of Elk River, M. C. Tesch from a. c. to cashier, George Nelson to a. c. . . First National, Elk River, \$67,000 more deposits to handle in its remodeled home . . . \$57,558 more deposits for Security State, Ellendale . . . Less than \$6,000 needed to put First National, Elmore, over for another \$100,000 gain. Its loans increased \$51,000 . . . Eveleth banks taking an almost even split of 1936's new deposits, First National \$72,808, Miners National \$72,534 . . . First National, Fairfax, shy about \$6,000 of going over for \$100,000 gain . . . Fairmont National with Elsie Lee as a. c. instead of Harriet Fillmore, another \$274,035 deposits, no preferred, \$50,011 in surplus and undivided profits . . . H. M. Johnson now cashiering Fairmont's First National which halved capital to \$50,000, whooped surplus and undivided profits from \$41,810 to \$70,786, upped deposits another \$87,000 . . . Nearly \$52,000 more deposits for First National, Farmington . . . \$398,027 more loans and discounts for First National, Fergus Falls . . . First State, Fertile, \$39,597 new deposits, \$38,713 news loans . . . First State, Floodwood, \$38,000 FHA loans in a community where "other loans are scarce" . . . State Bank of Foley \$68,578 nearer being a half million dollar bank . . . Franklin State, organized last year, \$80,000 deposits, \$41,-

These "Made" Million Dollar Class

Citizens State, Fulda, from \$744,515 to \$1,015,365.
Citizens State, Green Isle, from \$679,945 to \$1,006,266.
Security State, Hibbing, from \$898,113 to \$1,193,999.
First National, International Falls, from \$977,335 to \$1,118,526.
First National, St. Peter, from \$918,086 to \$1,140,000.
Security National, Willmar, from \$840,469 to \$1,071,146.
State Bank of Worthington from \$981,833 to \$1,186,959.
Worthington National from \$926,800 to \$1,134,899.

MONTANA

Miners National, Butte, from \$946,684 to \$1,154,219.
State Bank & Trust Co., Dillon, from \$951,694 to \$1,149,038.

MICHIGAN

Gladstone State Savings Bank from \$835,000 to \$1,026,037.

645 already in loans . . . Nothing frosty about \$65,000 deposit gain for state Bank of Frost . . . Geo. D. Allen new a. c. at Northern State, Gonvick, where deposits jumped \$125,000, another \$9,000 went into surplus and undivided profits besides paying a dividend . . . B. B. Berry now a. c. at Goodhue State . . . First National, Grand Rapids, almost in the million dollar group with \$83,500 new deposits, \$47,120 new loans, constituting an appropriate compliment to its new home . . . Warba State, now Grand Rapids State (Nov. 2, 1936), with Albert Erlandson giving presidency to R. J. Beckfelt and taking v. p. instead . . . A. J. Johnson, president; A. M. Johnson, v. p.; R. C. Johnson, cashier, and P. G. Sheimo, new a. c., Granite Falls Bank, also \$53,000 new deposits . . . \$70,500 new deposits and \$42,000 new loans in State Bank of Greenwald . . . L. N. Ingalls raised to presidency of Security State, Hammond . . . State Bank of Hanska with \$84,000 more deposits . . . Harold Byers new a. c. at Harmony's First National, also over \$48,000 new money . . . Another \$4,000 push and First National, Hastings, would have made the million mark, meanwhile
(Continued on page 30)

Minnesota's B & L Groups in Mid-Winter Conference Urge Law Changes

A PEPPY PROGRAM of timely addresses ranging from the outlook for building and loan associations to proposed new legislation—and with an interesting appraisal of the European situation thrown in as “dessert”—made up the big Mid-Winter Conference of the Minnesota League, Building, Loan and Savings Associations, at St. Paul's Lowry hotel, Feb. 5.

Upwards of 100 persons representing organizations in nearly all sections of the state attended this one-day program, highlighted by luncheon at noon in the Lowry's beautiful Spanish Room, where all sessions were held.

Presiding in the absence of Fred E. Hodgson, president, who was confined at home because of illness, was Vice Pres. Robert L. Palmer, Pipestone, who ran the meeting off in fine style. Mr. Hodgson sent his telegraphic regrets which were read to the assembly at the morning session.

First and possibly foremost on the program was an address on the “Building and Loan Outlook” by Minnesota's banking commissioner, Robert D. Beery. Mr. Beery went into detail regarding the situation surrounding state associations, made certain recommendations for con-



JOHN F. SCOTT
Read Legislative Committee Report.

sideration of the legislature in the present session:

1. “A law should be enacted to permit a federal association to convert into a state association.”
2. “The present provision for borrowed money is too high, and should not be based on total assets.”
3. “The section regarding the reserve fund should be corrected.”
4. “I believe the section regarding notice of annual meeting should be corrected so as to provide for a mailed notice.”
5. “There should also be some provision for the election and qualification of directors.”
6. “The law should also specifically state what constitutes membership in a building and loan association.”

Mr. Beery also showed how in 1931 there were in Minnesota 80 state-chartered institutions with assets of \$43,000,000, and on Dec. 31, 1936, the figures had slipped to 51 and \$21,478,000, respectively.

Assets Increase

“Most of the decline is accounted for because of conversions to federal savings and loan associations,” he said. “There was also a natural decline because of withdrawals on the part of shareholders. During the past year five state-chartered associations converted into federal associations and three completed voluntary liquidation. In spite of this decrease in the number of associations, the total assets of the remaining institutions increased approximately \$828,000 for the year.”

Commissioner Beery explained how in the past state associations operated on a purely mutual basis, members pledging themselves to pay in certain amounts on their share accounts, thus becoming eligible to borrow for home financing. At the end of each six-month period a dividend was declared on the basis of earnings for that period. Members gathered together frequently and there was a general feeling of personal interest in the association's affairs, he said.

“Today many associations operate somewhat like a mutual savings bank,” he went on, “and stockholders' meetings are held largely by the use of proxies. If the present trend continues, our building and loan associations will gradually develop into mutual savings banks.”

Officers and directors of state associations were urged by Mr. Beery to adver-

tise “as much as possible.” He recommended frequent letters and statements be sent members, taking care to advertise for new loans as well as for new share accounts. And in this connection he warned his hearers to be sure the loan plan advertised meets or excels local competition.

“My attention has been called to an apparent feeling that federal associations have an advantage over state-chartered institutions,” Mr. Beery said. “The mere thought of such advantage seems unfair to a type of institution which has existed in our nation for approximately 100 years.”

The commissioner praised the Federal Savings and Loan Insurance Corp., created to insure investments of savers in home financing institutions up to \$5,000, and urged the Minnesota League to get behind the movement to induce all associations to become members of the corporation. He said “no better job could be



ROBERT L. PALMER
Vice President Conducts Conference.

rendered your savings members than the full adoption of this insurance program.”

Following Mr. Beery on the program was Wylie Allen, Chicago FHA representative, who spoke of the FHA from several angles: Competition, service, benefit, national situation, new mortgages, processing.

(Continued on page 24)

Branch Banking Out in the Open

Precipitated by State Lines Action of Supervisors' Committee

(Commercial West Special Correspondence)

WASHINGTON — Branch banking has been injected definitely into the Washington picture since state banking department supervisors at their meeting here last week as members of the executive committee of their national association declared opposition to establishment of national bank branches beyond state confines and urged Congress to carry out the spirit of the recommendation.

When and if this action of the state supervisors reaches Congress in formal presentation it is going to throw wide open the doors to all the several phases of branch banking that everyone, inside and out—proposals and ideas politically in the air, things that Congressmen, and especially those on and close to the banking committees may have on their minds. That's the consensus of opinion of those here who have had their ears open.

Action Upsets Plans

Precipitation of the branch banking motif into the legislative affairs of Congress via this action of the supervisors rather upsets plans, or at least ideas, those in high places of the Administration had on the subject, say nothing of what A. B. A. leaders, the powerful Central States Conference and various state banking association key men have in mind.

As a matter of fact branch banking has been doing quite a lot of circling around in the whirlpool of Washington corridor gossip and conjecture for several weeks.

Down deep inside things political here it had been the feeling that when branch banking developed it should come out in some such orderly form as presentation of a bill, or resolution, fathered by some member of Congress, duly referred to the banking committee for arguments pro and contra, and so on.

Of course, the supervisors' recommendation can be referred to the committees, but it offers so direct a proposition that it would seem bound to develop open floor confabs.

Action of the supervisors, it may be said, was a bit upsetting. Possibly it may have had something to do with the statement of Comptroller O'Connor is-



sued Sunday shortly after the supervisors had put over their declaration.

After reporting there had been no national bank failure in the year ended last Oct. 30, in which he pictured "the very satisfactory condition of the banks of the nation," Comptroller O'Connor said:

"This, together with recently enacted banking laws, makes further general banking legislation unnecessary."

The questions in the minds of many after the O'Connor declaration appear to be: Did this answer the banking supervisors? Does it mean the Administration is not in harmony with any drastic banking legislation this session, including branch banking?

Whether these are the right answers, of course, rests upon what transpires when banking matters bob up in Congress. Right now, however, they are most discussed as having much bearing on the situation.

Central States Conference

In connection with banking matters it is interesting to note that M. A. Graettinger of Illinois, an outstanding figure in association activity, has been in Washington the past several days, checking up on what's in the air. He will report at the meeting of officers of the association of the 15 states comprising the Central States Conference when they meet in Chicago Feb. 20. It will be interesting to know how he has analyzed the action of the supervisors, also what he has learned that may have evaded other ears.

Meanwhile bankers in and out of Washington appear fairly well satisfied with the general banking situation, which Comptroller O'Connor pictured as "very satisfactory," with the exception bankers point out, however, that the "other loans" situation (commercial loans) still needs a lot of thawing out heat.

Haven't heard much criticism from bankers on the recent "freezing" by the Federal Reserve Board of about \$1,500,000,000 when it hoisted reserve requirements, although some have advanced the thought that, in addition to the idea of controlling credit inflation it might also serve as a brake on some needed industrial and trade expansion. Some of the upstate country bankers were more fearful on that point than the big city bankers, inasmuch as analysis of the excess reserves situation after the hoist goes into effect shows that so-called country banks will have only about \$615,000,000 free deposits with which to handle demands for loans in their communities.

Commercial Loans Up

And these demands for loans are beginning to show a fairly healthy increase. For instance, as of Feb. 3 commercial loans reported by the Reserve board for 101 leading cities of the nation had climbed \$2,000,000 over the previous week and \$811,000,000 over the same week last year to a new 1937 peak of \$4,100,000,000. Should anything like this ratio carry through the early months of the year it would dissipate at a comparatively fast pace the \$2,150,000,000 excess reserves presently existing, which would be cut to \$1,000,000,000 by the increase in reserves ordered by the board.

Much interest is manifest here in the action Tuesday of a large group of stockholders of the Detroit Bankers Co. in appealing to the United States supreme court in an effort to escape paying a 100 per cent assessment on their proportionate share of the stock of the First National Bank of Detroit.

Both institutions are in receivership. The stock assessment totaled \$25,000,000, a large part of which is against this group.

The First National, which was closed in 1933, was formed by mergers of banks acquired by the Detroit Bankers Co., a holding company. The petitioners contended in their application to the supreme court for relief that when a conservator was appointed by the government the First National was solvent, with an excess of resources over liabilities of \$72,000,000.

The Michigan federal district court and
(Continued on page 25)

Banks and Bankers

FOLLOWING right on the heels of Friday's meeting of Iowa's Group Two at Burlington, is the big Eighth District Group (Minnesota) meeting at Eveleth this Saturday.

Both meetings, of course, coming too late for COMMERCIAL WEST to handle this week, will be reported on in the next issue.

The Iowa group expected big attendance in view of the Lincoln's birthday holiday. The committee had arranged a varied program of interesting addresses and features.

Public relations by radio was scheduled as chief discussion at the Eveleth meeting, with range bankers planning to go ahead with the proposed series of broadcasts. A number of Twin City bankers and friends expected to go up for the meeting.

And a week from Monday is the big Washington's birthday meeting of Wisconsin's Group One, in the Lowry hotel, St. Paul. Details of this program appeared in the last two issues of COMMERCIAL WEST.

John Maclean Around Again

There was warm handshaking in Minneapolis' First National about high noon of Wednesday this week when Assistant Cashier John G. Maclean walked in for the first time since his auto smashup on New Year's day. Mr. and Mrs. Maclean were on their way to Hutchinson to have dinner with friends when another car, skidding on the slippery pavement, collided with them near Glencoe. Mr. Maclean suffered 12 broken ribs and puncture of both lungs. While out and around again after what is considered a remarkably quick recovery after a miraculous escape, Mr. Maclean's banking activities necessarily will be very limited for some time to come.

Bank Changes Hands

Harris, Minn., again has a locally owned bank. The State Bank of Harris, which passed out of local control just before the "bank holiday," has been purchased by a group including Judge A. P. Stolberg, son of one of the bank's founders, and brother of the late G. J. Stolberg, former cashier; O. W. Herreid, North Branch, former Harris merchant;



MR. HOLUM

A. O. and Arthur Stark, local lumber dealers; G. J. Jarchow, bulk oil merchant of Harris; G. Holum, cashier and managing officer of the bank itself; and a number of other business men who bought smaller blocks of stock. Capital is \$30,000, and the "new deal" involves 157 shares. As of last Dec. 31, deposits amounted to \$192,930, loans and discounts to \$48,446, total footings to \$236,185. Reserve on hand totaled \$85,097, undivided profits \$6,255. A special stockholders' meeting has been set for Feb. 20, when all details of reorganization will be ironed out, including election of directors and officers. It is expected that A. O. Stark will retain the presidency, which he has held many years. COMMERCIAL WEST will carry promptly a complete report on the meeting.

Here for Bank Meeting

Among the out-of-town bankers in Minneapolis Tuesday for the annual meeting of First Bank Stock Corp. were T. O. Hammon, Helena; E. H. Westbrook, Billings; Lynn S. Olson, Hancock; C. A. Bremer, Aberdeen; Frank T. Merrill, Minot.

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NEW ISSUES

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(a Minnesota corporation)

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First and Refunding Mortgage Bonds, 3½% Series due 1967

To be dated February 1, 1937

To mature February 1, 1967

Offering price 101% plus accrued interest

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Cumulative Preferred Stock, \$5 Series

(without par value)

Offering price \$103 per share plus accrued dividend from January 1, 1937

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Wells-Dickey Company

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Thrall West Company

February 11, 1937.

Buys Lakefield Building

H. W. Voehl, president Farmers State, Lakefield, Minn., is reported to have been successful bidder there this week at receiver's sale of the building of the old Jackson County State. Understanding is that the Farmers State has a buyer for its building and will move to the larger Jackson County premises. Price is reported to have been \$14,000.

First Bank Stock Meets

Again evidencing its strong position as well as general business improvement in the Northwest, First Bank Stock Corp. at its annual meeting in Minneapolis Tuesday continued its semi-annual dividend of 25 cents a share instituted for the last half of 1936. This dividend will be paid April 1 to stockholders of record March 20.

Should this same rate be applied to the last half of this year stockholders will receive 50 cents per share in dividends in 1937 as against 45 cents last year, inasmuch as the first semi-annual of 1936 was 20 cents a share.

All officers and directors for the ensuing year were reelected.

Weiser is Dead

Banking circles in North Dakota and the Northwest lost one of their old standbys this week when E. J. Weiser, president First National Bank & Trust Co., Fargo, one of the founders of Northwest Bancorporation, died at his home. Mr. Weiser, who was 70, was a member of Banco's first executive board and his



MR. WEISER

bank was one of the first institutions outside Minneapolis to join the organization. Death came suddenly and unexpectedly Monday night. The Fargo banker was prominent in the promotion of civic projects and farm development programs for many years, was identified with the Bet-

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BOND MARKET DEVELOPMENTS

Since the first of the year the high grade bond market has been unsettled, and price declines have been general. The extent of the decline has not been large, however, and with the exception of certain municipal credits, price changes are not important. The past two weeks have seen a steadier tone to the market, and new offerings have been well received. A sizable amount of new corporation financing is pending, and judging from financing plans announced thus far, low coupons on high quality credits will continue. One factor of interest in connection with new bond financing is that a larger amount of borrowing will be for new capital requirements, although refunding of higher coupon bonds will probably continue to represent the bulk of new issues.

The short term market appears to have definitely stiffened. This is particularly noticeable in municipal issues. Taxing areas which were able to borrow for 12 months' periods at a rate of around 0.20% a year ago, are now paying from 0.50% to 0.75% for one year money. This change in short term rates is not expected to extend to longer term credit, and firm prices in good quality bonds are likely to continue.

A large volume of uninvested institutional funds is available, lending support to the bond market, and most of the factors which have caused high bond prices the past year are still present.

▼
C. C. RIEGER & CO.

Incorporated

**First National-Soo Line Building
MINNEAPOLIS
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—Photo Courtesy Minneapolis Star.

HERE'S THE WAY the lobby of the Fifth Northwestern National, in Minneapolis' busy Uptown district, looks following completion this week of the bank's enlargement program. Because of over-crowding, the bank has doubled its floor space, now has a 44-foot Hennepin avenue frontage. And the exterior is constructed of glass brick, presents a striking appearance. R. O. Thayer is cashier and managing officer; Gordon T. Kruse recently became an assistant cashier, along with M. McDonough, re-elected.

ter Farming Association. Always a strong supporter of North Dakota Bankers Association, Mr. Weiser was active in A. B. A. affairs and a pioneer in better banking movements. With his associate, Fred A. Irish, vice president of the Fargo bank, Mr. Weiser for many years has been a regular attendant at A. B. A. conventions, which naturally brought him into national prominence in the banking field. He was a member of the A. B. A.'s foreign relations committee at the time of his death, had served in other capacities at various times in the past. Mr. Weiser was born at Decorah, Iowa, entered banking there as an office boy in the Winneshiek County State when 20 years old. In 1897 he went to Ortonville, Minn., to participate in organizing McArthur, Weiser & Co., a private bank. Later the First National was organized at Ortonville with Mr. Weiser as its head. He went to Fargo in 1905 as vice president of the old Red River Valley National. In January of the following year this bank merged with the First National, and he became vice president, moving up to president in 1912. He had been president of the Fargo Clearing House Association the past several years. Mr. Irish, who was enroute to Minneapolis Monday night, where he was to be joined by Mr. Weiser Wednesday, returned to Fargo as soon as he learned of the latter's death. Two brothers, S. V. and H. M. Weiser, Minneapolis (the latter associated with A. G. Becker & Co.), arrived in Fargo Tuesday, also, as did a daughter, Mrs. Robert Fayfield, also of Minneapolis. Another daughter, Charlotte, lives at her father's home. Funeral services were conducted Thursday.

Auditors to Meet

Next meeting of Twin City Bank Auditors and Comptrollers is scheduled for Feb. 18 at Hotel Dyckman, Minneapolis. "Liquidation Under Stress" will be topic of the principal speaker, John Burgess, vice president Northwestern National Bank & Trust Co. M. E. Lysen, president

of the group, will preside. Other officers are Roy Overman, vice president; M. E. Mortenson, secretary; Garford Emory, treasurer.

New Director

At the annual meeting of Live Stock National, Omaha, Herman K. Schafer, president Maney Milling Co., of that city, was added to the board of directors. Others, all re-elected, are W. P. Adkins (chairman), H. B. Bergquist, James J. Fitzgerald, T. E. Cledhill, H. C. Karpf, Carl A. Swanson, Howard O. Wilson, Alvin E. Johnson. Officers, also re-elected, are Mr. Johnson, president; Messrs. Karpf and Wilson, vice presidents; R. H. Kroeger, cashier; L. V. Pulliam and Paul Hansen, assistant cashiers.

Increased Volume

Blue Earth State (Minn.) writes, "1936 was very kind to us. Good crops and the consequent higher prices brought about an increase in deposits of \$160,000 (they're \$844,940 now). The increased volume added to the earning ability of the bank and during 1936 we added \$25,000 to our surplus account in addition to a 6 per cent dividend payment, bringing our total resources as of Dec. 31 to more than \$900,000." Loans and discounts amount to \$296,263, up \$20,000 from a year ago.

Educational Talks

Educational committee, Iowa Bankers Association, has just sent out an interesting bulletin listing titles of 32 educational talks on banking for the purpose of affording bankers material for talks before schools and civic bodies. Ben S. Summerwill, Iowa City, is chairman of the committee, which works in cooperation with the A. B. A.'s Educational Commission.

Joins Coal Firm

John W. Barton, former Minneapolis banker and executive of federal financing

set-ups, was elected on Monday as executive vice president of the Inland Coal & Dock Co., operating docks at Duluth and wholesale houses in the Twin Cities.

Deposits Up

Fred G. Oehlke, president Peoples & Enderlin State, Enderlin, N. D., tells COMMERCIAL WEST, "Deposits have increased over 6 per cent in spite of a total crop failure," now amount to \$300,552. Loans and discounts of the institution now total \$161,055. Thomas Pierce is vice president; Lena Selvig, cashier.

Knox on Board

Col. Frank Knox was elected to the board of City National Bank & Trust Co., Chicago, together with all incumbent directors, at that institution's annual meeting. Directors then promoted D. M. Sweet from assistant vice president to vice president; L. B. McMahon from assistant vice president to cashier; Walter S. Holtgren, Marshall C. Corns, to assistant cashiers; B. A. Bowlby to assistant trust officer; W. E. Harrison, H. S. Irrmann, to assistant auditors; Chester L. Price to advertising and publicity manager. All other officers were re-elected.

Fine Record

In a half-page ad in the Powers-Spalding Tribune, First National, Hermansville, Mich., shows a comparison of deposit figures for Dec. 31 in the last four years: 1933, \$429,843.62; 1934, \$472,548.95; 1935, \$567,508.02; 1936, \$732,432.23. The bank's statement shows loans and discounts of \$47,841.24; surplus of \$25,000; undivided profits of \$10,120.30. Officers are Stewart E. Earle, president; G. Harold Earle, vice president; Chris. H. Gribble, cashier; George H. Curran, assistant cashier.

Rapid Growth

Security State, Glencoe, Minn., showed a gain of about 150 per cent in deposits during 1936, the total going to \$370,309 Dec. 31. Loans and discounts likewise showed a big increase, reaching \$106,313. "A pretty good year, we think," says A. W. Hoese, president, who, with other officers and directors, was re-elected at the annual meeting. Others are Alfred L. Wabbe, J. P. O'Hara, vice presidents; Frank J. Heaney, cashier. The bank paid a 4 per cent dividend to stockholders, too.

News From Ruthton

Hans C. Pederson, cashier Farmers & Merchants State, Ruthton, Minn., has been elevated to vice president and cashier, and H. V. Hanson is the newly elected member of the board to fill the vacancy caused last July by the resignation of R. E. Gryte. Mr. Pederson, incidentally, and his son, Clyde, are spending the winter at Phoenix, Ariz., will return some time in April. During 1936 the bank's deposits rose from \$226,877 to \$268,406, its loans and discounts from \$148,610 to \$166,147.

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J. E. Brown - - - - - Cashier
J. C. Buckley - - - Assistant Cashier

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Misrepresentation and Duress

In a local case, allegations set up the securing of an instrument affecting real property without consideration and upon misrepresentations to claimant while he was despondent, confused, friendless, in a state of hysteria, anxious and suffering mental and physical exhaustion.

(One of a series of actual difficulties appearing each week.)

Title Insurance provides protection on titles.

Title Insurance Company of Minnesota

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Yellowstone Banks

The combined Dec. 31 statements of the Yellowstone Banks, Laurel and Columbus, Mont., show total deposits of \$1,049,853, a gain over last year's \$1,028,240. Loans and discounts aggregate \$379,025, total resources \$1,143,546. Separately the figures are:

	Laurel	Columbus
Deposits	\$572,374	\$477,479
Loans and discounts.....	228,921	150,104
Total resources	625,986	517,560

Irvin M. Black has been elected assistant cashier of the Columbus institution, all other officers and directors were re-elected.

Speaking Specifically

The fellow who wrote the song hit called "Speaking Specifically" should be interested in this description taken from a deed to land in Estill county, Kentucky, recently handled for collection by Cherokee State, St. Paul. It was sent COMMERCIAL WEST by President R. M. Gesell:

"Bounded on the North by the land of Enoch Puckett; on the West by the land of Elizabeth Gibson; on the East by the land of Elizabeth Gibson; and on the South by the land of Nelson Tipton. Beginning at a sugar tree (which sugar tree is now gone but marked by two ironwoods) in the gap of the cliff near Crabtree's residence; thence a straight line in an easterly course to two chestnut oaks at the sand cliff; thence with the sand cliff near a sugar tree in Paul Tipton's line, known as the sugar tree corner; thence a straight line in a southwesterly course to a bunch of dogwoods; thence a southeasterly course to a mulberry and slippery elm in the gap of the cliff; thence with the limestone cliff to the beginning, containing 36½ acres, more or less, known as the John Russell land, subject to all delinquent taxes to date."

Remodeling

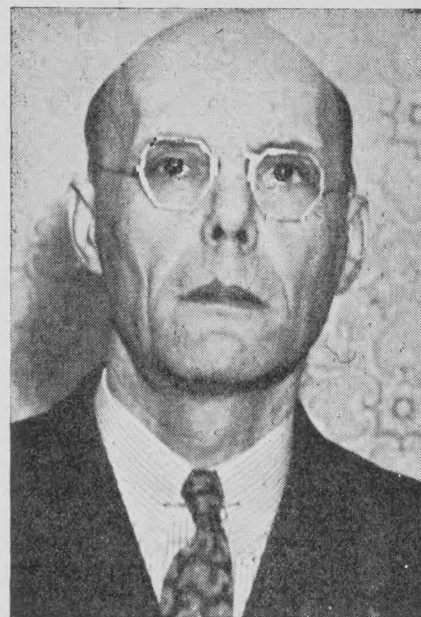
"We have had a very nice year as the enclosed statement will show," writes First National, Hopkins, Minn. (Deposits up from \$782,585 a year ago to \$880,221.) "We paid all our preferred and at the present time are remodeling our banking quarters. The work is well along. A new vault has been installed with a seven-inch door, which gives us a lot of satisfaction. An addition of 20 feet has been made on our bank building which should take care of our banking needs for some time to come."

Wanted: Spring Rains

Buffalo National (Minn.) writes in to say, "We had a good year in 1936. Same officers and directors re-elected. Conditions look good for 1937 if we get some timely rains in the spring." During the past year the bank's deposit total gained from \$318,549 to \$390,053. Loans and discounts amount to \$97,181.

Changes at Dickey

Mrs. Gertrude Ferguson, Fargo, was chosen as a new director at the annual meeting of Farmers & Merchants State, Dickey, N. D. She is a daughter of the



J. C. ROCKMAN

This gentleman is president of the new Bank of Barron, Wis., opened recently following consolidation of the old Bank of Barron and Normanna Savings Bank (C. W., Feb. 6). Mr. Rockman had been cashier of the Normanna. This picture was snapped by C. W.'s camera at the recent Mid-Winter Conference of Wisconsin Bankers Association, at Milwaukee.

late J. A. May, president of the bank for 20 years. Another change in the institution's personnel is the resignation of Lawrence Larson, assistant cashier, who is taking a course in business administration at North Dakota Agricultural College. He had been with the bank 10 years. As of Dec. 31 the bank had deposits of \$78,878, loans and discounts of \$35,925.

A Successful Year

F. G. Grosz, vice president Bowdle State (S. D.) tells COMMERCIAL WEST, "In spite of the fact that 1936 was a bad year and the Bowdle community had a complete crop failure and no feed for livestock, the bank had a successful year. Surplus was increased \$500 and a 20 per cent dividend was paid the stockholders. Deposits are about the same as a year ago." Other officers are J. K. Kurle, president; John C. Gross, vice president; H. C. Gross, cashier. Directors include the four officers and Henry Bauder. Mr. Grosz, liquidating agent for First State, Bowdle, further reports that institution paid a 15 per cent dividend to depositors and creditors amounting to about \$21,000, on Jan. 15. The bank closed in 1932, and liquidation taken over as a private matter by a board of trustees composed of Mr. Grosz, John Leno, William H. Brandt, H. C. Gross, D. D. Savage, John C. Gross. Total dividends paid to date amount to 25 per cent.

(Continued on page 30)

TICKER TALK

By The Marketeer

The Market

Evidence to the effect that speculation has reached the excited stage continues to pile up. Repeated sorties on the bull side by professional interests, followed by quick withdrawals after what has become almost invariable success, comprise only a portion of such evidence. A more significant indication is the fact that forecasts, or perhaps hopes, of what a corporation will report in the way of earnings a year from now constitute the biggest single factor in present-day bullishness.

It is possible for such buying psychology to carry prices a long way before the structure of the market becomes undermined. Recent strength of the rail shares, hinting at a confirmatory upward thrust through the previous top of 59.89, suggests the possibility of further upward progress before the climax is reached. The fact that the risks will multiply in proportion, however, is worthy of retention.

Lion Oil

The intermittent but constantly recurring accumulation of oil shares which was first noticeable nearly a year ago, but which has become increasingly apparent, has brought the group into first ranking position as a source from which to choose commitments for long term holding. This has been especially true because the industry as a whole has apparently cast off the effects of many years of over production and price wars and now rests on the firmest statistical foundation in a decade.

Contra-seasonal upturns in both crude prices and consumption of refined products, along with the decreases in crude supplies in spite of increased production, all attest to the sound basis which now exists. These factors, and the obvious trend of the maneuvers of European powers to annex more territory, carrying with them the constant threat of hostilities, imbue the oils with a potential equity value which is scarcely open to dispute.

All this has resulted in a steady ab-

sorption of these shares, in most cases thoroughly justified by earnings performance, which has considerably increased the price-earnings ratio in many cases. A glance at the present position of Lion Oil Refining Co., however, will readily show that the stock is undoubtedly moderately priced from a long-pull standpoint.

The following table compares the present price of Lion Oil and four leading oil companies with the respective nine months' earnings' figures of each:

	9 Months' Earnings	Approx. Price
Barnsdall	\$0.81	35
Continental	1.73	45
Phillips	3.08	57
Texas Corp.	3.00	58
Lion Oil Refining.....	1.31	17

It is easily seen from the foregoing that whereas nine months' earnings of the group are being capitalized at from 20 to 40 times on the market, Lion Oil's ratio is approximately 13 times the per share results for the same period.

Now it must be admitted that such a conservative valuation is justified until the company becomes possessed of a more secure position in the industry and a more consistent earnings record. But herein lies the lure of speculation. When and if that status is obtained the shares will have gone a long way toward discounting the occurrence.

Lion Oil is a completely integrated unit in the industry, engaging in producing and refining crude oil and transporting and marketing the refined products. The company owns gathering pipe lines from its wells to the main trunk line which transports its production to the refinery at El Dorado, Ark.

The company enlarged its acreage substantially during the past year, the expansion including an entrance into the sensational new Rodessa field which has so far been successful, and has recently acquired an option on the E. L. Smith Oil Co., a property which was reported to have shown 1936 earnings equal to about \$1.50 per share on Lion's present capitalization. Should this option be taken up, some form of financing, probably a preferred stock issue, will undoubtedly be

necessary to provide the funds for payment.

Aside from this the company reports, as of Oct. 31 last, an excellent financial position with \$3,100,000 of current assets, including \$1,100,000 cash, comparing with total current liabilities of \$1,000,000.

At present Lion Oil's capitalization consists solely of 420,000 shares of common stock, upon which the company is paying a dividend at the rate of \$1 a year.

Archer-Daniels

Earnings of Archer-Daniels-Midland Co. in the quarter ended Dec. 31 equal \$1.07 per common share, against 65 cents in the similar quarter in 1935. For the six months to Dec. 31, earnings equal \$1.92 and \$1.28, respectively. The company has declared a dividend of 50 cents per share on the common stock, payable March 1 to holders of record Feb. 18.

Bank Stocks

February 10, 1937

	Bid	Asked
MINNEAPOLIS		
First Bank Stock.....	16 $\frac{3}{4}$	16 $\frac{7}{8}$
N. W. Banco.....	15 $\frac{1}{4}$	15 $\frac{1}{2}$
NEW YORK		
Bankers Trust	81	82 $\frac{1}{2}$
Chase	60	61 $\frac{1}{2}$
First National	257 $\frac{1}{2}$	2610
Guaranty Trust	376	381
National City	54	55 $\frac{1}{2}$
CHICAGO		
Central Republic	26	27
City National	178	183
Continental Illinois	178 $\frac{1}{2}$	179 $\frac{1}{2}$
First National	373	376
Harris Trust & Savings.....	498	508
Northern Trust	850	860

Commodity Prices

	Feb. 10	Feb. 3
Butter (lb.)	\$0.34 $\frac{1}{4}$	\$0.34 $\frac{3}{4}$
Eggs (doz.) .....	.23	.23 $\frac{3}{4}$
<i>(Butter and egg prices are New York wholesale market on "firsts.")</i>		
Hogs (cwt.)	10.00	10.00
Cattle (cwt.)	10.50	10.25
Lambs (cwt.)	10.25	10.25
<i>(Livestock prices are South St. Paul quotations for top sales.)</i>		
Potatoes (cwt.)	2.60	2.60
Potatoes (cwt.)	2.45	2.45
<i>(Potato prices are those paid growers in carlots. Higher price for Minneapolis district, lower for shipments from northern part of state.)</i>		

BONDS FOR BANK INVESTMENT

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SATURDAY, FEBRUARY 13, 1937

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Elmer Adams Covers Pacific Water Front

NEWS is breaking out on the Pacific Coast water front—news with a Northwest interest that the keen “nose for news” of Elmer E. Adams, Fergus Falls banker and editor, erstwhile big time news-hawk, thoughtfully sees to it is heralded in his favorite “business news” weekly, **COMMERCIAL WEST**.

Witness his “column” this week from Los Angeles way, where he is wintering:

Lyman E. Wakefield, president of the First National Bank & Trust Co., Minneapolis, and Mrs. Wakefield are guests of the Beverly Hills hotel. Mr. Wakefield is playing some golf with George A. Hormel, whose beautiful estate at Bel Air is one of the most attractive in Southern California. It is said Mr. Hormel swings a golf stick with the same accuracy that he swung a cleaver fully 50 years ago in his one-man butcher shop at Austin, Minn., out of which grew the great Hormel business extending from the Atlantic to the Pacific.

R. C. Lilly of the First National, St. Paul, with Mrs. Lilly, is stopping at Hotel Huntington. Mr. Lilly is playing some golf, and probably is making his expenses at Santa Anita, where everyone goes—for the “hosses” run, rain or shine. If Mr. Lilly does any fishing in Mexican waters he probably will walk down, as last year his plane got off the course and he didn't know for a while but what he might become a resident of Mexico.

H. E. Swenson, assistant cashier of the

First National Bank of Fergus Falls, is spending a month on the Pacific Coast, covering the territory from San Diego to Seattle. Mr. Swenson found two former North Dakota bankers, Bert Lundeen and Harry Woodward, holding important positions with the Bank of America.

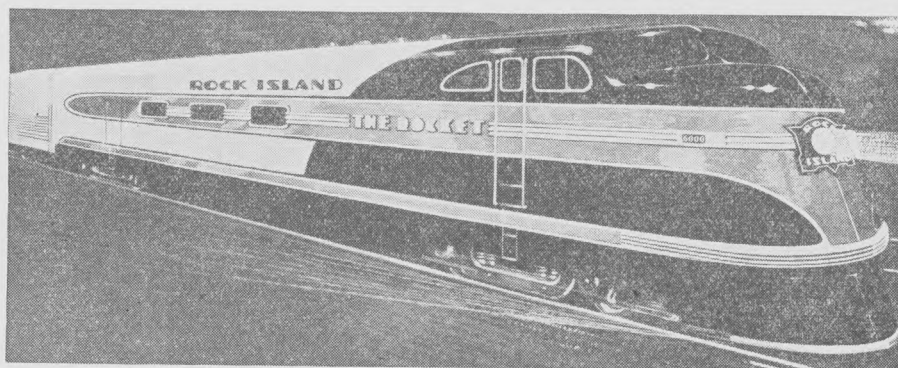
(EDITOR'S NOTE—On Jan. 30, it will be remembered, Mr. Adams contributed a very interesting article to **COMMERCIAL WEST** on “How Branch Banking Looks” to a Minnesota Independent visiting in California. His first reaction, Mr. Adams tells us, was when George D. Dayton called on him with a copy of **COMMERCIAL WEST** containing the article.)

Sears, Roebuck

Quarterly dividend of 75 cents per share will be paid March 15 by Sears, Roebuck & Co. to stockholders of record Feb. 15. This is an increase over last dividend payment, Dec. 15, when quarterly of 50 cents was paid. An extra of \$1.75 was also paid on that date, and an extra of \$2.50 was paid Jan. 7 (C. W., Dec. 26).

OUTLOOK GOOD

At the annual meeting Tuesday of Nickels & Smith Co., Minneapolis, realtors and mortgage financing, J. G. Goodspeed, associated with the firm for seven years in its mortgage department, was elected secretary. He succeeds H. V. Harn, resigned because of illness. Reports evidenced a good year in 1936 with prospects again excellent for 1937.



A rocket sure can travel some. And so the Rock Island (Chicago, Rock Island & Pacific Railway Co.) has christened as “Rockets” the six new stainless steel, air-conditioned streamline trains it expects to have burning up the rails about six months from now. Then, too, a train the road had in operation in 1852 had an engine called “Rocket.” The picture above is that of one of the new locomotives that will pull the fast-stepping Rockets, which will set the road back more than \$2,000,000. The new equipment will go into service between Twin Cities and Kansas City, from K. C. to Denver-Colorado Springs and on the Chicago-Peoria and Chicago-Des Moines runs. Included are 20 steel cars and six locomotives. Trains can make 120 miles an hour.

Joe Bedore Comes Up With an Extra



MONS. BEDORE

Osseo, Minsote,
12 Febuair, 1937.
Dear M'sieu
West:

I'm jus' want
for wrote you few
line, 'bout w'at
I'm read on your
gawzette 'bout
Frank Covert,
assistant gerant
of de Drovers
Banque Nationale,
Cheekago. Sapree,
hee's mak' de

marry.

I'm want for congratulate Francois an'
mak' som' "shower" for heem by mail.
I'm goin' sent heem de bes' ten cent rattle
I'm kin find an' I'm 'ope all de frend
Francois sent heem sometink.

My fodder know hee's fodder, long tam
behine. Ma fodder hee's leeve two wicks
'bove Quebec and Francois' fodder, two
mile below.

I'm hear hee's got awful nice femme.
Mebbe dey com' an' be habitant some-
tam in Minesote an' leev on wan nice
farm. You know, Francois, you git 12
leetle Covert you git 160 acpent farm
in Minesote.

Wit beau regard an' good weesh for
bonne sante, bonheur, an' mebbe you get
wan son w'at be beeg man lak Premier
Laurier.

JOE BEDORE.

Active in Southern Minn. Financing

A. G. Scheidel & Co., Mankato, recently
handled one of the largest issues of re-
financing in Southern Minnesota by com-
pleting distribution of 4½ per cent first
mortgage bonds of the Thompson-Parker
Co. of Worthington.

These bonds were secured by the prop-
erties of the company located in Worth-
ington which have a valuation of \$289,-
000 against which only \$90,000 first mort-
gage bonds were issued. It is said earn-
ings of these properties are approx-
imately \$30,000 annually. Entire income
of the properties has been assigned to the
trustees under the indenture securing the
bonds. Each month a sufficient payment
will be made into a sinking fund at the
National Bank of Commerce, Mankato, to
cover interest, taxes, insurance and re-
tirement of principal according to the
schedule of serial maturities.

A. G. Scheidel & Co. is active in financ-
ing Southern Minnesota institutions and
also is sole distributors of the collateral
trust notes of the City Investment Corp.
of Mankato and the Reliance Finance
Corp. of Waseca. Both these firms are
engaged in financing distribution of auto-
mobiles in Southern Minnesota.

The Spotlight

Reviews

Northwest Bancorporation

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LEGAL DECISIONS

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Kansas City	4½ Hrs.....	26.06
Denver	6 Hrs.....	53.75
Los Angeles	10¾ Hrs.....	104.56
San Francisco	11½ Hrs.....	113.53
San Diego	11¾ Hrs.....	110.56

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Along Financial Row

"HUNGRY" DEALERS were kept busy this week supplying "hungry" investors with bonds, bonds, bonds, could have kept right on going if they had had more to offer!

Wednesday, for instance, found three big deals ready: \$6,000,000 Holly Sugars, \$16,000,000 Dallas Power & Lights, \$70,000,000 Argentine Republics. All three met with a deluge of orders, and salesmen and traders tried every known means to get bonds to supply the demand.

The Holly Sugars, priced at par for the April 1, 1938-1942 maturities, 98 for the 1947s, were offered by a group including Piper, Jaffray & Hopwood. Dallas Power & Light bonds were first mortgage 3½s, due Feb. 1, 1967, priced at 102¾. The Argentines, due Feb. 15, 1972, were priced at 91.

And then first thing Thursday morning was the big Northern States Power deal—\$75,000,000 3½ per cent mortgage bonds due 1967, and 275,000 shares no-par \$5 cumulative preferred stock.

Twin City houses included in the offering group were Thrall-West; Piper, Jaffray & Hopwood; Kalman; Wells-Dickey. Bonds were priced 101, stock 103.

Visitor

Glenn G. Munn, New York, a partner in Paine, Webber & Co., visiting in the Twin Cities last Saturday, said he looked for 1937 to continue the improvement in business and economic conditions during 1936, even gain further momentum. He

predicted the major indexes of business activity would reach new highs for the recovery period this year.

More Space for Rieger

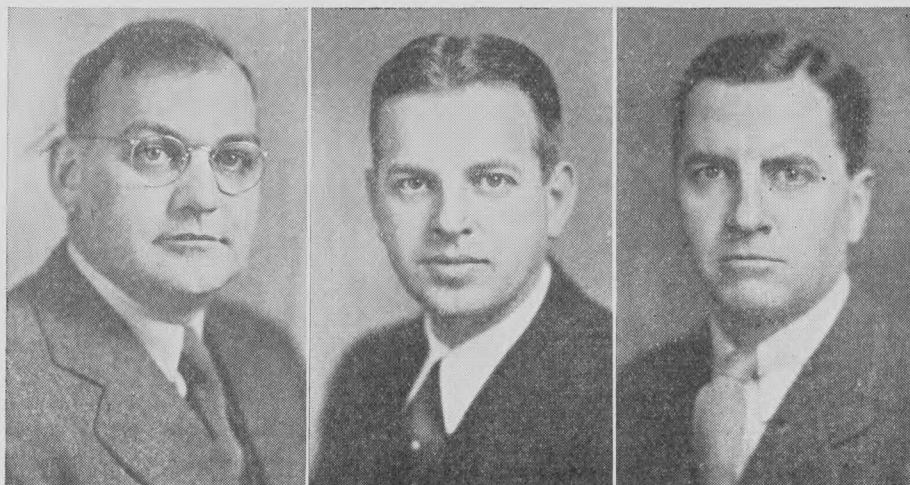
Carpenters were busy this week in C. C. Rieger & Co.'s corner of the First National-Soo Line building providing badly needed additional space for expansion.

Guy Nelson Adds Two

Two new salesmen sallied forth into the country this week for Guy A. Nelson Co.: S. B. Keen to Michigan, E. F. Volkmann to North Dakota. Mr. Keen has been in the investment business in the Twin Cities since 1921. Mr. Volkmann, brother of Minneapolis First National's W. A. Volkmann, is a former North Dakota banker who went with T. L. Beiseker's Wells County State at Fessenden in 1894, started a third bank there in 1909, was president of banks at Bowbells, Crosby and Charleston, N. D., and Brockton, Mont., still maintains his residence at Fessenden. Later he went with RFC, has been with FHA at Bismarck the last two years.

Reedy With Goldsbury

S. V. (Si) Reedy has severed his connection with RFC to join forces with J. W. Goldsbury & Co. Graduating from the University of Minnesota in 1921 Mr. Reedy took a brief whirl at the newspaper business, then went with the old Wabasha National Bank, St. Paul, later switched to the investment business, has



C. L. OMAN

C. E. HOWARD

JOHN C. NEIMEYER

Presenting the three new members of Piper, Jaffray & Hopwood's sales organization (C. W., Feb. 6). Mr. Oman comes from the Bank of Dallas, Wis., where he was cashier, as also reported last week. Mr. Howard is winding up his business at the RACC, starts in the new job Monday. Mr. Neimeyer has been associated with Decker, Barrows & Co.

been with the RFC's Minneapolis office the last two years. (Picture on Page 32.)

More From Gibson

Coming right on top of the phone call to Jim Linder reported last week, COMMERCIAL WEST Monday received a letter from Nashville's Jo Gibson, Jr., just returned from New York and Washington. "Found the flood to the north of me very much worse than you could possibly have felt it was from newspapers in the Twin Cities," Mr. Gibson wrote. "It is very bad but the people on the Mississippi side of the river feel their new levees will hold and the worst has already happened. I believe you will find the people of the Ohio Valley are made of very stern stuff and, as soon as the water recedes, will move back in and start afresh." Mr. Gibson, partner in Robinson, Webster & Gibson, sent his best regards to his many trader friends in the Twin Cities.

To West Indies

John McD. Webb of Bigelow, Webb & Co., sailed early this week for the West Indies for a vacation lasting about three weeks. Before returning to Minneapolis, Mr. Webb will go to New York, remaining there at least a week, he says.

New Des Moines Firm

Murdoch, Dearth & White, Inc., has just opened a new general investment business at 300-14 Des Moines building, Des Moines. Officers are G. D. Murdoch, president; M. D. Dearth, vice president; J. M. White, secretary-treasurer. All three were formerly connected with Polk-Peterson in Des Moines.

Personally Speaking

Recent doings in Northwest investment circles include J. W. Goldsbury and wife to Miami Beach via New York with probable return about the end of February . . . Raymond Smith, manager of Polk-Peterson's Waterloo office, made a vice president of the corporation which headquarters in Des Moines . . . W. D. Hanna & Co.'s Des Moines office in new and larger quarters in the Des Moines building . . . New additions to staff of Leo L. Mak, Des Moines, include Glenn E. Horton and Carl L. Bergen, both of Waterloo . . . W. E. Matthews, partner with Glen A. Ransom in Omaha Securities Corp., died of heart attack Feb. 1 in locker room of Omaha Athletic Club . . . Walter Paulson, formerly associated with Harris, Upham & Co., Minneapolis, now is in Florida for a couple of weeks before tackling his new job . . . The sick list probably isn't growing any, but there are plenty of replacements; this week's include Dan Mahoney, who was out a couple of days. . . . The charming owner of the pleasant voice that answers your calls to Allison-Williams' switchboard, Frances Mayer, leaves in a couple of weeks on a Panama cruise . . .

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RAND TOWER MINNEAPOLIS

Municipal Financing

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

BIGGEST DEAL in the Northwest municipal market the past week was last Saturday's offering of \$185,000 Itasca county (Minn.) school district No. 1 (Grand Rapids) 3 per cent school bonds. Dated Feb. 1, 1937, the bonds will mature serially from July 1, 1942 to 1948.

Ten big Twin City houses joined in the offering: First National, Minneapolis; First National, St. Paul; Northwestern National, Minneapolis; Bigelow, Webb; Justus F. Lowe; Wells-Dickey; George Jones; Piper, Jaffray & Hopwood; Allison-Williams; Kalman. The bonds were priced to yield 2.10 to 2.60 per cent.

Proceeds of this issue will be used to construct and equip an addition to the high school building, install a central heating plant, construct school buildings in the city of Grand Rapids and village of Warba. In making the offering, attention was called to the fact that the district has retired a \$255,000 issue dated April 1, 1922, in 10 instalments from 1927 to 1936, and also repaid in that period \$85,000 to the state.

Dealers report the bonds were "gobbled up."

St. Paul Sale

Lazard Freres was the successful bidder Wednesday on that issue of \$150,000 city of St. Paul public welfare bonds (C. W., Feb. 6). They brought a premium of \$538.50 for 2.20 per cent coupons. Harris Trust was second, offering a premium of \$537, same rate.

Highest January

State and municipal financing in Jan., 1937, aggregated \$220,406,576, highest for that month in the last decade. Previous January totaled \$93,726,276. PWA financing totaled \$4,922,000, RFC financing \$14,184,000. During the month, voters of 109 communities in 29 states approved municipal issues amounting to \$8,838,279, against \$5,244,931 in Jan., 1936, \$9,420,867 in Dec., 1936.

PROPOSED ISSUES

Cambridge, Neb.—Plans are under way for issuance of bonds for construction of irrigation works on Medicine creek at an estimated cost of \$281,000. The bonds issue would finance 55 per cent of the total cost of the project. O. C. Shoemaker, secretary of United Power and Irrigation District.

Toledo, Ia.—Petition has been circulated asking that issuance of \$10,000 swimming pool bonds be submitted to the voters at the biennial city election March 22, 1937. E. A. Benson, city clerk.

Riverdale, Neb.—Petitions are being circulated calling for election on issuance

of school building bonds. Fred McClure, secretary, Board of Education.

Ashley, N. D.—Plans are under way for special election on issuance of water and sewer system bonds. J. D. Stabler, city auditor.

Omaha, Neb.—Plans are under way on issuance of sewage disposal plant bonds. Estimated cost of project \$1,500,000. Emmett Hannon, city clerk.

COMING ELECTIONS

February 16

Jackson, Minn.—On school building bonds. Estimated cost \$225,000. W. H. Halloran, clerk, Board of Education.

Detroit Lakes, Minn.—On \$8,000 park WPA project bonds. E. J. Bestick, city clerk.

Fort Madison, Ia. (Lee county)—On \$18,000 funding bonds. A. G. Perks, county auditor.

Heartwell, Neb. (Eaton township)—On \$6,000 township hall building bonds. Martin Hogan, township clerk.

February 19

Shelton, Neb.—On \$17,000 school auditorium-gymnasium and vocational agricultural workshop bonds. Carolyn Turney, secretary, Board of Education.

Dodge, Neb.—On \$20,000 auditorium building bonds. A. J. Clement, village clerk (formerly reported as Feb. 5, postponed).

February 23

Minatare, Neb.—On \$46,000 bonds to purchase electric distribution system. Eugene Berg, city clerk.

Mahnomen, Minn.—On \$10,000 village hall building bonds. Albert N. Kjos, village clerk.

Cedar Falls, Ia.—On \$28,000 bonds to finance purchase of Iowa Public Service company holdings and power rights in Cedar Falls. H. B. Philpot, city clerk.

March 4

Muscatine, Iowa—On \$280,000 high school building bonds. Helen Ahlschlager, secretary Board of Education.

March 8

Millersburg, Iowa—On \$12,000 high school addition building bonds. Charles H. Schaffner, secretary Board of Education.

Vinton, Iowa—On \$70,000 grade school building bonds. W. L. Conder, secretary Board of Education.

Waucoma, Ia.—On \$50,000 school building bonds. Mrs. Mamie Kieron, secretary, Board of Education.

March 12

Pulaski, Ia.—On \$19,000 school addition building bonds. Gene F. Racey, secretary, Board of Education.

ISSUES VOTED

Waupaca, Wis.—\$30,000 sewer disposal plant and pumping station bonds. Walter J. Nelson, city clerk.

Davenport, Ia. (Scott county)—\$45,000

funding bonds. Robert C. Loufek, county auditor.

Hibbing, Minn.—Plans are under way for issuance of hospital building bonds. V. L. Cole, village clerk.

Jordan, Minn.—\$15,000 school auditorium-gymnasium building bonds. Howard A. Juni, clerk, Board of Education.

Kenosha, Wis. (Kenosha county)—\$139,000 Willowbrook Sanitarium addition building bonds. John C. Niederprim, county clerk.

Plymouth, Ill.—Waterworks bonds. Estimated cost, \$50,909. Care city clerk.

Stevens Point (Portage county)—\$100,000 refunding bonds. F. A. Krembs, county clerk.

Auburn, Neb.—\$65,000 senior high school building bonds. J. A. Jimerson, clerk, Board of Education.

Danube, Minn.—\$8,000 community hall building bonds. Marvin Schroeder, village clerk.

Strasburg, N. D.—\$10,000 school gymnasium building bonds. J. M. Klein, clerk, Board of Education.

BIDS CALLED FOR

February 15

Beaver Dam, Wis.—At 8 p. m. on \$60,000 waterworks improvement bonds. Denom. \$1,000. Int. 3 per cent. C. C. \$1,000. Wm. A. Gergen, city clerk.

Rochester, Minn.—At 7:30 p. m. on \$11,000 certificates of indebtedness. Int. 2 per cent. C. C. 2 per cent. Amiel L. Glabe, city clerk.

Cavalier, N. D.—At 2 p. m. on \$2,000 fire equipment bonds. Int. 4 per cent. Denom. \$200. H. B. Spiller, city auditor.

Mobridge, S. D.—At 8 p. m. on \$12,000 auditorium building bonds. Denom., \$500. Int., 4 per cent. R. C. Riddell, city auditor.

Manitowoc, Wis.—At 4 p. m. on \$120,000 city hall addition and new police station building bonds. A. H. Zander, city clerk.

Feb. 16

East Grand Forks, Minn.—At 7:30 p. m. on \$15,000 school building bonds of independent school district No. 3. Denom., \$1,000. Int., 4½ per cent. C. C., \$500. A. E. Hallen, clerk Board of Education.

Madison, S. D.—At 8 p. m. on \$40,000 school refunding bonds of independent school district No. 1. Int., 4 per cent. C. C., \$1,000. G. N. Arneson, clerk Board of Education.

Barron, Wis.—On \$50,000 school improvement bonds of Joint Dist. No. 1. Int. 3 per cent. C. C. Morrison, city clerk.

Fort Madison, Ia.—At 7:30 p. m. on \$30,000 refunding bonds for Independent School District of Fort Madison. Denom. \$1,000. James Low, secretary, Board of Education.

February 17

Duluth, Minn.—At 10 a. m. on \$50,000 municipal unemployment project bonds. Int. 6 per cent. Denom. \$1,000. C. C. 2 per cent. C. D. Jeronimus, city clerk.

February 19

Moorhead, Minn.—At 7:30 p. m. on \$150,000 school building bonds. Denom. \$1,000. Int. 4 per cent. C. C. \$1,500. O. D. Hilde, clerk, Board of Education.

March 3

East Helena, Mont.—At 7 p. m. on \$40,000 sewer system bonds. Denom. \$1,000. Int. 6 per cent. C. C. \$1,000. John Gough, city clerk.

(Continued on page 34)

THE NORTHERN TRUST COMPANY

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STATEMENT OF CONDITION

At the close of business, December 31, 1936

RESOURCES

Demand Loans (Secured by Collateral).....	\$ 7,486,957.11
Time Loans (Secured by Collateral).....	8,933,734.19
Other Loans and Discounts.....	17,883,755.33
U. S. Government Securities.....	137,442,977.50
<small>(Including \$11,628,358.84 pledged to secure deposits of U. S. Govt. and other Public monies)</small>	
Other Bonds and Securities.....	63,376,551.91
<small>(Including \$632,337.28 deposited with State Authorities under Trust Act)</small>	
Federal Reserve Bank Stock.....	270,000.00
Bank Premises.....	1,400,000.00
Customers' Liability Account Letters of Credit and Acceptances.....	924,319.87
Other Resources.....	503,014.83
Cash and Due from Banks.....	117,479,897.35
TOTAL.....	\$355,701,208.09

LIABILITIES

Capital Stock.....	\$ 3,000,000.00
Surplus Fund.....	6,000,000.00
Undivided Profits.....	3,432,180.71
Reserve for Taxes, Interest, etc.....	8,000,458.50
Dividend Payable January 2, 1937.....	135,000.00
Letters of Credit and Acceptances Outstanding....	1,029,809.05
Other Liabilities.....	104,579.33
Deposits:	
Demand.....	\$263,985,258.50
Time.....	70,013,922.00
	333,999,180.50
TOTAL.....	\$355,701,208.09

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B & L Conference

(Continued from page 9)

Robert J. Richardson, president Federal Home Loan Bank, Des Moines, brought greetings from his state, gave a very interesting and humorous address in which he said "it is highly essential and most important in the perfecting of an organization to the highest degree and the promoting of the business of the members thereof, that the leaders and executives strive with patience and tolerance to really understand the other fellow, his viewpoint, see the good in him and give him the benefit of the doubt."

Vern C. Soash, chairman publicity committee, urged local associations to cooperate in the league's essay contest, in which junior and senior high school students are eligible to participate. He also asked each association to sponsor an advertising campaign in its community in connection with the contest.

Herbert Lefkowitz, editorial director St. Paul Dispatch-Pioneer Press, described "The New Balance of Power in Europe" as the feature of the luncheon. He said conditions in Europe today are quite similar to those existing there in about 1905—that there might be international trouble "any minute," and that in the long run, at least, another war was almost inevitable.

The Social Security Act as it applies to building and loan associations was described in detail by A. W. Christgau, chief Social Security Tax Division, Internal Revenue Department, St. Paul.

"Real Estate Trend—Homes" was subject of an address by Clayton C. Cross, Minneapolis. He said that "as the building costs rise, second-hand houses will command a better price than they now do, and persons who build new houses will, no doubt, have to pay fancy prices to satisfy their individual tastes and desire for something new."

Taxes Too High

A vigorous report on "Home Taxation in Minnesota" was next on the bill, Edward A. Murphy, St. Cloud, the speaker. Said he: "Taxes are too high in Minnesota, because for one thing public expenditures are too high, and in particular they are too high on real and general property because of the unjust and

unfair share of the tax load that our system of taxation imposes on this class and character of property."

He said, "We have heard a good deal about new taxes and higher rates. And unquestionably new revenues are going to be needed and needed in alarming quantities. But if and when these new taxes are produced it will be small consolation to the home owner and the farm owner if they come as just more and additional taxes and do not replace or relieve him from part of his present tax burden . . . It means that we will have to get around to recognize, in a practical and sensible way, those elemental theories of a sound system of taxation that say that all contributions should in fairness be made on the basis of ability to pay and that all who share in the benefits of government should be made to pay their just shares of the cost of that government."

Louis H. Kelly, Minneapolis, gave a report of the 1936 national convention, after which he spoke briefly on "How Shall We Interpret Present Signals As to Real Estate Values?"

Committee's Recommendations

Report of the Legislative Committee, as read by Chairman John F. Scott, recommended several amendments to the income tax law, and other laws, all of which were adopted by the League:

1. Building and loan associations should be excluded from income tax law.
2. The amount any association may spend for operating expenses should be changed from 2½ per cent of total amount loaned on mortgage and contract for deed to 2½ per cent of total assets.
3. Directors should have investment of \$100 in associations having up to \$500,000 assets; in associations with more than \$500,000 assets the minimum investment should be \$250.
4. Federal associations should be eligible to convert into state-chartered organizations.
5. Contingent reserve fund taking 2 per cent of net earnings until total amount of the fund is equal to 5 per cent of total capital stock, or 50 per cent of the real estate, should be set up.
6. Any payment should entitle a member of an association to vote.
7. Authorized security statutes

Grain Price Range

Feb. 3 Feb. 10

WHEAT—

May	\$1.37½	\$1.41¼
July	1.30¾	1.31¾
Sept.	1.17½	1.19%

OATS—

May .....	.48½	.49½
July .....	.44½	.44¾

RYE—

May	1.06	1.06½
July .....	.97¾	.98¾
Sept. ....	.89¼	.90%

BARLEY—

May .....	.79¾	.80¼
July .....	.69	.69

FLAXSEED—

May	2.20	2.23
July	2.17	2.20

should be amended to add a section which would permit "shares in local building and loan associations whose shares have been insured by Federal Savings and Loan Insurance Corp."

8. State associations should be allowed to give contract for deed on a lot if a person wants to build a house and does not specify federal savings and loan associations.

Mrs. D. E. Cray, the league's ever-busy secretary, gave another demonstration of her ability to run things off efficiently. Delegates were agreed that the conference was one of the most successful in the organization's history.

Willmar was selected as convention city for 1937. Dates are June 11 and 12.

Going Up!

Profits in 1935 increased 13 times over 1934, and in 1936 were 100 per cent greater than in 1935. That's the glowing report Alberta State (Minn.) sends COMMERCIAL WEST, taking care to point out, "This in spite of the poor crops we have had the past three years." Officers of this very progressive institution are William Gausman, president; L. J. Schlattman, vice president; E. A. Reitan, cashier.

Gordon & Ferguson Credit Union, St. Paul, approved by commissioner of banks last Oct. 23, opened for business Jan. 15.

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\$900,000 Realty Deal Locally Financed

Young-Quinlan Co. Transaction Largest in Decade

ONE OF THE interesting phases of the recent transaction involving acquisition of one-half the property upon which the Young-Quinlan Co. women's wear store is located at Ninth and Nicollet, Minneapolis, is that the entire deal was locally handled and financed.

The purchase of this land and the re-financing program were made possible through a single first mortgage loan negotiated by H. F. Williams & Co., Minneapolis, which represents several large insurance companies for loans of this character. The loan is in the amount of \$900,000, and was made for a term of 15 years with interest at 4¼ per cent for half of the term and 4½ per cent for the remainder, a substantial saving on a loan which permanently finances this fine store property.

Mr. Williams states this is the largest transaction of the kind that has taken place in downtown Minneapolis for almost a decade, which is of particular significance, not only for this fact, but for the further reason that it marks the return of confidence of the large insurance companies in the city.

Faith in City's Future

"Not long ago," Mr. Williams told COMMERCIAL WEST, "they were unwilling to make loans of this character even in the most conservative amounts, and this was not due entirely to the depression. The mortgage moratorium, discouraging labor disturbances and an extreme liberal political party in control apparently have not been sufficient to destroy the faith in the future of Minneapolis. This is significant and augurs well for the future of Minneapolis property values and business in general."

The loan was secured from the Northwestern Mutual Life Insurance Co. of Milwaukee, largest in the Central West and one of the largest in this country.

The land in question was under a 100-year lease containing an option to purchase, which option has just been exer-

cised, the Young-Quinlan Realty Co. now having record title to the entire property.

The bond issues are in the process of being paid (C. W., Feb. 6). One against the land just acquired was paid when the deed passed. Another bond issue in the original amount of \$875,000, bearing interest at 5 per cent, will be retired on May 1. Another issue of leasehold bonds in the original amount of \$260,000, bearing 6 per cent interest, will be retired on July 1. Bondholders will receive par plus a premium of from a ½ of 1 per cent to 2 per cent, depending upon the terms of the issues, since all of these issues have several years yet to run, thus being paid before maturity.

The loan is held to be a tribute to the genius of Miss Elizabeth C. Quinlan, and the company she founded and developed is now recognized as the foremost store of its kind in the United States, an admission made quite generally by other stores over the country specializing in women's ready-to-wear.

Branch Banking

(Continued from page 10)

the sixth court of appeals dismissed the complaint and held the stockholders liable for the assessment.

The question before the supreme court, it seems, will be to determine if the government did act hastily in closing the bank and that if it had been permitted to operate it could have cleaned up its position.

There still is quite a bit of conjecture as to what this nation's gold hoard may do eventually to the purchasing power of the dollar. Surging inflow of the yellow metal in recent months has built United States stocks up \$4,000,000,000 since devaluation of the dollar early in 1934, reports now reveal.


That puts this country's gold bullion at the vast sum of \$11,357,000,000 on the present price of gold basis. This is one-half the world's entire supply of gold and more than double the amount held by Great Britain and France together.

With all this gold on hand Uncle Sam may be likened to a poker player who has won most of the chips. If his stack continues to pile up the other players might conceivably try to raise the ante or start a game of their own, playing with chips of a different valuation. All of which, of course, would upset the balance of international exchange and again tangle national finances.

TELLING THE WORLD

Advertising budgets in 1937 of 70 major United States corporations with assets of more than \$50,000,000 will range 10 to 50 per cent higher this year than in 1936, reveals a survey just summarized by Administrative & Research Corp., New York City. Replies recommended revision drastically of the excess profits tax and the social security act, but suggested greater cooperation with the federal administration.

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26

Mortgage Bankers President Optimistic

Sees Big Improvement in Financing and Home Building

"THERE WILL be an unusually large amount of building all over the United States during 1937."

That's what James W. Collins, president Mortgage Bankers Association of America, told **COMMERCIAL WEST** in an exclusive Twin City interview at Monday night's annual dinner meeting of the Minneapolis Mortgage Bankers Association at the Athletic Club.

Mr. Collins, president Tracy Loan & Trust Co., Salt Lake City, is on the way home from an eastern trip which included conferences at Washington with government officials on various aspects of the mortgage business. Traveling with him is Geo. H. Patterson, Chicago, national secretary.

President Collins told **COMMERCIAL WEST** that 1936 showed substantial improvement in the mortgage lending field as a result of increased home building and remodeling, and that there is more than enough money available for a still greater advance in the current year. He pointed out that rates, of course, are based on supply and demand, that those engaged in the mortgage field will prosper according to the amount of home-building and modernization undertaken.

With increased building, Mr. Collins said further, will come higher rental scales. In most large centers there is a shortage of available houses and apartments, due to lack of new construction in the recent "lean" years. He said mortgage bankers the country over are optimistic and enthusiastic over the outlook.

National Secretary Reports

About 25 people interested in the business of making mortgages in the Twin Cities were invited to sit in at the dinner and listen to the interesting talk of the national association president and presentation of data on the mortgage investment business by Mr. Patterson, the national secretary.

National President Collins was introduced by H. F. Williams, of H. F. Williams & Co., his address amplifying the gist of his interview for **COMMERCIAL WEST**.

Officers elected for the ensuing year are:

President—Charles P. Wilkinson.
Vice Pres—Hadwin Barney.
Secretary—Lamar Hollowell.
Treasurer—James Thompson.



C. P. WILKINSON
Heads Minneapolis Mortgage Bankers.

Governors—Paul Brown, B. B. Walling and Walter G. Wallace.

Mr. Wilkinson is president of the Wilkinson Home Finance Corp. He was last year's vice president and succeeded Paul Brown of Nickels & Smith Co. Mr. Barney was newly elected, of Barney & Barney. Mr. Hollowell was re-elected for a fourth term, is of Hollowell-Hansen, Inc. Mr. Thompson succeeded R. H. White of the White Investment Co. He is of Thompson Bros., Inc. B. B. Walling, new governor, is of Thorpe Bros., Inc. Walter G. Wallace, re-elected governor, is of the Towle Co.

Retiring members of the board of governors are Oliver W. Anderson of the Oliver W. Anderson Co. and Paul von Kuster of the David C. Bell Investment Co.

Other business of the meeting was approval of annual reports by Retiring President Paul Brown, Secretary Lamar Hollowell and Retiring Treasurer R. H. White.

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Insurance Policy Premium Financing

Instalment Payment Plan Outlined at Minneapolis Meeting

THE INSURANCE CLUB of Minneapolis celebrated its 17th annual meeting Monday noon at the Athletic Club with its regular February meeting and a couple of events. One was election of officers. The other was an address by A. F. Soucheray, Jr., vice president First Banccredit Corp., St. Paul, on policy premium financing along lines practiced in nationwide scope by his company.

The officers all were re-elected, as was C. W. Hall of Northwestern Fire & Marine for another three-year term as director. The officers are:

President—D. B. Lundsten, First Service Corp.

Vice Pres—Leo C. McGee, Aetna Casualty & Surety.

Secretary—W. Walton Vocht, Marsh & McLennan.

Treasurer—Lincoln E. Hatlestad, David C. Bell Investment Co.

These officers will be installed at the annual banquet meeting, an evening affair, date for which has not yet been set but probably will be some time in March. Annual report of Treasurer Hatlestad, read by Chairman George F. Duerr of the auditing committee, showed receipts for the year of \$872.22 and expenses of \$396.56, leaving a balance as of Jan. 31 of \$475.66, which members approved as indicating good management. Receipts from dues were \$472.

New members introduced were R. S. "Russ" Chaloner, newly appointed manager for American Automobile Insurance, and L. C. Minor, who now is Minneapolis manager for American Surety.

Keen interest was manifested in the discussion of premium financing by Mr. Soucheray, who is in charge of that department for his company. (See the Jan. 16 issue of COMMERCIAL WEST.)

Cites Automobile Financing

Mr. Soucheray traced the growth of instalment selling which he pointed out had its recent impetus following mass production after the World War, illustrating how it can be employed to advantage by insurance. Insurance policies, Mr. Soucheray said, are a commodity, the same as anything else, subject, therefore, to the benefits and advantages of instalment financing. He cited the advent of the automobile industry into instalment financing and said the insurance problem is fully as great. Points Mr. Soucheray made are:

Policy premium financing equalizes the financial position of agents.

There is no better collateral than an insurance policy.

More than 250 stock fire companies now have joined the First Banccredit program.

Insurance companies have finally realized the plan is essential to every agent.

In Chicago on \$3,000,000 business last year Banccredit loss in collections was less than 1 per cent and on fire alone was under 1/10 of 1 per cent.

Makes sales easier for proper amount of coverage. All policies can be written at one time for complete coverage.

Speeds up solicitation, saves time and costs, reduces overhead.

Helps bring in term policies, sometimes cash on term insurance, because the customer really learns how he can cut down his premium costs by paying cash.

In conclusion, Mr. Soucheray urged agents to employ the plan offensively and not defensively.

Approved by New York

By making minor changes in its contract the plan of First Banccredit Corp. for instalment financing of fire and casualty insurance policies was approved Monday by the New York state insurance department which said:

"The finance company, at inconvenience to itself, has voluntarily submitted its case to the insurance department, and in so doing this it has shown an enlightened attitude of responsibility to the insurance companies, agents and insuring public. The plan is one that should function smoothly and simply. It offers a financing service to the insuring public at a reasonable charge."

Changes made provide for cancellation of a policy on a short rate basis as to the premium involved, thus lining up with the cancellation provisions of the standard fire insurance policy.

Based on the New York state approval L. M. Lilly, president First Banccredit Corp., told COMMERCIAL WEST the company will proceed now to develop its program through all of its 20 national offices, extending the service to casualty companies, inasmuch as he feels the New York approval of changes now opens the service to casualty as well as fire companies. "Our revised plan," said Mr. Lilly, "will be made available to all agents within a few days, and should prove uniformly applicable throughout the country."

The Banccredit program offers policy premium financing at the low rate of 6 per cent simple interest.

The Insurance Keyhole

Th' Winnahs

It was the lucky day for representatives of Northwestern Fire & Marine at the Insurance Club luncheon Monday. Fred D. Weld walked off with the top \$3 attendance prize and M. W. Strouts took down the \$1 premium. Jack Phillips of Aetna Casualty won the \$2 prize.

Steam Roller DeLuxe

Stunned! That's the word. That's what members of the Insurance Club of Minneapolis were when Chairman W. S. McCartney (Fred L. Gray Co.) put over the report of the nominations committee at the annual meeting Monday. "We propose," said Mr. McCartney, "that the present officers succeed themselves. I move that the report of the committee be adopted, and I move that nominations be closed. To relieve President Lundsten from any embarrassment, I move that all present officers be elected. Adopted." That was that. President Lundsten tried to protest but wasn't given a chance. As a matter of fact, that's what everybody wanted, so everyone was happy. And those were very good cigars the "newly" elected officers passed around.

Frank Ney Improving

Word from the Fred L. Gray Co. this week is that recent advices from Vice Pres. Frank J. Ney indicate continued improvement in his health. Mr. Ney is in Florida recuperating from last summer's serious illness.

Paying Up Fast

Total repayment made in 1936 by policyholders on loans against their life insurance policies were 15 per cent greater than in 1935, reducing policy loans of Northwestern National Life, Minneapolis, from \$9,336,478 a year ago to \$9,203,906 as of Dec. 31, 1936, states the company's current report. Borrowers repaid a total of \$546,549 in 1936, compared with \$474,802 in 1935. Meanwhile first-year renewals made a further improvement over their ratio a year ago. Total number of individual policy loans on the company's books Dec. 31, 1936, stood at 29,297, as compared with 29,701 the preceding year. Size of the average individual loan was \$314.15, practically the same as on Dec. 31, 1935, when the figure was \$314.35, but an increase from Sept. 30, 1936, when the size of the average policyholder's loan reached a low of \$304.70.

Out in Force

First Banccredit Corp. sponsored Monday's Insurance Club luncheon and to Don Lundsten of First Service Corp., Minneapolis, must go the credit for exercising his prerogative. The boys were out in

BUILDING FOR STABILITY



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HAS BEEN EXCEPTIONALLY
SOUND AND STABLE . . . WHILE
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HAVE INCREASED 141%, SURPLUS
FUNDS HAVE INCREASED 172%.



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O. J. ARNOLD, PRESIDENT

STRONG — Minneapolis, Minn. — LIBERAL

force and made a fine showing in the list of 67 "sit-downers" at the noon-day spread.

All for Hall

Election of Northwestern Fire & Marine's C. W. Hall as director of the Insurance Club for another three-year term met with unanimous approval. Mr. Hall is a hard worker, knows his Insurance Club experience sheet. Like Tom Linnell, A. B. Jackson, W. S. McCartney, Frank Ney, L. C. McGee, Ward Senn, Don McLennan, George Nelson, and many others, he is an old standby, always ready to lend a hand.

New Life Manager

C. M. Bend, president Joyce Insurance, Inc., St. Paul and Minneapolis, this week announced the appointment of C. W. Timberlake as life department manager. Mr. Timberlake for the past six years has been head of the life department for the W. A. Lang Agency, St. Paul, and has been in the insurance business 30 years.

APPOINTED

Dr. Leo M. Maguire, Minneapolis, director Minnesota State Life Insurance Co., has been appointed chief medical officer in charge at Fort Snelling U. S. Veterans hospital. He is head of the insurance company's medical board.

Banking Picture

(Continued from page 8)

they can console themselves with \$76,000 new loans . . . Gone is Hastings National's \$20,000 preferred, come to it instead nearly \$90,000 new deposits, \$30,000 new loans . . . Statement from First National, Hawley, substantiating what they opine was "a very satisfactory year" . . . \$55,000 new loans for State Bank of Hawley, also another \$8,262 tucked away in surplus and undivided profits . . . First National, Hopkins, paying off \$40,000 preferred, slapping \$24,246 into surplus and undivided profits and within a couple of thousand of an even \$100,000 deposit gain . . . L. E. Briggs now a. c. Security State, Houston . . . International State, International Falls, new cashier, O. E. Olson, and \$113,280 new deposits . . . First National, International Falls, forward into million dollar group . . . First National, St. Peter, C. T. Olsen advanced from a. c. to cashier, Thos. P. Weber made a. c., bank in million dollar class with gain of \$222,000 . . . H. C. Filler advanced another rung to fill cashier-ship and T. W. Halverson made a. c. at Nicollet County State, St. Peter . . . Debentures of First State, Sauk Center, pared from \$25,000 to \$10,000 . . . Shakopee's population whooping along under impetus of industrial expansion, First National's deposits up another \$107,702, and loans another \$51,000 . . . \$72,000 more deposits for Citizens State, Silver Lake . . . \$30,000 preferred gone, \$67,160 new deposits on at Murray County State, Slayton . . . Both Sleepy Eye banks with \$35,000 surplus and undivided profits . . . Approximately \$350,000 new deposits at Springfield with two banks dividing about 55 and 45 per cent . . . \$115,000 more deposits in Spring Grove's two banks . . . Stewartville's two banks insistent (consistent, too) upon 200 increase in population . . . (Occasionally such population figures from banks in the same city will vary thousands) . . . Deposit increases and capital decrease at Stillwater . . . Two new a. cs. (V. Nieters and M. Hedman) and \$88,255 new deposits at Storden . . . A. W. Hensrud and R. G. Johnson new a. cs. at Union State, Thief River Falls . . . Ole Torvik new a. c. at Underwood to help handle Farmers State's growing business . . . Virginia's American Exchange National with \$3,722 more surplus and u. p. than loans . . . First National of Wabasha's surplus and u. p. whooped to \$108,000 . . . Wabasso State (1934) awfully close to going over for another \$100,000 . . . And the same for First National, Waconia . . . Citizens State, Walnut Grove (1935) more than 300 per cent increase in deposits, 700 per cent in loans . . . Farmers State of Welch with \$207.24 in its surplus and u. p. account for every man, woman and child in town—\$15,543 against \$11,192 last year and its capital is \$15,000 . . . Citizens State of Westbrook's surplus and u. p. whooped from \$19,800 to \$29,000 against \$25,000 capital . . . Bank of Willmar's \$50,000 debentures retired, surplus and

u. p. more than doubled (\$25,910 to \$55,289), deposits up \$182,466 . . . Security National, Willmar, in million dollar group by \$230,677 increase . . . First National of Windom on honor roll now with surplus and u. p. of \$51,577 against capital of \$50,000 . . . Windom National's surplus and u. p. upped from \$52,103 to \$66,005 . . . L. A. Babcock promoted from a. c. to cashier Blue Earth Valley National, Winnebago, succeeding E. F. Arndt, v. p. and cashier, who died Dec. 8 . . . E. L. King, Jr., now a v. p. of Winona National & Savings . . . Both Worthington banks in million dollar class with aggregate increase of \$413,225 shared about 50-50 . . . First year-end report of Zumbro Falls' new First State . . . Nigh onto another \$100,000 deposits at Zumbrota.

MONTANA

Anaconda rich in new deposits . . . New president and v. p. at Bainville . . . Bank of Baker's L. K. Hills promoted from cashier to v. p. . . Belt's new 1936 bank with two new officers and \$137,000 deposits . . . New officers, heaps of new deposits, welcome loans, comfortable additions to surplus and u. p. . . New a. cs. at Columbus: W. P. Fischer in Stillwater National; I. M. Black in the Yellowstone Bank . . . Lloyd Baker now a. c. Conrad's Farmers State . . . Dillon banks crash both one and two million dollar classes . . . S. J. Emswiler from v. p. to president First National, Ekalaka . . . A. P. Webb now president and Gene Woods, v. p., Forsyth State . . . Oscar Svendsen from a. c. to cashier First State, Froid . . . E. O. Jenkins, v. p. to president Great Falls' First National . . . Lots of important changes at Great Falls . . . R. E. Warren, v. p., and W. H. Reilly, cashier, Big Horn County Bank, Hardin . . . Donald Creel pushed up from a. c. to cashier Montana National, Havre . . . Leon H. West now a. c. at Helena's First National . . . B. Meyer Harris to cashier and J. W. Fry to a. c. Yellowstone Bank, Laurel . . . L. R. Gillett to presidency and M. J. Flinn to cashier-ship Bank of Miles City . . . Many notable changes in capital structures, preferred payoffs and boosts in surplus and u. p. . . C. G. Johnson, a. c. First National, Plains . . . O. M. Penttila, a. c. Roberts State . . . Recent changes at Roundup . . . H. P. Larson, v. p., and Clara R. Bauer, a. c., at Scobey's Citizens State . . . R. D. Mountain, v. p. to president First State, Shelby . . . O. L. Anderson, a. c. Sidney National . . . Sun River Valley State to liquidate March 1 . . . More than usual run of requests for population increases . . . James W. Kearns new v. p. State Bank of Townsend . . . Numerous changes in correspondent accounts . . . Combined totals for Yellowstone banks of Columbus and Laurel: deposits \$1,049,855, capital and surplus \$90,193, loans and discounts \$379,025.

Next week COMMERCIAL WEST will have another story on this fact-and-figure change in the Northwest banking picture, the Dakotas furnishing most of the new material.

Banks and Bankers

(Continued from page 16)

Banking to Washing Machines

Meet Robert E. Vance, former assistant cashier Jasper County Savings Bank, Newton, Iowa, who is now private secretary to E. H. Maytag, Newton's noted washing machine manufacturer. This picture of Mr. Vance was taken by the COMMERCIAL WEST camera enroute to last fall's A. B. A. convention at San Francisco.



Making Progress

J. C. Miller, president First National, Bertha, Minn., writes COMMERCIAL WEST news of the successful year experienced by his bank during 1936, says, "All the net earnings have been used to help pay off the depositors' trust fund pool which was signed up in Nov., 1932, and so far 80 per cent has been paid off. The balance will probably be paid in another year." Mr. Miller reports a sizable increase in both deposits and loans and discounts, the former now totaling \$402,503, the latter \$161,458. All directors and officers were re-elected.

Some Recovery

First National, Cokato, Minn., operating under the handicap of temporary quarters following the disastrous Christmas Eve fire in 1935, moved into its new modern fireproof building last Sept. 8. Deposits increased to \$430,468, loans and discounts to \$165,822, surplus from \$6,500 to \$10,000. Preferred A stock in the amount of \$3,000 was retired during the year. All officers were re-elected.

Happy at Mound

"Had a good year in 1936, deposits and profits both increased. Added to surplus, paid dividend to stockholders and a 10 per cent bonus to officers and employees. If we have as good a year in 1937 we'll be well satisfied," says a letter just received from State Bank of Mound (Minn.). Since a year ago deposits have gained from \$175,000 to \$212,529; loans and discounts from \$118,000 to \$168,888.

Michigan Changes

Changes in the corporate status of Michigan state banks during January, as just reported to COMMERCIAL WEST by the state banking department, are:

Bankers Trust Co., Muskegon, on Jan. 20 changed its corporate title to Muskegon Trust Co.

First State, Mendon, on Jan. 21 acquired the assets and assumed the liabilities of Athens State, Athens, and opened a branch office at Athens.

Citizens Commercial & Savings Bank of the City of Flint, on Jan. 27 changed

its corporate title to Citizens Commercial & Savings Bank.

More About Thumbprints

Now the Protective Department, A. B. A., has come out with a leaflet entitled, "Thumbprints to Stop Bad Check Passers," to aid in popularizing the practice of requiring thumbprints beneath endorsements on checks presented by strangers. Michigan and Nebraska Bankers Associations have already gone into the matter quite thoroughly (C. W., Jan. 16, Dec. 26). The leaflet, which describes equipment and methods for taking thumbprints and means for popularizing this practice among bank depositors, is obtainable for distribution among a bank's customers at a cost of \$1 per 100 copies at A. B. A. headquarters, 22 East Fortieth street, New York.

Meeker in March

Next meeting of Minnesota's Meeker County Bankers Association will be on Thursday, March 11, at the Lenhardt hotel, Litchfield, starting at 6:30 p. m., R. S. Schmid writes COMMERCIAL WEST. This organization, a member of Central Minnesota Clearing House Association, is one of the most active groups in the Northwest's banking circles, meets regularly four times a year. Last time was at Litchfield, Jan. 15. Officers are A. A. Miller, First State, Grove City, president; J. W. Freer, Farmers State, Dar-

win, vice president; Mr. Schmid, State Bank in Eden Valley, secretary-treasurer.

California Vacation

Charles H. Zabel cashier, Bank of Boyceville, Wis., and Mrs. Zabel are out in California enjoying a six-week vacation. The bank reports a fine year in 1936, deposits jumping from \$256,142 to \$320,000, loans and discounts from \$54,970 to \$72,000. Official staff remains unchanged: W. R. Zabel, president; William Schlough, vice president; Mr. Zabel, cashier; Lillian Retz, A. C. Hewitt, Emma Zabel, assistant cashiers.

Banco Stockholders Meet

Annual meeting of stockholders Thursday in Minneapolis of Northwest Bancorporation was highlighted by an after adjournment conference through Friday of key bankers of the group on ways and means for further development of the instalment small loans business. Discussion developed that as of Feb. 1 there were approximately \$10,000,000 of these in effect, including FHA Title 1, personal loans and automobile and equipment paper. Total loans of the group at the end of 1936 were reported as \$123,312,344, a gain of \$10,700,000 over 1935. Only business taken up by the stockholders' annual meeting was reelection of the present board of directors which adjourned to meet next month and elect officers.

Earnings Up

"The year 1936 showed marked improvement over the previous year, and the bank's earning power is steadily increasing," State Bank of Kimball, Minn., writes COMMERCIAL WEST. Only change in the bank's official staff is the election of E. C. French to the vacancy caused by the death of C. D. Brower, vice president (C. W., Jan. 16). Other officers are Leonhard Engel, president; E. A. Erickson, cashier; M. L. Adkins and Ione Campbell, assistant cashiers. Deposits gained during 1936 totaled \$246,342 on Dec. 31; loans and discounts were \$165,840. The annual meeting date was changed from the Tuesday after the first Monday in February, to the Tuesday after the first Monday in January.

To Hot Springs

Ed. Thompson, president First State, Hewitt, Minn., dropped into the COMMERCIAL WEST offices the other day to say hello before going on to Hot Springs, Ark., for a vacation of three or four weeks. Mr. Thompson says his bank enjoyed a fine year in 1936, deposits showing a good increase. And on top of his many duties in running a progressive bank, Mr. Thompson last year served as grand master of the state's Oddfellows, traveled some 20,000 miles in connection with that work, says he's tired and arranged this vacation trip as "just what he needed." At that, he's treasurer of the

This advertisement is not and is under no circumstances to be construed as an offering of these bonds for sale or as a solicitation of an offer to buy any of such bonds. The offering is made only by the Prospectus.

\$90,000 Thompson Parker Company

Worthington, Minn.

FIRST MORTGAGE SINKING FUND BONDS

4½%

Dated January 1, 1937

\$6,000 due 1939

6,500 due 1940

7,000 due 1941

7,000 due 1942

To Mature Serially

\$7,000 due 1943

7,500 due 1944

8,000 due 1945

9,000 due 1946

\$32,000 due 1947

A. G. SCHEIDEL & COMPANY

LASALLE BUILDING

DIAL 3620

MANKATO

NOTICE: While the laws of the State of Minnesota permit the sale of the securities herein described such legal permission does not mean that the State of Minnesota guarantees the success of the enterprise covered by such securities.

grand lodge this year, so he'll have plenty of work to do, anyway. Mr. Thompson arranged to have his copies of COMMERCIAL WEST follow him on his trip, says it's so timely he can't afford to miss it, even for a week. Thanks, Mr. Thompson!

Income Taxes

Minnesota stockholders of First Bank Stock Corp. have just received a letter from A. E. Wilson, secretary of the corporation, calling their attention to the state's income tax law which "provides that the taxpayer may deduct from gross income dividends received during the year paid out of income derived from business done in Minnesota, and where a corporation does business both in Minnesota and elsewhere, a proportion of the amount of the dividend is deductible accordingly." Mr. Wilson's letter points out that "for the calendar year 1935 all of the corporation's income available for dividends arose from business done within the state of Minnesota. We are advised by counsel that you have the right to deduct as a credit the entire amount of our dividends received by you during the calendar year 1936." Although the Minnesota Tax Commission has not yet expressed itself, it is the opinion of counsel, says the letter, that these views will ultimately be sustained by it.

An Earned Vacation

L. C. Dorweiler, president Chokio State and Bank of Hamel (Minn.) left recently with Mrs. Dorweiler on an extended vacation which will take them to Hot Springs, Ark., Tulsa, New Orleans, Key West, possibly Cuba. The Dorweilers are making the tour by automobile—their first real vacation, says A. J. Reichmuth, cashier Chokio State, since coming to that community in 1909. Mr. Dorweiler became assistant cashier of the Chokio bank at that time, later advanced to cashier and in 1921 to the presidency. Mr. Reichmuth's letter says, "The Dorweilers came to Chokio when the community was only a spot on the map and farming land was very poorly developed. Many sections of land were not farmed. He took an active part in developing the community and importing good farmers from his former state of Iowa and other points. Now there is scarcely an idle acre of land in the community, and Mr. Dorweiler personally owns in the neighborhood of 2,500 acres of improved land in the immediate vicinity." Chokio State had a fine year in 1936, adding \$1,000 to surplus, \$1,000 to reserve for contingencies, made substantial additions to undivided profits, paid a good dividend. Deposits increased \$30,000.

In California

A. F. Lehr, president First State, Gackle, N. D., with his family, is spending the winter at San Bernardino, Calif. The bank's report for the new COMMERCIAL WEST Directory—the indispensable little red book—shows deposits on Dec. 31 of \$156,000, loans and discounts of \$88,000. Jacob Knopp is vice president;



S. V. REEDY

Joins Up With J. W. Goldsbury & Co., as Reported in "Along Financial Row" on Page 20.

J. M. Hummel, cashier; E. A. Nissen, assistant cashier.

Good at Faribault

"Yes, sir, things are looking pretty good around here now, local loans picking up, deposits continuing to grow, people feeling better." That's the way President A. B. Larson, Faribault State Bank & Trust Co., greeted an emissary of COMMERCIAL WEST the other day. "Only fly in the ointment," continued Mr. Larson, "is that bill in the legislature proposing reduction in the legal rate of interest. If that goes through it will put a lot of small banks out of business."

\$50,000 Increase

Good progress at Good Thunder. The First National in that Minnesota town shows a gain in deposits from \$247,035 on Dec. 31, 1935, to \$296,578 the first of this year, loans and discounts also up, to \$74,626. Officers and directors all were re-elected at the annual meeting. Mrs. Jessie H. Myers is president; Richard L. Myers, vice president; Calix F. Bauer, cashier.

Community Room

Maintenance of a community room in the bank building for meetings of farmer organizations is latest contribution of Union National, Ashland, Wis., to better banker-farmer relations. No charge is made, and the county agricultural agent makes frequent use of the room for farmers' meetings called to discuss such projects as liming, Bang's disease, pasture improvement, 4-H Club work. F. Penn is president; G. A. Carlson, vice president and cashier.

Poultry Enthusiasts

R. M. DePuy, vice president Northwest Security National, Sioux Falls, and manager of the Brookings Branch, with other local business men, all driving their own cars, recently transported a delegation of farmers to Worthington to study poultry raising, including turkeys. This bank also backs 4-H Club work and Future Farmers of America projects—baby beef, baby chicks, lamb clubs, under supervision of the county agent and agricultural instructor at the high school.

Dinner at Wells

Annual meeting of Security State, Wells, Minn., was in the form of a dinner for stockholders, employes and their wives, given right in the bank building. After dinner the ladies attended a movie while the stockholders heard the annual report, re-elected directors, who, in turn, re-elected all officers. During 1936 the bank made 1,528 loans for a grand total of \$465,631, of which 694 were new loans aggregating \$180,710. Total turnover for the year was \$7,500,000, with total debits to accounts amounting to \$3,500,000, against \$2,900,000 in the previous year. Officers are William F. Rosenow, president; B. O. Ensrud, vice president; M. E. Kalton, cashier; Val Yokiell, assistant cashier.

Conditions Good

With a total gain in deposits of 18 per cent (they're now \$302,000) and loans and discounts jumping sharply from \$114,636 to \$154,000, Security State, Cannon Falls, Minn., says conditions are very good in its community. Officers are D. Fay Case, president and cashier; J. A. Anderson and R. O. Underdahl, vice presidents; W. L. Eiler, assistant cashier.

New Vice President

A new officer and a new director were elected at the annual meeting recently of Bank of Turtle Lake, Wis. George H. Bunker was named vice president succeeding his father, the late J. H. Bunker, who died suddenly following a heart attack. The new officer has been a director of the bank about 12 years. Elected to the vacancy on the board caused by Mr. Bunker's death is Addie L. Nuesse. During 1936 the bank showed a good increase in deposits (from \$214,000 to \$257,000). Loans and discounts amount to about \$97,000. L. T. Richardson is president; W. E. Nuesse, cashier.

More Space

By remodeling the interior of its building, Bank of Lemmon, S. D., has made more space available, thus increasing its service to the public. The bank's loans and discounts showed a gain during 1936, deposits held up well, total \$306,579. No changes were made among the officers or directors at the annual meeting. Assistant Cashier C. O. Peterson writes COMMERCIAL WEST. Other officers are Martin Hersrud, president; F. C. Totten, vice president; E. J. Morris, cashier.



W. A. BENSON

As assistant manager Northwestern National's North American Office, Mr. Benson finds plenty of time to keep up his active participation in club work. A past president of the Exchequers Club, Mr. Benson's latest honor is election to the presidency of the North Side Commercial Club. He'll have lots of banker-company, too, the club's directors including J. A. Kunz, manager of the North American Office, and B. W. Lohmar, manager First National's North Side Office.

Southern Flight (Cont'd)

From First National, Minneapolis: R. W. Webb and O. M. Corwin in Texas; Stanley H. Bezoier, like Lyman E. Wakefield, in Los Angeles after joining Mrs. Bezoier at Kansas City; A. G. Bjerkin safely in Florida after minor smashup enroute; K. M. Morrison gone or going to Florida; A. P. Kemp reported preparing for an ocean voyage; V. F. Rotering planning a trip to Europe; B. S. Woodworth getting his affairs in shape for another trip to Arizona; J. S. Pomeroy going to Mexico.

From Crookston Trust Co., Crookston: G. O. Hage and Mrs. Hage motoring to Los Angeles (in COMMERCIAL WEST office Wednesday) and hoping they will not be snow bound as they were going and coming from Florida last winter.

From Thrall West Co.: Henry Thrall to Mexico and California; W. A. Simon to Texas and California.

Personal and Pertinent

Whether by accident or on purpose the Farmers State of Hamel, in Hennepin county not far from Minneapolis, has hit upon a pretty sure way for stockholders to remember when and how much the bank dividend. For instance, dividends for 1934, '35 and '36 were 4, 5 and 6 per cent, respectively . . . From way down South (Mount Vernon, Va., to be exact), comes postcard greetings from "The Four

Buschers" of Mankato. That means F. A. Buscher, vice president National Bank of Commerce, wife and two children. They were headed for Miami, movie camera, et al. . . . Down from Mora one day last week Frank P. Powers had to submit to "elevating" of an impacted wisdom tooth . . . "Lots of moisture," says H. C. Hansen, president First National of Churchs Ferry, N. D., in Minneapolis this week

for directors' meeting at the "Fed" . . . More and more bankers in town nowadays checking their bond lists . . . Milaca's J. A. Allen celebrated his 30th anniversary with the First National there on Feb. 1; says he was "pretty worried" the first two days—deposits dropped off from \$48,000 to \$46,000; but then they went up again, have gained steadily ever since . . .

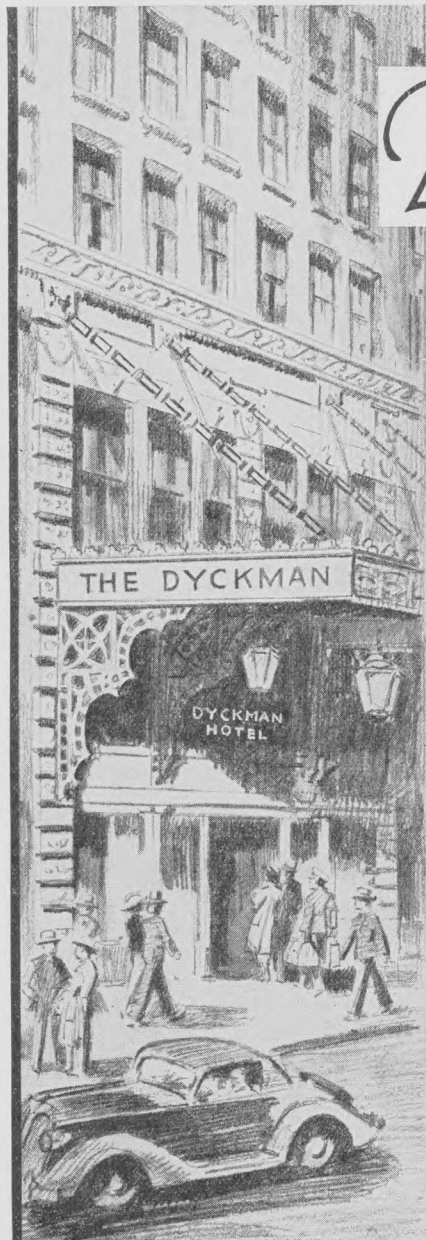
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The Dyckman HOTEL

MINNEAPOLIS

OFFERS

COMFORT . . . ECONOMY . . . SERVICE

Entirely rehabilitated throughout, with every possible thought given to our guests' comfort. Ideally located in the heart of the Minneapolis business, shopping and theatrical district.

The Elizabethan Room—The Grill Bar—Where your Favorite Foods and Drinks are served at prices most reasonable.

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.



Direction of
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J. LESLIE KINCAID, Pres.

SOUTH SIXTH STREET BETWEEN NICOLLET AND HENNEPIN

BUSINESS WANTS

Let This Department Do the Job For You

SITUATIONS WANTED

Official position in sound Northwest bank desired by experienced banker, aged 38, five years, general banking, thirteen years national banking department. Excellent references. Address Box 611, Care Commercial West.

Middle aged married man, pleasing personality, 25 years city and country banking, executive type, former official Federal Reserve, receiver 8 banks State and National, excellent on collections and credits, clean record, available soon for permanent connection. Minnesota or Wisconsin preferred. Replies treated confidential. Address Box 607, care Commercial West.

Situation wanted as assistant cashier in bank by married man thirty-eight years old, twelve years bank experience. Best of references. Address Box 615, Care of Commercial West.

Cashier of voluntarily liquidated bank wants executive position in up and coming community. Can Invest up to \$5,000. Address Box 619, Care Commercial West.

Experienced banker 16 years all departments including cashier, excellent record, married. State and National experience. Salary reasonable. Address Box 618, care Commercial West.

Wanted: Position as cashier or assistant in good country bank, by middle aged man, 17 years city and country banking. Would invest in 5 or 10 shares of stock. Address Box 620, care of Commercial West.

PARTNER WANTED

Have two tracts well located Oregon timber, one 12 million other 100 million feet. On truck road. Long time proposition. Want partner with about \$10,000. Write Box 617, care Commercial West.

Want a partner to help finance four new milk sheds and 50 ton freezer in increasing capacity of the largest milk and fox farm in Northwestern Minnesota. Strictest investigation invited. Write or call at Lakewood Fur Farm, Warroad, Minn. Box 224.

Bank for West Fargo

Adam Lefor, North Dakota's state banking department head, advised COMMERCIAL WEST Thursday that the banking board had decided to permit Burrell State Bank of Horace to change its corporate headquarters to West Fargo, thus supplying that new packing house town with banking facilities. Charters had been applied for by two Northwest bank groups and two state banks had asked permission to remove to the packing center.

"Say, do you know an easy way to find the horsepower of a car?" "No. How?" "Lift the hood and count the plugs."

34

HELP WANTED

Wanted—Young man as bookkeeper in small country bank near Twin Cities. No experience required but must be able to type and take shorthand. German preferred. Address Box 614, care Commercial West.

FURNITURE AND FIXTURES

For Sale—Eli-Norris, round, screw-door safe with triple Yale time lock at \$100.00; and 3/4 inch Diebold vault door with combination lock, frame and inner door 1/2 inch with key lock for sale cheap. Address Box 613, care of Commercial West.

Complete equipment, Country bank for sale. Will sell part or all. Write immediately. Address Box 605, care Commercial West.

FOR SALE: Safe deposit boxes, Mosler and Diebold made; Diebold double compartment money chest with triple time lock; two Brandt automatic money changers; Cummins check cancelling machine; Kardex files. Write C. A. Doyle, 11 Midelfart Clinic Bldg., Eau Claire, Wis.

WM. H. CARY, ST. PAUL
represents

THE STANDARD-JOHNSON CO., INC. Coin assorting, counting and packaging machines, also the INTERNATIONAL POSTAL SUPPLY CO. Power and Automatic Check Endorsers, and Metered Mailing machines. Literature or service on request. 706 Foot-Schulze Bldg. Phone Ce. 3241.

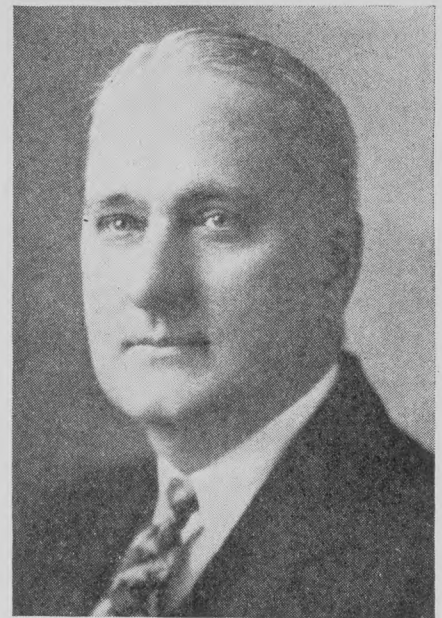
SERVICE COMPANIES

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 Avenue No., 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.

Homestake

Monthly dividend of \$1 per share and an extra of \$2, will be paid by Homestake Mining Co. on Feb. 25 to stockholders of record Feb. 20. Similar dividends, as reported by COMMERCIAL WEST Jan. 23, were paid on Jan. 25 and Dec. 24.



J. M. DODD

Mr. Dodd knows his shoes. So, when RFC wanted an expert to safeguard its \$50,000 loan and build up the business of Acrobat Shoes, Inc., Faribault, successor to the former Shaft-Pierce Shoe Co., it reached East to White Plains, N. Y., and got Mr. Dodd to go to Faribault. He made a go of it, has the firm where it earned money in the last half of 1936, a few weeks ago was elected president of the company. Other officers chosen at the same time are Donald Grant, first vice president; C. D. McGrew, second vice president, and J. J. Turek, secretary-treasurer. Its annual payroll now is \$61,000.

Municipal Financing

(Continued from page 23)

AWARDS

Minneapolis—\$75,000 work relief bonds and \$750,000 direct relief bonds. Int. 2.08 per cent to Phelps-Fenn, New York; Wells-Dickey, Minneapolis, and Brown Harriman, New York.

Iowa City, Ia. (Johnson county)—\$11,000 funding bonds. Int. 2 1/4 per cent. Prem. \$50. To Carleton D. Beh Co., Des Moines.

Kathryn, N. D.—\$4,300 bonds for purchase, construction and installation of pumps, water mains, reservoirs and other necessary facilities for fire protection to P. M. Hones of Fingal, N. D.

Westfield, Ia.—\$24,000 school building bonds of Consolidated School District. Int. 3 per cent. Prem. \$260 to Jackley & Co., Des Moines.

Hot Springs, S. D. (Fall River county)—\$110,000 refunding bonds. Int. 4 3/4 per cent to First National Bank & Trust Co., Minneapolis.

George F. Williamson

Ralph F. Williamson

Robt. E. Burlingame

WILLIAMSON & WILLIAMSON

TRADE
MARKS

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Business Established 1885

935 Met. Life Building

Minneapolis

THE COMMERCIAL WEST

GROWTH *dictated by* DEMAND

The absolute necessity for electricity and gas services has been no better proved than in the last six years when, in spite of general business conditions, demand for these services has gone steadily forward.

Northern States Power Company (Minnesota) and its subsidiaries, has aided in meeting this demand by supplying efficient and economical utility services without interruption to many of the principal communities in Minnesota, North Dakota and South Dakota and certain communities in western Wisconsin and northern Illinois, having a combined population, as estimated by officers of the company, of 1,300,000.

Despite increased costs and higher taxes, this company has been able to meet the growing demand for its services and to effect certain rate reductions.

It is expected by officers of the company that the communities served by Northern States Power Company (Minnesota) and its subsidiaries will continue to grow and that their growth will dictate continued progress for the company.

	12 Months Ended October 31, 1935	12 Months Ended October 31, 1935
Electric consumers	341,116	336,334
Gas consumers	96,758	95,194
Gross revenues (all departments) .	\$29,958,602.93	\$28,457,291.92

(In certain instances where a consumer is served by more than one meter,
each meter is recorded as a consumer.)

NORTHERN STATES POWER COMPANY
[MINNESOTA]



Clipping Minutes to Save Hours

The machine pictured above is something new in bank equipment. It enables operators to sort, list, and prove in a single operation the mass of deposits we receive daily from banks. In cooperation with a leading manufacturer of bank equipment, it was developed and tested by the First National of Minneapolis. Today seven machines are installed and at work. Three more will be added soon to help

handle the 75,000 items that make up the daily grist of our Transit Department. Extraordinarily swift, unbelievably accurate, these machines which we have pioneered are helping to clip minutes from our operations in order to save our correspondents hours of time in transit. One more example of First National's never ending effort to give correspondents better, swifter service!

FIRST NATIONAL BANK *and* TRUST COMPANY OF **MINNEAPOLIS**

Department of Banks and Bankers

M. O. Grangaard
Vice President

• C. B. Brombach
Assistant Cashier

• W. A. Volkmann
Assistant Cashier

• J. J. Maloney
Representative

Bank Advisory Division, K. T. Martin, Manager

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A F F I L I A T E D W I T H F I R S T B A N K S T O C K C O R P O R A T I O N