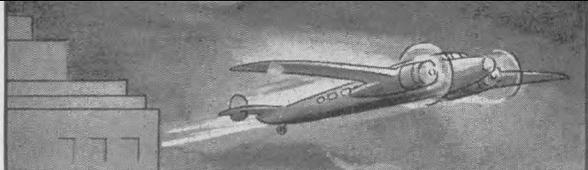
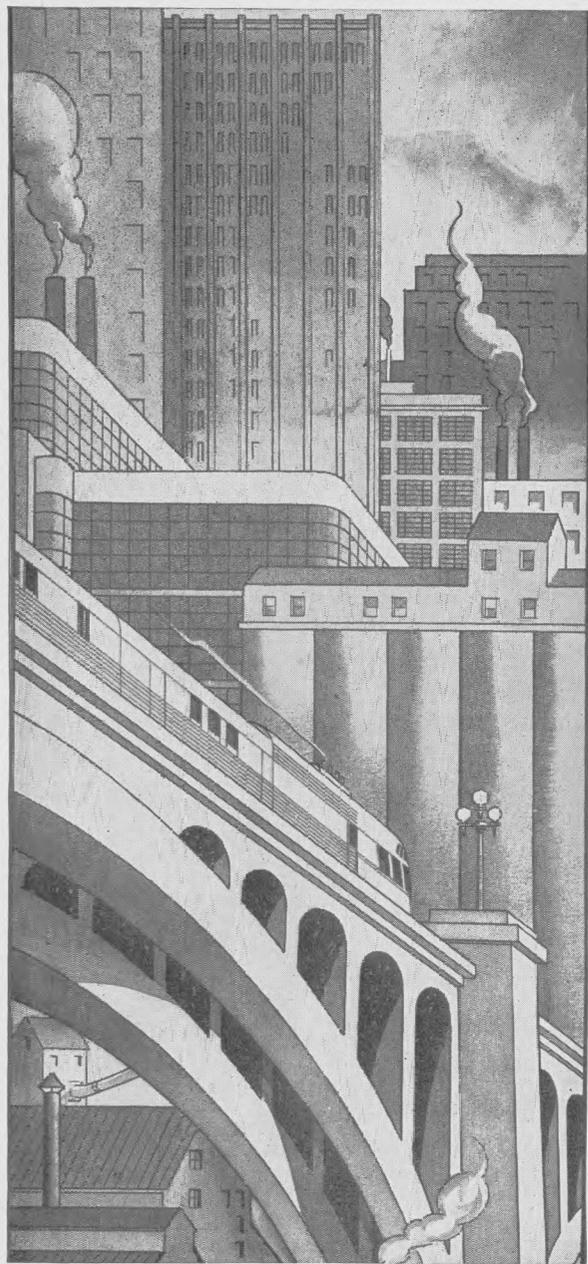


April 3, 1937



The
COMMERCIAL WEST

WEEKLY



Money Rates Climbing

• •

**Increased Moisture for
Spring Planting**

• •

FHA Mortgages Clicking

MINNEAPOLIS



All Bankers Are Interested In Results - - - - -

THE RESULT of undue and unnecessary publicity in connection with the first Bandit Raid on the bank at Katonah, N. Y., Feb. 25, was that a second brutal gang swept into this unprotected bank Mar. 12, threatened all the bankers and many customers, made them plead for their lives to escape being locked in the air-tight vault, and fled with \$18,300.00.

THE RESULT of a vicious raid on a bank in Greenville, O., Feb. 27, was to hasten the decision of several Ohio bankers on the installation of McClintock Bandit Barrier equipment. Now they all want quick action on our part.

THE RESULT of a brutal Hold-up and a "Slugged" Cashier at Weston, O., Mar. 16, was an order from that bank on Mar. 23 for a Bandit Barrier, with special request to rush the job.

THE RESULT of the far-sightedness of hundreds of bankers in installing McClintock equipment is that today Bandits have to hunt for "Vulnerable" banks in several of our former crime-ridden states. They will find them eventually, you may rest assured of that.

ANY UNPROTECTED BANK IS ALWAYS IN DANGER
PROPERLY PROTECTED BANKS ARE ALWAYS SAFE
HOW SIMPLE THE PROBLEM REALLY IS AFTER ALL

Because many bankers have been brutally shot by bandits, others slugged or cruelly mistreated, customers murdered during or after the raid, helpless people locked in air-tight vaults or taken as shields on the bandit car,——

THOUSANDS OF BANKERS NOW BELIEVE THAT

How much longer must this painful and expensive process of "Education" continue?

No amount of insurance can replace a human life!

The McClintock Bandit Barrier Provides Complete Protection Against All Forms of Daylight Holdup and Prevents the Tragedies Usually Associated with Them.

Consult Us Today

O. B. McCLINTOCK COMPANY

THE LARGEST AND MOST COMPLETE ORGANIZATION OF ITS KIND IN THE WORLD
MINNEAPOLIS MANUFACTURERS OF MINNESOTA

BANDIT BARRIER SYSTEMS

SOUND WAVE BURGLAR ALARMS

AFTER HOUR DEPOSITORIES

CHIME CLOCK SYSTEMS

VAULT VENTILATORS

COUNTER CASH PROTECTORS



Pioneering the Market

Only a few months ago **FHA GOVERNMENT INSURED MORTGAGES** were still being retained by the originating mortgagees. There was no market, though the list of approved lending institutions was steadily increasing. Gradually, a surplus became available and with it, came the realization of prime investment quality.

In those recent days of pioneering the market, attitude was naturally negative, information limited. Mortgagees, as such, were still in disrepute. Purchase of the new "political creations" at seemingly ridiculous appraisal ratios, on distant properties affording no opportunity for personal appraisal, was simply out of the question.

Today we are told that Minnesota banks, insurance companies, and other financial institutions have now made \$10,000,000 of local **FHA INSURED MORTGAGES** and have purchased and now hold in their portfolios an additional \$20,000,000 from without the state, making a total of \$30,000,000 held in Minnesota. With the invested total steadily mounting by the hundreds of millions, nationwide marketing grows accordingly and distribution is fast becoming as general as that of bonds.

Depression has taught the American people that there is no better security than the ownership of a home. Predicated on the borrowers' ability to make monthly payments out of income, **FHA GOVERNMENT INSURED MORTGAGES MAKE POSSIBLE ITS REALIZATION.** There can be little doubt of the permanency of a plan that contributes so much toward the economic well being of the country.

Our new folder—"30 QUESTIONS AND ANSWERS"—is designed to bring you all the facts to enable a competent decision. A careful study, with an explanation of our handling and inspection service, will convince you that your best interests will be served with the purchase of FHA Government Insured Mortgages selected from our list. If you haven't received the folder, drop us a line. Your copy will be on its way by return mail.

FHA Insured Mortgages are eligible to secure public funds in Minnesota

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Tales

THERE'S a new oil painting hanging in the office of Edgar L. Mattson, president of Minneapolis' Midland National Bank & Trust Co. Oil paintings are one of Mr. Mattson's hobbies, especially those that hide something from you until you have looked at them many times. This one is of a cluster of fishing boats, lying calmly at rest in a snug little Swedish fishing village harbor. It is well worth looking at—several times.

* * *

"YOU KNOW what I want"—and it wasn't hamburgers! A bandit robbed a Kansas City hamburger stand three times in 10 days, got \$10.15, \$6, \$3.50, respectively. And old acquaintance that he was, that's the way he greeted the man behind the counter on the last visit!

* * *

BUSINESS MEN will be glad to know that the MACS (short for Minnesota Association of Commercial Secretaries) are going after RACKETS, such as the nomadic programs and here and there alleged weekly newspapers highpressuring for ads and subs, some charity or something. They have a committee and it's a good one: E. V. Nyquist, chairman; L. C. Churchill, Bruce Middlemiss and Art Anderson.

* * *

DAILY average sales of general merchandise in small towns of the Northwest during February were about 11½ per cent higher in dollar volume than they were in the same month a year ago.

* * *

FRED R. ERICKSON, with the Railway Express Agency for 16 years, has been appointed manager air express division, Northwest Airlines, Inc., with headquarters in St. Paul.

* * *

YOU DON'T hear much about Jews as farmers, yet in 1936 there was a Jewish farm population of 100,000 compared with only 216 Jewish farm families in 1900. Reason for the increase is work of the Jewish Agricultural Society in locating Hebrews on farms.

* * *

M. E. GEBEL has opened a blacksmith shop in Corsica, S. D. Says enough horses have come back as motor power in the state to make horse shoeing pay again.

* * *

TWO MEN drove all night long a few days ago to Lead in South Dakota's Black Hills in response to an ad they had seen stating that the Homestake Mine would employ at \$3 a day any number of men of the Fourth Regiment. The mine hirer and firer said no men were needed, looked at the ad and found it was from a newspaper's "Twenty Years Ago Today" column.

DID YOU KNOW?

... that the new lower electric rate enables you to add electric refrigeration, electric cooking, and electric water heating, to your home . . . and bring your electric rate down to around 2 cents per kilowatt-hour?

Full information concerning this new rate will gladly be furnished upon request. Northern States Power Company.

Electrify YOUR HOME

DON'T fall asleep on the street car! In Pennsylvania a car-sleeper was charged three extra tokens the other day; he took the case to court, lost. Said the judge, "A car operator's job is to run his car, not keep his passengers awake."

* * *

J. J. (Joe) OSLIE, who assistant general passenger agents from St. Paul headquarters for the Milwaukee Road (and is said to be able to greet more people by their front names than a census taker), has a sort of weird sixth sense, if you want to call it that. He can tell you almost to the second the speed of a train by listening to the tattoo of the wheels passing over the rail joints.

DESPITE the blizzard of March 24 the regular annual pancake day at Humboldt, S. D., clicked amazingly, farmers and townspeople consuming 8,000 pancakes, 98 pounds of butter, 44 pounds of coffee and 30 quarts of cream.

* * *

PRODUCTION of gold in the United States and territories in 1936 was 4,329,273 fine ounces, worth \$151,524,555, an increase of 17 per cent over 1935. South Dakota contributed 14 per cent of all gold recovered, being the second largest producer in the United States proper, California being first with 24 per cent.

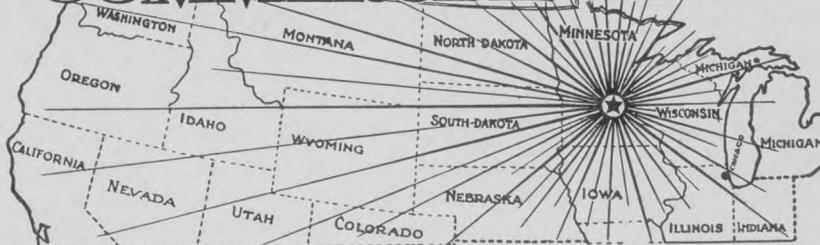
Next Week

- Northwest Sportsmen's Show, at Minneapolis Municipal Auditorium (Closing Date) Apr. 4
- Arrowhead Institute, Northeast Minnesota's Farmers Week, at Northeast Experiment Station, Duluth..... Apr. 5-8
- Northwest Drug Show, at Saint Paul Apr. 5-8
- Minneapolis Chapter, A. I. B., Nomination Meeting and Party, at Curtis Hotel, Minneapolis Apr. 8
- North Central States Association, at Omaha Apr. 9-10

Later

- St. Paul Association Annual Meeting and Dinner, at Lowry Hotel, St. Paul..... Apr. 13
- Milwaukee Bond Club Spring Gambol, at Hotel Schroeder, Milwaukee Apr. 16
- A. B. A. Executive Council, Spring Meeting, at Arlington Hotel, Hot Springs, Ark..... Apr. 18-21
- Baseball Season Opens in Twin Cities. Kansas City at Minneapolis, Milwaukee at St. Paul..... Apr. 22
- Minnesota Credit Union League, at Saint Paul Apr. 23-24
- Chamber of Commerce of the United States, at Washington Apr. 26-29
- National Association of Mutual Savings Banks, at New York Apr. 28-30
- Groups One and Two, Iowa Bankers Association, at Emmetsburg May 3
- Groups Three and Four, Iowa Bankers Association, at Mason City..... May 4
- Groups Seven and Eight, Iowa Bankers Association, at Waterloo May 5
- Group Six, Iowa Bankers Association, at Boone May 6
- National Safe Deposit Association, at Washington May 6-8
- Editors' Short Course, at University of Minnesota, Minneapolis May 6-8
- Groups Five and Nine, Iowa Bankers Association, at Shenandoah May 7
- Group Eight, Michigan Bankers Association, Annual Spring Meeting, during "Blossom Week," at St. Joseph..... May 7
- National Life Insurance Week..... May 17-22
- Meeker County Bankers Association, at Eden Valley, Minn..... May 20
- Iowa Bankers Association Golden Jubilee Convention, at Hotel Warrior, Sioux City May 31-June 2
- South Dakota Bankers Association, at Rapid City June 3-4
- National Office Management Association, at Chicago June 7-9
- American Institute of Banking, at Hotel Lowry, St. Paul..... June 7-11
- Twin City Bond Club Picnic, at White Bear Yacht Club June 10
- Tri-State Building & Loan League, at Willmar, Minn..... June 10-12
- North Dakota Bankers Association, at Fargo..... June 11-12
- South Dakota Retail Merchants Association, at Sioux Falls..... June 14-16
- Minnesota Bankers Association, at Hotel Lowry, St. Paul..... June 16-18
- Milwaukee Bond Club Annual Picnic (Preliminary Date) June 18
- Congress of Industry, National Association of Credit Men, at Chicago June 21-24
- Graduate School of Banking (Sponsored by A. B. A. and A. I. B.), at Rutgers University, New Brunswick, N. J..... June 21-July 3
- Michigan Bankers Association, at Grand Hotel, Mackinac Island..... June 24-27

COMMERCIAL WEST



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

Volume 73, No. 14

April 3, 1937

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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

Interest Rate Barometer Rises

PAGE 8 of this issue of *COMMERCIAL WEST* contains good news for every business enterprise in the Northwest. It tells of the strengthening of interest rates, that long-desired factor of business improvement that at last reveals a substantial recovery trend.

Not long ago an Eastern banker said that what this country needs is a good 5 per cent loan.

It begins to look now as though there will be plenty of them, and of higher rate ones, too, to create volume of profitable business for banks, indicative, of course, of the needs of business for expansion.

FHA Mortgages Popular

PROBABLY one of the fastest growing securities in the investment market of the Twin Cities is the comparatively new FHA insured mortgage covering loans and backed up by Uncle Sam for residential property owners and those wishing to build or buy homes.

In fact, so desirable has this security become in recent months that investors have built them up to a premium with indications good that the market will go higher as well as wider.

Read more about this situation on page 10.

An Expert Speaks on Drouths

AT LAST an authority has come to the front on the drouth question in dispute of the oft-claimed theory that drouths are man-made, and that if we had not plowed up our livestock ranges, cut down our forests, etc., they would not have occurred so disastrously in some sections of the Northwest in recent years.

This authority is no less a personage than J. B. Kincer of Washington, climate expert for the U. S. Weather Bureau. He says the man-made theory is superficial reasoning, although admitting that the drouths might have been less severe had not man cut down so many trees and plowed up so much grass sod.

What really brings about drouth conditions, says Mr. Kincer, applying experience to the problem, is lack of rainfall, and that is due to perseverance of climatic cycles—seasons of wet weather opposed by periods of dry weather.

Best of all he holds, as did Adolph Meyer, Minneapolis hydraulic engineer in a recent *COMMERCIAL WEST* article on moisture conditions, that we are approaching a wet cycle, which, of course, is mighty good news to us, as well as backing up our own position in this matter of drouths in the Northwest.

Mid-West Pushes to Front

GOOD WORD comes from the Mid-West through a recently released report of the Chicago Federal Reserve Bank. An analysis by the bank of returns from approximately half the concerns engaged in manufacture, public service and transportation in this great backbone of the nation's industrial structure shows that capital expenditures in 1937 will be one-third greater than actual disbursements for such purposes in 1936.

It is interesting to note, too, that of the total of \$240,500,000 estimated for this year in capital expenditure \$85,000,000 will go for replacement or repair of obsolete and wornout machinery.

Insurance Proves Sound Position

IT IS GENERALLY KNOWN, of course, that insurance companies weathered the hard times better, relatively, than almost any other institution, but it took Secretary of Commerce Roper, in a recent public statement, to point emphatically and rather dramatically to the great inherent strength really possessed by the insurance business.

From Feb., 1932, through Dec., 1936, Secretary Roper said, the RFC loaned \$43,000,000 to life insurance companies. Of that large sum all but \$2,000,000 has been repaid.

This surely is a splendid illustration of the efficiency, soundness and capacity of life insurance in meeting changing conditions.

Increasing Farm Prices Help Everyone

THE WHEAT and corn markets this week proved a revelation, and a source of satisfaction, with their advancing prices, to those who had faith in their contention that prices would go up. Contrariwise, of course, they put the market bears in the dumps, but to the rank and file of those who watch and are interested in business trends they carried the conviction of continuing business improvement.

We all know, and especially in the Northwest, that as the farmer prospers we prosper, so the more he gets for his corn and his wheat, his barley, his flax and his livestock the better off we all are.

Although increasing farm prices hit the pockets of consumers we should feel, nevertheless, that they trend toward increased employment, higher wages and a situation where we can afford to pay more for the commodities the farmer produces. Thus eventually all of us will participate in the improved position of agriculture.

Along Right Lines, at Last

THERE IS A GLIMMER of hope for Minnesota employers in Senate File 1206 introduced recently in the legislature, which makes it a gross misdemeanor to continue wilfully to trespass upon a property.

Objective of the bill, of course, is to relieve industry from the threat of sit-down strikes, most recent phase of the collective bargaining situation.

It is doubtful, probably, that the bill will pass the liberal Minnesota House, even if it gets through the Senate, but it is evidence that some consideration is being given to the property rights of employers.

The first move by the state in recent years to soften the unenviable position of Minnesota in strike matters, it is to be commended as a trend of thought along right lines.

Should be Abolished

JOINING with other states the House of Representatives of the Minnesota legislature this week adopted a resolution asking Congress to remove from the transportation act the long and short haul clause.

This lines Minnesota up with most of the states west of the Mississippi which feel that they are being discriminated against by the fact that railroads have to charge as much for a short haul as they do for a long one in West Coast-wise freight traffic.

Abolition of the clause is favored by shippers of the West and should be granted by Congress because under it they have been penalized and placed at disadvantage with Eastern shippers who have had more favorable rates via the Panama Canal.

Twenty-Five Years Ago

From the Commercial West, April 6, 1912

Five trainloads of "immigrant movables" with colonists accompanying them, left the Minnesota Transfer early this week bound for almost every part of the Northwest; the Soo Line took two trainloads and the Great Northern, Northern Pacific and Milwaukee one each . . . A new savings and loan association, with capital stock of \$2,000,000, was organized last week at Duluth . . . Fargo will be the scene April 11 of a meeting of the North Dakota Bankers Association's Fargo district group; speakers will include J. A. Latta, vice president Northwestern National, Minneapolis, and H. W. Parker, cashier Merchants National, St. Paul . . . Approximately \$25,000,000 was added to the capital stock of Minnesota corporations in the first three months of 1912 . . . Joint bids of Minnesota Loan & Trust Co. and Northwestern National Bank secured all but \$100,000 of new city of Minneapolis permanent improvement bonds sold this week, Wells-Dickey Co. coming up with the other block . . . Among speakers who have been invited to appear on the Minnesota Bankers Association convention program in June are Secretary Wilson, Department of Agriculture, Washington, and George E. Vincent, president University of Minnesota . . . A population of 100,000 by Jan. 1, 1914, is the purpose of the newly formed Greater Duluth Club . . . Nebraska Bankers Association has arranged its spring group meetings in this order: Group Two at Fremont and Group Three at Norfolk on April 22, Group One at Lincoln on May 21, Group Four at Hastings on May 22, Group Five at Central City on June 12 . . . Security National Bank, Minneapolis, will pay a 4 per cent dividend for the quarter ending April 1; the bank has been on a 12 per cent annual basis.

SATURDAY, APRIL 3, 1937

The Bull's Eye

By The Sharpshooter

IT ISN'T so much what we make of ourselves, I guess, as what we are.

In St. Paul Thursday morning of last week there died peacefully in his sleep Laurence Curran Hodgson, four times mayor of St. Paul, candidate for governor, an outstanding figure in Democratic politics of the Northwest, prominent in various civic and business movements.

But it was not because of these accomplishments and progress throughout the years that a continuous stream of 10,000 mourners passed his bier as the body laid in state in the marble concourse of St. Paul's city hall. It was not these things that brought to the widow condolences from Washington, from the great money markets of the nation, from all over the Northwest; that caused a washerwoman to wipe the tears from her eyes; that brought a crippled newsboy to his knees beside the coffin.

No, indeed.

It was because Larry Ho was dead, known the length and breadth of the land as St. Paul's goodwill ambassador, as newspaperman, as a worthy successor to James Whitcomb Riley, as a man who could frame in poetry those phrases that touch the human heart—those homely little things that ring true and sink in.

It was because Larry had a good word, never a harsh one for everyone he met.

I remember the first time he was elected mayor. I said: "Well, Larry, you ought to be pretty happy today. It isn't every newspaperman who can be elected mayor."

"I do feel happy," he said, "but at the same time I'm sorry for the man who ran against me. He can't be happy today."

That was as close as you could ever come to getting him to say a word against anyone.

He had a wonderful memory faculty. It enabled him to call thousands by their first names.

Not so very long ago he and I were recalling old times, and he said: "Remember the time of the flood on the West Side (St. Paul) in the spring of 1897? We both were covering the legislature and took a Saturday afternoon recess off to look at the flood waters and took some pictures. I've still got them."

I had forgotten the incident, let alone the pictures.

And so on last Saturday they carried him to his last resting place in Hastings, his old home town. As a newspaperman he had written up many such a cortege, but it is doubtful if one ever passed along the way that carried with it the heart throbs of so many people as this one.

Fittingly emblematic, it seemed to me, were the six pure white squad cars of the St. Paul police department that led this procession over the hills and down the valleys of the road between St. Paul and the little city down the Mississippi where, the son of a distinguished court judge, he had earned his first dollar carrying papers for the old Hastings Democrat.

Money Rates Start Climbing Again

Long-Looked-For Turn is Reflected in Loans and Paper

THE BEST NEWS in six years was reported this week by bankers and other financial agencies of the Twin Cities.

The long-looked-for strengthening of interest rates has come, definitely, all along the line.

Money, last of the commodities to feel the impulse, is increasing in value, hence in price.

The improvement is fundamental, developed by demand for commercial loans.

The rate on A-1 volume loans has been advanced 25 per cent—from 1 to 1¼ per cent, high grades to 1½. Good average commercial loans are up to 2 to 4½.

The commercial paper rate is up from ¾ of 1 per cent to 1 per cent.

Acceptances have advanced ⅛ of 1 per cent.

While rates on instalment sales have not advanced as yet, a raise there also is in the air. One large institution took the ½ per cent off a new sheet it just sent out, leaving ¾ the lowest rate quoted.

Rates have not been advanced in the Twin Cities on commercial loans that have been paying 4, 4½ and 5 per cent, but as the demand for money grows these will be coming in for a boost.

Twin City Loans in Millions

While figures were not available this week as to the actual increase in the volume of Twin City loans since March 1, indications are they will run well into the millions.

The gain in loans volume started in the last quarter of 1936 but was not noticeable until about the middle of February this year. The last three weeks of March were marked for the increase.

Chief demand for loans is to increase inventories, for added employment, larger payrolls because of wage increases, higher prices for raw materials.

Inventories are being covered six months ahead instead of three, as was customary in slack times.

In the matter of commercial paper the increase is contrasted with a shortage of supply that has investment houses almost frantic. The supply has been short for several years, but now, with the rate advanced, this desirable short time paper appears to have disappeared almost entirely. One Twin City house has a stand-

ing order from an Eastern bank for \$1,000,000 worth, and that's only a sample.

The supply of commercial paper increases, of course, as business improves and short-term loans are in demand, so the outlook now is more favorable for larger volume in near future months.

One of the features this week of the new higher money rate was the purchase by the New York Federal Reserve Bank of acceptances—first time in four years the bank has been in the market for them.

Action of the New York bank, of course, was a tentative throwing out of lines to control credit inflation.

Washington Fearful of Boom

This has been, still is, no small bugaboo in the eyes of official Washington. They are fearful of a boom and probable subsequent crash, which, if the boom is big enough and wild enough would make a piker out of the 1929 fade-out.

Chief of the Washington movement appears to be Marriner S. Eccles, chairman of the Federal Reserve Board, master of the light house to warn the economic ship off the rocks of too vociferous credit inflation.

Until recently the federal government was the chief user of the nation's credit mechanism, reflected in the billions in Treasury obligations acquired by banks during the depression, while loans to private borrowers shrank to less than half the 1929 aggregate.

Right now what is worrying Messrs. Eccles, Morgenthau, et al, is not so much credit inflation, however, as the effect the growing demand for bank money to go into commercial loans will have on the

market value of federal government securities.

It is a fact, of course, that a good commercial loan averaging a 4-5 per cent rate is much more desirable in the eyes of a bank than a government obligation returning 1½ to the recent maximum.

The recent rather steady drop in the market value of government bonds is attributed in Washington, probably correctly, to the increased use of bank funds for commercial loans.

For the first time in several years the latest condition figures of Reserve member banks reveal holdings of federal obligations below the comparable figure for the preceding year, while private borrowings show a wide gain.

Loans to private borrowers by the banks have increased more than \$1,000,000,000 in the last 12 months. Meanwhile they have liquidated more than \$650,000,000 in direct Treasury obligations, mostly in the last few weeks.

The Reserve Board, as is well known, has acted to cut surplus reserves of member banks to around \$500,000,000 by May 1, and Chairman Eccles now predicts this surplus will be used up by the end of the year, mainly in expansion in business borrowings.

Carter Glass Has a Plan

Meanwhile another factor injected into the tightening of interest rates is the evident intention of the administration to regear the depression-built federal agency lending machine. Several plans have been proposed but one, that presented by Senator Byrd from Carter Glass' home state of Virginia, appears to have the call. The big point of this plan would be:

RFC's direct loans to industry to be sold to the Reserve banks; its stock in Regional Agricultural Credit Corporations transferred to Production Credit Corporations, and its preferred stock in banks to go to the Federal Deposit Insurance Corp.

All other assets and liabilities of RFC would be taken over by the Treasury and in making future loans the corporation would act only as Treasury fiscal agent.

This movement, of course, lines up with the statement made to the A. B. A. convention in Washington during his first term by President Roosevelt, who assured the bankers that as fast as they took over financing the government lending agencies would be withdrawn.

Reports from Northwest bankers, part of a survey on moisture and crop conditions now being conducted by Commercial West, reveal that local loans are increasing in the smaller cities as well as in the larger financial centers, a majority of the bankers reporting gains over a year ago. In general farmers are coming back to the banks for their loans.

Bankers of Four States Report Increased Moisture for Spring Planting in First Returns of Commercial West Survey

PRELIMINARY reports from Northwest states on COMMERCIAL WEST'S annual spring crop survey show a leaning toward more moisture for the planting season.

Of 40 banks reporting in Minnesota, North Dakota, South Dakota and Montana, 15 state there is more moisture in the ground. Eleven of the reports say moisture conditions are about the same as last spring at this time and 14 state that moisture is less, although most of them advise it is not noticeably less.

Montana with only three banks reporting up to press time, was all on the wrong side of the ledger with less moisture reports. They were, however, from last year's drouth sections.

This survey, as have past COMMERCIAL WEST spring planting season summaries, has been obtained from bankers with the object in view of providing a cross-section of the situation in each state and in the section as a whole.

From Minnesota to date 16 reports have been received. Of that number seven advised more moisture than last year, six reported about the same and three say less has been received.

In North Dakota of 13 reports three said more moisture; six reported less and four about the same as the 1936 spring.

South Dakota sent in eight reports and five of them reported more moisture, one about as last year and two less.

By states reports received cover the outlook for spring planting, pasturage and livestock, the business situation, how farmers are feeling and if they are buying machinery, improving their buildings, etc., and comparative statements with a year ago of the banks themselves as to deposits and loans.

From North Dakota

A. C. BROWN, cashier Security State, Hannaford: Less moisture than last year. We had no fall rains. Less grains will be planted with wheat dominating, sufficient feed crops, more corn and legumes. Pasture prospects poor, more rains and warm weather needed. Livestock came through winter in poor condition. Stores state their business exceeds a year ago. Many farmers are buying tractors. They are optimistic in spite of adverse conditions. Farm prices are good and if we can raise crops we will be prosperous. We have always had sufficient demand for loans and our experience is our farmers would

This survey will cover moisture and other conditions in seven states comprising trade territory of the Twin Cities. They are Minnesota, North Dakota, South Dakota, Montana, Wisconsin, Iowa and Nebraska.

Reports are from bankers on the ground, thoroughly familiar with the situation. Detailed reports this week were hurried up from North Dakota points.

Further reports from all states will be published in succeeding issues of Commercial West. Watch for them next week.

rather deal with us than with government agencies. Deposits are \$154,810 compared with a year ago and loans \$63,900 compared with \$62,021.

J. I. HEGGE, president First National, Hillsboro: Moisture about same; spring seeding may be a little earlier. Pastures are poor unless we get early rains; good many short of feed. Business about the same; farmers optimistic and buying some machinery, etc. Fields were all plowed last fall. Farmers are coming back to the bank for loans. Deposits \$700,000 and \$650,000 last year; loans \$250,000 against \$200,000.

G. H. REEDER, cashier Citizens National, Wahpeton: Conditions as to moisture about the same as last year. Planting will be later. May be a late swing to flax if conditions not good for wheat and other grains. Livestock feed scarce, stock poorer than last year; pastures dependent upon conditions later. Business conditions about the same, farmers more hopeful, quite a few tractors sold. Seeding prospects late. Deposits \$918,893 against \$927,000; loans \$251,800 compared with \$240,000.

C. W. AUNGER, vice president First Bank of Flaxton: No submoisture, not as much snow, need spring moisture, many farmers inclined to go slow on planting. Pastures badly in need of moisture. Mer-

chants doing about same volume of business as year ago; more farm sales this year; few requests for loans we can accept. Conditions not favorable now but this can change in short time with moisture. Deposits \$81,818, last year \$68,559. Loans \$55,177 against \$55,160.

D. M. UPHAM, cashier Grafton National: Less moisture; about same acreage; livestock outlook all right now, business better, farmers feeling good because of higher prices for all farm products, with potatoes a big item. Deposits \$1,451,625 against \$1,090,125. Loans \$350,473 against \$275,529.

F. D. McCARTNEY, vice president First National, Oakes: More surface, less subsoil moisture; spring planting outlook less favorable to start off. Pasture and feed very poor for next two months. Considerable loss of livestock last winter and next 30 days dangerous because of feed shortage. Business volume about 80 per cent of last year. Roads bad, seeding can easily be delayed to a late start. We can get about all the good loans we desire. Deposits \$273,000 against \$246,000. Loans \$147,000 and \$150,000 last year.

H. M. NASH, cashier Farmers & Merchants National, Hatton: Moisture less but sufficient to start germination. Pastures will be short and feed has been scarce. Farmers seem to be in quite good spirits; always are in the spring. They are buying some machinery. Auction sales going very good with all purchases for cash. Farmers are coming back to the bank for loans, but our loans are less than a year ago due to the fact that some large loans have been paid up. Deposits \$417,744 against \$409,037. Loans \$154,595 against \$171,400.

H. C. HANSEN, president First National, Churchs Ferry: Moisture conditions very poor. Many farmers will be out of livestock feed in the next two weeks and no grazing can be looked for in a long time. Farmers not feeling badly, a trait that stands them in good stead these times. They are doing little buying and there is no call for loans.

R. W. BLAINE, cashier Merchants & Farmers Bank, Cavalier: A great deal more moisture than a year ago, outlook for spring planting very good. Livestock conditions and pasturage good. Farmers are buying equipment and coming back to the bank for loans to some degree. General conditions seemingly very good. Deposits \$623,700 against \$631,000; loans \$85,000 against \$60,000.

How *FHA* Mortgages Are Clicking

Growing Demand and Advancing Prices
Testify to Their Popularity

IF HE HAD the borrowers he could get \$100,000,000 tomorrow to place in insured mortgages, Minnesota's *FHA* Director Fred Schlipplin told *COMMERCIAL WEST* this week.

That, Mr. Schlipplin feels, evidences the extent to which the *FHA* insured mortgage under Title II has become accepted as a stable line of business by banks, building and loan associations, insurance companies and other approved Minnesota lending agencies.

At this time the Minnesota office has approved the insurance of 2,359 mortgages, aggregating approximately \$10,000,000. Inasmuch, however, as Minnesota institutions can buy mortgages made in other states it is noteworthy that the state's approved lending agencies now hold \$30,000,000 of them altogether.

There was considerable speculation a couple of years ago, when the idea was new, as to whether there would be a market for these mortgages.

Title III of the act sought to cover that point by authorizing institution of private mutual mortgage associations, first with capital of \$5,000,000, later lowering the proviso to \$2,500,000. There was talk of such an organization in the Twin Cities but none developed.

But, as it transpires, none was needed. Growing like Topsy the mortgages have created their own market. They have been at a premium for some months. On Monday of this week they were priced at 103½ by Twin Cities dealers, up 3½ from the base of 100.

Doing a Fine Business

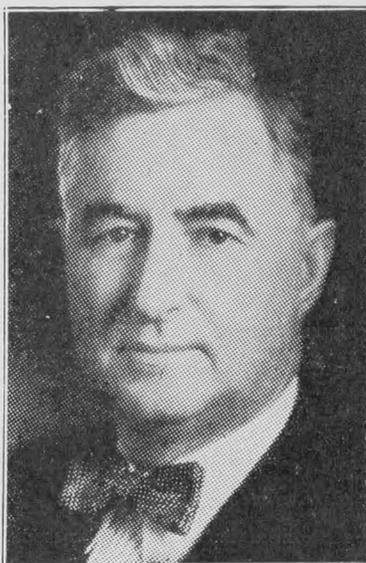
So important has this market become, in fact, that several investment houses are handling them and doing a profitable business in them.

Another indication of their growth lies in the fact that there now are 451 approved mortgagees in the state divided:

Banks	367
Building and loan associations.....	37
Insurance and other agencies.....	47

Further evidence of the stability of the mortgages is shown in recent action of the Minnesota legislature. Both houses passed and the governor has signed bills affecting them directly.

One qualifies them as collateral for the security of public funds of all governmental units of the state where designated securities are required by statute. This provides banks acting as depositories



FRED SCHLIPLIN
His Office Has Okeyed 2,359 Mortgages.

for city and county funds with an additional legal security.

Another includes fire insurance companies as mortgagees. When the state enabling act was passed two years ago designating such agencies only life insurance companies were named.

While the *FHA* act provides that loans may be made up to 80 per cent of the value of a home those in Minnesota average between 60 and 70 per cent. The act also permits mortgages to be made covering up to a period of 20 years in time of maturity. Those made in Minnesota average about 15 years.

The Minnesota office, which is located at 532 Baker Arcade, Minneapolis, was established approximately two and a half years ago and has been actively passing on applications for loans a little more than two years. The 2,359 mortgages that have been insured, of course, do not represent the work entailed nor does it take into consideration applications that are pending.

With the beginning of the building season just opening up Director Schlipplin says applications are coming in largely increasing volume, indicating that the demand this year probably will be considerably in excess of previous years.

All applications are considered carefully from the angle of the character of the borrower and his credit history, the

kind of house he intends to build or buy and the location. These factors determine the amount of the loan that will be granted and the maturity period of the loan, or whether the loan will be made at all.

Carrying out this plan surveys have been made in most of the larger cities of the state and now are being made in the smaller cities. Thus when an application has been received the office can determine fairly readily what kind of a risk they are being called upon to underwrite. The surveys, in other words, give the office an economic background of the city from which the application comes, indicating the trend of residential development, etc., against which the location of the dwelling to be mortgaged, plus character of the borrower, can be checked.

By this method, Director Schlipplin points out, nothing is left to chance, lack of capacity of the borrower to pay up through some unusual misfortune being about the only risk involved and that, of course, is covered by the security of the property.

Banks of the Twin Cities, of course, have been active in making loans for repairs and modernization under Title I of *FHA*, which expired by limitation Wednesday, the last day of March. Congress having let the expiration go into effect it is held unlikely any further effort will be made to re-establish it.

Banks Have Own Plans

Twin Cities banks will continue making the loans, however, under plans of their own, but most, if not all of them, will reduce the loan term which, under *FHA*, was three to five years. This matter has not been determined by all the banks, but 18 months would appear to be about the best terms under consideration.

Altogether Twin Cities banks have made more than \$4,000,000 of Title I loans, while First Banccredit, affiliate of First Bank Stock, has handled more than \$44,000,000 of them, reaching to all states of the Union. This group also has decided to continue handling the loans, but on a plan of its own.

Banks have found the loans attractive, with an average loss ratio under 1 per cent.

Of course the loans made hereafter will not be insured, but the banks engaging in them extensively intend building up reserves sufficient to considerably more than cover their average loss experience.

Banks and Bankers

MINNEAPOLIS' first new bank since back in November, 1927, is just about all set for an early May opening.

It is the Columbia Heights State (C. W., Oct. 3, 1936). Capitalized at \$40,000, and with \$8,000 surplus and \$4,000 undivided profits, the new institution is headed by men of long experience in banking circles and well known in Minneapolis and throughout the Northwest.

Arthur L. Gluek is president. Member of the prominent brewing family, Mr. Gluek was formerly a director North American Bank, now is a member of the advisory committee of the Northwestern National's North American office.

Henry E. Atwood and George A. Olbrich are vice presidents. Mr. Atwood was formerly vice president First National, Minneapolis, and manager of its investment department, now is vice president B. F. Nelson Manufacturing Co. Mr. Olbrich is president and treasurer Twin City Tank & Silo Manufacturing Co., one of the important manufacturing establishments located in Columbia Heights.

Herbert S. Woodward is cashier and managing officer. Son of the late A. M. Woodward, pioneer Minneapolis grain man and banker, he formerly was in banking in Minneapolis and at Hobson, Mont., more recently was manager of the Minneapolis RFC office's bond department.

Directors of the new bank include the four officers and D. C. Gearhart, Henry



HERBERT S. WOODWARD
Managing Officer Minneapolis' New Bank.

Ostmoe, all of Columbia Heights, and Sen. Sherman W. Child, Minneapolis attorney. Mr. Woodward plans to move his family to Columbia Heights, he tells **COMMERCIAL WEST**.

The new institution is negotiating for the purchase or rental of a suitable building, has several desirable locations under consideration.

North Dakota Set

C. C. Wattam, secretary North Dakota Bankers Association, fresh from a busy siege at the legislative session at Bismarck, was in Minneapolis Wednesday. He brought the first definite word on his organization's 1937 convention, thus completing dates for Northwest states' bankers meetings. Time and place: Friday and Saturday, June 11 and 12, at Fargo. Mr. Wattam tells **COMMERCIAL WEST** that of course it's too early for any announcement of program and speakers. That will come shortly, he says.

Final Dividends

Final dividend distributions were being made this week at two closed South Dakota banks. Fifth and final payment of the First National, Flandreau, for 20.19 per cent, brings total amount paid to more than 80 per cent. Fourth and final distribution amounting to \$5,951.07, of the Chamberlain State, brings its total to 46.1 per cent.

M. B. A. Committees

St. Paul Clearing House Association now comes out with its list of appointments of St. Paul bankers who will look after things for the big annual Minnesota Bankers Association convention in June:

General Committee

A. B. Lathrop, vice president First National, chairman; H. B. Humason, vice president American National; C. E. Johnson, vice president Empire National; A. L. Ritt, president Midway National.

Entertainment Committee

H. E. Kern, assistant cashier First National, chairman; Guy E. Dailey, assistant vice president American National; M. W. Petter, assistant cashier Empire National; L. A. Ritt, manager insurance department, Midway National; Lee A. Sauer, assistant cashier First National; J. A. Cavitzel, assistant cashier American National; W. L. Boss, representative First National.

Golf Committee

M. F. Ernst, vice president Midway National, chairman; A. W. Sands, president Western State, vice chairman; S. B. Frederick, assistant cashier American National; P. A. Kippels, assistant cashier Empire National; B. B. Knopp, representative First National.

Ladies' Entertainment Committee

Mrs. M. F. Ernst, chairman. The latter committee, General Chairman Lathrop tells **COMMERCIAL WEST**, has not been completed pending the return from Florida within the next few days of Mr. and Mrs. Ernst.



A. B. LATHROP
General Chairman M. B. A.'s Convention.



H. E. KERN
Heads M. B. A. Entertainment Committee

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With every bank in the state enrolled, the Montana Bankers Association proudly points to a 100 per cent membership, a record attained by few state associations. "With the splendid cooperation which we receive from all of our members, it is a great pleasure for the officers to serve the banks of the state," says Secretary (Mrs.) E. W. Walker.

Shorter Hours

In line with the trend in industry toward shorter hours, Sioux City Clearing House Association has just authorized reduction of working hours for employes of Sioux City banks. R. Earl Brown, secretary and manager of the association and cashier Security National, says the banks will go on a new schedule April 12: 9:30 to 2:30 Monday through Friday, instead of the present 9 o'clock opening. Saturday hours will remain 9 to noon. Under the new plan no employe will work more than 40 hours.

House Shortage

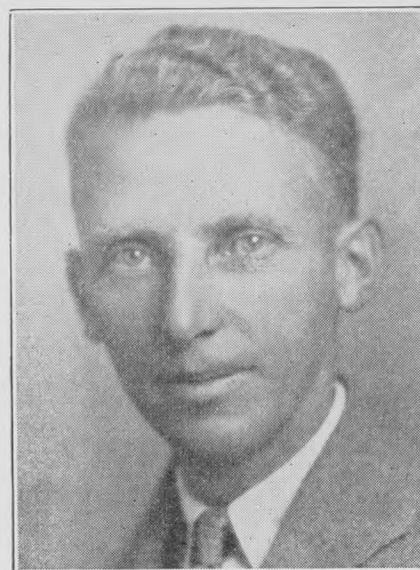
A study just completed by E. B. Dwight, cashier Springfield State, Springfield, S. D., and Steve Flavin, insurance agent, reveals a serious housing shortage this spring, with no houses labeled "for rent." The report shows that 66 per cent of the people of Springfield own their homes, says Banker Dwight.

A. I. B. in Michigan

That Michigan bankers have done some fine work the past year in the fields of public relations and educational efforts is shown in a report of the A. I. B. chapters throughout the state, recently issued. For the first semester this year there were 732 students enrolled in A. I. B. study classes in seven chapters: Detroit, 406; Grand Rapids, 98; Lansing, 70; Flint, 59; Washtenaw County, 41; Kalamazoo County, 34; Battle Creek, 24. In addition, a group of 21 speakers has been going into the state's high schools and business men's organization meetings with such timely topics as "Using a Bank," "Our Banks and Us," "The Federal Reserve System," and answered questions shot at them. They estimate they have talked to more than 10,000 students and some 2,000 business men at club meetings in the past winter.

To Supreme Court

Attorneys for Gertrude Pankovich in her suit against the Little Horn State, Wyola, Mont., on March 23 appealed from the Big Horn district court after the jury had favored the bank in a suit to collect \$720. The state supreme court is considering the case. Mrs. Pankovich sued the bank to recover the money allegedly overpaid on a promissory note. After hearing the case, Judge R. C. Stong directed the jury to bring a verdict for the Little Horn State.



M. F. ERNST

One of Two Ernsts Named by M. B. A.

Grand Rapids Opens

Estimates vary from 3,000 to 4,000 on the number of visitors to the new home of the First National, Grand Rapids, on the occasion of its open house celebration last Saturday. Neighboring bankers and representatives of Duluth and Twin City banks led the big delegation which thronged through the fine new building all day long. A magnificent display of floral offerings from the institution's friends and customers filled every available space. One of the well known guests was C. K. Blandin, St. Paul and Grand Rapids paper manufacturer. The First National presented all the ladies with flowers, the men with cigars. Only "casualties," apparently, were President F. E. King and Cashier G. P. Mitchell, whose right hands were badly overworked in ceaseless greeting of their guests.

Assets Sold

Assets of the Fordyce and Obert State banks (Neb.) were sold recently at the Cedar county court house. Franz Meirose, Fordyce, paid \$1,610 for the Fordyce institution's assets, and J. J. Lewis, Hastings, paid \$410 for those of the Obert bank.

Burglary Foiled

An attempted robbery at the Burnett State, Burnett, Wis., was thwarted the other night after two holes had been burned in the vault door. An automatic device which locks all bolts on the door separately when heat is applied, was credited by H. H. Hilgendorf, cashier, for keeping contents of the vault intact.

Northwest Changes

Changes in the corporate status of Northwest banks reported this week by the comptroller of the currency include:

Sheldon National, Sheldon, Iowa, retired 40 shares preferred (\$4,000 par

value), increased common same amounts; outstanding are \$11,000 preferred, \$39,000 common.

National Bank of Adrian, Mich., retired 260 shares preferred (\$6,500); outstanding are \$23,500 preferred, \$80,000 common.

Birmingham National, Birmingham, Mich., retired 920 shares preferred (\$13,800), increased common \$13,800; outstanding are \$17,200 preferred, \$82,800 common.

First National, Gladstone, Mich., retired 110 shares preferred (\$2,200), increased common same amounts; outstanding are \$27,800 preferred, \$22,200 common.

First National, Hillsboro, N. D., retired 10 shares preferred (\$600); outstanding are \$29,400 preferred, \$25,000 common.

First National, Garretson, S. D., retired 27-7/9 shares preferred (\$2,500), increased common \$2,500; outstanding are \$17,500 preferred, \$27,500 common.

First National, Rapid City, retired 10 shares preferred (\$1,000); outstanding are \$147,000 preferred, \$102,000 common.

Rapid City National, Rapid City, retired 10 shares preferred (\$250), increased common same amounts; outstanding are \$46,875 preferred, \$53,125 common.

First-Fond du Lac National, Fond du Lac, Wis., retired 8,000 shares (\$80,000); outstanding are \$100,000 preferred, \$300,000 common.

First National, Madison, Wis., retired 600 shares preferred (\$75,000); outstanding are \$400,000 preferred, \$1,000,000 common.

First National, Neillsville, Wis., retired 16 shares preferred (\$1,600), increased common same amounts; outstanding are \$22,100 preferred, \$27,900 common.

Operations Explained

The manner in which the Sioux City Clearing House operates was described by officials of two of the city's banks before members of the Junior Chamber of Commerce the other noon. R. Earl Brown, secretary and manager, and cashier Security National, and W. G. Nelson, assistant cashier Livestock National, discussed various functions and objectives of the clearing house.

Future of Savings

More than \$10,100,000,000 deposits will be represented by officers and trustees at-

tending the annual conference of National Association of Mutual Savings Banks at New York, April 28-30. Henry S. Kingman, treasurer Farmers & Mechanics Savings Bank, Minneapolis, will represent his institution. This is the largest accumulation of small capital ever brought together by mutual banks in almost a century and a quarter of existence. It is the property of approximately 14,500,000 owners.

Nomination Party

P. W. Colbert, president, will preside at the nomination meeting of Minneapolis Chapter, A. I. B., next Thursday evening at the Curtis hotel. Candidates for president, first and second vice presidents, treasurer, and board of governors, as well as delegates to the national convention in St. Paul next June, will be presented by Joseph B. Mulcahey, chairman nomination committee. After the meeting there will be dancing and entertainment.



L. K. BILLINGS

Long identified with correspondent bank activities as a representative of one of the large metropolitan banks, Mr. Billings has become associated with the banks and bankers division of Chicago's City National Bank & Trust Co. Until 1929, when he engaged in correspondent bank work, he was a state bank examiner in Indiana a number of years. William H. Miller is in charge of the City National's banks and bankers division.

CURRENT INVESTMENT SUGGESTIONS

Canadian Pacific Ry. Co.

Convertible Coll. Tr. 3% due 10/1/45
Approx. Price 99½ to yield 3.06%
Rating—A

Consolidated Oil Corp.

S. F. Convertible Deb. 3½% due 6/1/51
Approx. Price 103¼ to yield 3.22%
Rating—A

Southern Pacific Co.

Sinking Fund Secured 3¾% due 7/1/46
Approx. Price 98¾ to yield 3.92%
Rating—A

United Stockyards Corp.

S. F. Coll. Tr. With Warrants 4¼%
due 10/1/51
Approx. Price 98½ to yield 4.39%
Rating—B1

Eastern Gas and Fuel Associates

First and Coll. S. F. 4% due 3/1/56
Approx. Price 88¼ to yield 4.96%
Rating—A

Illinois Central R. R.

Collateral Trust 4% due 4/1/52
Approx. Price 88 to yield 5.15%
Rating—B1

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Getting Set

Officials of Michigan Bankers Association have been advised by W. S. Woodfield, president Grand hotel on Mackinac Island, that the island resort is getting ready for its new season and its second consecutive year of playing host to the state's bankers. New furnishings and decorations throughout the lobby, new recreation room adjoining, renovation of many guest rooms, constitute part of the job. Mr. Woodfield says they'll spare no effort to make this the most successful convention ever staged by the association. Sounds inviting, doesn't it?

"Pay-As-You-Go"

There is no sounder and more profitable method than existing "pay-as-you-go" plans by means of which banks may attract a greater number of checking account depositors and build goodwill. This is one of the conclusions reached in a study just published by the Bank Management Commission, A. B. A., covering a number of new checking account plans put into effect recently. The report contains several interesting findings of the commission's special committee, calculated to prove useful to all banks.

Busy Bankers

Still more Northwest bankers elected to important civic and community posts: ¶ Darfur, Minn.—New Darfur Commercial Club organized; two bankers named among its four officers. They are H. O. Johnson, cashier State Bank of Darfur, president, and Albert Ibeling, assistant cashier same institution, secretary.

¶ Sibley, Iowa—Sibley Commercial Club also names two bankers among its 1937 officers. H. E. Scott, vice president Sibley State, chosen vice president, and M. D. Brodt, vice president First National, treasurer.

¶ Madison, S. D.—Madison Chamber of Commerce elects C. J. Odegard its new president. He is vice president Northwest Security National, Sioux Falls, and manager of its Madison branch.

¶ Canova, S. D.—Canova Commercial Club, all set for a year of pushing projects for the upbuilding of Canova and its surrounding farming district, names F. O. Palmer, cashier Security State, its new secretary.

Perfect Score

Wisconsin is one of three states just announced by the A. B. A.'s Agricultural Commission as having attained the goal of 1,000 points—a perfect score—in the 1936 ratings. The others are Vermont and Kansas. In a bulletin this week, Dan H. Otis, Madison, director of the commission, says of Wisconsin's work:

"The Bankers Agricultural Committee, headed by Frank H. Bixby, vice president Bank of New Richmond, for the past five years has had as a major project increased alfalfa production and helped bring the state's acreage beyond the million acre mark. Another project that has had support is the Future Farmers of America and 4-H Club work. More recent activities center around soil conservation and emergency measures during the drouth to assist farmers to secure feed and retain livestock where unfavorable conditions would have forced unwise sale."

Mr. Otis says the six states previously scoring 1,000 points in bankers' agricultural activities again have made outstanding records, are still on the honor roll. These include North Dakota with six years' honor rating and South Dakota, with two.

Hopkins Modernizes

Latest Northwest bank to undergo extensive modernization and remodeling is the First National, Hopkins, Minn. Just look at all it's doing this spring to better serve its customers: Added 20 feet to the rear of the building, enlarged lobby and banking room, instead of three windows it has five now, enlarged its safety deposit department, put in new boxes and increased space for customers' use, installed two new vaults, one of reinforced concrete with a brand new seven-inch door, one for storing records, put in a new safe, new furniture and fixtures throughout, new McClintock Bandit Barrier. The building was erected by the bank when it was organized in 1905. Officers plan "open house" from 2 to 5 and from 7 to 10 on next Saturday, the 10th.

CHASE SERVICE To Correspondent Banks — Investment Checkings

IN ADDITION to its securities safekeeping service and its facilities for the execution of purchase and sale orders, the Chase is helpful to correspondents in a number of other ways.

Correspondents frequently seek information about commercial paper or acceptances which they are considering for investment.

Such inquiries are immediately brought to the attention of the Chase officers directly in charge of the bank's own investment portfolio.

These officers welcome the opportunity to check investments for correspondents and exchange information and opinions on matters of investment policy.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

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New President

A. G. Siewert is the newly elected president Farmers & Merchants State, Sacred Heart, Minn. He succeeds H. A. Wiglund, recently resigned. H. C. Omholt, vice president and cashier, writes COMMERCIAL WEST that all the other officers and directors remain the same. Other officers are E. H. Evenson, vice president; Sam E. Storm and Oscar Davidson, assistant cashiers.

Europe By Air

L. O. Anderson, cashier Northern National, Duluth, left March 23 on a trip that will take him to France, Sweden, and possibly Africa, before he returns about the middle of July. Most of his traveling will be done by airplane, and he



MR. ANDERSON

plans to take motion pictures enroute. His itinerary called for an air jaunt from Chicago to New York, then to Havre and other points on the European mainland, with maybe a "side trip" into Africa. Later, in Sweden, he will visit relatives. Mr. Anderson is a veteran "sky rider." A couple of years ago he visited Mexico and Guatemala by plane.

(Continued on page 30)

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TICKER TALK

By The Marketeer

The Utilities

The disappointing action of the utility shares, and their failure to participate in the present bull market, has been the subject of much exposition on the part of financial writers. The most generally accepted explanation is the hostility of the administration and possible competition from the government itself.

The future of the industry marketwise in the present recovery period appears to rest on the outcome of the struggle for ascendancy between the influence of governmental reform measure and that of the natural element of increased earnings resulting from record production and consumption of electrical energy.

To those speculators who place faith in charts and technical action, the utility stock average is in a critical position. This group made its low in 1935, almost three years after the industrial compilation did so. Since then, three upward swings have occurred with each succeeding reaction holding above the low of the previous one, while each advance has penetrated to new high ground. From this standpoint, therefore, the situation is not without hope, for such a market pattern is a favorable one.

The last high of the utility average was registered in January at 37.54, while the last reaction low-point was reached March 22 last at 31.92. With the group currently resting just above the 32 level, the next move is anxiously awaited by those who trade on such indications.

The Bond Market

A suggestion that the press of liquidation in the bond market has come, at least temporarily, to an end is contained in the fact that for the first time in 10 weeks a six-day span of trading has gone by without detriment to the price structure. Some evidence of support is noticeable at present levels and signs of a re-appearance of institutional buying, albeit in a small way, are at hand.

The decline in the lien market, which got under way shortly after the turn of the year, has progressed to where, at the recent low point, the loss in market value amounts to about 4 per cent on the average. Such an apparently inconsequential decline, which would be considered a minor fluctuation in the stock market, is of substantial importance to those institutional investors who previously withdrew from the market because they realized the dangers involved in the high-grade bond list at prevailing levels, and to those who did not and thereby suf-

fered a loss amounting to practically an entire year's income.

The evidence seems to be heavily in favor of the supposition that prime liens reached their peak prices last December and that a downward cycle has set in. As pointed out with great clarity by the Analyst, history records that cyclical up-swings in bond prices have almost invariably come to an end coincident with the existence of the following four factors:

1. When general business has recovered to normal or a little better.
2. When commodity prices, after having recovered somewhat, begin to rise rapidly.
3. When commercial loans begin to expand rapidly, and
4. When short-term money rates begin to rise.

While it cannot be said that present conditions precisely fit this description, particularly as to the third point, it is certainly true that these various factors

Bank Stocks

March 31, 1937

	Bid	Asked
MINNEAPOLIS		
First Bank Stock	15	15½
N. W. Banco	12½	13
NEW YORK		
Bankers Trust	79	81
Chase	58½	60
First National	2515	2530
Guaranty Trust	377	382
National City	54	55½
CHICAGO		
Central Republic	21	22
City National	150	155
Continental Illinois	161	163
First National	348	352
Harris Trust & Savings	495	505
Northern Trust	840	850

Commodity Prices

	March 28	March 24
Butter (lb.)	\$0.35	\$0.38 ¼
Eggs (doz.)	.25	.25 ½
<i>(Butter and egg prices are New York wholesale market on "firsts.")</i>		
Hogs (cwt.)	9.75	10.25
Cattle (cwt.)	13.00	12.00
Lambs (cwt.)	11.50	11.75
<i>(Livestock prices are South St. Paul quotations for top sales.)</i>		
Potatoes (cwt.)	2.85	2.85
Potatoes (cwt.)	2.70	2.70
<i>(Potato prices are those paid growers in carlots. Higher price for Minneapolis district, lower for shipments from northern part of state.)</i>		

appear to be working, with varying degrees of intensity in each case, into the necessary stage. The United Business Service chart shows that general business volume was less than 2 per cent under normal at the year's turn; the recent upward rush in commodity prices needs no comment; short-term money rates have begun to firm, and while commercial loans are not as yet expanding rapidly, the weekly statements of Federal Reserve member banks have revealed a steady increase in this item for many months.

As for the medium grade division of the market, herein have also occurred widespread losses of a sizeable nature, despite the fact that obligations of this type should fluctuate on earnings and credit standing as distinguished from high grade bonds of the "money" type. The decline in lower grade issues has undoubtedly resulted in prices which are attractive, especially in the utility group wherein it has been reported that several large insurance companies have resumed buying operations in the listed market.

The point to be remembered, however, insofar as high-grade long-term bonds are concerned, is that any recovery in price at this point may prove deceptive. A period of relative price stability of many months' duration could easily develop here and be entirely consistent with past precedent. Nevertheless, if tested land marks are still reliable, attractive buying levels in this sector of the bond market have not yet been reached.

Coming Soon

Some of the more important scheduled new security offerings include:

APRIL 7

Hamilton Manufacturing Co. first mortgage 5s, with warrants, due 1951 (\$200,000).

APRIL 12

B. F. Avery & Sons Co. 10-year 4½ per cent notes (\$1,000,000).

APRIL 15

Iowa Public Service Co. first mortgage 3¾s, due 1967 (\$14,200,000), and 3s-5s, due 1938-1947 (\$2,200,000).

DATE NOT SET

National Bond & Investment Co. debenture 3s, due 1947 (\$7,500,000), and debenture 3¼s, due 1952 (\$7,500,000).

Hearst Magazines, Inc., serial debentures, due 1939-1952 (\$13,000,000).

Interlake Iron Corp. convertible debenture 4s, due 1947 (\$10,000,000).

Southwestern Light & Power Co. first mortgage series A 4s, due 1967 (\$7,250,000).

Railway Equipment & Realty Co., Ltd., first mortgage 4s, due 1949 (\$5,000,000).

Lion Oil Refining Co. convertible debenture 4½s, due 1952 (\$4,000,000).

General Mills

General Mills, Inc., will pay its 35th consecutive quarterly common stock dividend, in the amount of 75 cents per share, to holders of record April 10, on May 1.

THRALL WEST COMPANY

Investment Securities

MINNEAPOLIS

GMAC

GENERAL MOTORS ACCEPTANCE CORPORATION

is engaged primarily in facilitating wholesale distribution and retail sales of the following products of General Motors Corporation and its world-wide affiliates: CADILLAC, LA SALLE, BUICK, OLDSMOBILE, PONTIAC, CHEVROLET automobiles; FRIGIDAIRE appliances for refrigeration and air conditioning; DELCO lighting, power and heating equipment; GMC trucks; BEDFORD, VAUXHALL, OPEL, BLITZ—foreign made automotive vehicles.

The business consists of investments in self-liquidating credits, widely diversified as to region and enterprise. Capital employed is in excess of \$80,000,000, supplemented principally by short term borrowings.

In obtaining such short term accommodation, GMAC issues one standard form of note. This obligation it offers to banks and institutions, in convenient maturities and denominations at current discount rates.

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SATURDAY, APRIL 3, 1937

17



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ROUTE OF THE AIR-CONDITIONED

NORTH COAST LIMITED

Northern States

Electric output of Northern States Power Co. for the week ended March 27 totaled 23,693,815 kilowatt hours, an increase of 4.9 per cent over the similar week a year ago.

Minneapolis Brewing

Earnings statement of Minneapolis Brewing Co. for the two months ended Feb. 28 shows a gross profit of \$152,414 and net income of \$7,987, equal to about 2 cents per common share. Fixed charges, on this basis, were covered 2.39 times.

M. & O. Paper

Trustees of Minnesota & Ontario Paper Co. report operating profit of \$807,305 for 1936, sales amounting to \$13,167,000, exclusive of National Pole & Treating Co. Other income of \$115,803 left total of \$923,118 available for depletion, depreciation, interest. In 1935 total available, including National Pole & Treating, was \$158,867. After providing \$1,043,000 for depreciation and \$29,117 for current interest and interest on funded debt, 1936 showed a loss of \$149,556.

Superheater

Superheater Co. stockholders as of April 5 will receive dividend of 25 cents per share April 15. Last dividend (12½ cents per share) was paid on Jan. 15 this year.

Wisconsin P. & L.

Operating revenues of Wisconsin Power & Light Co. in 1936 amounted to \$8,686,201; net income after interest, depreciation, federal income taxes, amortization and other charges, was \$1,237,146. Similar 1935 items were \$8,001,855 and \$767,155.

Iowa Electric Light

Iowa Electric Light & Power Co. will pay following dividends on April 20 to stockholders of record March 31: 87½ cents on 7 per cent preferred; 81¼ cents on 6½ per cent preferred B; 75 cents on 6 per cent preferred C. After payment of these dividends on account of accumulation, arrears will amount to \$23.62½, \$21.93¼, \$20.25, respectively.

N. W. Bell

Jan., 1937, operating revenue of Northwestern Bell Telephone Co. was \$2,735,202; net operating income was \$779,199. These figures compare with \$2,536,130 and \$412,703, respectively, in 1935.

A & K Petroleum

Chicago Stock Exchange has admitted to trading as of March 20, 250,000 shares A & K Petroleum Co. \$5 par class A common stock.

Bankshares

Wisconsin Bankshares Corp. and subsidiaries report 1936 consolidated earnings of \$3,184,000, against \$115,000 in previous year. Earnings for last year

equal about \$1.63 per share. The tremendous increase includes recoveries of \$1,105,000, increase in interest and net worth of subsidiary banks and companies of \$1,890,000, net income from operations of \$210,000. Principal "member" of Wisconsin Bankshares, of course, is First Wisconsin National Bank. The group's total deposits at the end of 1936 were \$276,848,000, compared with \$246,727,000 a year earlier.

400,000 New Homes Expected This Year

Around 400,000 new family dwellings to be constructed in 1937 in the United States, exclusive of rural home buildings, a continuation of a plentiful supply of mortgage money at rates advantageous to residential building and the most important inroads yet seen in reducing unemployment in the building trades, are on the way, states a forecast by the Mortgage Bankers Association of America.

"New home construction in the nation's urban areas, exclusive of rural sections, ought to approximate 400,000 new units, still below our normal requirements but an increase of around 40 per cent over 1936. Rising national income with continued favorable interest rates will provide a most attractive 'buyer's market' for prospective home-builders—more so than probably at any time in this century," says George H. Patterson, secretary of the association.

"Rents and real estate values will certainly continue their rise, the former probably gaining a little momentum because as business continues to improve the demand for more housing becomes greater, hence enhancing the rental values of that already available. Building costs will rise, as a recent nation-wide survey by our association showed, but not to such an extent that new construction will be seriously retarded.

"While these factors combine to produce a most favorable outlook for private mortgage bankers, government competition with private mortgage lenders is more threatening at the beginning of 1937 than ever before. A majority of the country's private mortgage lenders will continue to deplore government participation in their business through the FHA, feeling that the worst of our national economic emergency is over and that private lenders are well able and willing to supply the country's mortgage money needs in any amount and on favorable terms. Proposals to create regional mortgage discount banks, continuation of FHA's insurance guarantee after July, 1937, and certain potentialities embodied in the proposed Wagner housing legislation constitute the three most unfavorable possibilities clouding the mortgage banking picture for 1937—a picture which otherwise would be the most hopeful of any seen in this country in more than a decade."

Spot News
FLASHES
 at Press Time

MINNEAPOLIS — First Bank Stock Corp. Wednesday sent out checks for a semi-annual dividend of \$758,814.25, representing 25 cents a share to approximately 17,000 stockholders in the Northwest. Dividend is for the past six months, payable April 1 to stockholders of record March 20. It is the 24th consecutive dividend paid by First Bank Stock.

ST. PAUL—C. E. Newcome of the Schmidt Brewing Co., Wednesday was elected a director of the American Brewers Association meeting in Chicago.

WASHINGTON — Leo T. Crowley, FDIC chairman, was quoted Wednesday in Associated Press dispatches as stating the time has come for functions and activity of the federal government's loaning agencies to be turned back to banks and other financial loaning agencies as soon as they can absorb them. This statement would indicate Chairman Crowley feels all insured banks now are in position to handle all loans that have been of an emergency nature.

MINNEAPOLIS — Municipal Judge Fred B. Wright Wednesday dismissed an action brought against the Minneapolis Brewing Co. charging that it owned fixtures and other equipment in two Minneapolis taverns contrary to a city ordinance. Dismissal was based on evidence submitted by the brewing firm showing that it had not violated the ordinance.

ST. PAUL—The Minnesota House of Representatives Wednesday adopted a resolution memorializing Congress to eliminate the long and short haul clause of the transportation act, thus joining many states of the Northwest and Far West in demands that this discriminatory clause be repealed. By its abolition railroads could be enabled to meet Panama Canal rates, thus enabling shippers of this and other sections west of the Mississippi to enjoy rates as low as eastern competitors.

WASHINGTON — Federal Reserve Board has just undertaken a study as to whether new increased wage and shortened day working programs will intensify possibility of inflation.

ST. PAUL—Great Northern Railway Co.'s annual report for 1936, issued Friday, shows net income for the year, after deductions for interest and other fixed charges, was \$9,783,547, a gain of \$2,763,680 over 1935.

BOSTON—First National Bank states Thursday: "Aggregate industrial production in February was 29 per cent above a year ago, and was the highest of any month since November, 1929, with the exception of last December."

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State Municipal Corporation Bonds

MINNEAPOLIS

The Spotlight

Reviews

Northwest Bancorporation

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INVESTMENT SECURITIES

RAND TOWER
 MINNEAPOLIS

LEGAL DECISIONS

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

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Along Financial Row

Goings, Comings, This and That

THE PROGRESS PARADE continues.

Right on the heels of all the moves for larger quarters, increased personnel, new openings of local and Eastern houses, Twin City investment circles come up again this week with still more changes.

Wells-Dickey announces another addition to its steadily growing staff in Leon Luscher, brother of Lehman Bros.' Andy and Banco's Von, both well known in the Twin Cities and the Northwest. Leon has been associated during the last 10 years with the advertising firm of Doremus & Co., half of that period at New York, half at Los Angeles.

"Doing a wonderful business." The speaker was Kenneth H. Bayliss, investment counselor located in St. Paul's Pioneer building. Mr. Bayliss was telling COMMERCIAL WEST of the vastly increased volume of work Northwest investors have been bringing to him in recent months. So much so, in fact, that he has just increased his organization staff and practically doubled his office space.

And this is his second such expansion within a year. The Bayliss firm does not handle securities; it acts as counsel in investment matters, maintains a complete statistical and research department for its clients. Mr. Bayliss is enthusiastic over the outlook for continued general business improvement.

Castle Says "No"

In a letter to COMMERCIAL WEST this week, Sid Castle of the Chicago office of Lazard Freres & Co., says "there is nothing to" the rumor that his firm would soon open a Minneapolis office. "I don't know how the news got around," says Sid. "Maurice Galleher, who is covering the territory for us, is making headquarters in Chicago and expects to continue to do so."

Q. and A.

With everybody talking about FHA mortgages these days, Guy A. Nelson Co. now comes out with a snappy circular giving 30 questions and answers on this timely topic. The questions are phrased in simple, every-day terms, and the answers tell just about all there is to know about FHA. Really, though, there are only 29 answers. The last one has been left unanswered: "Where can you find, in today's market, a security with such a strong backlog of safety and affording so fine a return, better than 4% per cent?"



LESTER BIGELOW



MERRILL HUTCHINSON
They're Members of New Church Board.

Paulson Back Home

Walter Paulson, back home from a Southern and Eastern trip, is busy getting things lined up for the opening of the new Minneapolis office for E. A. Pierce & Co. Said this week he couldn't state definitely just what the opening date will be.

THE COMMERCIAL WEST

On Bishop's Committee

Organization of a new Protestant Episcopal church in Minneapolis' Country Club district took definite form this week. Plans perfected so far include formation of a bishop's committee under Rt. Rev. Stephen E. Keeler to administer affairs of the new parish, and two members of this board are well known in Twin City financial circles: Lester Bigelow, president Bigelow, Webb & Co., and Merrill Hutchinson, Hutchinson Advertising Co.

Traders Planning

Officers of Twin City Bond Traders Club have been putting their heads together the past few days with a view to planning the organization's next get-together. President Al Grun, First National, Minneapolis, says they'll set the time and place sometime next week.

"Everything Fine"

Paul A. Burkland, vice president Mannheimer-Caldwell, Inc., and manager of its new Minneapolis office, tells COMMERCIAL WEST he's all pepped up over the way things are looking . . . So is James R. Linder, manager of Donahue & Co.'s new Minneapolis office. Business has been fine since they opened up shop, Paul week before last, Jim last week.

Personally Speaking

Harold E. Wood & Co.'s Minneapolis office has a new telephone number—MAin 8258 . . . Did you know that Angland & Co.'s Johnny Heines and Bigelow, Webb's Paul Gold are "amateur" pipe manufacturers? They both have shops in their basements at home, turn out several varieties for fastidious smoker-friends . . . Fred A. Mayfield, representative of Hugh W. Long & Co., New York, is quite proud of the one Mr. Gold gave him a couple of weeks ago . . . Johnny Getchell is back on the job at Piper, Jaffray & Hopwood's, after that long siege; says he's feeling fine, and surely looks it . . . But Dan Mahoney is still "out"; taking it easy at home, under doctor's orders, but feels swell, he says . . . Some time get Ralph Faville, Investors Syndicate, to tell you of his experience in London speaking Spanish . . . C. C. Rieger and Gregg Thompson were bumped a little the other night when the former's car skidded on the wet pavement during the blizzard, sideswiped a post . . . A top-notch amateur photographer of long experience is George Lang, of Piper, Jaffray . . . "Best ever" says Glen McGann, trader for John J. Seerley's Minneapolis office, of last week's COMMERCIAL WEST . . . Thank you, sir! . . . Mr. and Mrs. Lester Elwood are spending a vacation at Miami Beach . . .

Miss Emily Post says potato chips may be eaten with the fingers. Something tells us Miss Emily must have tried to spear one with a fork.

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Municipal Financing

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

ON TUESDAY, April 13, the city of Minneapolis will offer for sale \$1,200,000 tax anticipation certificates of indebtedness. Dated April 15 and due Oct. 15, 1937, the proceeds of the certificates will be used by the board of education to pay current expenses.

Two days later comes the sale of \$1,010,000 10-year serial bonds of the city of Minneapolis. Twin City dealers naturally are much interested in these two sales. The bonds will comprise \$750,000 for public relief, \$85,000 for work relief, \$25,000 for sewers, \$150,000 for storm drainage. Dated May 1, they will be payable in approximately equal instalments on each May 1 from 1938 to 1947.

North Dakota

North Dakota's special assessment warrants were given an overhauling Friday at a conference in the offices of the Allison-Williams Co., Minneapolis, attended by major dealers in the warrants and some insurance company representatives. Action of the conference was centered chiefly on the Minot situation which has some 100 districts and in which there is default on part of the paving, sewer and water warrants. A committee was to be formed for the purpose of investigating the situation thoroughly and to report on probable future action of the warrant holders. The decision just handed down in the Marmarth case, holding that judgment may be had against the city if it can be shown the city was derelict in carrying out its contracts, was discussed with probable relationship to the Minot situation.

Notes

¶ A temporary injunction has been granted in circuit court against mayor and city council members of Flandreau, S. D., restraining them from proceeding further in issuing revenue bonds for construction and maintenance of a municipal light and power plant. April 5 was set for hearing the injunction. Flandreau voted in favor of issuing the bonds March 15.

¶ Bids are being sought on \$900,000 state certificates of indebtedness by North Dakota's industrial commission. Dated April 15, 1937, the certificates will include \$400,000 six-month maturities, \$500,000 nine-month maturities. Action is taken under an emergency measure designed to provide "immediate cash" for meeting expenses of state government.

PROPOSED ISSUES

Carrington, N. D. (Foster county)—Plans are

under way for sale of \$70,000 refunding bonds. J. B. McWethy, county auditor.

Jamestown, N. D. (Stutsman county)—Plans are under way for sale of \$180,000 certificates of indebtedness. R. A. Bartel, county auditor.

Towner, N. D. (McHenry county)—Plans are under way for issuance of \$132,500 refunding bonds. E. W. Olson, county auditor.

Fairfield, Mont.—Petition will be circulated calling for election on issuance of \$50,000 school building bonds for Greenfields school district. Emma Clark, Teton county superintendent of schools.

Huron, S. D.—Petitions are being circulated calling for election on issuance of \$200,000 auditorium building bonds. M. F. Walt, city clerk.

Ellsworth, Wis.—Plans are under way for issuance of sewage disposal system improvement bonds. F. G. Green, village clerk.

COMING ELECTIONS

April 3

New Hartford, Iowa—On \$8,000 school refunding bonds. H. O. Geyer, secretary Board of Education.

Butte, Mont.—On issuance of improvement bonds for new Butte high school site. Addis McGrath, clerk and recorder.

Butte, Mont.—On \$150,000 school building bonds for school district No. 1. Addis McGrath, clerk and recorder.

April 5

Menominee, Mich. (Menominee county)—On \$150,000 road improvement bonds. Harry N. Gilbertson, county clerk.

Ypsilanti, Mich.—On \$104,500 sewer disposal plant bonds. Care of city clerk.

April 6

North Platte, Neb.—On \$33,000 park improvement bonds. E. J. Vanderhoff, city clerk.

Broken Bow, Neb.—On \$96,000 school building bonds. A. F. Mackie, secretary Board of Education.

Sparta, Wis.—On \$65,000 school auditorium and manual training shop building bonds. Wm. R. Bruce, city superintendent of schools.

Kearney, Neb.—On \$100,000 city hall auditorium building bonds. Mrs. M. E. Burke, city clerk.

St. Paul, Neb.—On hospital building bonds. Estimated cost of project, \$25,000. L. B. Conklin, city clerk.

Fergus Falls, Minn.—On \$20,000 bridge construction bonds. B. M. Lein, city clerk.

McCook, Neb.—On \$20,000 park improvement and swimming pool bonds. Chas. Skalla, city clerk.

Overton, Neb.—On \$8,000 water system improvement bonds. J. W. Dunaway, village clerk.

Grand Island, Neb.—On issuance of bonds to finance purchase of The Pier. Margaret Paulsen, Stohlnecker, city clerk.

Savanna, Ill. (Savanna township)—On \$30,000 swimming pool construction bonds. Ray Westfall, secretary Savanna township board.

Portage, Wis.—On \$120,000 school building bonds. A. J. Henkel, city superintendent of schools.

Ord, Neb.—On \$16,000 swimming pool construction bonds. Lucinda Thorne, city clerk.

Baraboo, Wis.—On \$132,000 sewage disposal plant bonds. A. F. Reiner, city clerk.

Elizabeth, Ill. (Elizabeth township)—On \$12,000 highway improvement bonds. Burl J. Reed, township clerk.

April 7

Ackley, Iowa—On \$58,000 school refunding bonds for independent school district No. 1. Pearl Bakker, secretary Board of Education.

April 8

Lost Nations, Iowa—On \$13,000 school building bonds. H. L. Burrichter, secretary Board of Education.

April 15

Arnolds Park, Iowa—On \$25,000 school addition building bonds. A. L. Taylor, secretary Board of Education.

April 19

Decorah, Iowa—On \$2,000 school building bonds for independent school district No. 6 of Frankville township. Chas. G. Stoen, Winneshiek county superintendent of schools.

April 26

Red Wing, Minn.—On \$125,000 school building bonds. N. C. Lien, clerk Board of Education.

April 27

Mitchell, S. D.—Armory building bonds. Tom Eastcott, city auditor.

ISSUES VOTED

Stillwater, Minn.—\$247,500 school building bonds. A. J. Holm, secretary Board of Education.

Rolla, N. D.—\$6,000 municipal auditorium and gymnasium building bonds. A. M. Marchand, city auditor.

Beresford, S. D.—\$30,000 municipal light plant bonds. W. F. Smith, city auditor.

Edinburg, N. D.—\$1,000 community hall building bonds. S. M. Stenerson, village clerk.

Minto, N. D. (Ward county)—\$275,000 refunding bonds. A. G. Torgerson, county auditor.

Buffalo, Minn. (Albion township)—Bond to finance purchase of snow removal equipment. Fred Coyea, township supervisor.

Braham, Minn.—\$23,000 waterworks project bonds. John A. Herman, village recorder.

ISSUES DEFEATED

Mt. Iron, Minn.—\$118,500 works progress administration building bonds. I. A. Biancke, village clerk.

Evansville, Minn.—\$7,000 school building bonds. Victor Ostlund, clerk Board of Education.

BIDS CALLED FOR

April 5

Polson, Mont.—At 7:30 p. m. on \$20,000 refunding bonds. Int., 6 per cent. C. C., 1 per cent. R. B. Davidson, city clerk.

Newton, Iowa—On \$80,000 refunding bonds for Board of Education. B. C. Berg, superintendent of schools.

April 7

Columbia Heights, Minn.—At 8 p. m. for \$45,000 refunding bonds for independent school district No. 65. Denom., \$1,000. C. C., \$1,000. Int., 4 per cent. A. H. Ittner, clerk Board of Education.

April 8

Wayzata, Minn.—At 8 p. m. on \$60,000 refunding bonds. Denom., \$1,000. Int., 3 per cent, to E. L. Johnson, city clerk.

Finley, N. D. (Steele county)—At 12 noon on \$48,000 refunding bonds. C. C., 2 per cent. G. J. Mustad, county auditor.

April 15

Preston, Minn.—At 7 p. m. on \$107,000 independent school district No. 45 refunding bonds. C. C., \$2,000. Mrs. A. H. Langum, school clerk. (Note: Formerly reported as sale March 25 but was postponed.)

Minneapolis—On \$750,000 public relief bonds, \$25,000 permanent improvement (sewer) bonds, \$150,000 permanent improvement (storm drain) bonds and \$10,000 permanent improvement (work relief) bonds. Geo. M. Link, secretary board of estimate and taxation.

Minneapolis—On \$935,000 city bonds, public relief bonds will be \$750,000 of the total. Chas. Swan-son, city clerk.

April 16

Merrill, Wis. (Lincoln county)—On \$520,000 highway improvement bonds. Lester W. Litkey, county clerk.

April 26

Great Falls, Mont.—At 7:30 p. m. on \$875,000 refunding bonds for school district No. 1, Cascade county. Denom., \$1,000. Int., 3½ per cent. C. C., \$5,000. V. F. Gibson, clerk Board of Education.

AWARDS

Des Moines, Iowa (Polk county)—\$50,000 primary road refunding bonds. Prem., \$35. Int., 2½ per cent, to Wheelock & Co.

Des Moines, Iowa (Polk county)—\$183,000 refunding bonds. Int., 2½ per cent. Prem., \$1,010, to Iowa-Des Moines National Bank & Trust Co.

Oskaloosa, Iowa (Mahaska county)—\$171,000 refunding bonds. Int., 2½ per cent. Prem., \$1,951, to Fidelity Savings Bank of Marshalltown.

Valley Junction, Iowa—\$17,500 drainage district bonds to Shaw, McDermott & Sparks, Inc.

Onamia, Minn.—\$9,000 school addition building bonds. Int., 4 per cent, to Allison-Williams Co., Minneapolis.

Eldora, Iowa (Hardin county)—\$35,000 primary road refunding bonds. Prem., \$102. Int., 2½ per cent, to Security State Bank, Radcliffe.

Waterloo, Iowa (Black Hawk county)—\$65,000 primary road refunding bonds. Prem., \$505. Int., 2½ per cent, to National Bank of Waterloo.

Webster City, Iowa (Hamilton county)—\$450,000 primary road refunding bonds. Prem., \$1,126. Int., 2½ per cent, to Halsey, Stuart & Co.

Waukon, Iowa—\$28,000 school building bonds. Int., 3 per cent, to White-Phillips Co., Davenport.

Virginia, Minn.—\$30,000 utility lines extension bonds. J. G. Milroy, Jr., city clerk.

Boone, Iowa (Boone county)—\$250,000 primary road refunding bonds. Prem., \$2,126. Int., 2½ per cent, to Halsey, Stuart & Co., Chicago.

Decorah, Iowa (Winneshiek county)—\$150,000 primary road refunding bonds. Prem., \$1,326. Int., 2½ per cent, to Carleton D. Beh & Co.

Waukon, Iowa (Allamakee county)—\$414,000 primary road refunding bonds. Prem., \$2,076. Int., 2½ per cent, to a syndicate including Iowa-Des Moines National Bank & Trust Co., Harris Trust Co., Chicago; and White-Phillips Co., Davenport.

Spencer, Iowa (Clay county)—\$770,000 primary road refunding bonds. Int., 2½ per cent. Prem., \$5,031, to Halsey-Stuart & Co., Chicago.

Provident Life in Big Oregon Deal

Provident Life Insurance Co. of Bismarck, N. D., has assumed all of the insurance in force of the Union States Life Insurance Co. of Portland, Ore. Announcement of the acquisition was made for COMMERCIAL WEST this week by Harry W. Faerber, Provident general agent, Minneapolis. Contract of reinsurance by Provident was approved March 20 by Hugh H. Earle, Oregon commissioner of insurance.

Union States Life officials feel that the arrangement will be beneficial to all concerned and the Provident Life was chosen because of its strength and conservative and able management.

Barrett N. Coates of the firm of Coates & Herfurth, consulting actuaries, is handling the transfer in the interest of both companies. The agreement provides that all reserves transferred to the Provident Life shall be paid in cash. After the consolidation Provident Life will show insurance in force of approximately \$23,000,000, assets of \$4,200,000, and a surplus to policyholders of \$815,000. Provident Life is a Northwestern company, officered by men who have pioneered and grown with this territory. It is licensed in the states of Minnesota, North and South Dakota, Montana, Idaho, Washington, and this week was licensed in the state of Oregon.

Provident Life will use the same quarters in Portland previously occupied by the Union States Life, and they now become the Western offices of the company.

Bond Club Picnic

Just as COMMERCIAL WEST went to press word came from G. James Caldwell, president Twin City Bond Club, that its big annual picnic will take place on June 10, undoubtedly at White Bear Yacht Club again.

Railroads own more than 2,000 pieces of floating equipment, including tug boats, car floats, barges, lighters and miscellaneous units for the movement of freight cars across rivers and harbors.

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Corn Price Electrifies Grain Markets

Winnipeg Passes the Minneapolis Pit on May Wheat at \$1.48⁵/₈

CORN, advancing 8 to 10 cents a bushel in the Chicago market from last week's prices, was the sensation maker this week of the grain markets, although for substantial market trend the Winnipeg wheat pit made history of recent years by passing the Minneapolis market on the May price, of \$1.48⁵/₈, thus at last bringing the world price even and past the domestic range. Minneapolis flax also stepped into the limelight with a high Wednesday of \$2.33 a bushel.

Monday and Tuesday were the big days in wheat while Tuesday and Wednesday chalked up the records for corn, which reached a close of \$1.21¹/₂ a bushel Wednesday. The following tabulation highspots the three days:

	Minneapolis Monday	Tuesday	Wednesday
Wheat	1.47 ¹ / ₂	1.47 ⁵ / ₈	1.46 ⁷ / ₈
Flax	2.25 ¹ / ₂	2.24 ¹ / ₂	2.33
	Winnipeg		
Wheat	1.47 ¹ / ₂	1.48 ⁵ / ₈	1.46 ⁷ / ₈
	Chicago		
Corn	1.18 ⁷ / ₈	1.21 ¹ / ₂	1.21 ⁵ / ₈

The upward flight of corn is accounted for by large shipments out of Chicago and persistent lack of farm shipments into the market. Latter believed to reveal a farm shortage of stored corn. Reports of livestock feed shortage in drouth sections of the Northwest combined with late pasturage, substantiated by reports this week for the COMMERCIAL WEST spring planting survey, was another active factor in boosting the corn price. While the corn trend softened at the opening Wednesday the firm close indicates the higher prices are not a temporary flash but that the market is fundamentally strong, despite reported purchase of six shiploads of Argentine corn Wednesday by domestic interests.

World Wheat Outlook

With world wheat supplies being rapidly reduced and with below normal carry-over, stocks in prospect at the close of the season, July, 1937, world wheat prices are expected to continue at high levels in 1936-37, and should another small world wheat crop or a small Euro-

pean crop be produced world prices would average higher in 1937-38. If farmers carry out their spring wheat planting intentions and if yields of spring wheat equal to the average for the ten year (1923-32) period are obtained, this year's spring wheat crop would be about 260,000,000 bushels.

Adding to this the winter wheat crop of about 600,000,000 bushels, indicated as possible by the crop reporting board as of December 1, the total wheat crop in the United States this year would be about 860,000,000 bushels.

A crop of this size if distributed among the different classes of wheat in about normal proportions would cause the United States to become a net exporter of wheat and in the absence of governmental aids would tend to put United States prices on an export basis. Much of the spring wheat area is still dry, however, and conditions in many sections of the winter wheat belt are reported as unfavorable. It is still possible, therefore, that a crop may be produced which would leave no surplus for export.

Will Seed Less

Farmers intend to seed slightly less spring wheat in 1937 than was seeded in 1936. If intentions are carried out and average yields are obtained the production of spring wheat other than durum would be considerably greater than the quantity of this type of wheat usually consumed in this country and with the prospective winter wheat crop would bring domestic wheat prices to or near an export basis. The intended acreage of durum wheat with 10-year average yields (1923-32) would produce enough durum to meet domestic requirements, in which case prices would not continue on an import basis. Conditions are not favorable, however, for seeding and growing a crop in the area producing this class of wheat. If abandonment is heavy and yields are low production of durum will again be below domestic requirements.

The 1937 United States flaxseed crop will enter a market this fall affected by

larger world supplies and slightly greater world demand than in the fall of 1936, the Bureau of Agricultural Economics reports in a spring outlook for flaxseed. Though the increase in supplies appears of greater importance than the increase in demand, the difference is not great and market conditions are expected to be not greatly different from those in 1936. The 1,306,000 acres indicated for harvest next fall with (1923-32) average yields would give a total supply less than half of prospective domestic requirements.

An Estimate for August

Combining estimates of January stocks of old seed, 1937 production, and movement into consumption between January 1 and August 1, 1937, for the four principal producing countries other than Russia, results in an estimated August 1, 1937, supply of about 60,000,000 bushels compared with about 52,000,000 bushels on the same date 1936. By the time the 1937 domestic crop is harvested, estimates will be available of the acreage to be planted in Argentina for the 1938 crop. As in past years, these Argentine prospects will be an important factor in the market for the domestic crop in the fall months. No estimate of the 1938 Argentine crop is attempted at this time.

The 1,306,000 acres of flaxseed indicated for harvest in the United States in 1937, almost wholly in the Northwest, is an increase of about 11 per cent over the 1,180,000 acres harvested in 1936, but is only 47 per cent of the 5-year (1928-32) average of 2,772,000 acres. Indications point to an appreciable decrease in the flaxseed acreage in Minnesota, and the prospective acreage for harvest in North Dakota is less than half and in South Dakota only about 16 per cent of the 1928-32 average. Applying the average yield for the 10 years 1923-32 to the indicated acreage would give a domestic production about 50 per cent larger than last season's very short crop. On the other hand, the carry-over on July 1 is expected to be somewhat smaller than the large carry-over a year earlier, and, therefore, if yields should be normal the August 1 commercial supply may not exceed that of last year by more than 30 per cent and would be less than half of prospective domestic requirements.

<p>COUNTRY OFFICES</p> <p>Fairmont, Minn. Marshall, Minn. Williston, No. Dak. Crystal, No. Dak. Sioux Falls, So. Dak. Lincoln, Neb.</p> <p>Cargill, Incorporated Seed Division, Box 64 Minneapolis, Minn.</p>	<p>COAST TO COAST GRAIN SERVICE</p>  <p>CARGILL Incorporated</p> <p>Headquarters MINNEAPOLIS, MINNESOTA 761 Chamber of Commerce</p>	<p>TERMINAL OFFICES</p> <p>Duluth, Milwaukee, Chicago Green Bay, Cedar Rapids Toledo, Buffalo, Albany New York, Boston Omaha, Memphis Kansas City, St. Louis Portland, Spokane, Seattle San Francisco</p> <p>Winnipeg, Man., Montreal, Que.</p>
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Fargo Sets Amazing Example in Taxpaying and Municipal Economy

FARGO citizens are setting a very fine example in taxpaying. That is at once evident from data received by COMMERCIAL WEST from Carlo Jorgenson, Fargo's city auditor, who writes:

"I believe that the information enclosed may be taken as good evidence that Fargo is made up of substantial residents, whose pride and faith in the city are reflected by the manner in which taxes are paid.

"As to the men who have made up the governing bodies of the city over a long period of years, I would say that the present financial condition of Fargo is, in great measure, due to the fact that the officials have believed and practiced the view that 'business in politics' pays."

Herewith are some of the facts that evidence Fargo's excellent financial position:

It came through the depression with an amazing record, not only having paid its way without resort to bond issues, but, in the period, wiped out a bonded debt of \$200,000.

Reduced its school bonds from \$585,000 to \$130,000.

With population of 28,619, Fargo has an assessed (50 per cent of true) valuation of \$19,126,281.

The city and park board have no bonded indebtedness. School board owes only \$130,000.

Under combined items of city interest and sinking funds and school interest and sinking funds the combined levy is only 1.56 mills. The total Cass county levy is only 10.26 mills.

Out of \$1,828,005 taxes levied for city purposes 1930-1935, inclusive, \$1,731,368, or 84.71 per cent, had been paid to March 1, this year. Here is the six-year record:

Year	Paid	Per Cent	
		Unpaid	Paid
1930.....	\$ 337,131	\$ 6,243	98.18
1931.....	316,296	10,034	96.82
1932.....	262,199	11,668	95.73
1933.....	283,231	11,760	96.01
1934.....	263,854	11,835	95.71
1935.....	268,657	45,128	85.62
Totals.....	\$1,731,368	\$96,657	94.71

The Fargo Forum, in a recent editorial, says:

"The comparatively low rate of tax-

WHOLESALE, RETAIL TRADE

While the dollar value of retail sales in 1936 was 22.8 per cent below the 1929 level, the volume of goods sold was only 3.9 per cent less than in 1929. In wholesale trade the 1936 value of sales was 24.5 per cent below 1929, but the volume of goods sold was only 10.9 per cent less.

tion prevailing in Fargo is reason for congratulation on all sides. So often we come to look upon low taxation as something beneficial to the business interests alone, but the fact is that the small householder who is struggling to retain his property against the inroads of the tax collector, is equally concerned.

"It is in the matter of local indebtedness that we are in the finest position. Debts cause high interest levies, and these must be paid before money is available for anything else.

"We have lived within our means, we should continue to do so."

Bank Offices for Minnesota

Institution of exchanges—so-called filling stations—may be permitted for Minnesota banks, if a bill introduced in the House of the legislature March 30, final day for introduction of bills without the governor's consent, goes on the statutes.

Minnesota now has a score or more of such exchanges which have been operating without legal sanction and not subject to regulation or examination by the state banking department.

North Dakota recently enacted such a law and similar offices are legalized in Wisconsin and Iowa.

The House banking committee undoubtedly will have the proposed measure up for consideration.

Cheap Money Gone, Preston Finds

Further proof of the fact that the end of cheap money is in sight and that municipalities will not be able to refinance or obtain new money on the low rates of 2, 2½ and 3 per cent that have prevailed in recent years, made itself apparent this week when the city of Preston, Minn., got itself in a predicament and had to rush for bank help. The city had a \$112,000 school district bond issue coming due this Saturday and advertised for bids on a refunding issue at 2½ and 3 per cent. No bids were received, investment houses and banks not being interested in the low return. So city officials hustled to Minneapolis and raised \$107,000 on a bank loan which, with \$5,000 it had in its sinking fund, enabled it to pay off the bonds. Now the city will have to readvertise its refunding issue at a rate high enough to attract bids.

WASHINGTON—Congress is putting the sit-down strike stratagem through a clinic with hearings in the House on a resolution proposing creation of a special committee to investigate and report remedial legislation.

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What Do Students Know About Banking?

North Dakota Bankers Discover
the Answer is "Plenty"

NORTH DAKOTA Bankers Association did two important things recently. It carried out some highly essential public relations work through schools of the state and as a result developed the fact that the state's students know considerably more about the banking business than had been generally supposed.

Using as a base a questionnaire submitted to a service club by a bank at Tiffin, Ohio, but changing questions to suit the North Dakota situation, Secretary Wattam sent the blanks to banks, suggesting they put on a contest in their schools, awarding prizes for the most accurate and understanding reports.

Here's an example of answers sent in by Jewell Henricks, winner of the contest put on by the First Security Bank of Underwood:

Q.—What is the Federal Deposit Insurance Corp.? A.—An organization guaranteeing money deposited in banks or protecting depositors.

Q.—What service does a bank perform

for business? A.—It is a medium of exchange.

Q.—Why does a bank buy government bonds? A.—For profit and safety.

Q.—What are the best means of transferring money? A.—By check or draft.

Q.—Where does a bank keep its cash? A.—In the vault.

Q.—Why is a bank a safe place to keep surplus funds? A.—Your money is protected by insurance.

Q.—How do banks earn an income? A.—Interest, exchange and fees.

Q.—Can a bank own its own stock? A.—The stockholders own the stock.

Q.—Should a bank handle an account for an individual at a loss? A.—No, it should not.

Q.—When you cash a check drawn on a bank in another town, whose money is paid over the counter? A.—The bank that gives you the money.

Q.—When you borrow money at a bank whose money is loaned to you? A.—Money handled by the bank.

Q.—When a loan is past due or interest unpaid, what should a bank do? A.—Collect or renew.

Q.—If a bank takes action to collect under the above question, whose interest does it protect? A.—Those interested in the bank, the lenders and the public.

Q.—May a bank give to another any information about your account or personal affairs? A.—They are not supposed to do so.

Q.—What is exchange, and why is exchange charged on checks drawn in other out of town banks? A.—Exchange is a transfer and is charged for by advancing cash on checks for which cash is received later.

Q.—Which costs the least, bank drafts or money orders, when money is being transferred? A.—Bank drafts.

Q.—Why should you buy a bank draft in preference to postoffice money order? A.—The bank is a local institution particularly beneficial to the locality and helps to support that locality.

Q.—Which pays taxes to support your school, a bank or a postoffice? A.—The bank.

COMMERCIAL WEST asked for more details and Secretary Wattam writes:

"I cannot give you any idea as to how many of the banks used this in their public relations work. There were several, however, who did, and the pupils and the teachers showed a very considerable amount of interest in it. I think that the results fully justified the efforts made in connection therewith, and trust that many more of the banks will utilize the idea."

Customer: "Have you that book called, 'Man the Ruler?'" Salesman: "Fiction department, on the first floor, sir."

WEALTH

"Wealth can be accumulated only in the earnings of industry and the savings of frugality."—John Tyler.

Art Grangaard on Milwaukee Team

Milwaukee sports writers have been paying considerable attention recently to Art Grangaard, son of M. O. Grangaard, vice president First National Bank & Trust Co., Minneapolis. They have run pictures of him in uniform, in action on the field and at bat and have spoken very promisingly of the youngster, who was signed up this spring by the Milwaukee Baseball Club and now is at Biloxi, Miss., in the Brewers' training camp, taking his regular chance with other rookies.

This is young Grangaard's first adventure into Big Time baseball, though he has made a good record with some of the semi-professional teams. He is an outfielder, covers a lot of ground and is sure on his catches, according to the Milwaukee sports writers. But where he is expected to shine is in batting, his average being well up with the best of the sluggers.

He may not, of course, make the team at the start this year, but predictions are he will be in the regular line-up before long.

Young Grangaard has made an enviable athletic record at Luther College, Decorah, Iowa, where next year he will be senior. The Des Moines Register & Tribune in its pick of outstanding Iowa athletes for 1936 placed him in its all-star basketball selections. He was on the all-state honor roll as basketball guard; on the Iowa Conference as basketball guard on the first team, and on the Big Six Conference selection as first team guard. He was also picked as halfback on the Iowa All-State Conference football team.

Realtors to Omaha

Headed by E. L. Somerville, president, a representative delegation of members of the Minneapolis Real Estate Board will attend the third regional convention of the six Northwestern states at Omaha, April 9-10. Practical needs of the Northwest in real estate development will be discussed and acted upon.

Mr. Somerville is on the program at a luncheon meeting for discussion on how Minnesota is handling its tax problem. Later he will review activity carried on in the state for real estate betterment.

E. R. Price of Minneapolis will preside at a group session for property managers and at another session will head discussion on whether rentals are a good activity for the small real estate office.

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Federal Ownership of Rails a Threat, Says Benson

Sounding a warning that government ownership constitutes a threat against American liberties, Philip A. Benson, second vice president American Bankers Association and president Dime Savings



Bank of Brooklyn, urges fair and reasonable treatment of the railroads to insure prosperity and expansion. Mr. Benson, who spoke before the recent annual meeting of the Atlantic State Shippers Advisory Board in New York, said:

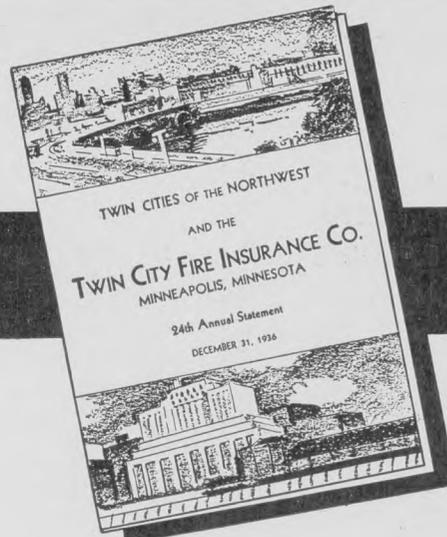
"In 1932, 1933, and 1934, after the railroads paid their fixed charges, there was not

a cent of net income left—in fact, each of these three years showed a deficit, 1935 showed a net income of less than \$8,000,000, and 1936 about \$150,000,000. If the six-hour day had been in operation during these last five years there would have been additional charges of \$300,000,000 to \$400,000,000 to be paid to operate the roads. You can readily see what a staggering deficit there would have been in every one of these years.

"We have something like 30 per cent of the railroads taking advantage of our bankruptcy statutes at the present time and being operated by officers of the court. How many more there would have been had this added burden of expense been upon them I do not know. I see no way how, during these years, the railroads could have increased their income. From where would the money have come to pay the added costs? I suppose if it had been paid, interest on many bonds would not have been paid and defaults would have been widespread.

"I believe the best interests of investors require that railroads be privately owned and operated; that they be given a chance to make a fair return; that working conditions and wages be as good as in any other industry. I believe, too, that fair and reasonable treatment of the railroads will result in their prosperity and a flow into their treasuries of funds for needed expansion and improvements at low rates of interest."

SATURDAY, APRIL 3, 1937



Statement December 31, 1936

TWIN CITY FIRE INSURANCE CO. MINNEAPOLIS, MINNESOTA

Reserve for Unearned Premiums	\$ 272,455.61
Reserve for Losses in Process of Adjustment	17,773.63
Funds held under Treaty	10,373.47
Reserve for Taxes	20,945.00
Capital Stock	\$500,000.00
Surplus	874,745.55
Policyholders' Surplus	1,374,745.55
Total Admitted Assets	\$1,696,293.26

TWIN CITY FIRE INSURANCE COMPANY

JOHN H. GRIFFIN, PRESIDENT—MANAGER
MINNEAPOLIS MINNESOTA



The accompanying picture of Mr. and Mrs. Benson was snapped last fall by COMMERCIAL WEST camera, out at the A. B. A. convention in San Francisco.

Albert Lea Teachers Credit Union, Albert Lea, approved by the commissioner of banks March 4, completed organization March 15, opened for business April 3.

IN SAN ANTONIO

Arthur L. Gluek and family left March 26 for San Antonio where they will remain 10 days.

Dates Changed

Dates of the South Dakota Bankers Association convention at Rapid City were changed late Thursday afternoon to June 3 and 4—just set back one day from the original June 2 and 3. The change was made to avoid overlapping with Iowa's Golden Jubilee convention at Sioux City.

"So you got rich by a sudden rise in oil?" "Yes, my wealthy uncle struck a match as he measured his gas tank."

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Insurance Club Learns About Selling

Horse Sense Talk at Annual Stag Clicks on Practical Methods

INSURANCE Club of Minneapolis covered itself with glory and engendered goodwill no end Tuesday evening when it held its annual stag dinner at the Leamington hotel.

Attendance was within a very few of the limit of 150 reservations and joining in the meeting and general good time, obtaining some mighty good pointers on "Horse Sense Selling" from King Merritt, the guest speaker, were members of the Minneapolis Underwriters Association, Blue Goose, Life Underwriters group and guests from St. Paul.

Entertainment features included a colored boy who was feature banjoist with Ben Bernie's orchestra, and an accordionist who got some real community singing under way.

Don Lundsten, as president of the club, was toastmaster, ably assisted by Vice President L. C. McGee and John Hauschild.

The speaker of the evening, Mr. Merritt, who is general sales manager of the Investors Syndicate, Minneapolis, proved a revelation in after dinner talkers and was given a standing vote of thanks at the conclusion of his rapid-fire pounding home of facts worked out of long experience as a salesman covering every part of the United States and Canada and now as sales manager of a nation-wide organization.

Horse-Sense Selling

"Horse Sense Selling" was exactly what Mr. Merritt gave the insurance men and he left with them some exceedingly pertinent thoughts on how to go about the practical methods of selling.

First off Mr. Merritt said he believed in sales meetings, of gatherings such as the insurance dinner; that sociability is a great thing in this selling business. And, like a good salesman, Mr. Merritt closed with his closing argument, a chart showing five gates that a salesman must pass through in contacting a prospect and closing a sale.

Previously he had dwelt upon the methods a good salesman must employ to pass all these gates successfully.

They were knowledge and belief in his product, enthusiasm, thoroughness, don't waste a man's time, have a plan, be natural, not trying to imitate someone, never break down a man's opinion, let the prospect do the arguing and most of the talking, be agreeable, and, above all, be a good loser, because sometimes a man may say no and not mean it. Another call may sell him.

Mr. Merritt laid great stress upon the time a salesman employs. By percentages he showed that an average salesman actually has only 8 per cent of the time of his working day for actual sales work. Therefore he must use it to the utmost advantage, and, therefore, his sales time must be planned. He must know exactly whom he intends calling upon and have a planned sales presentation for each prospect.

The Right Approach

Speaking directly to insurance men, Mr. Merritt said: "Don't open up with your prospect by telling him he ought to have insurance, or more insurance. He knows that, if such is the case. Know why he should have insurance or more insurance and get his mind working along that line. He will be more likely to side in with you, then, because, as I have pointed out, he knows that what you are telling him is true.

"Give a man good news, don't try to deceive him, play your cards on top of the table; don't give advice. Put your prospect in the center of the picture, keep him there, say you and yours, not me and mine. Let the prospect get the objections out of his mind, don't say he's wrong, agree with him, but continue telling your own story."

Concluding, Mr. Merritt said: "Get up speed, have an accomplishment goal each day, each week, each month and each year. Keep up and build up your list of prospects, they are the life-blood of any business. Strive each day for improvement of yourself. When you close a sale close on a key issue. Make your approach click, be persistent."

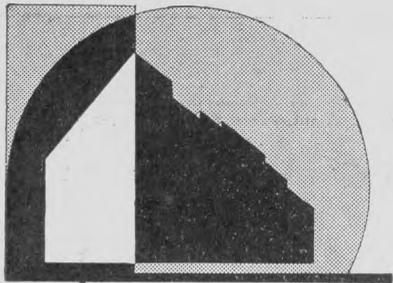
MINNEAPOLIS — Federal Reserve Bank reports business volume for week ended March 24 at \$146,684,000. Compares with \$129,492,000 in same 1936 week.

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JUST around the corner from everything in downtown Chicago. You will appreciate the time saving convenience as well as the home-like comforts of this hotel.

Write for booklet and map of downtown Chicago

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Biggest HOTEL VALUE in Minneapolis



You get more for your money at this big, modern hotel. That's why so many travelers now select the Nicollet.

600 luxurious rooms with rates as low as \$2. Three fine restaurants serving popular priced food. Close to everything in the city.

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HOTEL NICOLLET

MINNEAPOLIS

Neil R. Messick, Mgr.

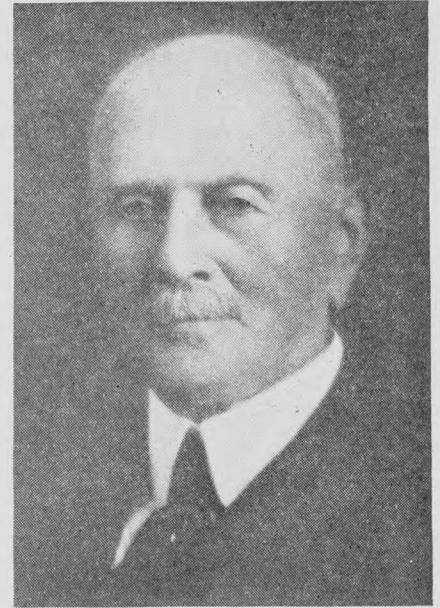
National Hotel Management Co., Inc.

Ralph Hitz, President



"Word as Good as a Government Bond"

That's Advice of Mabel,
Minn., Banker to
His Five Sons



N. H. NELSON

FAR REMOVED from the din and traffic of the large cities is the little town of Mabel, in the rich farming district of Southeastern Minnesota.

Living there, not from necessity, but by choice, is N. H. Nelson, president and owner of the First State Bank—a well-traveled and well-read banker, whose bank through the decades has always weathered the panics and emerged strongly, always able and willing to pay depositors 100 cents on the dollar. Not even the Roosevelt moratorium was able to delay his ability to open promptly on a 100 per cent basis.

Never seeking notoriety but always adhering to the sanest of banking principles, he has lived a life rich in doing worthwhile lasting things, and today at nearly 84 years of age, is one of the most respected bankers of not only his community but of the state of Minnesota.

Of his five sons three followed a banking and investment career with unusual success. George is cashier of the Northwood State Bank, Northwood, Iowa, and president of the Security Trust & Sav-

ings Bank of Decorah, Iowa. James is cashier of the Mabel Bank and a director of the Security Bank in Decorah. Norman is manager of the investment department of the Minnesota Mutual Life Insurance Co. of St. Paul.

N. H. Nelson's advice to his boys was simple but plain: "Keep your word as good as a government bond."

Banks and Bankers

(Continued from page 15)

Personal and Pertinent

Those in charge of the closed First State, Cavour, S. D., are getting things in shape for final liquidation; remaining assets are to go at public sale and the proceeds used to pay a final dividend . . . William P. Sullivan, president Chouteau County Bank, Fort Benton, and a Montana state senator, missed the last few days of the legislature's session due to illness; he's up and around again now . . . Directors of three semi-civic groups and associates of O. F. Grangaard honored him at a "farewell" luncheon in Grand Forks the other day; until recently president Red River National, Mr. Grangaard is coming to Minneapolis for First Service Corp., you know (C. W., March 13) . . . When Mahlon Brewster Smith caught the 8:20 train from Hackensack, N. J., March 26, and arrived at his desk at 9, he marked his 70th year on the same job! Mr. Smith is with the Seamen's Bank for Savings, New York, and has missed only one day on the job—in the blizzard of 1888, when nobody got to

work . . . Orval W. Adams, first vice president A. B. A., from Salt Lake City, has been added to the New Jersey Bankers Association program, on which Ralph W. Manuel will appear (C. W., March 20) . . . Latest banker to make the Fargo Forum's "Introducing—" column is Thomas M. Kelly, president Bank of Webster, and head of North Dakota's Group One . . . Bud Vaughan of the Minneapolis Fed established a season's scoring record in the Banker's Bowling League the other evening with a 725 . . . Royal Wells of the Northwestern had a 650 count, and the A. I. B.'s Floyd Larson came up with 608 . . . The Minneapolis A. I. B. Chapter's debate team, speaking of A. I. B., featured this week's program of the Exchequer Club . . . Another Farmers & Mechanics (Minneapolis) official has been lured to Banff for a vacation; Henry S. Kingman, treasurer, is there for three weeks, will return about the 19th . . . Harold A. Tollefson, 26, former assistant cashier Minnesota National, East Grand Forks, was arrested Monday at Chicago; he was indicted last year on charge of embezzling \$580 of the bank's funds . . . The Federal Reserve's Helena Branch pistol team wins again; they beat the Helena police the other night 1,500 to 1,229 . . .

Sales Finance Firms for Uniform Law

Association Meeting Wants Minnesota Lined Up With Other States

THE Minnesota Association of Sales Finance Companies, meeting recently at the Nicollet hotel, Minneapolis, went on record in favor of bills now in the Minnesota legislature providing for a uniform conditional sales contract law which will line up with similar laws now in effect in most of the states. Such a law would supersede one now on the statutes which does not conform to uniform regulations and is held to be outmoded and inequitable.

It also is felt that a new uniform law would obviate the necessity of enactment of some bills now before the legislature seeking amendments to the present law. One of these, which is opposed vigorously by the finance companies, would place certain transactions under jurisdiction of the state banking department.

Most of the time of this, their annual meeting, was taken up in discussion of



G. G. KIMPEL
Named President by Finance Companies.

these matters and national legislation proposed which affects finance companies. This discussion was led by Clarence Holton, Minneapolis attorney, who represents the Minnesota Automobile Dealers Association.

The association now is in its third year. Its members, as its name implies, are leading finance companies handling general instalment paper and includes nearly all the automobile finance companies of the state, some in Western Wisconsin

and a few in South Dakota. Officers elected are:

President—G. G. Kimpel, Minneapolis.
Vice Pres—L. S. Ryan, Little Falls.
Second Vice Pres—Leo Shapiro, Duluth.
Sec-Treas—Paul J. Schmitt, St. Paul.

Directors in addition to the officers are L. M. Rocheford, Minneapolis; Ralph R. Kriesel, St. Paul; A. P. Reuther, St. Paul, and J. N. Osterud, Spring Valley.

Mr. Kimpel succeeded Mr. Rocheford as president. He was secretary-treasurer, and his firm is the Merchants & Jobbers Credit Corp.

Mr. Ryan's firm is the Ryan Co.; Mr. Shapiro's, the Sterling Discount Service; Mr. Schmitt's, the Industrial Credit Co.

Of the new directors, Mr. Kriesel, is head of the Midway Chevrolet Co. and president of the Midway Finance Co. Mr. Osterud's company is the Security Finance Corp. and Mr. Reuther's, the R. & R. Finance Co. Mr. Rocheford is treasurer of Northern Finance Corp.

Meetings of the organization are held bi-monthly and objectives are coordination of forces for educational, progressive and legislative aims, to promote better understanding between purchasers and finance companies, and to assist dealers in working out their problems.

Building Speeds Up

Construction activity in the Northwest is marked as spring opens up. Wausau, Wis., has just awarded to the Midwest Construction Co., Minneapolis, contract for its new postoffice at \$211,316.

Low bidder on the Shawano, Wis., post-office was Mads Madsen, Minneapolis, at \$50,962.

Low bids for the junior high school at Moorhead were \$51,347 for general construction by Harris Bros., St. Paul, and \$13,392 for wiring by Cold Spring Electric Co.

The Minnesota legislature has passed appropriations totaling about \$250,000 for improvements at various state institutions: Anoka asylum, \$15,000; Fergus Falls hospital, \$28,098; Rochester hospital, \$15,000; St. Peter hospital, \$2,000; Faribault school for feeble minded, \$9,980; Cambridge colony for epileptics, \$60,000; Red Wing training school, \$7,200; St. Cloud reformatory, \$38,600; Ah-Gwah-Ching sanatorium, \$20,000; Stillwater state prison, \$45,000.

"I have a picture of you in my mind all the time." "How small you make me feel!"

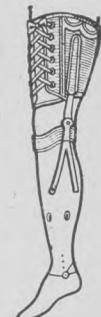
PROPERTY MANAGEMENT



NICKELS AND SMITH CO.
REALTORS SINCE 1886
Security Building
Minneapolis, Minn.

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Extralite Fibre and Metal Limbs, Wheel Chairs, Crutches, and Braces for every deformity.



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Minneapolis Artificial Limb Co.
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MINNEAPOLIS, MINN. Geneva 5203

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B & L Nominal Cost Architect Service

Twin Cities Group Reports New Plan Working Out Very Successfully

THE TWIN CITY group of federal savings and loan associations, states Vern C. Soash of Twin City Federal, are meeting with excellent success in the low-cost architect service launched by them recently.

The idea was planned to relieve home builders planning erection of moderately priced dwellings from necessarily high costs of plans. Because an architect puts in about the same amount of work on a home costing around \$4,000 as he does for one that would run \$10,000 to \$15,000 in cost he, of course, has to charge approximately the same for the low-cost home plans and service as he does for those of the higher cost.

In order that this situation might be overcome the Twin City federal associations entered into an arrangement with a group of Twin City architects to provide an inexpensive home plan service, including supervision of construction, at nominal cost.

To be sure each plan cannot be individually drawn but about 100 different plans are provided under this service on homes ranging from \$4,500 to \$7,500 in cost. The idea has been approved by the Minnesota Society of Architects and other such organizations, including architects' clubs of Minneapolis and St. Paul. The plan in its entirety was worked out, in cooperation with architects by the Twin City federal associations.

Advertising Produces

Unusual success marked the advertising campaign carried on in December, January and February by the association comprised of Twin Cities federal savings and loan associations. Bulk of the appropriation was used in publications including **COMMERCIAL WEST**, daily newspapers and construction magazines.

During the three months the association opened 1,032 new accounts at a money value of \$747,829.

In the same three months of the previous year—1935-36 the records showed the associations opened only 126 new accounts with money value of \$100,000 approximately.

The gain in the three months of 1936-37 was 800 per cent in new accounts opened and 650 per cent in money value.

So outstanding was the record of the Twin City associations, and because they were the first such group to engage in so large and continued an advertising campaign, the results were reported to the Washington Home Loan Bank Board by President R. J. Richardson of the Des Moines Federal Home Loan Bank, which serves the Northwest section.

Essay Contest

The building and loan high school essay contest being promoted by the Minnesota League (C. W., March 20) is getting under way in fine shape, reports Vern C. Soash, chairman of the League's publicity committee, who is in charge of the contest. The contest will close about April 15 and, as matters look now, it will be larger and far wider-spread among schools than it was last year, due largely, of course, to the fact that the contest was started last year and was new both to the school students and building and loan associations. No judges have been selected yet but Mr. Soash says the committee now is working on that phase of the contest.

Low Cost Homes

A report released for this Saturday by the home building and home owning committee of the U. S. Building & Loan League says that the cottage type of home averaging between four and five rooms has been the dominant factor in the home building revival of the past two years. A survey covering 10,000 cities indicates that the cost of these

dwellings has ranged between \$4,100 and \$4,350.

Reward for Foresight

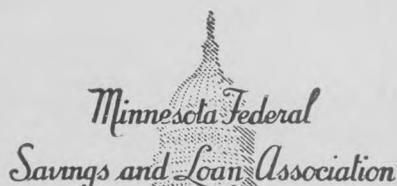
Thrifty members of savings, building and loan associations in 1936 reaped a \$1,160,000,000 reward for their foresight, the U. S. League has just reported. This sum was paid back to investing shareholders, representing their largest receipts from savings programs in many years. Between \$100,000,000 to \$200,000,000 was reinvested in the associations when the payment was made to the shareholders, many members finding no immediate need for spending the sums accruing from a long-term savings program and therefore preferring to leave these dollars where they will draw income as investment shares.

Allocation of the \$1,160,000,000 disbursement to shareholders of the associations was as follows: Completed savings programs and normal cash turnover on savings programs, \$550,000,000; dividends distributed at the end of June and December, \$240,000,000; cash loans on the security of shares to members who did not wish to interrupt systematic savings programs to meet temporary emergencies, \$70,000,000; and funds accumulated by borrowers, \$300,000,000.

Some of the \$300,000,000 went to pay taxes and insurance on the properties of borrowers, since the policy of requiring the mortgagors to make monthly payments to provide in advance for these expenses is being adopted by many of the institutions today. Also included in the figures are funds which cancelled the mortgage indebtedness of 60,000 to 70,000 borrowers who were paying for their homes on the old savings-and-loan plan of accumulating a sinking fund in the form of a share account.

Tax Relief

Warning citizens to keep their legislators informed of their opposition to any increase in the gasoline tax and the motor vehicle license, the Citizens Tax Relief Association now presents new evidence to support its claim that there is no necessity to give the highway department additional funds. Through its president, John F. Scott, chairman legislative committee, Minnesota League, Building,


Minnesota Federal
Savings and Loan Association

Robert at Fifth 206 LaSalle Bldg.
St. Paul Minneapolis

HOME LOANS INSURED SAVINGS

A service designed to meet
the financial needs of the
entire Twin City area.

TWIN CITY FEDERAL SAVINGS & LOAN ASSN

801 Marquette 4th at Minnesota
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We are pleased to offer our facilities to industries that are not satisfied with the present earnings of their surplus funds.

Latest Dividend Paid **3%** Per Annum

Safety of Your Investment
Insured Up to **\$5,000**

**NORTHWESTERN FEDERAL SAVINGS
AND LOAN ASSOCIATION**

Government Supervision

823 Marquette Ave. Minneapolis, Minn.

Loan and Savings Associations, the tax association questions the necessity of Minnesota providing any money whatever to match federal aid road funds during the next two years, suggests the legislature examine into the \$5,333,000 annual payroll which the department has built up to determine if economies cannot be effected.

Big Increase Shown

Savings and loan associations of Minnesota increased their volume of mortgages accepted for insurance by FHA 96 per cent during 1936, according to a report just issued by Stewart McDonald, administrator.

"In financing home mortgages in Minnesota, these associations had 235 loans totaling \$819,730 accepted for insurance through Dec. 31, 1936, as compared with a total of 118 mortgages accepted as of Dec. 31, 1935, amounting to \$417,565," said Mr. McDonald.

Evidence of new construction activity was shown in the statement by the fact that 33 per cent of the associations' volume of mortgages accepted for insurance since the inception of FHA was advanced for the construction of new homes. This represented the purchase of 66 moderate-priced homes which will be debt-free in a period of 20 years or less through the medium of small monthly mortgage amortization payments. A volume of \$273,500 in mortgages accepted for insurance through these associations for this type of financing was revealed by the report.

Of equal importance in the establishment of a sound realty market, it was noted that 67 per cent of the home mortgages accepted for insurance through these associations was advanced for the refinancing of existing mortgages. In lightening the mortgage burden of 109 home owners, the associations have placed a volume of \$546,230 in mortgages accepted for insurance on a low cost amortization basis which is payable like rent.

"This splendid cooperation by the Minnesota associations," said Mr. McDonald, "contributed to a 313 per cent increase by savings, building and loan associations nationally in their volume of mortgages accepted for insurance by the administration during 1936."

At present, the savings, building and loan associations are writing one out of every six mortgages accepted for insurance by the administration, and they have accounted for a volume of \$92,756,811 in this type of financing.

Anaconda

Net income of \$15,881,829 after surtax on undistributed profits, is reported by Anaconda Copper Mining Co. and subsidiaries for 1936. This is equivalent of \$1.83 per share. Figures compare with \$1.18,087 and \$1.29 in 1935.

In these days keep posted by reading *Commercial West*.

SATURDAY, APRIL 3, 1937

CHARLES H. PRESTON & CO.

ACCOUNTANTS AND AUDITORS

MEMBERS AMERICAN SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTING SYSTEMS AUDITS INCOME TAX SERVICE
INVESTIGATIONS

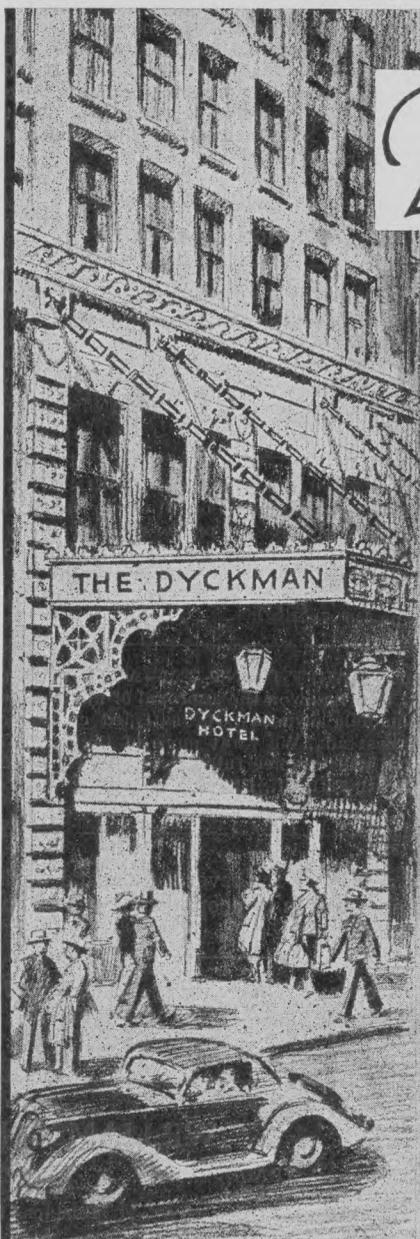
610 PLYMOUTH BUILDING AT. 3388 MINNEAPOLIS, MINN.

Oil Outlook Good

The oil trade is calculating on a good year and for that reason is evincing no concern over recent quite substantial building up of stocks of motor fuel and as to the 83,000,000 barrels of gasoline now on hand. They are estimating an increase of 10 to 12 per cent in gasoline consumption alone this year over 1936.

Wider spread of fuel oil use this coming winter is another of the markers upon which oil men are relying. From present indications they believe industry will absorb a far larger amount of fuel oil, as well as an increased use by oil-burning engines. Prospects for increased use are keeping prices firm.

Read *Commercial West* and keep posted.



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



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SOUTH SIXTH STREET BETWEEN NICOLLET AND HENNEPIN

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Let This Department Do the Job For You

SITUATIONS WANTED

Wanted: Position as cashier in bank by young man with six years of banking experience. Can invest \$4,000. Address C. F. Golde, Judson, N. D.

Man with many years banking, credit financing, public accounting, auditing, taxes, chattel and real estate mortgage experience, now employed, desires responsible position. Address Box 623, care 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 insurance agent, tired of traveling, would like to take charge of insurance department of good bank in live Minnesota town. Can make money for both of us. Apply to Box 629, care Commercial West.

Man 40, 21 years banking experience, wishes position in country bank. Will consider position as assistant cashier. Salary reasonable. Address Box 631, care Commercial West.

SALESMEN WANTED

We have opening for securities salesmen. Previous experience not necessary but ability to sell and determination to work are very important. State whether you prefer to call on banks and institutions or individuals, also Minnesota territory preferred. Box 630, 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 mink sheds and 50 ton freezer in increasing capacity of the largest mink and fox farm in Northwestern Minnesota. Strictest investigation invited. Write or call at Lakewood Fur Farm, Warroad, Minn. Box 224.

HELP WANTED

Wanted—Competent banker as cashier of bank in small town in southern Minnesota. Investment about \$1,700. W. R. Olson Company, Fergus Falls, Minnesota.

Wanted: EXPERIENCED and capable banker to assume the presidency of bank in county seat town. Substantial footings now and large territory. Minimum investment of \$10,000. Positions could be arranged for two executives. W. R. OLSON COMPANY, Fergus Falls, Minn.

Wanted: Competent banker as cashier of bank in small town in southern Minnesota. Investment about \$1,700. W. R. Olson Company, Fergus Falls, Minnesota.

Sugar Beet Data

The Northern Pacific Railway in a report just issued says that sugar beet growers along its lines in Minnesota, North Dakota, Montana and Washington in 1936 harvested 682,265 tons of beets from 71,116 acres, which was 35,162 tons larger than the 1935 harvest. Estimates place the acreage to be planted this year in the same territory at 97,000.

When final settlements are made it is expected growers will have received \$4,675,381, which will be more than \$500,000 over their 1935 income.

Factory activities furnished summer

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For Sale—Bank with controlling interest. Thriving North Dakota county seat town. Address Box 628, care Commercial West.

FURNITURE & FIXTURES

Diebold double compartment triple door safe time lock combinations. Two Mosler vault doors. One time lock document safe. Cheap. W. S. Schutz, Marshall, Minn.

FOR SALE—One complete set of bank furniture and fixtures including safe, vault door and safe deposit boxes. Address Box 627, care Commercial West.

FOR SALE—One Diebold money safe with double-time lock and combination lock, Diebold and Mosler safe deposit boxes, Brandt automatic money changers, Cummins check cancelling and indorsing machine. Write C. A. Doyle, No. 11, Midelfart Clinic Building, Eau Claire, Wis.

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

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

and fall labor for several thousand workers in addition to people employed on the farms.

Teacher: "What is a bridegroom?" "Please, teacher," was the reply, "it's a thing they have at weddings."



ROBERT J. FITZSIMMONS

Mr. Fitzsimmons, native of St. Paul, graduate of St. Thomas College, Twin Cities newspaper man for more than 10 years, has been appointed general passenger agent of the Twin City Rapid Transit Co. with headquarters in Minneapolis and a St. Paul office. He succeeds Leslie B. Farrington, who resigned recently to become traffic manager of Northwest Airlines, Inc. Mr. Fitzsimmons assumed his duties this Friday.

CAR LOADINGS

Freight car loadings in the second quarter of this year are expected to be 5,331,496, or about 7.5 per cent above actual loadings in the same quarter last year, assure estimates just reported by the 13 Shippers Regional Advisory Boards. Loadings for the week ended March 20 totaled 759,269, which was 190,418, or 33.5 per cent over the same week in 1936.

NEW NORTHWESTERN PATENTS

The following patents were issued March 16 and March 23 to Minnesota inventors, as reported by Williamson & Williamson, patent attorneys, 925 Metropolitan Life building, Minneapolis: Wilson Bradley, Deerwood, Minn., treating ores and similar materials; Harriet A. Feigenbaum, Minneapolis, repairing and lengthening finger nails; Albert L. Vogel, Minneapolis, tobacco pipe construction; Edwin M. Wheelock, Minneapolis, automobile storage device; Leighton H. Wilkie, Minneapolis, apparatus for stamping and punching sheet metal and the like; Einar Laursen, Minneapolis, clip; John E. Martin, Minneapolis, apparatus for attaching elastic bands to garments.

George F. Williamson

Ralph F. Williamson

Robt. E. Burlingame

WILLIAMSON & WILLIAMSON

TRADE MARKS

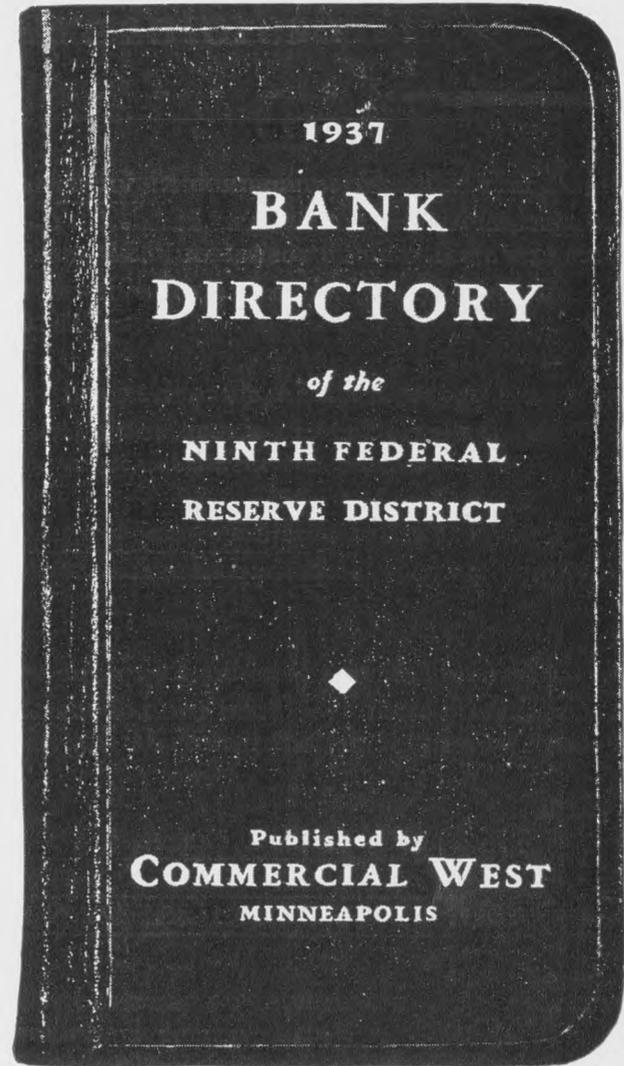
PATENTS

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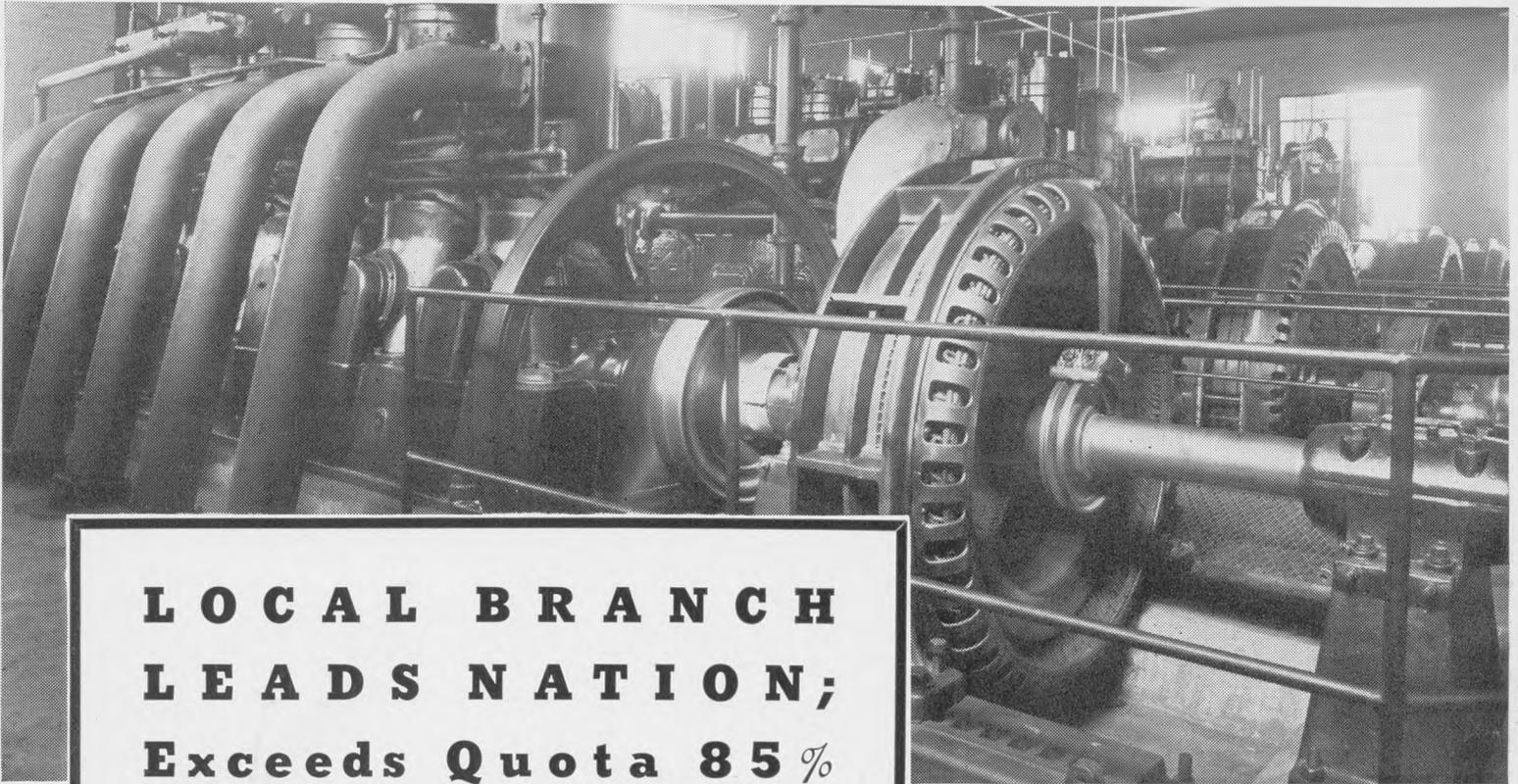
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LEADS NATION;
Exceeds Quota 85%**

A business name nationally synonymous with scales first appeared as a Saint Paul concern in 1878 when a branch office was established on Third Street. Its immediate success was rooted in the thriving milling industry of the Northwest. As years passed, huge weighing machines, measuring by the ton or carload, were brought into a market which had a growing industrial aspect in addition to its basically agricultural background. To the original line of scales, an alert management added steam and Diesel engines; waterpumps with capacities of millions of gallons per hour; mighty electric motors and small power plants which brought dependable electricity to thousands of Northwest farms.

Today, this Saint Paul branch, with its staff increased from three men and a boy to an organization of 84 employees, stands in an enviable position among a network of nationally spread branches. For the past two years, the Saint Paul office has won top place, leading all other branches in exceeding sales quotas. The direct quotation of the executive who heads the Saint Paul office is of great interest inasmuch as it re-

flects a nation-wide perspective of the Saint Paul market:

"Our volume for 1935 and 1936 has shown an increase of approximately 23% each year; this year we exceeded by 85% the quota set by our home office. We feel that this increase has demonstrated to an organization operating on a nationwide basis that, while the crop conditions of an agricultural territory must not be underestimated, other diversified factors which have a stabilizing influence do exist."

The First National Bank extends congratulations to the personnel of the Saint Paul operating unit. In doing so the Bank re-emphasizes a factor which locally often has proved itself a potent ally to personal initiative . . . the stable, widely diversified nature of the Saint Paul territory.

The FIRST NATIONAL BANK of SAINT PAUL

Member Federal Deposit Insurance Corporation

AFFILIATED WITH FIRST BANK STOCK CORPORATION