

June 18, 1938

*The*  
**COMMERCIAL WEST**

*Weekly*



BANKING  
FINANCE  
INSURANCE  
INDUSTRY

*To Serve You...*

**DULUTH'S LARGEST BANK**  
*for the world's largest inland seaport*



**1**

**ST AND AMERICAN  
NATIONAL BANK**

**DULUTH, MINN.**

**AFFILIATED WITH NORTHWEST BANCORPORATION ★ MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION**

# IN ST. PAUL —



*It's the*

## AMERICAN NATIONAL BANK

AS ONE OF THE IMPORTANT INSTITUTIONS OF THE NORTHWEST, THE AMERICAN NATIONAL BANK OFFERS EVERY FACILITY TO COUNTRY BANKS. SERVICE TO BANKS HAS ALWAYS BEEN AN IMPORTANT FACTOR IN ITS GROWTH IN SIZE AND USEFULNESS.

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### WE WILL APPRECIATE YOUR PATRONAGE

Member Federal Deposit Insurance Corporation



*We Invite You*

TO MAKE OUR HEADQUARTERS  
YOUR HEADQUARTERS DURING THE  
MINNESOTA BANKERS' CONVENTION  
IN MINNEAPOLIS, JUNE 23-24-25

**KALMAN & COMPANY**

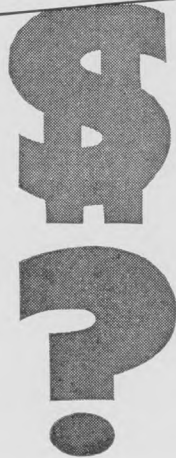
*Investment Securities*

McKnight Building  
Minneapolis

Endicott Building  
St. Paul

"IF BANKING IS TO REMAIN IN PRIVATE HANDS IT MUST MEET THE  
CREDIT NEEDS OF THE COUNTRY."

... Jesse Jones, Chairman of the RFC, addressing the U. S. Chamber of Commerce.



## Here's the Money . . . BUT Where are the Borrowers?

**W**HEN the public is told that banks are dodging their responsibility in meeting the credit needs of the country, it's time to examine the facts. It's common knowledge that banks have more money available to lend than they have out in loans. Why?

Our own situation is a fair example. It's common practice for a commercial bank like the First National to extend to borrowing customers what are known as "lines of credit." So that the borrower can know what credit he can count on and so that the bank can be prepared to meet the customer's needs, the bank indicates its willingness to lend to the customer at any time during the next twelve months a certain maximum sum.

During the past year we have extended "lines" totalling \$52,832,000. In other words, that much is available to certain borrowers if they want it. How much of it do you think is being used today? Just \$12,569,324—less than 25% of what we've agreed to lend. Do you think we enjoy having so little of our lendable funds profitably employed? We do not! But business won't borrow unless business can make a

profit on borrowed money. Willing as we are to lend, we can't blame borrowers for their caution.

If you've read this far (and we hope you have) you may be thinking that we're talking in terms of "big" business. It's true that "lines" are needed by and offered to our larger borrowing customers only. Since big and little are only relative terms, let's say we've been talking about "big" business. What about "little" business and individual borrowers?

Well, our loans to firms and persons other than those covered by our credit lines, total \$15,496,593. In other words we're lending nearly three million dollars more to "little" business than we are to "big" business right now. And that figure does not include the sum of more than \$300,000 in small individual loans made through our Personal Loan Department.

The responsibility which rests on banks to meet the credit needs of the country in no way alters the fact that it takes two to make a bank loan—borrower and lender. Our record clearly testifies to our willingness to lend. Nothing would gratify us more than a brisk demand for loans of the type that can be made with advantage both to the borrowers and the bank.

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

*Member Federal Deposit  
Insurance Corporation*

**AFFILIATED WITH FIRST BANK STOCK CORPORATION**

THE FIRST NATIONAL BANK OF SAINT PAUL SALUTES

AN *Old Customer*



THE FIRST  
NATIONAL BANK  
OF HASTINGS

**S**TEAM "packet" and stage-coach were pouring a steady stream of settlers into the pioneer river port of Hastings, Minnesota, in 1856. A prominent arrival that year was Lewis S. Follett, erstwhile banker of Dubuque, who came to establish the settlement's first banking house. Joining resources with two local business men, Mr. Follett founded the firm of Thorne, Follett & Thorne, "Bankers and Dealers in Land Warrants" who kept "Money constantly on hand at Market Prices", according to their ad-

vertisement in the Dakota Journal for August 29, 1857.

Four years later, this enterprise was re-organized as the Bank of Hastings, operating under the firm name of Follett & Renick, with a capital of \$25,000. On August 18, 1864, it was granted National Bank Charter number 496—the second national charter issued to a Minnesota institution—and its name was changed to the First National Bank of Hastings. L. S. Follett was its first Cashier, Stephen Gardner its first President.

*In intervening years, its record has been one of soundly-conceived growth, springing from its sterling service to its community. Today, the largest financial institution in Hastings, its deposits total \$955,000, its loans and discounts \$351,000. The "First in Saint Paul" . . . another pioneer Minnesota bank, established in 1853 . . . is proud of its long-lasting business friendship with the First National Bank of Hastings, evidenced by the correspondent account on our books which dates back nearly three-quarters of a century.*

*The* **FIRST NATIONAL BANK  
OF SAINT PAUL**

Member Federal Deposit Insurance Corporation

AFFILIATED WITH FIRST BANK STOCK CORPORATION

## Next Week

- Minneapolis Chapter, A. I. B., Annual Golf Tournament, at Hiawatha Golf Club ..... *Sun.*
- A. I. B. Graduate School of Banking, at Rutgers University, New Brunswick, N. J. .... *All Week*
- Michigan Bankers Association, at Grand Rapids ..... *Wed.-Fri.*
- Tri-State League, Building, Loan and Savings Assns., at Rapid City ..... *Thurs.-Sat.*
- Minnesota Bankers Association, at Minneapolis ..... *Thurs.-Sat.*

## Later

### BANKERS' MEETINGS

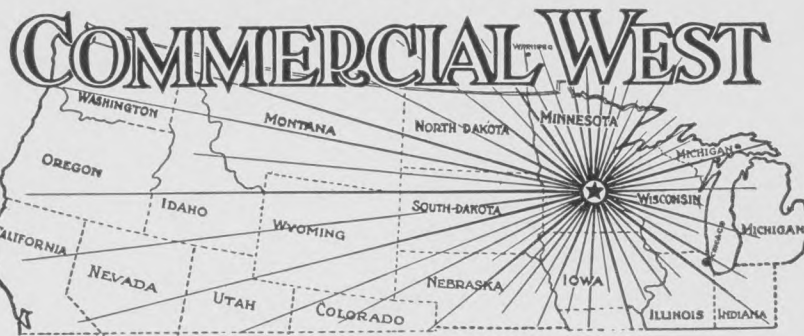
- A. I. B. Graduate School of Banking, at Rutgers University, New Brunswick, N. J. (Second and Final Week).... June 27-July 2
- Pacific Northwest Banking School, at Seattle ..... **Aug. 22-Sept. 2**
- Mortgage Bankers Association of America, at Chicago ..... **Oct. 11-14**
- National Association of Bank Auditors and Comptrollers, at Houston, Tex. .... **Nov. 14-16**
- American Bankers Association Annual Convention, at Houston, Tex. .... **Nov. 14-17**
- Association of Bank Women, at Houston, Tex. .... **Nov. 14-17**
- Nebraska Bankers Association, at Omaha ..... **Date Not Set**

### OTHER IMPORTANT DATES

- Municipal Finance Officers Association of the U. S. and Canada, at St. Paul.... **Aug. 15-20**
- Iowa State Fair, at Des Moines..... **Aug. 24-Sept. 2**
- North Dakota State Fair, at Fargo.... **Aug. 29-Sept. 3**
- Minnesota State Fair, at St. Paul..... Sept. 3-10**
- Iowa Association of Insurance Agents, at Sioux City..... **Sept. 7-8**
- South Dakota State Fair, at Huron..... **Sept. 11-16**
- Minnesota Association of Insurance Agents, at St. Paul (Tentative Dates) ..... **Sept. 26-27**
- National Association of Insurance Agents, at St. Paul..... **Sept. 26-Oct. 1**
- Mid-Continent Trust Conference, Sponsored by A. B. A.'s Trust Division, at Chicago ..... **Sept. 29-30**
- Greater South Dakota Association at Rapid City..... **Oct. 5-6**
- National Federation of Implement Dealers Association, at Chicago..... **Oct. 11-13**
- Farm Equipment Institute, at French Lick, Ind. .... **Oct. 17-19**
- Investment Bankers Association of America, at White Sulphur Springs, W. Va. .... **Oct. 24-29**
- Financial Advertisers Association, at Fort Worth ..... Oct. 31-Nov. 3**
- Life Agency Officers-Research Bureau (City Not Selected Yet)..... **Nov. 1-3**
- Wisconsin Implement Dealers Association, at Milwaukee..... **Nov. 8-10**
- National Association of Real Estate Boards, at Milwaukee ..... **Nov. 10-11**
- National Security Traders Association, at Miami ..... Nov. 14-17**

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When doing business with our advertisers please mention the Commercial West.

The influence of this old-established publication thoroughly permeates the business life and home habits of the Twin Cities and the Northwest.

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

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

Entered as Second Class Matter at the Minneapolis Post Office.

# Editorial

## The Business Picture

RETAIL merchandising in the Northwest continues to hold the spotlight as one business index that will not submit to the depression. People appear to have money and they are spending it much more liberally now than they did in the 1929 period of hard times.

Income of Northwest farmers from their crops and livestock in 1937 of more than \$1,000,000,000, of course, is the chief reason this section of the nation has not felt the cold hand of the depression as have the more industrial centers.

And with the bumper 1938 crop now in prospect we should continue to sit on top of the economic world here in the Northwest.

Nationally the picture has not improved in recent weeks. Uncertainty still stays the hand of progress. Perhaps with Congress out of the way things may pick up. At least that is a hope, but it will have to be bolstered up by a more friendly Washington if we really are to get out of this present muddle by the close of summer.

## Conventions, Crops, Confidence

MUCH WATER has gone over the dam in the past couple of weeks as the season of state and regional conventions reached a peak and crop conditions in the Northwest have continued to improve. Much, it may be said, has made itself manifest of an optimistic nature, both in actual achievement of our trade and service conventions and in the better business sentiment they have engendered.

Sentiment is like a snowball. Good or bad, it gathers size fast as it is spread. Conventions, it would seem, are an ideal medium for spreading sentiment. Thanks to our fine crop outlook good sentiment has expanded largely while, and since, our conventions were held. Future such gatherings to be held soon, no doubt will amplify this satisfactory situation.

## A Word of Advice to Union Labor

WE HAVE HAD STRIKES, and some fairly sizable ones, of course, since this new depression set in, but, on the whole, union labor, viewing the reported 12,000,000 unemployed list, apparently has drawn in its horns. It certainly is not leading the aggressive attacks upon employers that marked 1936 and early 1937.

But what will happen when recovery gets back on the highway again?

That is the serious matter that will confront the nation and business when times begin to improve.

We are hopeful, of course, that union labor may have learned its lesson. But probably we are far too

hopeful. No doubt the road to forthcoming prosperity will be barricaded again by strikes, as it has been in the past.

There might be some hope that labor would be willing to give business a chance to pick up a few dollars before disastrous strikes are instituted if conservative union labor were in the saddle but, unfortunately, it is not, in most instances.

The radical left wing, forcing men to strike who are satisfied with their wages and working conditions, is where the trouble lies.

Knowing what will happen to them—what their loss will be—it always has seemed an enigma why conservative union labor will permit itself to be the tool of a few who, for the most part, seek not the good of unionism but personal aggrandizement and benefit.

Conservative unionism should cast off the shackles, declare their manhood and stand for the opportunity to make their own terms when more prosperous days follow the hard times of the present.

## Tearing Down the Highboard Fences

ONE OF THE MOST ENCOURAGING signs of the times, as we see it, is the tendency of bankers to get together with their customers. And we are talking now of matters far more important than the usual run of so-called public relations work.

Take, for instance, the commingling of bankers and farmers at Valley City a few days ago on the occasion of the convention of the North Dakota Bankers Association and the big picnic of the Barnes County Livestock Association.

It was like a great love feast, banker and farmer side by side, talking over their common problems, enjoying a neighborly sandwich and cup of coffee.

Certain it is that such fraternity of interests is bound to develop into an untold amount of good for a community, a state and a nation. It means each has obtained a better understanding of the other's problems, aspirations and relationship to the economic structure.

Going back a bit further we find the Utah Bankers Association at its recent convention calling in its depositors to discuss mutual interests and plan some way out of the era of hard times.

Only this week insurance men of the state decided, at the annual meeting of the Insurance Federation of Minnesota, that something should be done to bring the policyholder, the agent and the insurance company into closer relationship for the mutual benefit of all.

There is an old saying that highboard fences breed trouble. We are glad to know that bankers and other business organizations are deciding that there should be no highboard fences standing between them and their customers.



## Leave Northwest Wheat Acreage Alone

CONGRESS, on the eve of adjournment this week, sent to the White House a hurriedly adopted bill fixing maximum wheat acreage for 1939 at 55,000,000 acres. With the present bumper crop in sight this action of Congress was intended to head off an AAA regulation that might have cut the acreage somewhere between 44,000,000 and 50,000,000 acres.

This maximum, however, will be only a small help, if any, to wheat growers of the Northwest, the four chief hard spring wheat growing states of which a few days ago protested against reduction under actual needs for domestic flour manufacture.

Trouble with this wheat acreage reduction is that the surplus comes from the winter wheat sections of the country, mostly soft winter wheat unfit for flour manufacture excepting as a "mixer" with hard spring wheat. The Northwest never has raised too much spring wheat, and probably never will.

What the AAA should do, and what it must do if it knows whereof it acts, is to regulate the acreage so that the Northwest can continue to raise what abundance it can of spring wheat. It is the only wheat out of which the best flour can be made; it is the wheat most in demand for export.

There should be no interference with the production of spring wheat in the states of the Northwest.

## At the Small End of the Horn

INDUSTRY'S GAINS at the hands of this Congress were small compared with what it may suffer under the wage and hour bill. Modification of the undistributed profits tax and the capital gains tax was not much more than a gesture. The wage and hour bill is a real menace, and it will be found to be all that when the federal industrial boards get into action for each industry as labor troubles arise.

The minimum hour wage of 25 cents is not so difficult of assimilation, but it is to be raised to 40 cents an hour as time passes. The trouble to come will arise from interference and regulations by the industrial boards.

We have seen enough of that in the hearings held by the industrial relations boards now operating. These hearings invariably, as at Albert Lea recently, listen to the union and give the employer scant courtesy of testimony or factual evidence. Too often, they are a farce insofar as fairness to both sides is concerned.

Far better, we believe, for government to keep out of employment troubles, save and if force is necessary to preserve the public's interests.

We got along all right on that basis in the past. Why pit one class against another by government mothering or interference?

## Insurance as an Employer

WE HAVE NOT given much thought to the insurance business as an employer, yet it is one of the largest employers of the nation. Capital stock fire insurance companies and life insurance companies of the nation have billions invested in industry, including agriculture. Indirectly these investments provide employment for many thousands of men and women. Directly the insurance companies and general agencies account for the employment of many more thousands.

Insurance has been one of the nation's enterprises that has continued going in hard times, almost with the same effect as in good times. Insurance employment has held at higher level than almost any other business. In that respect insurance has achieved a major accomplishment in keeping people at work.

## The Cooperative Menace

GROWTH OF COOPERATIVES in this country is progressing at an alarming rate, especially those affecting retail and wholesale trade. Favored by government and "liberal" state administrations, it is again alarming to learn that a cooperative college, affiliated with the Cooperative League of the U. S. A., has just graduated its second class of prospective cooperative employes and executives. Thus scientific instruction in cooperation is being applied for amplification of the movement.

Evidencing the fast growth of cooperatives, the May 9 Consumers' Guide, issued by the Agricultural Adjustment Administration in Washington, reports officially the following cooperatives and their members:

	Number	Members
Retail .....	3,600	677,000
Telephone .....	3,700	330,000
Credit unions .....	5,500	1,200,000
Electric .....	260	161,000

In addition there are 30 wholesale buying associations supplying retail cooperatives. Of the retail co-ops about one-third handle gasoline and oil. The Cooperative League has recently established a bureau to promote cooperative medicine and hospitalization.

Thus practically every field of private business and industry finds itself facing cooperative competition, including banking and insurance.

Private business may well take stock of this invasion before the hour comes when it will be too late. What may be done about it lies with business and trade themselves. There must be greater efficiency, it would seem, of production, merchandising and management in order that prices may be brought to a level so satisfactory to consumers that they will not wish to wander into the cooperative fold.

Municipalities, states and the nation should consider the matter, because the increase of cooperatives means loss in taxes private enterprise pays.



# The Doorway to Sound Investments

GOVERNMENT  
MUNICIPAL  
CORPORATION

Complete Investment Service

## ALLISON-WILLIAMS COMPANY

Northwestern Bank Building

Minneapolis

## The Bull's Eye

By The Sharpshooter

WELL, THE BIG CONVENTIONS of the summer, bankingly speaking, are pretty much over, excepting, of course, that of the Minnesota Bankers Association, to be held next week in Minneapolis, which will, as always, make "big medicine" for all the Northwest; Michigan's next week, too, and Nebraska's, which comes in the fall.

But banking conventions are not the only ones with which COMMERCIAL WEST has to do because our readers are men of broad gauge and must have news of what affects banking as well as up-to-the-minute news of banking itself. There are the building and loan associations, insurance, those of the trade groups, and so on. The B and L convention (Minnesota's) has been held, but two big insurance gatherings are yet to come—that of the National Association of Insurance Agents this fall in St. Paul (biggest of the national insurance gatherings), and the Minnesota Association of Insurance Agents, which also will be held this fall, probably at the same time as the national gathering.

Readers of COMMERCIAL WEST who have been following its prompt reports this summer on conventions must have wondered how in the world we were able to get to all of them, banking conventions especially, when they hit so closely together as they did this May and June. Take last week, for instance. There were the state banking conventions at Iowa, North Dakota and Wisconsin, all coming the same week, all covered first hand, on the spot by our staff correspondents and COMMERCIAL WEST cameras. Live, thrilling, right-on-the-convention-floor reports with action pictures.

I can hear some of our readers saying to themselves: "That seems impossible."

And yet it was made possible, not only by our energetic action in covering these conventions, but principally because of the fact that we planned for them—weeks in advance. We were all set to go when they got under way.

And how did we get to them, get our reports in, and get back from them?

Well, that's another story. One of our staff men flew back and forth from a convention, making in two hours a trip that would have taken him the better part of a day by train or auto; was in the convention city before the convention opened and had left here after an early breakfast in the morning. He flew back, too, so that he could get his report and pictures in that week's issue—on the closing day.

Another staff man raced off more than 2,000 miles by automobile, getting around to three conventions, one coming right on the heels of the other.

Now, I hear you asking, how did your camera man find it possible to make all those conventions, hundreds of miles apart, almost overlapping in their dates?

That answer is easy, too. Our "official" camera man didn't make all of them.

Then, how did you get such fine, clear pictures of men, women and scenes?

The answer to that is that each staff man on COMMERCIAL WEST comes pretty close to being a full-fledged camera expert. At least each is certainly a

blamed good camera amateur, up on the new bulb flashlight process, each working "news" cameras, built for speed, accuracy of detail, fidelity reproduction. And the beauty of it all is that we know our people and they know us, are glad to cooperate.

But after the pictures are taken, then what? How do you manage to get them developed so quickly, the cuts made and inserted in the COMMERCIAL WEST convention stories almost simultaneously with the holding of the conventions?

Oh, well, that's newspaper enterprise, knowledge of the business, our own photographic studio, and a little push put behind the engraving plant, along with burning the candle at both ends in the office after all the hard work of covering the conventions and getting back home again. It means that our photographic staff has to stay up late at night, too, developing the pictures, and that the engraving plant has to put in some overtime getting out the plates—a job ordinarily requiring most of a day done in a few hours.

All that seems plain enough now, I hear you saying, but how about writing the stories of the conventions? That must take a lot of time?

Well, that's another knack of the newspaper business. Most of the stories were written on the way home—in the airplane, in the automobile, in the railway train. You'd be surprised, but it can and is done that way. And you'd be surprised again to know that such stories, written under pressure, and under such circumstances, usually are the best stories—as you will admit when you look up your recent copies of COMMERCIAL WEST and read again the interesting accounts of the just held conventions. You'll be interested, too, now in checking on the pictures. You know now how come they got in the paper.

It's all in the day's work; it's hard work, but it's interesting. That's one reason why newspaper men stay in the business. It's the reason you get such a newsy and well illustrated COMMERCIAL WEST at your home or in your office each week of the year—and have been getting them each week for nearly 40 years now without a miss.

I said a while ago that one of the reasons we have been so successful in getting pictures is because the folk of the conventions cooperate with us. They do 100 per cent. And that is a big help.

And have you noticed that most of the COMMERCIAL WEST pictures do not have the appearance of being posed? That's because we want interesting, intimate pictures. We know how to arrange and take the "casual" picture, be it a single or a group. If you ask me the "casual" has the "candid" beat, because it can be arranged to far better effect in most instances than the "candid" with its sometimes unfortunate background.

So, now, you know all about it. You know how we manage to get our stories and our pictures into COMMERCIAL WEST at such lightning speed.

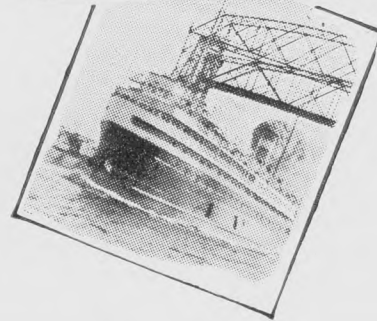
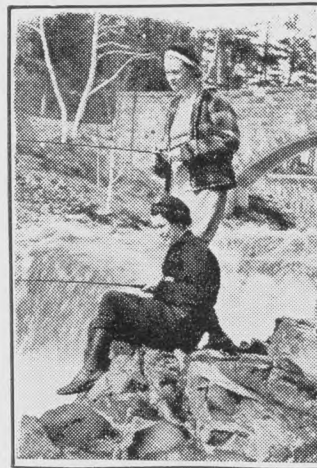
And next time you see us at a convention, just take it as a matter of course, that we are going to have a good story about the "doings" and that it will be sprinkled liberally with "shots" of who's who and attractive scenes of where's where.

A GOOD BANK TO DO BUSINESS WITH



In  
*Air-Conditioned*  
**DULUTH**

Gateway to Northern  
Minnesota's Vacationland



For Your Banking Needs It's  
the

**City National**  
 **Bank**

**Duluth**

**Minnesota**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

## Twenty-Five Years Ago

From the Commercial West, June 21, 1913

**T**WENTY-ONE stories high, the new building to be erected by James J. Hill on Jackson street between Fourth and Fifth in St. Paul, will house the Hill interests, including the First National Bank, Northwestern Trust Co., Great Northern, Northern Pacific and Burlington railroads and Hill Ore Co.

**SEVEN HUNDRED** Nebraska state banks during the last year added \$4,755,000 to their deposits, for a total May 20 of \$87,590,450, with average legal reserve of 26.25 p.c.

**BANK CLEARINGS** in the week ended June 12: Minneapolis, \$22,590,000; Omaha, \$17,469,000; Milwaukee, \$15,555,000; St. Paul, \$9,153,000; Des Moines, \$5,557,000; Sioux City, \$5,430,000; Duluth, \$3,193,000; Waterloo, \$1,924,000; Cedar Rapids, \$1,536,000; Helena, \$1,041,000; Sioux Falls, \$757,000; Billings, \$478,000; Fargo, \$448,000; Aberdeen, \$431,000; Grand Forks, \$357,000.

**GEORGE B. CALDWELL**, Chicago, president Investment Bankers Association of America, is mentioned for comptroller of the currency.

**AMONG THE FIRST** to vote on 32 questions submitted to the nation's bankers by the Senate banking and currency committee was C. F. Latimer, vice president Northern National Bank, Ashland, who cast his ballot for a currency issued exclusively by the federal government.

**EDGAR L. MATTSON**, cashier Scandinavian American National Bank, Minneapolis, has resigned as treasurer Minnesota State Agricultural Society, a position he has held many years.

**SUBURBS** of big cities in the future will be unable to organize small national banks with \$25,000 or \$50,000 capital, following an opinion by U. S. Attorney General McReynolds. He holds it is not lawful under the national bank act to consider suburbs as separate cities, and that if a city has population of more than 50,000, the minimum national bank capital must be \$200,000.

**C. H. MOSS** has been elected cashier of the Miners National Bank, Ishpeming, succeeding the late Anson B. Miner.

**NEW OFFICERS** of First District Group, Minnesota Bankers Association, elected at Albert Lea, are: W. D. Sprague, Caledonia, president; E. F. Cook, Rochester, vice president; A. S. Kennedy, Plainview, secretary-treasurer; Lyle Hamlin, Spring Valley, and W. A. Hubbard, Lake City, members executive committee.

**LUVERNE** was host June 13 to more than 100 Minnesota bankers, representing nearly every town in the second Congressional district.

**FIRST STATE BANK** has been organized with \$100,000 capital at Buffalo, S. D. F. F. Fuller is president; W. R. Gardner, vice president; W. F. Schroeder, cashier.

**EMIL A. BOIE** has been elected cashier of the Citizens State Bank, St. Charles, Minn.

**EDMUND PENNINGTON**, president of the Soo Line, says, "It is not possible to operate passenger service on the scale demanded by people in the Northwest and make money at 2 cents a mile. The population is not dense enough. Eventually, I believe that the Interstate Commerce Commission will take over the supervision of the roads. We welcome the day. Better one master than half a dozen."

**THREE INCHES OF SNOW** fell in Mitchell county, North Carolina, June 11, and Tampa, Fla., reported temperature that day of 63 degrees.

**H. J. TILLEMANS**, cashier Farmers & Merchants State Bank, Minneota, Minn., in the Twin Cities this week, reports deposits in his institution has increased its deposits more than 900 p.c. in the seven years he has been associated with it. Total now exceeds \$425,000.

**J. K. MARTIN**, Little Falls, Minn., A. L. Martin, Sentinel Butte, N. D., and O. N. Dunham, Bismarck, have organized a bank at Fryburg, N. D.

**CHARTER** has been issued to the Ames National Bank, Ames, Iowa, with \$50,000 capital. The bank, succeeding the commercial department of the Ames Savings Bank, will be headed by W. D. Meltzer, president, and I. O. Hasbrouck, cashier.



AT THE HEAD  
of  
LAKE  
SUPERIOR

Our best wishes to all members attending  
the 49th Annual Convention of the Minne-  
sota Bankers Association and trust that  
you enjoy yourselves to the utmost.

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**WE INVITE YOUR BUSINESS**

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Member of the Federal Deposit Insurance Corporation

# Previewing

## MINNESOTA BANKERS' 49th ANNUAL CONVENTION

Minneapolis, June 23-25

**N**EXT Thursday morning there'll be two spots in Minneapolis decidedly "banker-conscious": The Nicollet Hotel, in the loop, and Golden Valley Golf Club, just a few minutes' drive away . . . . You may register at either place.



HERE'S where the Convention sessions will be held.

AT GOLDEN VALLEY you'll do your best to stay out of deep traps like this . . . .



. . . . and head straight for huge, smooth greens like this . . . .

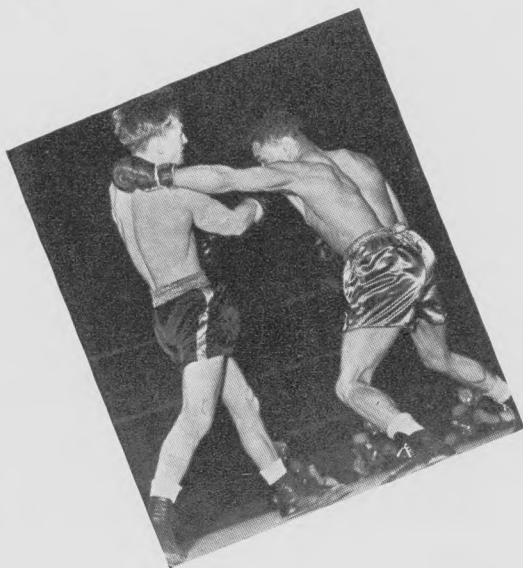




*At the Smoker*

- BOXING
- WRESTLING
- UMBRELLA COURT
- GOLF PRIZES
- REFRESHMENTS

HE'LL preside at the Smoker Thursday evening, go to the top in the election Saturday morning . . . Vice Pres. Frank P. Powers, Mora.



NICOLLET AVENUE is familiar to Minnesota bankers and their wives as "The Northwest's Fifth Avenue" . . . Great stores, exclusive shops, fine restaurants.

LADIES of the Convention will be entertained at Friday luncheon in Dayton's beautiful new tea rooms . . . Dick Long plays, and newest styles are presented.



J. J. MALONEY will be a mighty busy man during the Convention . . . He's general chairman.





PRES. H. C. MATZKE, Duluth, will call the Convention to order at 9:45 Friday morning.



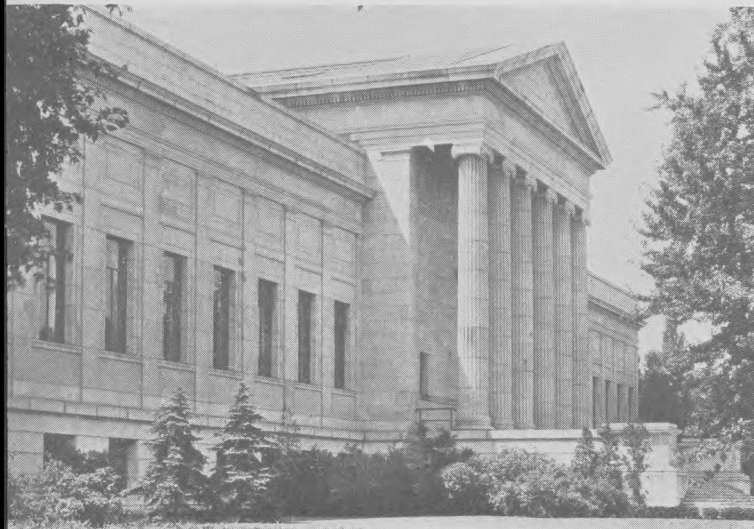
BUSINESS meetings, Smoker, banquet, dance . . . All in this spacious newly decorated ball-room of the Nicollet.

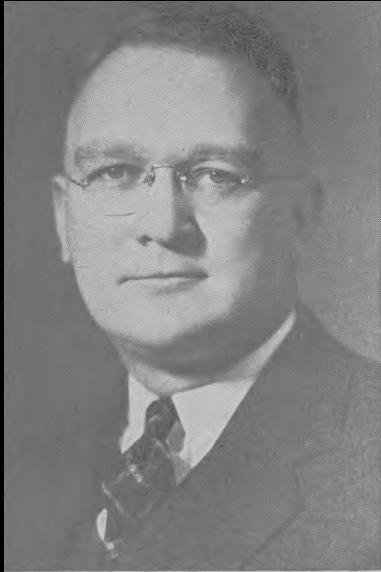


TREASURER G. A. Haven, Chatfield, up for re-election, will report on M. B. A. finances.

MANAGER-IN-CHIEF of the Convention, and of the M. B. A. itself . . . Sec. William Duncan, Jr., Minneapolis.

THERE ARE a hundred-and-one diversions for visitors to Minneapolis . . . Art lovers will surely want to go through the city's great Art Institute.





**SPEAKERS ALL:** Indiana's Robert H. Myers will discuss "A Fairyland in Figures."

**UTAH'S** Adam S. Bennion, star of last winter's A. B. A. regionals, is coming.

**NEW YORK** University's Marcus Nadler will offer opinions on "Managed Currency."

**CHESTER C. DAVIS** will represent the Federal Reserve System's board of governors.



**MUSIC . . . . dancing . . . . gaiety . . . .**  
The Convention's brilliant climax will come Friday evening at the annual banquet and ball, with music by Dick Long and His Orchestra.

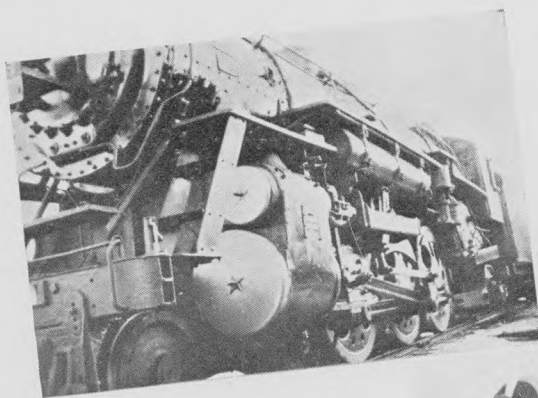
**AS WILL L. R. Pennington**, administrative assistant in the government's FBI.

**ABNER H. FERGUSON**, general counsel for the FHA, will address the Convention, too.

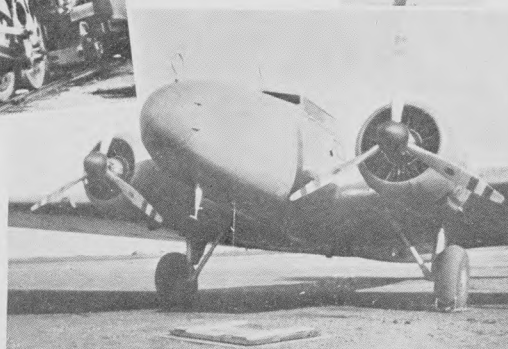


# Conventioning

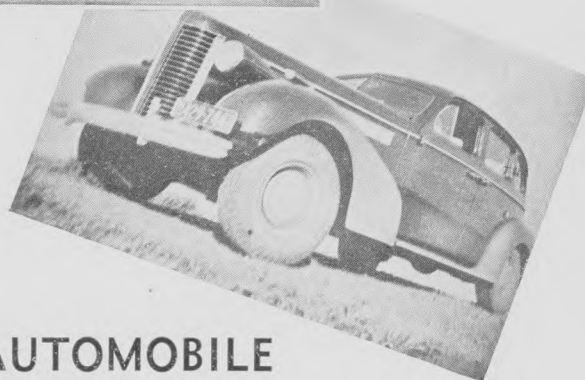
with **COMMERCIAL WEST  
CAMERA**



• by TRAIN



• by AIRPLANE



• by AUTOMOBILE

• by TELEGRAPH  
and TELEPHONE

*At Bankers' Conventions in*

- SOUTH DAKOTA
- IOWA
- WISCONSIN
- NORTH DAKOTA

*The News While  
It's Still News!*

**S**OUTH DAKOTA BANKERS ASSOCIATION'S CONVENTION at Huron, June 2-3, was covered in detail by Commercial West staff correspondents in the issues of June 4 and 11 . . . . Now here is a batch of newsy pictures taken by staff photographers.



OPENING the season! . . . . Pres. J. R. McKnight "throws out the first ball" as the convention is called to order . . . . Sec. George M. Starring takes notes.

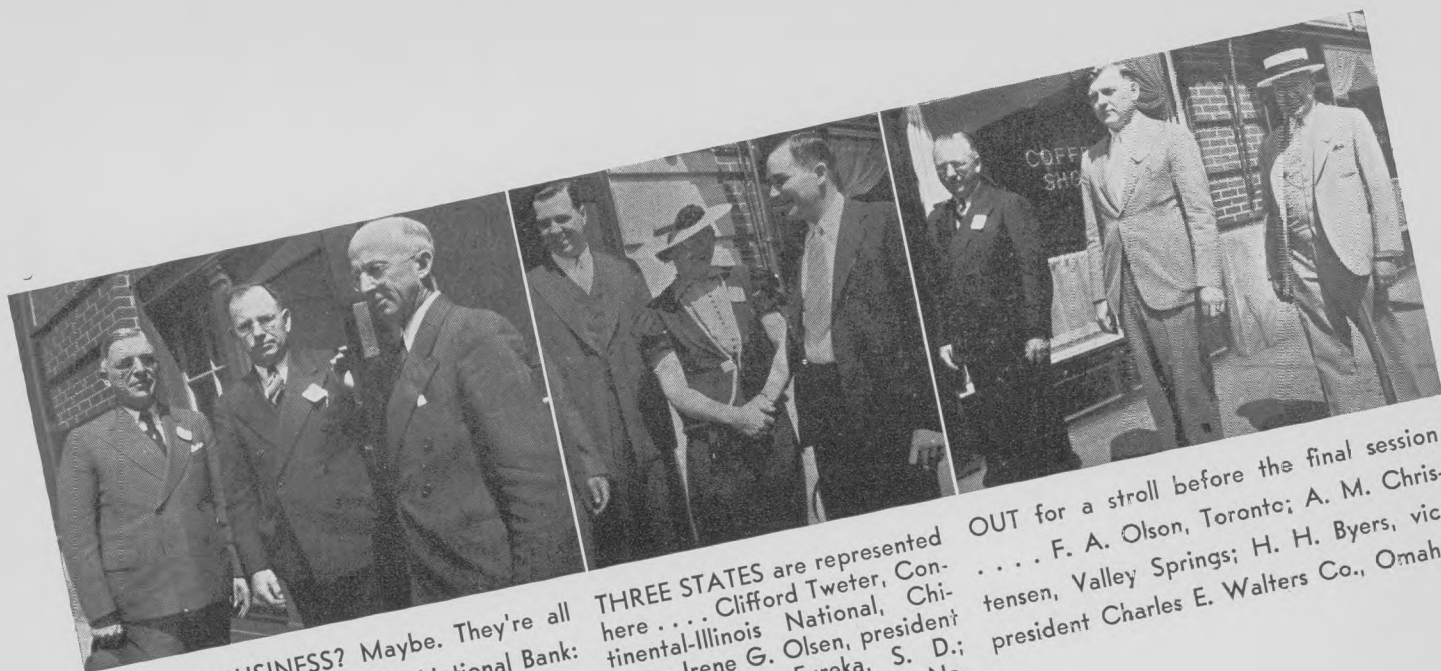


YOUR Huron hosts, the committee in charge: George C. Fullinweider, F. D. Greene (general chairman), A. E. Schnad, Mrs. Carl E. Voigt, Mr. Voigt, H. C. Whaley.



HERE are the new president and vice president doing some "high-stepping" at the annual ball . . . . (Above) John N. Thomson, Centerville, and Mrs. Thomson . . . . (Below) William C. Rempfer, Parkston, and Mrs. Thomas A. Boright, Minneapolis.





TALKING BUSINESS? Maybe. They're all with the Northwest Security National Bank: . . . . H. M. Hanten, Sioux Falls; H. C. Whaley, Huron; R. M. De Puy, Brookings.

THREE STATES are represented here . . . . Clifford Tweter, Continental-Illinois National, Chicago; Irene G. Olsen, president Eureka State, Eureka, S. D.; Kermit Jensen, Live Stock National, Sioux City.

OUT for a stroll before the final session . . . . F. A. Olson, Toronto; A. M. Christensen, Valley Springs; H. H. Byers, vice president Charles E. Walters Co., Omaha.

INTENTLY studying Commercial West's famous "little red book" . . . . T. M. Brisbine, Woonsocket.



RAPID CITIANS rest between holes . . . . Noel W. Klar and Warren M. Brown.

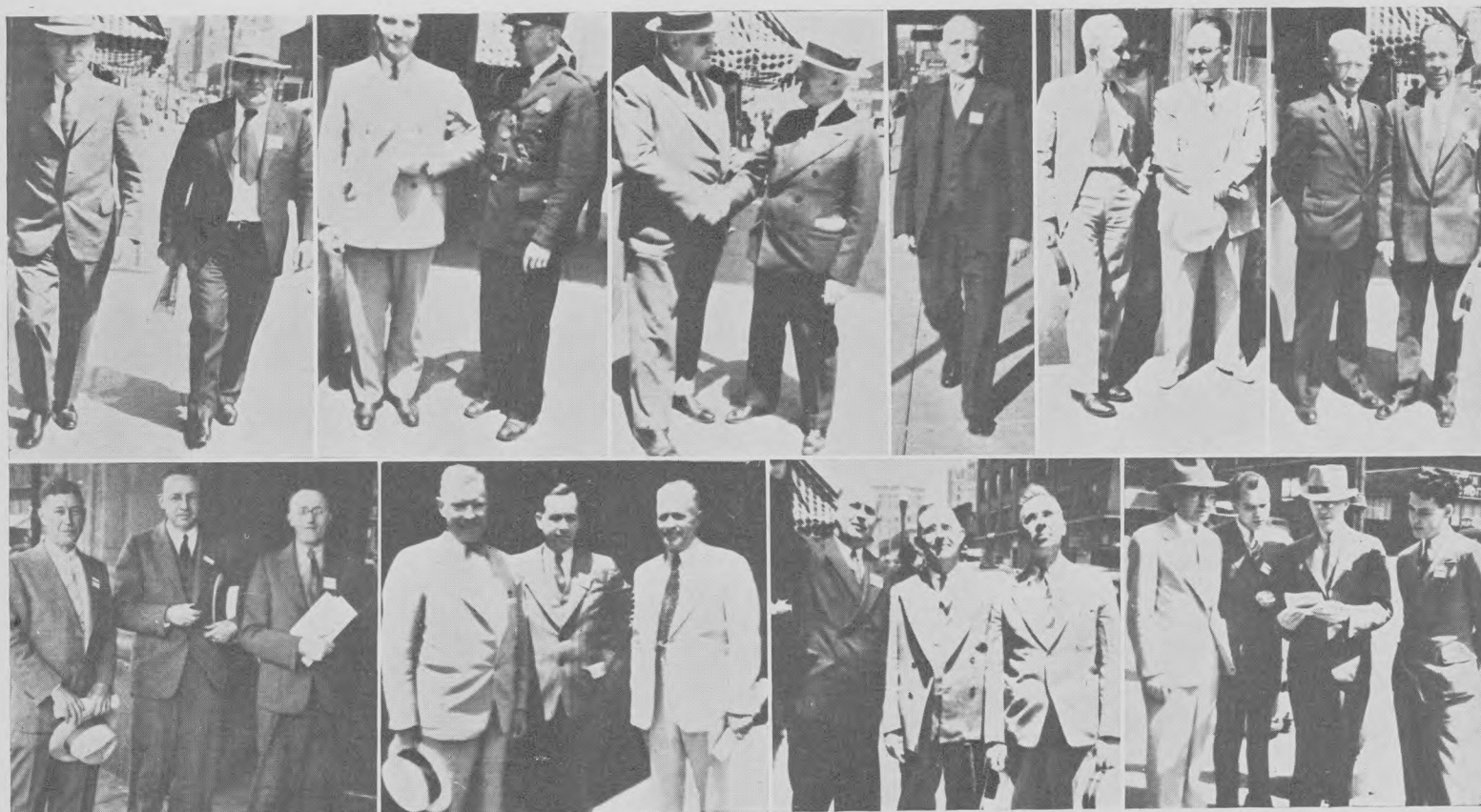


ABOVE, typical lobby scene . . . . William Drommer, Lefebure Corp., Cedar Rapids; F. B. Stiles, Aberdeen; E. A. Loomer, Mitchell; Melvin I. Orms, Sioux Falls; (standing) H. E. McKee, Gregory; H. R. Kibbee, Mitchell.

RIGHT, top of the morning from W. S. Given, Aberdeen, to Elmer Volkenant, First National, St. Paul.



**I**OWA BANKERS ASSOCIATION'S 52nd annual convention at Des Moines last week, Monday through Wednesday, was reported by Commercial West staff correspondent in last week's issue, forms of which closed Thursday . . . Here's more "news" on the convention, reported by staff photographer on this and the opposite page.



TOP ROW—C. I. Smith, Armstrong, and Wayne Currell, Estherville. . . . W. H. Brenton, Northwest Bancorporation, Minneapolis, being "held" by Lou Wheland, Des Moines bank guard . . . . W. H. Miller, City National, Chicago, and W. G. C. Bagley, Mason City, unopposed Republican candidate for state treasurer . . . . Guy M. Butts, Wesley, in the "Kingdom of Kossuth" . . . . M. D. Brodt, Sibley, and Frank L. Smith, Lohrville . . . . A. E. Rugg, Sioux City, and J. R. Capps, Des Moines.

BOTTOM ROW—I. L. Wright, Des Moines; Douglas G. Swale, Mason City, and C. S. Rye, Manly . . . . N. P. Black, Perry; Everett M. Griffiths, Des Moines, and A. W. Jones, Cherokee . . . . Roland C. Irvine, Chase National, New York; Ray Moehn, Carroll, and Fritz Fritzson, Sioux City . . . . A. T. Donhowe, Des Moines; Milton C. Barnett, Guthrie Center; Manly's Mr. Rye, again, and F. J. Lewis, Harlan.

ANNUAL address of the president was delivered by S. R. Torgeson, Lake Mills.

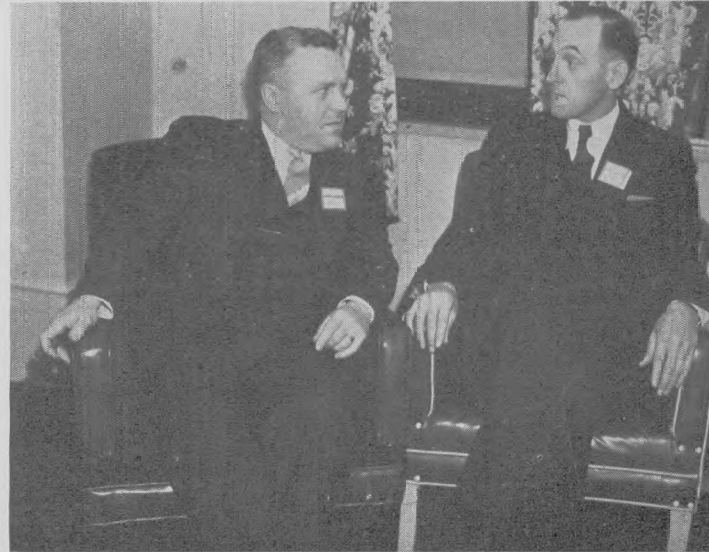


TOP GROUP—Four stars on the Junior Bankers' program: Edna Warman, Okaloosa; June Masterson, Wright; Mrs. Clara M. Moss, Bondurant, and Helen K. Collins, Fort Dodge.

NEXT—H. C. Winder, Des Moines, president-elect of the new Iowa Bank Auditors and Bank Comptrollers association, and B. P. Olsen, formerly of Minneapolis, now of Muscatine.

AND THEN—Four young musicians, all daughters of executives of Des Moines banks: (Back row) Dorene Capps and Ruth Jones; (front row) Jeanne Pidgeon and Marion Pidgeon.

FINALLY—Laurence R. Lunden, Minneapolis; H. P. Martin and N. P. McGovern, both of Des Moines, and L. R. Moeller, St. Paul, all three of St. Paul Mercury Indemnity Co., and D. E. McFarland, Kalman & Co., St. Paul.

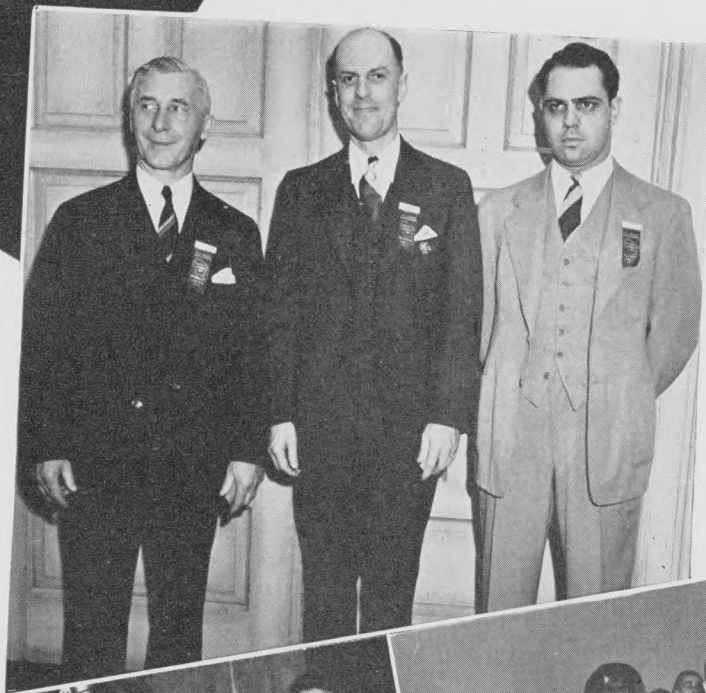


**M**ILWAUKEE entertained the WISCONSIN BANKERS ASSOCIATION June 8-9 . . . . Commercial West told you all about it in its staff representative's "on-the-spot" story last week . . . . These staff photographer shots tell you still more.



OPENING the convention, Max Stieg, Clintonville, presided at the piano as the crowd sang "America" . . . .

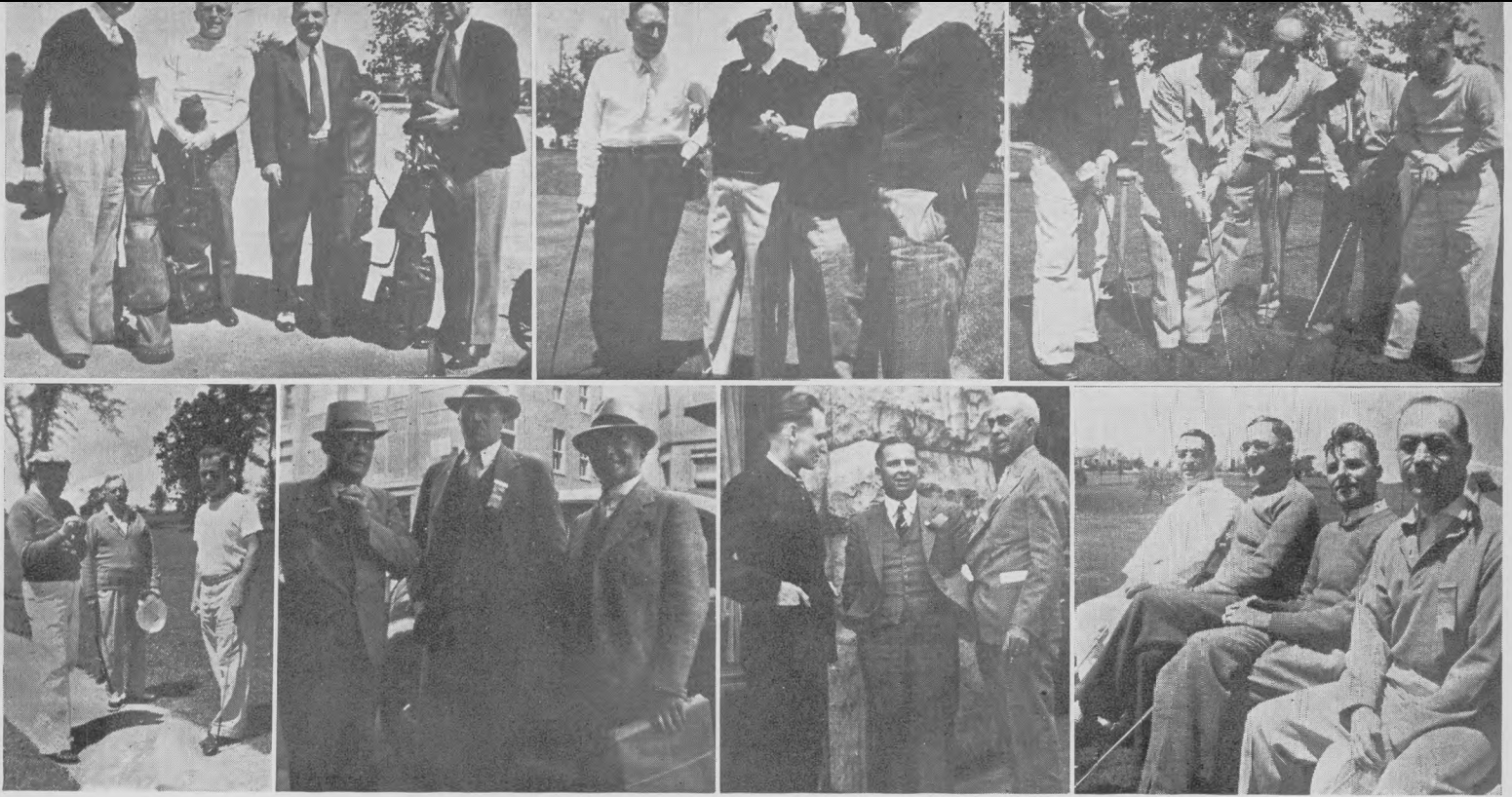
And here are the newly elected officers: Vice President W. J. Tesch, Merrill; President S. N. Pickard, Neenah; Treasurer V. F. Walz, Bloomington.



CHECKING UP on registrations just before the banquet: Public Relations Director A. R. Gruenwald, Martha Schattschnider, Elizabeth Hanes, Hazel McGrath . . . . Golf prizes were awarded at the "get-together" party by Max E. Baumberger, Milwaukee (at mike); receiving his, with back turned to camera, W. O. Clausen, Oconomowoc; looking on, Charles N. Christiansen, Milwaukee.







TOP ROW—Just arriving at Westmoor: H. C. Anderson, Marinette; A. J. Whitford, Marinette; Mel Theis, First National, Chicago; Boyd Simmons, Continental, Chicago . . . Adding 'em up: E. M. Peterson, Eau Claire; C. B. Brombach, First National, Minneapolis; F. J. Jeppesen, Superior; R. A. Aishton, Continental, Chicago . . . First "foursome" out: H. L. Schumann, Watertown; C. A. Wallman, Watertown (he was the coach); Frank C. Bandelin, Milwaukee; L. H. Bangers, Milwaukee; L. J. Lange, Watertown.

BOTTOM ROW—Heading for the next tee: C. O. Thomas, Milwaukee; A. H. Erickson, La Crosse; H. N. Holley, La Crosse . . . In front of the hotel: J. C. Murphy, E. H. Neupert and O. A. Wodke, all of Lake Mills . . . Chatting before the banquet: V. R. Schaefer, Viroqua; E. A. Schipper, Viroqua; I. N. Knutson, Coon Valley . . . Resting in the sun: R. L. Hopkins, FDIC, Madison; W. E. Sprecher, Independence; W. F. Bohri, Fountain City; Neil Greensides, FDIC, Madison.

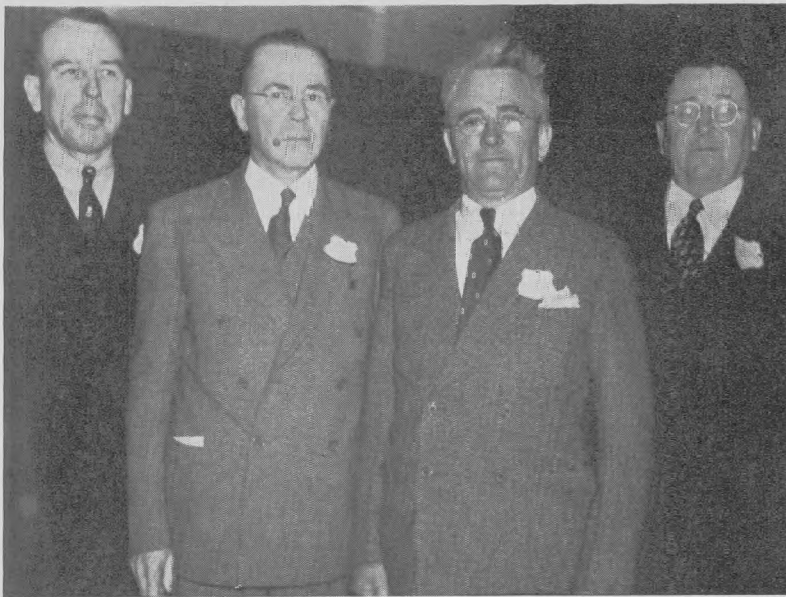
**S**ECRETARY Wall G. Coapman hands Retiring President Clarence Hill the W. B. A.'s gavel, symbolic of his year at the head of the association. This ceremony was a feature of the opening session, as it is every year.



**H**ISTORY was made at the NORTH DAKOTA BANKERS ASSOCIATION'S Valley City convention last Friday afternoon when bankers joined hands with the Barnes County Livestock Association for a real old-fashioned picnic, with all the trimmings . . . . Commercial West representative's story of the convention appears elsewhere in this issue.



**MESS TIME!** Just look at that big lineup waiting for their lunch . . . . Below, you have three action shots: B. E. Groom of the Greater North Dakota Association talking at the picnic . . . . In the center, F. D. McCartney, Oakes, pinning the retiring president's badge on A. L. Netcher of Fessenden . . . . And, right, J. O. Christianson of the University of Minnesota's agricultural school, pounding home a good point.



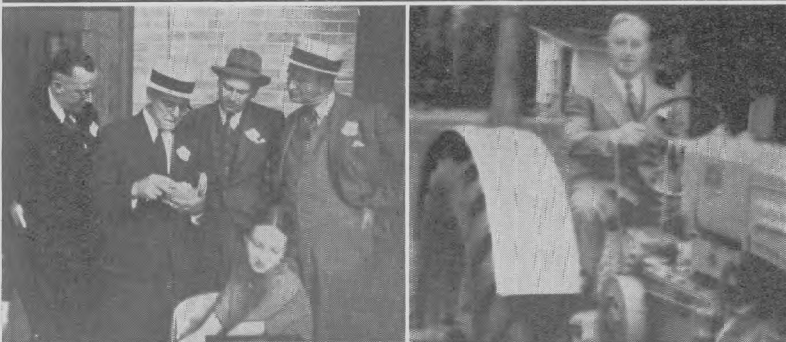
**M**EET N. D. B. A.'s 1938-39 officers: C. E. Cunningham, Williston, president; Frank R. Scott, Fargo, vice president; H. M. Weydahl, Killdeer, treasurer; C. C. Wattam, Fargo, secretary (re-elected).



**AT THE PICNIC**, if you couldn't find a seat you ate where you stood . . . At the left you see H. B. Humason, American National, St. Paul, drinking coffee . . . Right, Mr. Cunningham, L. O. Olson, Midland National, Minneapolis, and Willis A. Putman, First & American, Duluth, using a chicken coop for a table.



**THESE EARLY BIRDS** were more fortunate—got chairs . . . In the group are W. A. Volkmann, First of Minneapolis; F. D. McCartney, Oakes (back turned); H. C. Hansen, Churchs Ferry; R. L. Griggs, Northern National, Duluth; and A. R. Larson, Minneapolis Fed,



**LEFT**, you see J. T. Sanger, First of Valley City; M. O. Grangaard, First of Minneapolis; L. P. Gisvold, Northwestern of Minneapolis, and J. C. Hoffert, Carrington, checking over registration cards . . . Right, A. B. A.'s J. E. Baum, New York, trying out an M-M tractor.



**AND**, at the Valley City Country Club Friday evening, when Commercial West camera snapped this typical dance floor scene, no one seemed to be worrying much about business, banking or convention cares.



**PUNCH!**

That's What the Champion Has . . .  
Punch . . . and Power!

**COMMERCIAL WEST Has Punch . . .  
This Week and Every Week . . . Punch  
For Your Advertising Message . . .  
Power to Reach the Northwest's Real  
Leaders . . . The People You Must Reach!**

# Great Northwest Convention Parade Passing in Final Review

RIGHT on the dot the big parade of Northwest state banking association conventions will flash its final divisions before the reviewing stand of the public—Montana at Helena this week—Minnesota and Michigan next week at Minneapolis and Grand Rapids.

The real windup, of course, will be next fall, when Nebraska meets at Omaha, but for the present Minnesota and Michigan hold the stage.

There isn't much more, of course, that COMMERCIAL WEST can say about either of these conventions without repeating itself—and decidedly. Advance stories galore have appeared in COMMERCIAL WEST each week, and in the "First 1938 Convention Number" May 28 the programs were published.

There's much more in this issue, though, about these conventions—the COMMERCIAL WEST Camera's pictorial story of the Minnesota parade, more right here about Montana and Michigan, whose programs were previewed in the May 28 issue, pictures to the right of you, pictures to the left of you (practically all of them by the COMMERCIAL WEST Camera) of the conventions just held in South Dakota, North Dakota, Iowa and Wisconsin. More next week.

## June a Busy One

June sure was a busy month for bankers of the Northwest, with a whole flock of great state conventions swinging into action almost a-top of each other.

Considering the fact the country is in a period of hard times the Northwest conventions this summer were extraordinary for attendance, enthusiasm, optimism and confidence in the future.

The bumper crop prospect, of course, had a great deal to do with that, although it must be conceded that the billion dollar 1937-8 crop, livestock and dairying income of farmers of the states of the Northwest had the effect of keeping business in this section at a higher level than that in many other areas of the nation.

As a matter of fact, bankers attending the conventions, referring specifically to general business conditions in their communities, were pretty much agreed that the country districts of the Northwest have suffered very little from the depression months that entered the picture last summer. Farmers have been spending their money, cleaning up some of their debts, are hopeful of the immediate fu-

ture. You can't find much pessimism under such conditions.

And the banking business itself has not been bad, these banking convention delegates have said. Loans, of course, are still down, and there has been some concern about bond depreciation, but, on the whole bankers have not complained very much, excepting, it might be said, because of the disappointing attitude of Official Washington toward business and industry, which many hold responsible for the present depressed business conditions, as witness the protest mass meeting of depositors with bankers at the convention of the Utah Bankers Association under leadership of A. B. A. President Orval Adams, whose home and banking business are in Salt Lake City.

Beginning with South Dakota, carrying through Iowa, Wisconsin and North Dakota, in the order named, it is a question if previous banking conventions in those states have excelled those of this summer in enthusiasm, fine educational and constructive program, good speakers and their timely and effective subjects, real genuine benefits obtained by bankers in attendance.

Out in the "Treasure State" this weekend—Thursday, Friday and Saturday at Helena—Montanans as COMMERCIAL

WEST was going to press, were carrying out the program published in COMMERCIAL WEST May 28, with the Minneapolis "Fed" host Friday at dedication of the new home of the Helena branch of the Ninth District Reserve Bank.

Those to come this month—Minnesota at the Nicollet hotel in Minneapolis, Thursday through Saturday of next week; Michigan at the Pantland hotel, Grand Rapids, Wednesday, Thursday and Friday next week—give full promise of carrying the splendid banner of present-day banking high and far in the 1938 banking parade of this section.

Michigan's program, as finally completed, provides for three full days of outstanding business sessions and plenty of golf and other entertainment.

Thursday the convention will get right down to business and that will be the order through Friday, pleasantly broken with luncheons, dinners and the popular annual midnight supper and floor show scheduled for Thursday evening.

## Another Prize Essay

A feature of the Friday session will be presentation in the morning of James H. Garvin of the Petoskey High School, winner of the state-wide high school essay contest sponsored by the public relations committee of M. B. A. At that time Mr. Garvin will read his prize-winning essay. COMMERCIAL WEST had hoped to be able to publish the essay in this issue, but at the hour of going to press it had not yet reached the editor's desk.

A total of 132 essays were submitted on the subject: "How a Bank Serves Its Community," and the judges asserted it a difficult task to pick the final first, second and third winners, so excellently was the subject handled by the high school students of the state.

In addition to the list of speakers published by COMMERCIAL WEST heretofore on the Michigan program, were Arthur H. Sarvis, v.p. Citizens Commercial & Savings, Flint; Austin W. Hyde, general manager London Guaranty & Accident Assurance Co.; Fred L. Chapman of the FHA and Ira A. Moore, chm. A. B. A. bank management committee.

Banquet speakers were not listed but they were to be Reserve Board Chairman Eccles and Michigan's Senator Arthur H. Vandenberg, provided Congress adjourned in time for them to get to the convention city.

## On the Front Cover

### Welcome to Minneapolis!

Our cover picture this week is an airplane view of the metropolis of the Northwest, host next Thursday, Friday, and Saturday to the Minnesota Bankers Association.

As you know, Minneapolis and its sister city, St. Paul, constitute the business, financial, industrial, cultural, educational, musical and logical center of the Great Agricultural Northwest.

As you wend your way among the tall buildings pictured on our cover this week, bear in mind that you are in the "loop" of a city of some 500,000 population, 15th largest in the U. S.

You will find Minneapolis bankers and business men eager to contribute to your comfort and enjoyment during the M. B. A. convention and whenever you come to Minneapolis!

# How A Bank Serves Its Community

## The Winning Essay in State-wide Contest of Montana Bankers Association

By HENRIETTA KORNELLIS

Rapelje High School

**T**HE BANK is a financial center and the business success of the whole community depends upon it. Many people consider the bank principally as a safe place in which to deposit such money as they do not need for immediate use. This in itself would be of immense value to the community, for the person who puts his money into the bank for safekeeping does not have to carry on his person large sums of money for which he has no use at the time. The bank, however, could not exist unless it were permitted to be a lender as well as a custodian of the people's money.

For this reason a bank has two principle functions: receiving from the people their money on deposit, and loaning of that money at interest, safeguarded by good security. Banks are custodians, keeping funds available for demand at any time, and they are also lenders, investing money at an interest, and thereby repaying the depositors.

The money which a bank receives on deposit is usually subject to repayment on demand. It may be drawn out by the depositor in person, or on his written order. The depositor pays his debts by ordering the bank to pay money from his account to a third person.

This makes it much easier to carry on business transactions, as money can be transferred safely and rapidly from one place to another, and the depositor has a further advantage in that the check, when endorsed and paid, is a receipt for the payment he has made. By the use of notes and checks a great saving is also made upon the coinage of the country.

The bank also renders another important service to the depositor. Each day it receives checks from its depositors which it credits to their accounts. Besides collecting these checks a bank will also collect for its customers money due on notes, bond coupons, and other commercial paper.

People who wish to receive interest on their deposits can open a savings account in the bank. Most banks have savings departments, and there are also many special savings banks. These usually pay 3 or 4 per cent interest. Under normal

conditions a bank will usually pay its customers on demand, but it reserves the right to ask previous notice, usually of 60 days, so that it will have time to collect the money if a good portion of its funds are out on time loans.

The lending of money to those who need it is the greatest service which a bank performs for a community. It collects as deposits small amounts which would otherwise lie idle and unproductive, and it is then in position to lend larger amounts for productive enterprise. In this way much money is brought into circulation and the business of the whole community becomes more prosperous.

By lending money to individuals the bank helps many farmers to buy land or livestock, taking a mortgage as security. It helps merchants and manufacturers to buy goods or raw materials, or otherwise tide them over until they can realize on their merchandise or manufactures.

It is in the use of the money that is entrusted to him that the banker is required to exercise his greatest ability and skill, so that he may be the means of furthering the prosperity of the community by aiding honest industry.

Loans by banks are either "call" loans or "time" loans. Call loans must be repaid on demand while time loans are made for a definite period. The money which a bank lends is either its capital or the deposits which it has received. Its capital must be enough to inspire the confidence of the people. The larger the bank's capital, the more the bankers themselves have at stake, and the greater the people's feeling of security is.

Although practically the whole of the bank's capital can be used in the business, a certain amount should be held in reserve. Customers are constantly drawing from their accounts and the bank must have enough in reserve to meet their demands. At certain periods in the year, especially at harvest time, more money is taken out of the bank than is put in. Bankers must make allowances for such conditions.

One means a bank has of reserving money is to place it in a Federal Reserve

bank. There are 12 Federal Reserve banks in the United States. Every national bank in the United States must subscribe 6 per cent of its capital and surplus to the stock of the reserve bank in its district. Although state banks are not required to subscribe, it makes them more safe if they do so. Then if a bank runs out of funds it can draw on the money which it has in the Federal Reserve bank.

After reading and studying about the various services of the bank I have come to the conclusion that a bank is necessary for the prosperity of a community.

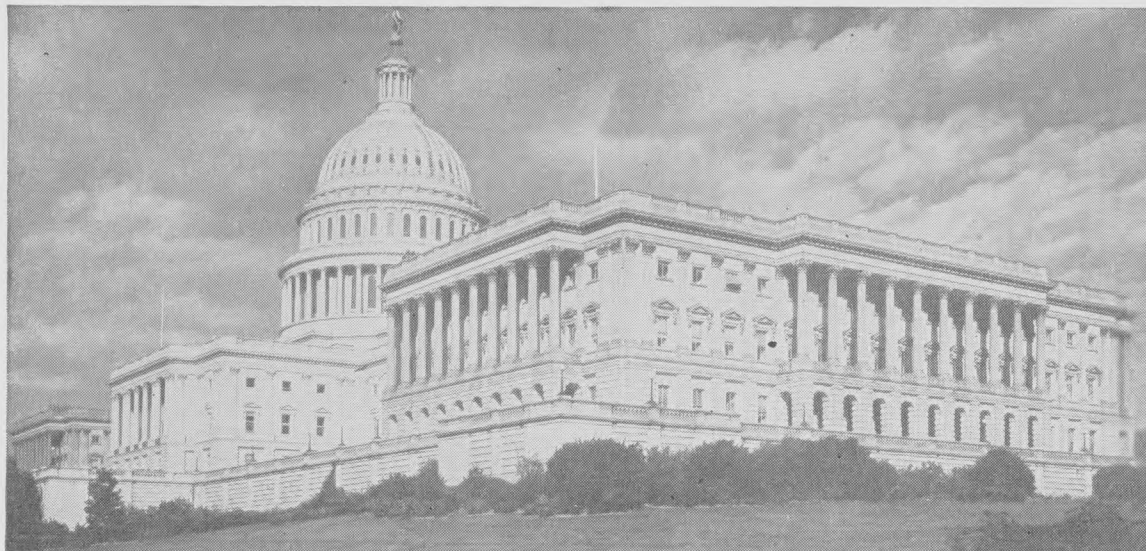
By loaning money to a business man it makes it possible for him to do business on a larger scale. He will be able to buy his merchandise for lower prices and in this way the consumer will also be benefited.

By giving a loan to the farmer who is willing to work, the bank makes it possible for him to buy better farm machinery and livestock and carry on his farming so that it will be more profitable. By working with the people in the careful outlay of its money the bank will really accomplish its purpose; to make the business of the whole community more active and the people of the whole community more prosperous and happy.

### Flax Outlook

"We have before us a considerable number of private reports of prominent grain and elevator firms on the subject of our Northwestern flaxseed crop," says the current Archer-Daniels-Midland Co. letter. "The consensus of opinion seems to be that the acreage is certainly not larger than last year's—possibly a bit smaller. The crop has all been planted and it looks good, except in Central Minnesota where the leaves are yellowing on account of the excessive moisture.

"The immediate danger lies in the grasshopper crop which is now developing. There are two factors favoring flax to beat the 'hoppers—first, the meadow and roadside weeds are luxuriant this year, and insects prefer this type of feed so may leave flax alone until harvest."



# Where Does Commercial Banking Go From Here?

Commercial West Special Correspondence

WASHINGTON.—Is commercial banking at the crossroads?

In these closing days of Congress, digging under the surface and getting at the pot that is boiling under banking control at the nation's capital, it is fairly safe to say "yes."

It is quite a jump from Washington to the tall corn of Iowa, and yet, putting two and two together, one might say there was considerable vision in the title of the address, delivered before the convention of the Iowa Bankers Association at Des Moines last week by Chester C. Davis, member of the Board of Governors of the Federal Reserve System, which was, "At the Crossroads."

The relationship between Washington banking control and Mr. Davis' address becomes clear when one knows what is going on here, then harks back to what Mr. Davis told the Iowa bankers.

The whole situation, as I have pointed out heretofore in *COMMERCIAL WEST*, revolves itself around extension of credit by banks. The problem is how to enable the banks to loosen up on their loan policy and still get by with the bank examiners, both federal and state.

Bankers make the point, and it's sound, that they cannot well make loans that a federal or state examiner, or both, may criticize later as slow or unsound.

And right there is where we have the focal point of most of the eruptions that have been breaking out in past recent weeks over Washington bank control, or management regulation, as you will.

The Federal Reserve Board, through its far-flung system tied in with commercial banks, as it is, probably lends a more sympathetic ear to the troubles besetting the banking business than some of the other regulatory agencies. It is in sympathy with the bankers' complaints about examinations if they are more liberal in making loans.

Chester Davis, it is said, would not be averse to seeing the "slow column" wiped out of the system employed by examiners.

## They'd Loosen Up

If that were done banks would feel free to loosen up on loans—loans that would still be sound, especially from a character viewpoint; farm mortgages the banker knows the farmer will pay when he has a good crop, but which must be carried when his crops are bad; loans to merchants and industrialists that are slow, but which the banker knows he can collect eventually.

If that were done bankers could do a lot more to help out the "little business man" than they can do now, despite the hue and cry that has gone up for expansion of credit to small business enterprises.

And the Reserve Board, too, would like to see the banks make more long-term loans. Mr. Davis made that clear at Iowa when he said:

"I am not sure how much of the problem may be solved, but many banks, instead of requiring that loans be limited to short-term working capital, and repayable in three to six months, are finding a more lucrative field among long-term borrowers, whose loans can be amortized and paid back over a period of years."

Possibly, too, the Reserve Board, may have in the back of its mind extending its services more along the line of encouraging long-term and "slow" loans, for, at Iowa, Mr. Davis said:

"Moreover, as long as a bank has sound investments it can always borrow at the Federal."

That's significant. Maybe, too, the Federal has some sort of a hankering to increase its earnings by means of a larger volume of borrowing on the part of its member banks. That might be.

But when one gets around to the offices of the FDIC and the Comptroller of the Currency, he finds a considerably different story. That's what is making the pot boil, may lead to some fur-flying before this banking control controversy is ended.

As I reported a couple of weeks ago there is wide difference of opinion on this matter of examinations, evidenced by a sort of two-headed statement handed the President a few days ago by Secretary Morgenthau. That report dealt mostly with a plan to rate the four first grade bonds of a bank's portfolio at cost, and the cats and dogs (if any) at the market. But it didn't say anything about removal of the "slow column" in examination of loans. It did say, however, that the Reserve Board "had other ideas" as to some of the examining methods. That, of course, referred to its attitude in behalf of abolition of the "slow column."

Everybody knows, for sure, that FDIC and the Comptroller's office are pretty keen on the matter of maintaining a very high standard in banking when it comes to making loans. The FDIC does because its insurance fund is at stake. The Comptroller's office does because it has always aimed at and maintained the high standard of national bank management and operation. Both these agencies, naturally, are anxious to see their banks make money.

Reserve Chairman Eccles, too, it is stated, is not quite at one with FDIC and the Comptroller's office on the method of liberalizing examinations of the investment portfolios. His idea, this commentator has been advised, is to employ the bank examining system as a kind of exhaust valve when business is bad. He would let up on liquid requirements so that money might get into business production more quickly. But, when booms come along, then he would have the banks tighten up.

#### The Real Idea

Taking banks out of the stock market influence is the idea. In other words, when the stock market is fussing around at the bottom of values, as it is today, Mr. Eccles would have examiners calculate the credit worth of the issuing company in the matter of investments, and the credit worth of the borrowers when it comes to loans, as they may have been developed by experience. In that way, Mr. Eccles is believed to think, banks would not be affected, as they are now in both loans and investments by fluctuations of the broad tape. A depression, in effect, would not affect the banks, as it does now, is the thought.

More concrete information as to liberalization of the bond portfolios of banks, flashed over the Dow-Jones news ticker Wednesday, said:

"At least five relaxations in the rules which govern purchases of bonds by Federal Reserve member banks will be made by Comptroller of the Currency in connection with revised bank examination rules. All changes are designed to facilitate

bank purchases of small local issues. Instead of requiring that there be a 'public distribution' of the bonds, as is required in existing regulations, the revised regulations will require only that the bonds be the obligation of an established firm which has demonstrated its ability to service the issue. This change will meet the charge that banks were prohibited from buying local issues that do not have a 'public distribution.'

"In defining a 'marketable' bond the new regulations will relax the requirement by stating only that the bonds shall be salable under ordinary circumstances within a reasonable time and at a fair value. Existing regulations require that to be eligible for bank purchase a bond must have 'such a market as to render sales at intrinsic values readily available'."

#### Wouldn't Fit Picture

At a glance, however, one can see how this would not fit into the picture of "high standard banking" and protection of insurance funds, toward which FDIC and the Comptroller have ever a watchful eye.

As matters stand, your correspondent is of the opinion that the President intends letting the control agencies sweat until they get somewhere. What his mind is on the point has not been divulged. But it is known that Chairman Eccles stands very close to the throne. But so does Secretary Morgenthau, and FDIC Chairman Crowley has no mean standing, at that.

It looks like a merry battle. Whatever way the final decision falls it would appear the banks may be some gainer.

Again, as Chester Davis said in Iowa: "To sum up: The economic need for banks is clear. In order to be assured of continued successful operation, however, banks will have to accommodate themselves to changed needs of commerce, agriculture and industry. They will have to be a source of strength rather than of weakness in our progress toward ironing out booms and depressions.

"The prospects are that banks will do those things and that, in return, society will be glad to have them earn a return on their capital sufficient to attract an adequate volume of funds into the banking system."

#### Management Important

". . . This basic problem, with its intimate consequences in every walk of life, fundamentally concerns the banking structure. Given good management, banks do not get into trouble unless economic activity slows down and values melt from their investments. I do not think the problem will solve itself. In spite of disappointments and discouragements, civilized man is going to keep on striving,

with every power at his command, to master the machine he has created."

And to sum up here in Washington: Banks have been assailed, and plenty, by New Deal spokesmen, by some members of Congress, on the supposition that they were not extending the credit they should in order to take the edge off the depression.

Well, I think, that fallacy has been fully exploded. Banks have made the point they cannot expand their loans when examiners come along and mark them slow or doubtful.

The answer would appear to rest with what finally comes out of the 'hopper as to liberalization of examinations on both loans and investments, after the examining agencies agree upon some plan—provided they do.

### Outlook for Lumber

The Department of Commerce has received a report from the national lumber survey committee on consumption, stocks, and anticipated consumption of lumber during the second quarter of 1938. National lumber stocks at the mills on Apr. 1 were approximately 8.6 billion feet, or 4 p.c. less than on Jan. 1, 1938, and 21 p.c. heavier than a year ago. National lumber consumption in the first half of 1938 is estimated at 9.8 billion feet, or nearly 24 p.c. less than in the first six months of 1937 and 12 p.c. below similar period of 1936.

Softwood stocks (pine, fir, etc.) in the aggregate are not excessive and their generally reasonable volume is the result of consistent effort in most regions to bring production in balance with outgo in the first quarter of the year. Since the first of April, however, due to increased production in some regions, the margin between softwood production and shipments has narrowed.

Hardwood production which exceeded shipments in the first quarter has now been reduced.

Southern hardwood stocks are declining. Preliminary estimate is made of national lumber production in 1938 of not more than 20 billion feet, compared with estimated total in 1937 of 24.7 billion feet and census figures of 24.4 billion feet in 1936 and 19.5 billion feet in 1935.

### Elevator Men Elect

Ben C. McCabe, International Elevator Co., was elected president of the Northwest Country Elevator Association Tuesday at the annual meeting of directors. Howard I. McMillan, Osborne-McMillan Elevator Co., was named vice president, and Captain L. C. Webster was re-elected secretary.



# Minnesotans are Honored by A. I. B.

## M. F. Barlow to Presidency; E. M. Volkenant, Council

**M**ILTON F. BARLOW, cashier National Citizens Bank of Mankato, was elected president of the American Institute of Banking at the concluding session of the annual convention of the Institute held at Louisville last week. He succeeds Frank R. Curda, cashier City National Bank & Trust Co., Chicago, who served during the past year.

Harry R. Smith, assistant vice president Bank of America National Trust & Savings Association, San Francisco, was elected vice president to succeed Mr. Barlow.

More than 1,500 representatives of the 236 chapters of the Institute attended



**MILTON F. BARLOW**  
President-Elect.

the convention and heard nationally prominent bankers from all sections of the country who addressed them at special banking conferences.

Four bankers were also elected to places on the executive council: David L. Colby, assistant vice president Boatmen's National Bank of St. Louis; Albert F. Newman, assistant cashier National Bank of Commerce & Trust Co., Providence; J. A. Reagan, vice president and cashier Peoples Bank & Trust Co. of Rocky

Mount, N. C., and Elmer M. Volkenant, assistant cashier First National Bank, St. Paul.

Urging bankers to preserve their heritage, William McC. Martin, president Federal Reserve Bank of St. Louis, declared that "we should never let a taint from the boiling caldron of European unrest pollute the atmosphere of our democracy."

"We are fortunate in living in the greatest democracy of the world," Mr. Martin said. "Our forefathers understood that the individual, irrespective of birth, should have every opportunity to achieve. Such a government is our birthright and we must be careful to safeguard it."

Philadelphia Chapter of the Institute, for the third successive year, was awarded the cup given for notable achievement in the organization and development of publicity in the interests of the Institute. Having won the cup three times, Philadelphia Chapter retains permanent possession of it. Denver Chapter was awarded the A. I. B. plaque, given to the chapter for "the most effective and outstanding publicity."

### Public Speakers Contest

The national public speaking contest for the A. P. Giannini educational endowment prizes on the subject, "A Program for the Improvement of a Bank's Relationship to the Public," was won by Joseph W. Hanson, Jr., of the Williamsburgh Savings Bank, Brooklyn. The contest was the opening feature of the Institute's convention. Mr. Hanson received \$500. Other prizes awarded were: Second prize of \$300, Roland T. Carr, Riggs National Bank, Washington, D. C.; third, \$200, Joseph C. McCoy, Security-First National Bank, Long Beach, Calif.; fourth, \$100, George S. Allen, Harris Trust & Savings Bank, Chicago.

Chicago Chapter won the national convention debate on the question, "Resolved, That the United States Should Adopt and Preserve a Policy of Isolation in International Affairs." They argued the negative side against the Waco, Texas, Chapter, which had won the right to compete against Chicago by defeating Sacramento Chapter in the semi-final debate. The Chi-

cago team was composed of: Philips Sparling of the First National Bank, Laurence R. Cooper of the Harris Trust & Savings Bank, and Frank A. Rapouska of the Greenebaum Investment Co.

"Economic conditions are not such as to justify any fear of another eight-year depression," the convention was told by Dr. Neil Carothers, dean of the College of Business Administration at Lehigh University, Bethlehem, Pa.

"Even with the adverse economic conditions which prevail in many fields, we are ready for recovery," Dr. Carothers said. "I see no way we can immediately solve many of the unhappy conditions



**ELMER M. VOLKENANT**  
Named on Council.

which beset us in the field of taxation, budget, wage structure and farm legislation," he continued. "But even with these serious burdens, the impulse to natural recovery is so powerful that it will overcome these difficulties."

Dr. Carothers asserted that the government could hasten recovery by adopting a few simple measures.

Grand Rapids, Mich., was selected as convention city for 1939. Boston is expected to extend an invitation for 1940.

# 5074 Miles of New Clearinghouse Associations in Minnesota

By **W. F. McLEAN**

Chairman Regional Clearinghouse Committee  
Minnesota Bankers Association

STARTING on the morning of December 7, 1937, and concluding with the final meeting at Willmar on the evening of May 27, 1938, the president of the Minnesota Bankers Association, H. C. Matzke, its secretary, William Duncan, Jr., and the committee chairman, completed 5074 miles of travel, reflecting with pleasure on the successful organization of 18 new regional clearing house associations.

There had been six such organizations in existence previous to the winter campaign.

The officers of the American Bankers Association were very much pleased and interested in the plans of the Minnesota Bankers Association to assist bankers throughout the state in the formation of associations to establish cooperation between competitive banks in given trade areas.

County organizations, though functioning well in some instances, had proven too small to provide interesting and helpful programs.

## Groups Too Large

The groups, though having their place, were too large to permit of frequent contact and free discussion.

The answer seemed definitely to point to the combination of from two to six counties, depending upon the size of the area, and a suggested plan of organization patterned after the best features of the existing associations.

In addition to the committee meetings, where plans were formulated, there were 17 meetings held in rural communities during the five and one-half months in the winter and spring. There was a total of 814 bankers in attendance at these meetings representing 357 banks, or 75 p.c. of the total number of banks in the counties covered.

Considering that weather conditions were at their worst during these months, the attendance was remarkable. Most of the traveling was done either in snow and sleet or in driving rains with slippery or muddy roads to contend with. They were all evening meetings preceded by dinner and were held in hotel dining rooms, American Legion halls, Coca Cola Bottling Works' club rooms, church base-

ments, movie theatres and restaurants.

The purpose of these organizations is best expressed in the preamble to the constitution and rules adopted by all the associations which is also used in some other states. It is as follows:

"To promote the general welfare and usefulness of the rural banks; to secure cooperation of all its members upon matters affecting their interests; to promote a closer personal and business acquaintance among its members; to encourage and facilitate the free discussion of subjects of importance to the banking interests of the counties within the association; to foster the intelligent consideration of questions regarding the financial and commercial usages, customs, laws,

informality is the rule, with dinner meeting and discussions planned by the officers for the quarterly meetings.

The annual meetings are to be social gatherings to include all the men and women employed in the banks as well as the wives of the directors and officers. In many instances a Saturday afternoon and evening was chosen with plans for golf and other entertainment followed by dinner and dancing.

The management of each association is vested in a board of directors, consisting of one member from each of the counties in the association. The officers consist of a president, vice-president, and secretary-treasurer. The officers are elected by the membership at large. At all meetings of the associations any member bank may be represented by one or more of its officers and directors, all of whom may have the privilege of the floor, but each bank is entitled to only one vote.

## Other Rules

Penalties are provided in the way of suspension, after proper action, of member banks not living up to rules and regulations adopted by the associations. Provision is also made for withdrawal from the associations after proper notice and the rules prescribe the manner in which amendments may be made to the regulations.

In each case the secretary of the Minnesota Bankers Association has provided a minute book for the clearinghouse secretary and has furnished printed copies of the constitution, as adopted at each organization meeting, to all the member banks. Suggested topics for discussion are included in the folder, also the very pertinent admonition set forth in the box "Team Work Counts."

Plans started in the late fall have been carried to a successful conclusion. The organization work has been completed before the state convention, as was hoped for by the officers, and several of the associations have already had their second quarterly meeting. Speakers have been furnished by the state association office when desired and an enthusiastic response to the plan has been evidenced throughout the state.

## Team Work Counts!

Each pulling his own way,  
never brings the desired results,  
but all working together will accomplish  
what you cannot do alone.

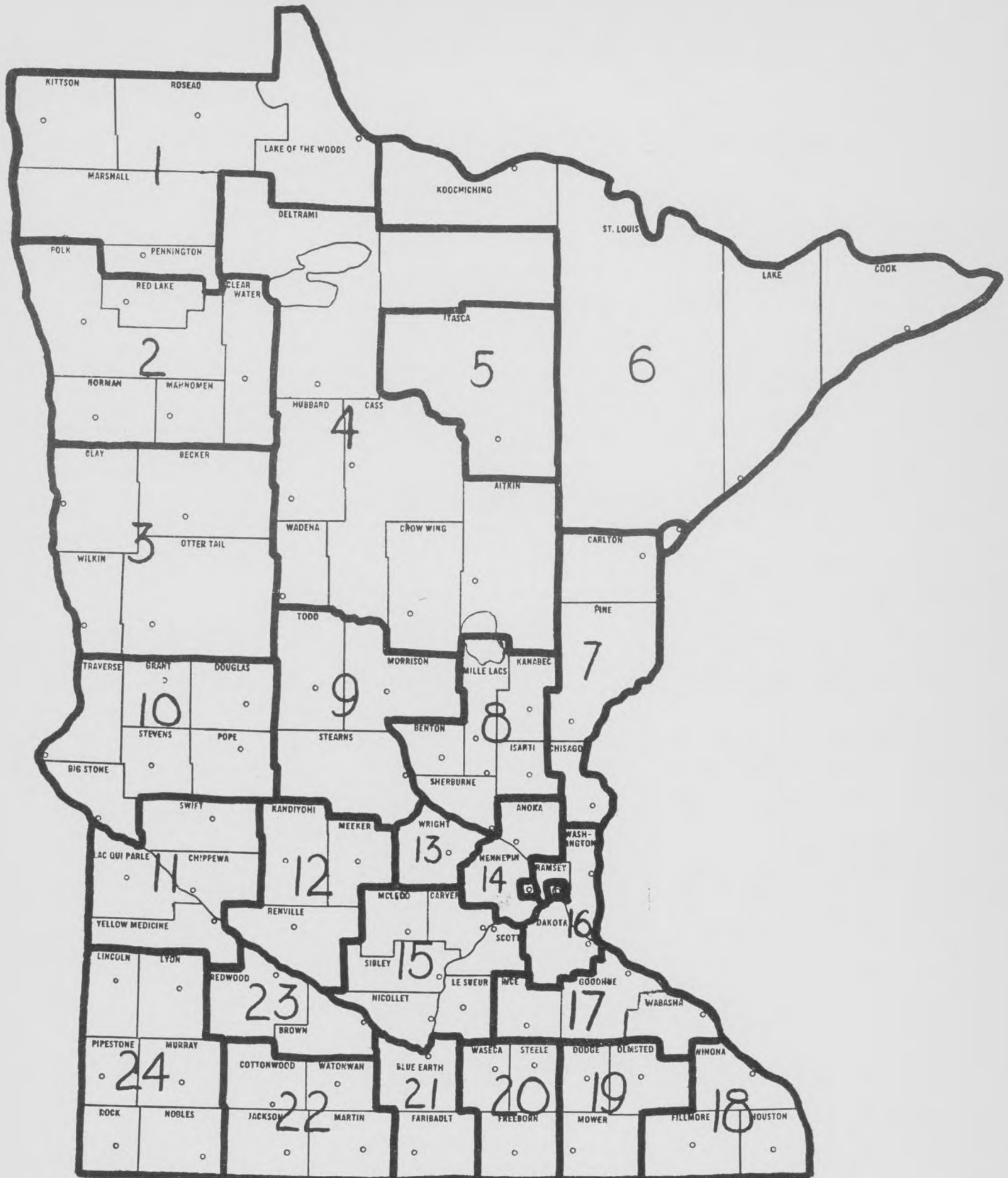
Continued interest in your  
organization creates a better  
understanding of banking problems.

Do YOUR part in helping to  
make YOUR Clearinghouse Association  
of value to Your Bank,  
Yourself and your Community.

and regulations which affect the banking interests."

Having in mind that these organizations would function best if counties were united in similar trade areas, the territories are so arranged that all bankers will be within an hour's driving distance to a central meeting place.

Regularity of meetings is of prime importance to the success of the county clearinghouse and in each instance provision was made in the by-laws for a minimum of four meetings a year. The months in which these quarterly meetings are to be held were set up in the rules with a certain day in one of the summer months specifically designated as the annual meeting date.



- |  |   |   |
|--|---|---|
| 1. Northwest Clearing House Association          | 11. West Central Minnesota Clearing House Association | 18. Southeastern Minnesota Clearing House Association |
| 2. Red River Valley Clearing House Association   | 12. Central Tri-County Clearing House Association     | 19. Southern Minnesota Clearing House Association     |
| 3. Park Region Clearing House Association        | 13. Wright County Clearing House Association          | 20. Dairy Region Clearing House Association           |
| 4. North Central Clearing House Association      | 14. Rural Hennepin-Anoka Clearing House Association   | 21. Blue Earth Valley Clearing House Association      |
| 5. Itasca County Bankers Association             | 15. The Minnesota Valley Clearing House Association   | 22. Corn Belt Clearing House Association              |
| 6. Range Bankers Association                     | 16. St. Croix-Mississippi Clearing House Association  | 23. Brown and Redwood Clearing House Association      |
| 7. Eastern Minnesota Clearing House Association  | 17. Tri-County Clearing House Association             | 24. Southwestern Minnesota Clearing House Association |
| 8. Five County Clearing House Association        |   |   |
| 9. Central Minnesota Clearing House Association  |   |   |
| 10. Western Minnesota Clearing House Association |   |   |

# Why Bankers Are That Way

## Outstanding Address at Iowa Bankers' Convention at Des Moines

By V. W. JOHNSON

President, Union Bank & Trust Co.  
Cedar Falls, Iowa

**P**ERHAPS this may be construed as an apology for the profession of banking but such is not the intent of my remarks. Those of us who are identified with banking know well that there are defects in the business itself and perhaps in some of the men who are connected with it. We condemn and deplore this fact but we ask in the same breath—which business is perfect?

We have the conviction that by and large there is no business which contains a higher percentage of honest, sincere and conscientious men and women than does the business of handling other people's money, unless you wish to except the ministry and you may recall even in the preaching business there have been black sheep. Undoubtedly, it is a fact that the occasional falls from grace which occur in banking and among the clergy get so much more publicity than the ordinary defaulter or scamp, and we suffer unreasonably thereby.

### Some Self-Analysis

I wonder if you have ever analyzed completely your own idea of what a banker ought to be. We bankers know that due to the nature of our profession the full glaring light of public opinion is constantly shining on us and under bright lights our imperfections manifest themselves so frankly. We know that you people who are our clients are often unreasonably critical, but we also know that your judgment is frequently very bad. You often give your utmost confidence to persuasive dishonesty and you crucify relentlessly those who disagree with your views. The result is an acquired philosophy on the part of the banker which contributes to making him "that way."

Your banker knows that if he dances once a week, he loses the confidence of some people. He knows that if he invites a group to dinner and serves a cocktail, someone says he had a drunken brawl. If he invites a group who are of the alleged intelligensia or have more money,

some of his clients say he is stuck up or where does he get the money to afford it. If he invites in a few business men to play cards at a stag evening and someone loses \$4.00, he is a gambling fool and his clients take their money to the Postal Savings—as if the government wasn't the "gamblingest" fool on this particular continent at the moment.

If he stays home and enjoys his family, he is a poor mixer and is charged with elevating his proboscis to those who bank with him—"snooty" in the vernacular. If



V. W. JOHNSON

he tries to be a good fellow, he is insincere and undependable and another group of clients charge him with being juvenile or "kittenish"—a wholly unbecoming attitude for the trustee of the community's funds.

Verily, the demands which you people make on a banker in order that he may enjoy your respect and confidence are so complex that he is continuously in a

quandry. Your attitude has made him, I believe, the poorest paid worker considering the qualifications which you demand of him of any occupation in the world.

The complex problems of today's financial economy are such that your banker must continuously study and plan and educate himself to the new order that your funds may be safe and that his bank may prosper. But what about you bank clients—you listen to a well known radio cleric, on Sunday afternoon who thrives on half truths and dangerous demagoguery or you read or hear vicious one sided charges by some disgruntled person, scandal monger, or so-called liberal thinkers and proceed to accept such philosophies instead of thinking the problem through for yourselves.

We bankers know that a concentrated study of these intricate financial movements have not had your attention and that you are giving these things snap judgment but you would resent being instructed by us. We therefore stand mute, hoping that these crazy panaceas will be only fleeting wraiths in our financial history. We have observed many times the result of spending more than is taken in and we know that \$200 per month to the aged, a truly laudable wish, will probably make a pair of shoes cost \$25 and other necessities of life in proportion.

### Expect a Lot

You call on the village banker to borrow money—money which belongs to the depositor and is not his own—and you resent his detailed inquiry regarding your capacity to repay what you borrow. The banker has no right to know to what purpose you propose to put the proceeds of the loan, yet you ask him to place his trust in you. If his experience tells him that your venture is far more hazardous than your inexperience seems to indicate to you, you resent his words of caution. In spite of his judgment, you expect him to go into partnership with you on something he thinks is no good. You tell your

friends that he is hard boiled, has a glass eye, and is nose-y and is not entitled to the confidence of the community.

On the other hand, if he makes the loan to you and you cannot pay as you promised so faithfully on the day you were selling the idea to him, and the banker is obliged to sue you, you think he should have known better than to have loaned you the money in the first place. Dr. Jekyll and Mr. Hyde were no more different personalities than are frequently the borrower when he wants the loan and the same borrower when he has to pay the loan. That is why the banker is "that way."

It has often been said that banking is a quasi public institution because it affects the life of a community so very intimately. This statement can probably be verified by inquiring in some community where all the banks were lost during the depression. I think you would learn from the citizens of a town that has had such an experience that it was a tragedy of the worst kind. Having noted this fact, we bankers can, of course, take no other position than that of extreme caution in our dealings. If the respective institutions under our direction play so great a part in the economic life of our town, the terrific responsibility weighs on us in no small measure, and if we are prone to lean far backward in our loan and investment policies, our clients should welcome our caution.

**Applicable to Both**

This applies to the borrower as well as to the depositor, for when the bank in town ceases to function and liquidation begins, not only must the borrower be prepared to pay his loan, no matter how inconvenient, but no further credit facilities are available to him. Drying up of credit is a serious matter to the business life of any community, and liquidation of the borrower's assets to meet the demands of the receivership, is not to be invited when the possible purchase money of the people is tied up in a non-functioning bank.

When the plumber fixes your broken water pipe or fishes the baby's sponge doll out of the bathroom stool trap, you pay him \$1.50 per hour for his skilled labor and don't resent it very much. What if the bank would relatively charge you for consulting with him about your financial plumbing—any bank officer in whom you would have enough confidence to talk over your intimate matters, certainly couldn't be employed by your bank directorate for a per hour wage, yet our bank clients very often resent even a 50c service charge on an unprofitable checking account. We bankers wonder frequently if our client thinks we can live on spring wind and rabbit tracks;

and let me add parenthetically—unprofitable banks are dangerous.

**Only Human**

To be a good fellow—to have many friends—to be always financially helpful—are things the average banker would be most happy to have said of him. We are only human you know. But we are faced again and again with the choice of being the thing we should like to be and at the same time fulfill the obligations expected of us, that our fellow citizens may not charge us with having let them down and brought catastrophe to our community. We try to reconcile ourselves to the view that we must contrib-

ute fully in a financial way but only to the extent which we may feel to be commensurate with the safety of our institutions and if some of our friends disagree with our judgment at times, we must "take the rap," for the responsibility is wholly ours.

May I confess to you now there is also a selfishness in the banker's view—the first instinct of even the animal—self preservation. I know a man who was the president of a bank some years ago. The bank got into difficulties and could not meet its obligations to its depositors. There was just one reason why this oc-

(Continued on page 59)



The Climax to a Visit  
to Minneapolis during the Convention is

# The Daisy Sale

Starting Saturday, June 25th

One of Our Three

Big Store-wide

Sales of the Year

Enjoy Shopping in Air-Cooled Comfort

Air-Cooled  
Tea Rooms

Air-Cooled  
Beauty Parlor

*The Dayton Company.*

MINNEAPOLIS

# North Dakota Farmer-Banker Picnic is History-Making Meeting

By Staff Correspondent

VALLEY CITY.—The 36th annual convention of the North Dakota Bankers Association, held here last Friday and Saturday, made history in a big way when some 200 delegates and their wives joined several hundred farmers and their wives and children at a picnic and livestock show on a farm some 15 miles southwest of Valley City.

The picnic was the 18th annual of the Barnes County Livestock Association and the bankers' contribution to its outstanding success this year consisted of two bang-up good speakers: J. O. Christianson, principal agricultural college, University of Minnesota, and B. E. Groom, crop expert of the Greater North Dakota Association.

That was Friday afternoon after the bankers had run off, in Valley City's beautiful new armory, their first forenoon session with such features as welcome by Fred J. Fredrickson, president City Commission, response by Williston's C. E. Cunningham, president's address by Fargo's A. L. Netcher, annual reports by Secretary C. C. Wattam and Treasurer Martin Aas of New Rockford, agricultural committee report by Fargo's Fred

A. Irish, and addresses by P. J. Sletterdahl, editor Northwest Insurance, and Fred L. Chapman, assistant deputy administrator FHA.

Then out to the big George Riedman farm for a good old-fashioned picnic lunch in the open air, tour of cattle barns and stock pens, vocal and instrumental music by young and old livestock association members, several addresses.

On the streets here Saturday the big topic of conversation was "the picnic," and Mr. Christianson's stirring appeal for more neighborliness, more friendliness, greater understanding of the art of living together, "going down the field hand in hand."

It was said to be the first time in many, many years in North Dakota that farmers and business men or bankers had met together on such common and friendly ground, meeting and greeting each other, exchanging ideas. As President Netcher said: "Your problems are our problems . . . we are all farmers and agriculturalists . . . as you prosper, we prosper."

## Urges Militancy

At the forenoon session Mr. Sletterdahl defended capital stock insurance, said cooperative insurance carried to its logical conclusion meant socialism, declared militancy to be the need of the hour if democracy was to be preserved.

Mr. Chapman told the bankers how they could increase their loans and hence their earnings by tying in with the FHA program.

In the evening there was the annual dance and floor show at the Valley City Country Club with business cares laid aside for the evening.

Saturday's forenoon session featured three guest speakers, (1) D. M. Ladd, Federal Bureau of Investigation at Chicago, (2) J. E. Baum, deputy manager American Bankers Association, New York, and (3) William Duncan, Jr., secretary Minnesota Bankers Association.

Mr. Ladd, son of North Dakota's Senator Ladd, was introduced by President Netcher as "a North Dakotan who has made good," and had a real message on crime and crime prevention of intense

interest to his listeners. His story of the facilities and functioning of FBI was particularly interesting.

In pointing out that crime in this country costs \$15,000,000,000 a year Mr. Ladd stressed the fact that bank crime had been reduced very materially since the matter had been put under FBI.

In describing finger-printing he said many banks in larger cities now insist that all employees be finger-printed.

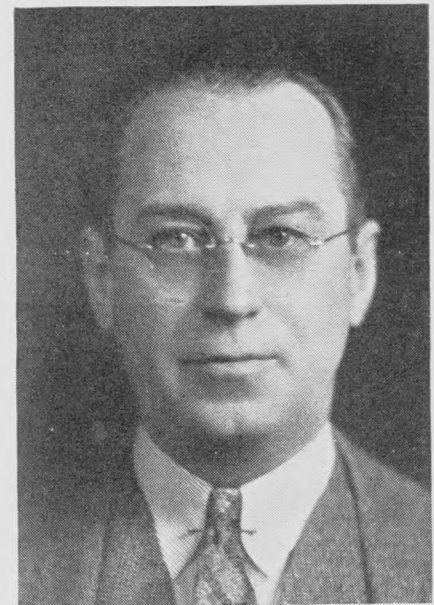
Mr. Baum, whose work with the A. B. A. for many years have brought him in close touch with bank crime and its prevention as well as insurance rates and regulations, cited holding down of counter cash and better policing as the two principal reasons for lowering of bank insurance rates.

He talked particularly about forgery and its prevention, urged bankers to carry the finger-printing idea to the extent of insisting that strangers with doubtful identification put the print of their thumb on the back of the check.

He said forgery is not an art. "Most anyone can forge a check. The wonder is that we do not have greater loss."



F. D. McCARTNEY  
A. B. A. State Vice President.



G. H. NESBIT  
On A. B. A. Executive Council.

Study by FDIC of dishonesty among bank employes, he said, promises to lower the loss ratio, likewise rates.

Finally, he said, adequate protection, caution and management will bring beneficial results.

Mr. Duncan gave a straight-from-the-shoulder talk on service charges urging coordination, better understanding of banking problems, less selfishness, solid front in meeting legislative problems.

"How you do the job," he said, "will decide whether you will be able to continue in the sort of banking system you want."

He urged adoption of a uniform program of service charges in the Ninth Federal Reserve district, stressed the need of impressing customers and all citizens with the importance of the bank to the community to the end that they will fight with you.

"When we arrive at that point we need have no fear of politicians and agitators for politicians listen to the people who cast the greatest number of votes.

"Talk about independent banking; why, banking is the most dependent business in the world. It is dependent upon charters to operate, customers for business, service to succeed, ourselves to manage and carry on, and to perpetuate our independent or dual system."

New officers elected are:

**Here They Are**

President—C. E. Cunningham, Williston.

Vice Pres—Frank R. Scott, Fargo.

Treasurer—H. M. Weydahl, Killdeer.

Secretary—C. C. Wattam, Fargo.

A. B. A. members elected the following:

State Vice President—Fred D. McCartney, Oakes.

Nominating Committee—F. A. Irish, Fargo; C. C. Wattam, alternate.

Executive Council—G. H. Nesbit, Fargo (three years).

Divisional vice presidents—Evan Saltzman, Minot, national; J. C. Hoffert, Carrington, state; Fred Orth, Grand Forks, savings; F. L. Dwight, Fargo, trust.

Grand Forks was awarded the 1939 convention.

**Tax Money Spending Economy Demanded**

Economy in tax money spending was demanded by the Central Minnesota Tax Conference meeting recently at St. Cloud. The program, presented by the tax committee of the Conference, consisting of J. A. Kraus, Foley; Edward A. Murphy, St. Cloud; Edwin Odegard, Milaca, and George A. Etzell, Clarissa, asks:

That every levy board scrutinize every

demand for tax money, and make reductions consistent with efficient management of public affairs;

The state legislature foster economy by holding down appropriations for the various activities of boards and commissions and other public services;

That relief costs, which were formerly under the supervision of local governments, be returned to local supervision, since only under that kind of setup can worthy relief cases be separated from the unworthy. The deserving need every consideration and should receive it, but there are too many who are making a racket of relief;

Township government be continued unimpaired. Townships are economy-minded. They do not make levies they cannot pay. They are under direct supervision of the people, and the people in the townships should continue to make their own decisions and their own tax levies;

Public officials should not be exempted from income taxes, and we recommend that taxpayers write their representatives in Congress suggesting that the constitution be amended to place them in the same classifications as other citizens;

That all budgets be balanced by reducing governmental costs.

**THE ROMANCE OF MONEY.**



The next cartoon on the Romance of Money to appear in this publication will tell of the time when hoarding became punishable by death. A booklet containing an extended series of these cartoons is free upon request.

**MARQUETTE NATIONAL BANK OF MINNEAPOLIS**

Member Federal Deposit Insurance Corporation

# Personal Loans Create Goodwill

## They Also "Make" Profit Column, Says Banker Van Horne

**C**OMMERCIAL banks that are not making personal loans are passing up opportunities for service and profits.

That, in brief, was the crux of the message brought to Wisconsin bankers at their state convention last week by Edwin N. Van Horne, executive vice president American National Bank & Trust Co., Chicago.

Mr. Van Horne amplified, of course, and left with members of the Wisconsin Bankers Association the thought that if they were not operating personal loan departments they were missing some mighty juicy items out of their profit column that other bankers were getting in it.

Quoting from a recent A. B. A. survey, Mr. Van Horne said it presented a composite picture of 258 banks making such loans. Losses were under 1 per cent, profits adequate and satisfactory.

"Having operated a personal loan department in a bank located in a Mid-Western city (Lincoln, Neb.) from 1932 until coming to Chicago just recently," Mr. Van Horne said, "I wish to approach the first phase of this subject from the standpoint of personal experience."

At this point the Wisconsin bankers began to take real notice, because personal experience is a pretty sure guide to results—one way or the other.

"Our experience far exceeded our expectations in every way, volume being greater by 50 per cent than we had expected. The number of application refusals is smaller than we anticipated, also losses, repossessions and foreclosures are lower than we thought they might be," Mr. Van Horne said.

### Costs Varied

"Cost of operations also varied because the smaller banks do not operate separate departments, while some of the larger ones who do, have not allocated all their expense, including administration and taxes. Excluding these items, actual expenses ranged from 2.95 to 5.02 per cent and gross income from 9 to 15 per cent, leaving an earned income for net dollars employed of slightly better than 6 per cent.

"It is clearly shown that properly and conservatively operated departments are profitable—but what of their losses? The old-time banker said that successful banking was 'loaning your money and getting it back.' By this definition personal loans are certainly successful, as proved by the following figures from letters received.

"One banker reported three losses in over 8,000 loans; another had \$478 losses out of \$522,000 total credit extended since the department was established. Another reported less than \$500 loss since 1932 and others made such statements as



EDWIN N. VAN HORNE  
Espouses Personal Loans.

'losses almost negligible' or 'less than 1/4 of 1 per cent.' None reported unusual or excessive losses.

"Approaching the problem solely from the viewpoint of the public; generally, there is a very definite and growing need for consumer credit—a need which until recently was not recognized in any substantial degree by many bankers. The 40 per cent reduction in the number of chartered banking institutions during the past decade has greatly diminished the source

for personal credit until it is widely recognized that a great majority of individuals do not have credit available at commercial banks."

Commenting, Mr. Van Horne said a personal loan department is one of the best goodwill builders, "but it is much more than that, as it really pays dividends to stockholders, and, unless conditions change very quickly earnings from bank operations are going to be pretty slim during the next few years."

Continuing, Mr. Van Horne said: "A generally accepted statement is that a city of 10,000 people would produce \$100,000 in personal loans. Of the 67 county seats in Wisconsin, 39 have populations under 5,000 and average about 2,400 people. Then you have 10 cities with an average population of slightly more than 7,000 and in another group 18 cities, exclusive of Milwaukee, with an average population of 31,000. These towns, or small cities, are represented by 142 chartered banking institutions with more than \$300,000,000 in deposits, of which 55 per cent is listed as investments and 28 per cent in loans and discounts. Therefore, it can be readily seen that banks in this state are suffering from lack of interest income, and are, no doubt, desirous and eager to find a safe outlet locally for their surplus funds."

Summarizing his remarks, Mr. Van Horne said, "If we are to meet the present-day challenge confronting the institutions we serve—both to produce satisfactory earnings for our stockholders, and to build public acceptance and goodwill—we must provide the means whereby a vastly greater proportion of the public may look to our existing banking institutions for their credit requirements. Our field for analysis and cultivation is the 65 per cent of the population in the moderate income class, most of whom are steadily employed and have a good paying record. And I am confident that our solution—so well substantiated by the experience of banks already in the field—is consumer credit or personal loans."

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Cashier City National Bank, Duluth;  
President Minnesota Bankers Association



**W. F. McLEAN**  
Vice President Minnesota National Bank,  
Duluth; Chairman Regional Clearing-  
house Committee, Minnesota Bankers  
Association.



**WILLIAM DUNCAN, JR.**  
Secretary Minnesota Bankers Assn

**W**HEREAS the outstanding achievement of bank organization work in Minnesota this year has been the culmination of our state-wide system of clearinghouse associations, and whereas credit for the excellent work is due in no small measure to the untiring efforts of Messrs. McLean, Matzke and Duncan, we, the clearinghouse associations of Minnesota, join in expressing to those men our sincere appreciation of their valuable contribution to the progress and welfare of banking in Minnesota

## **BLUE EARTH VALLEY CLEARINGHOUSE ASSOCIATION**

Territory: Blue Earth and Faribault counties.  
Officers: Richard L. Myers, Good Thunder, pres.; E. W. Tolzmann, Minnesota Lake, vice pres.; E. P. Hummel, Blue Earth, sec.-treas.

## **BROWN AND REDWOOD CLEARINGHOUSE ASSOCIATION**

Territory: Brown and Redwood counties.  
Officers: E. L. Nippolt, Springfield, pres.; Anton Kramer, Lucan, vice pres.; F. E. Pieschel, Springfield, sec.-treas.

## **CENTRAL MINNESOTA CLEARINGHOUSE ASSOCIATION**

Territory: Todd, Morrison, Stearns and Meeker counties.  
Officers: T. G. Wurst, Greenwald, pres.; A. A. Barton, Little Falls, vice pres.; J. H. Reed, Long Prairie, sec.-treas.

## **CENTRAL TRI-COUNTY CLEARINGHOUSE ASSOCIATION**

Territory: Kandiyohi, Meeker and Renville counties.  
Officers: H. C. Feig, Raymond, pres.; A. R. Anderson, Dassel, vice pres.; Edward Anderson, Bird Island, sec.-treas.

## **CORN BELT CLEARINGHOUSE ASSOCIATION**

Territory: Cottonwood, Watonwan, Jackson and Martin counties.  
Officers: H. M. Burnham, Jackson, pres.; Paul J. Gillam, vice pres.; Arthur J. Peterson, Triumph, sec.-treas.

## **DAIRY REGION CLEARINGHOUSE ASSOCIATION**

Territory: Waseca, Steele and Freeborn counties.  
Officers: A. A. Sorenson, Oakland, pres.; Paul H. Evans, Owatonna, vice pres.; George Hovig, New Richland, sec.-treas.

## **EASTERN MINNESOTA CLEARINGHOUSE ASSOCIATION**

Territory: Pine, Chisago and Carlton counties.  
Officers: K. W. Campbell, Pine City, pres.; R. W. Barstow, Sandstone, vice pres.; E. R. McClintick, Wyoming, sec.-treas.

## **FIVE-COUNTY CLEARINGHOUSE ASSOCIATION**

Territory: Benton, Isanti, Kanabec, Mille Lacs and Sherburne counties.  
Officers: A. E. Eddy, Hinckley, pres.; R. A. Ellingson, Elk River, vice pres.; Carl H. Sommers, Rush City, sec.-treas.

## **ITASCA COUNTY BANKERS ASSOCIATION**

Territory: Itasca county.  
Officers: J. C. Malley, Nashwauk, pres.; C. F. Gilbertson, Big Fork, v. pres.; A. R. Inman, Coleraine, treas.; H. I. Bastien, Grand Rapids, sec.

## **MINNESOTA VALLEY CLEARINGHOUSE ASSOCIATION**

Territory: McLeod, Sibley, Carver, Scott, LeSueur and Nicollet counties.  
Officers: Edw. J. Huber, Shakopee, pres.; A. W. Hoese, Glencoe, vice pres.; J. T. Peterson, LeSueur, sec.-treas.

## **NORTH CENTRAL CLEARINGHOUSE ASSOCIATION**

Territory: Cass, Crow Wing, Hubbard, Wadena, Beltrami, Aitkin and Southern Koochiching counties.  
Officers: C. H. Berge, Brainerd, pres.; C. J. Elsenpeter, Walker, vice pres.; R. W. Smyth, Park Rapids, sec.-treas.

## **NORTHWEST CLEARINGHOUSE ASSOCIATION**

Territory: Lake of the Woods, Roseau, Kittson, Marshall and Pennington counties.  
Officers: Walter J. Orr, Baudette, pres.; N. O. Folland, Greenbush, vice pres.; W. R. Holbrook, Warren, sec.-treas.

## **PARK REGION CLEARINGHOUSE ASSOCIATION**

Territory: Clay, Wilkin, Becker and Otter Tail counties.  
Officers: L. L. Olson, Barnesville, pres.; E. H. Buerkle, New York Mills, vice pres.; E. C. Beimer, Fergus Falls, sec.-treas.

## **RANGE BANKERS ASSOCIATION**

Territory: St. Louis and Eastern Itasca counties.  
Officers: S. R. Kirby, Jr., Duluth, pres.; S. J. Egge, Hibbing, vice pres.; G. P. Mitchell, Grand Rapids, sec.-treas.

## **RED RIVER VALLEY CLEARINGHOUSE ASSOCIATION**

Territory: Polk, Norman, Red Lake, Mahnomens and Clearwater counties.  
Officers: C. M. Berg, McIntosh, pres.; A. A. Habedank, Ada, vice pres.; Walter Johnson, Red Lake Falls, sec.-treas.

## **RURAL HENNEPIN-ANOKA CLEARINGHOUSE ASSOCIATION**

Territory: Rural Hennepin and Anoka counties.  
Officers: O. G. Cermak, Hopkins, pres.; P. F. Lindholm, Maple Plain, vice pres.; W. M. Neumann, Osseo, sec.-treas.

## **ST. CROIX-MISSISSIPPI CLEARINGHOUSE ASSOCIATION**

Territory: Washington, Dakota and Rural Ramsey counties.  
Officers: H. C. Robertson, Stillwater, pres.; J. F. Ringland, South St. Paul, vice pres.; Mark G. Houle, Hugo, sec.-treas.

## **SOUTHEASTERN MINNESOTA CLEARINGHOUSE ASSOCIATION**

Territory: Winona, Houston and Fillmore counties.  
Officers: Tollef Sanderson, Harmony, pres.; R. E. Sprague, Caledonia, vice pres.; John Ambrosen, Winona, sec.-treas.

## **SOUTHERN MINNESOTA CLEARINGHOUSE ASSOCIATION**

Territory: Dodge, Mower and Olmsted counties.  
Officers: N. V. Torgerson, Adams, pres.; C. H. Finseth, Hayfield, vice pres.; H. R. Hommedal, Rochester, sec.-treas.

## **SOUTHWESTERN MINNESOTA CLEARINGHOUSE ASSOCIATION**

Territory: Lincoln, Lyon, Pipestone, Murray, Rock and Nobles counties.  
Officers: E. J. Feldman, Pipestone, pres.; A. A. Anderson, Luverne, vice pres.; F. A. Timm, Balaton, sec.-treas.

## **TRI-COUNTY CLEARINGHOUSE ASSOCIATION**

Territory: Goodhue, Wabasha and Rice counties.  
Officers: Lynn Whitmore, Wabasha, pres.; Arthur Scriber, Cannon Falls, vice pres.; Kenneth B. Law, Lake City, sec.-treas.

## **WEST CENTRAL MINNESOTA CLEARINGHOUSE ASSOCIATION**

Territory: Swift, Lac qui Parle, Yellow Medicine and Chippewa counties.  
Officers: Leo A. Nikolai, Madison, pres.; I. M. Thompson, Milan, vice pres.; George W. Odell, Willmar, sec.; D. D. Stringer, Canby, treas.

## **WESTERN MINNESOTA CLEARINGHOUSE ASSOCIATION**

Territory: Big Stone, Traverse, Pope, Grant, Stevens and Douglas counties.  
Officers: E. J. LaFave, Morris, pres.; O. B. Schneck, Ortonville, vice pres.; E. A. Walter, Glenwood, sec.-treas.

## **WRIGHT COUNTY CLEARINGHOUSE ASSOCIATION**

Territory: Wright county.  
Officers: Not yet elected.



tion.

# Banks and Bankers

First Hand News and Views in the Northwest's Wide-Awake Banking Circles. Reports Always Welcomed.

**B**ANK MANAGEMENT, of course, continues to be a big objective, not only of bankers but of supervisory agencies at Washington.

Bank management comprehends all phases of operation, including the fast-growing factor of public relations. Good bank management spells profits. And that is the target, or should be, of all banking institutions. That's why, it may be said, too, that the Washington agencies are so keen about development of good bank management. Profitable banks reflect the well-being of the nation, incidentally the work of the regulatory bodies both federal and state.

But in a discussion of bank management and banking in general bankers feel that it is unfortunate (and uncalled for) to continue the tirade against the so-called loaning policy of banks, which RFC Chairman Jones has spotlighted and New Deal spokesmen have dragged into the lime-light as opportunity presented.

These have tried to blame banks for not increasing loans to business, especially to "small business." That sounds fine for consideration of a public which does not know the limitations in making loans to which a bank is subject by examination.

It does not take into consideration, either, the fact that a bank must have borrowers before it can make loans.

That chiefly is the reason bank loans have not been expanded more than they have. Business is not borrowing money, and will not until the cloud of uncertainty is lifted and confidence is restored.

It is not to be wondered at, therefore, that bankers have taken with ill favor the statement of Marshall R. Diggs, acting Comptroller of the Currency, in his address June 10 before the District of Columbia Bankers Association at Hot Springs, in which he took occasion to revive and emphasize the bank loans situation bromide.

Talking on "Bank Management," Mr. Diggs said:

"I realize, of course, that it is the banker's responsibility today to give thought to the many problems confronting the nation. I do believe, however, that there are times when you are inclined to get away from the very fundamentals of banking. You should not forget that primarily your bank is a depository and a

lending agency. There are bankers who have forgotten one of their primary functions, which is that of lending. They are keeping their funds too largely in cash or invested in securities, and as a consequence heavy borrowers are being forced to the various governmental agencies and the small borrowers hunt out the loan shark. Such short-sighted action on the part of bankers may produce further agency competition which would be an even graver problem."

Citing the fact that many of the troubles of banking in the past have been due to weak and bad bank management, Mr. Diggs, pointed out that the climax came in 1933, when the weeding out process finally cleared the situation, resulting in relieving the tension of over-banking and seating better bank management in the saddle, accompanied by a long-delayed tightening up on the issuance of new charters.



H. C. FEIG

President Farmers State Bank of Raymond, Minn., and busiest man in town this week because he was general chairman of Raymond's golden jubilee celebration Tuesday and Wednesday commemorating establishment of the town 50 years ago when the Great Northern reached that point. Nearly 6,000 persons joined in the celebration Tuesday evening.

Summing up causes of failures since establishment of the present banking system in 1863, in which period 2,968 national banks have failed, Mr. Diggs depicted 4,452 actual causes of the failures, namely:

Financial depressions .....	1,523
Incompetent management .....	1,409
Depreciation in securities .....	489
Runs on banks .....	385
Defalcations of officers and employees.....	273
Excessive loans to officers and directors or others for their benefit.....	128
Excessive investment in bank buildings.....	86
Miscellaneous causes .....	169

"In many instances," said Mr. Diggs, "a bank failure was attributable to a variety of causes, any one of which was sufficient to produce insolvency. We can brief this statement considerably. Conceding that in some cases even excellent management found itself unable to cope with severe business depressions, we could go back and take all the rest of the reasons and group them under one heading, 'weak and unwise management.' In other words, here are 2,939 causes for national bank failures during the past seventy-five years which cannot be lightly explained away. I believe that it could be shown conclusively that two-thirds or more of all the national bank failures have come about either directly or indirectly by poor management.

"This belief is strengthened when we realize that many banks remained solvent in territories where failures were most prolific, and where it can be clearly shown that such banks were under the management of capable and experienced men. Under the strongest pressure of competition, and in the face of adverse business conditions, these qualified men have been able to loan and invest their banks' funds without incurring disastrous losses.

"Going even further, we can cite the 1,417 national banks which were not allowed to reopen after the banking holiday. Oh, yes, even though more than 1,100 of these conservatorship banks were finally allowed to reopen, we have an analysis as to cause for them, too. In the 1,417 banks here is what our analysis shows:

In conservatorship because of economic conditions .....	642
In conservatorship because of weak management .....	570
In conservatorship because of mismanagement .....	205

"And let me say that in the classification 'weak management' we dealt with management whose integrity was not subject to question, but where the ability

was mediocre. In the classification 'mismanagement' we have dealt with banks whose condition was directly or indirectly attributable to actions including negligence, gross negligence, and criminal violations. So it is something for bankers to remember that in greater part, experience, intelligence, and a proper degree of conscience would have obviated many of the ills that have befallen banking in the past."

#### Interest Rates

Taking up the question of present low interest rates, a chief bugaboo of bank management today, Mr. Diggs said:

"If you are one of those who complain about low interest yield, remember that you have a greater degree of security today in your investments. Remember that as against that lower interest yield, banks have as an offset the common sense policy of lowering interest on time deposits, and of stopping losses on checking accounts through the medium of a decent charge. Remember, too, that the old terrific drain on banks brought about by the payment of interest on demand deposits has been completely eliminated."

COMMERCIAL WEST has consistently advocated closer participation of bank directors in affairs of their institutions. Mr. Diggs stressed that factor, asserting that in granting charters the Comptroller is extremely interested, before a charter is issued, in knowing just who is to compose the board of directors, what their qualifications are in acting as trustees for depositors and shareholders, if they are men of high moral standing who can divorce themselves from their own personal interests in the handling of the bank's business; that any bank which has a properly functioning board of intelligent, conscientious directors is a well run institution.

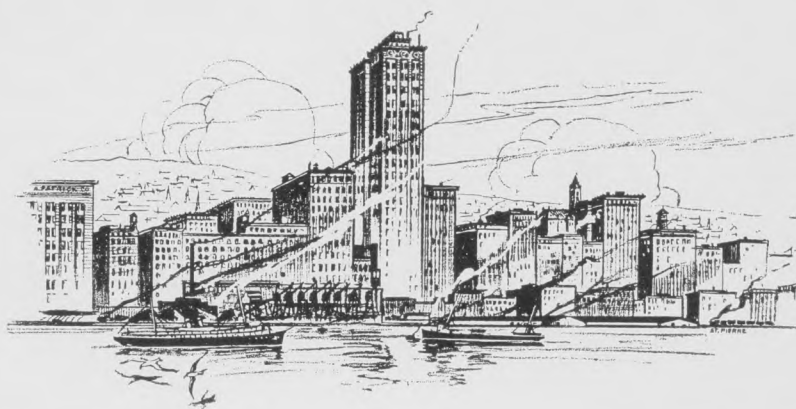
#### Should Attend Meetings

Above all, Mr. Diggs asserted, directors should attend meetings regularly, pass on loans and security investments, make themselves interested in the bank's public relations and other details of operation.

Mr. Diggs took three words to describe a good bank officer: Honesty, capability, enthusiasm—asserting that proper selection of officers is the most serious problem of directors. He urged, too, that officers be paid such salaries "as will enable them to live comfortably and respectably without stealing," and require them to give their entire services to the bank.

#### Illinois Meeting

Council of administration and the finance committee of Illinois Bankers Association are scheduled to hold their first meetings since the recent annual election at Chicago some time next month. Fred A. Gerding, president First National, Ot-



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tawa, and association president, is ex-officio chairman of both groups. Others who are members of both the council and the finance committee are Vice President John J. Anton, vice president First National, Chicago; Treasurer John D. Blossom, vice president Central National Bank & Trust, Peoria; Executive Vice President Martin A. Graettinger, and J. F. Schmidt, Waterloo, who recently retired from the association's presidency. Other council members are: S. Nirdlinger, Galesburg, and Frank C. Rathje, Chicago, former association presidents; H. G. Bengel, Springfield, president trust division; presidents of the 12 groups and five members-at-large. Group heads are: One—Joseph R. Frey, Chicago; Two—B. J. Schwoeffermann, Chicago Heights; Three—William Busse, Jr., Mt. Prospect; Four—C. S. Eastman, Kewanee; Five—Sidney E. Gorman, Belvidere; Six—I. M. Weimer, Pekin; Seven—A. A. Jones, Dewey; Eight—J. E. McCann, Buffalo; Nine—Andrew C. Schnack, Quincy; Ten—H. H. Nooner, Olney; Eleven—C. R. Torrence, Chester; Twelve—R. O. Kaufman, Mt. Vernon. Members-at-large are William W. Farrell, Chicago; Grover R. Helm, Tuscola; Charles M. Nelson, vice president and cashier Northern Trust, Chicago; Frank F. Noleman, Centralia; George C. Williams, Evanston.

### Iowa Sets Dates

South Dakota was first among Northwest state bankers' associations to name its 1939 convention city (C. W., June 11) when it decided on Pierre, but Iowa comes through first with its next year's dates. Council of administration has selected Monday, Tuesday and Wednesday, June 5-7. City will be chosen later.

### Minneapolis A. I. B.

Annual golf tournament of Minneapolis Chapter, A. I. B., will be staged Sunday morning at Hiawatha. Entries will tee off between 10 and 11:30. As usual, there are lots of fine prizes on tap, and advance registrations indicate splendid attendance. Harry L. Tyson (Northwestern National) heads the committee in charge, assisted by Edward Quinlan (Federal Reserve), Milton Andresen (First National), Carl R. Johnson (Northwestern), Sam Miscensik (Midland National), E. W. Oredson (Minnehaha National), Gerald K. Sorenson (Northwestern's Lincoln office), Raymond J. Severson (Northwestern's Lake street office), Thomas Aubart (Northwestern's North American office), L. W. Hanna (Marquette National), Richard K. Clark (Farmers & Mechanics) and G. H. Wetley (First's St. Anthony Falls office).

### A. I. B. Party at Mora

All of the employes of the First National of Milaca, First National of Bra-

ham, Kanabec State and State Bank of Mora were entertained by the officers of these institutions at the Golden Slipper Club Monday evening. Approximately 50 persons were present. For the past several months a group of the employes has attended a class of instruction one night each week sponsored by the A. I. B. Final examination was held last week, all of the members having qualified for a graduate certificate. Frank P. Powers acted as toastmaster. The program consisted of brief talks by H. C. Matzke of Duluth and William Duncan, Jr., of Minneapolis, president and secretary, respectively, of the Minnesota Bankers Association; S. R. Kirby and W. F. McLean of Duluth; Robert B. Gillespie of Cambridge; Oscar A. Olson of Braham and C. H. Sommer of Rush City. Tap dance numbers were rendered by Virginia West, Margaret Powers and Mary Schmitz of Stuart; vocal solos by Mrs. G. L. Angstman of Mora and J. A. Allen of Milaca. Accompaniment was by Mrs. A. W. Jackson. Community singing during the dinner was led by Mr. McLean, accompanied by Mrs. Jackson. Dancing concluded a very enjoyable program.

### Benson Recovers

After a period of inactivity during which his many friends throughout the U. S. were worried over his ill health, Brooklyn's Philip A. Benson, first vice



A. T. LISTUG

After having declined to become a candidate for the Montana legislature several times in the past, Mr. Listug, vice president First National, Wolf Point, has just filed for representative on the Republican ticket, first name in the race from Roosevelt county. Andy, as he is known among his many friends and business associates, never before has been active in politics as a candidate, although he served three terms as mayor of Wolf Point until his retirement due to ill health two years ago.

president of the A. B. A., was back on the firing line the other day, speaking at the annual convention of the Washington Bankers Association at Seattle. In his address Mr. Benson said most of the progress made by the U. S. in the past century was due employment of the savings of the people in the initiative of private enterprise. "Thoughtful consideration of the facts," said he, "a review of the pathway over which we have traveled, will convince us that we have been on the right road; that our economic system has yielded more in human happiness than any other system yet conceived by man. We know that wealth is produced by labor, that the tools by which men work are furnished by savings; that enterprise, initiative and further savings are necessary if we are to continue to progress."

### Montana Groups

Complete results of the recent annual elections of the various groups of Montana Bankers Association:

#### One

President—H. P. Thronson, president Security State, Harlem.

Vice Pres—J. F. Kumpf, vice president and cashier Farmers State, Conrad.

Sec-Treas—Charles Eastabrooks, cashier Bank of Glacier County, Cut Bank.

Member executive council—R. D. Mountain, president First State, Shelby (holdover).

#### Two

President—A. W. Heidel, cashier Powder River County Bank, Broadus.

Vice Pres—J. P. Schaeffer, vice president Glendive State, Glendive.

Sec-Treas—Arthur S. Schrupf, cashier Merchants National, Glendive.

Member executive council—M. J. Hughes, vice president and cashier First National, Glendive (holdover).

#### Three

President—H. E. Olsson, vice president Ronan State, Ronan.

Vice Pres—Theodore Jacobs, vice president and cashier First National, Missoula.

Sec-Treas—Jim Innes, cashier First National, Plains.

Member executive council—R. B. Robinson, president First State, Stevensville (holdover).

#### Four

President—R. G. Monroe, vice president First State, Malta.

Vice Pres—O. R. Hagen, assistant cashier Traders State, Poplar.

Sec-Treas—J. T. Brownlee, assistant cashier First State, Wolf Point.

Member executive council—T. L. Ryerson, vice president First State, Froid (holdover).

#### Five

President—L. S. Hazard, cashier First National Bank & Trust, Helena.

Vice Pres—R. W. Johnson, vice president First National, White Sulphur Springs.

Sec-Treas—R. S. Baker, cashier National Bank of Lewistown.

Member executive council—C. E. McGuinness, assistant cashier Union Bank & Trust, Helena.

#### Six

President—H. W. Howell, assistant cashier Deer Lodge Bank & Trust, Deer Lodge.

Vice Pres—J. F. Lowney, assistant cashier First National, Butte.

Sec-Treas—Guy D. Piatt, assistant cashier Metals Bank & Trust, Butte.

Member executive council—O. B. Silvey, cashier Daly Bank & Trust, Anaconda.

#### Seven

President—R. H. Elliott, assistant cashier Commercial National, Bozeman.

Vice Pres—J. W. Fry, assistant cashier Yellowstone Bank, Laurel.

Sec-Treas—J. D. Street, cashier Security Bank & Trust, Bozeman.

Member executive council—Alva L. Lamb, cashier Citizens Bank & Trust, Big Timber.

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Chairman of the Board

**W. A. MAHL**  
President

**G. M. ROBERTSON**  
Executive Vice President

**THEO. HECK**  
Vice President

**E. E. SHEPARD**  
Vice Pres. and Trust Officer

**C. F. WITT**  
Cashier

**H. L. HARRINGTON**  
Asst. Cashier

**JOHN G. LIBERA**  
Asst. Cashier

Member Federal Deposit Insurance  
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Commercial West Camera

### These Coins Commemorate First Swedish American Settlement.

widely celebrated the latter part of this month by both Sweden and America, the Swedish nation has issued coins and postage stamps.

In the accompanying picture a bag full of the coins is being poured on the table by Edgar L. Mattson, president Midland National Bank & Trust Co., Minneapolis, himself active in the celebration. Standing left to right in the picture are W. R. Murray, vice president; L. O. Olson, assistant cashier, and C. L. Keith, cashier of the bank.

The Midland National is the only Minneapolis bank that will have these commemorative coins, on the face of which is depicted King Gustaf V, whose 80th birthday was celebrated Thursday.

Participating in the U. S. celebration will be Crown Prince Gustaf Adolf, Crown Princess Louise and Prince Bertil, and the Crown Prince's staff.

After the celebration at Wilmington, where the Swedish settlers landed on the Delaware river rocks, and later in Philadelphia, the Crown Prince and his retinue will come to Minneapolis where the whole Northwest will join in further celebration of the event at the State Fair Grounds in St. Paul.

### Nebraska Charters Watched

Overbanking is being watched carefully in Nebraska by officers of the state association. That is well evidenced by a

statement in the current bulletin issued by Secretary Hughes in which he says:

"The association is instantly interested when the news comes that a new charter for a bank is being sought somewhere in the state. Our officers' prompt reaction is against it. To nine persons out of 10 this fact doubtless would be convincing evidence that the association of bankers desires to create a sort of money trust in the state. All bankers know that, instead, our officers' viewpoint is merely the result of realization that another influx of new banks will again weaken the banking structure as a whole, as was the case at least once previously.

"The fact that the association has a standing committee charged with the duty of looking into the situation wherever a charter is asked, to learn for ourselves whether a new bank is actually needed, would be damning evidence against us in the eyes of those disinclined to give weight to our real reason for interest in the point.

"The other day our officers during a conference on various affairs of the association, fell to discussing the fact that in a recent application for a charter in connection with which a dozen reasons for a new bank were advanced, investigation shrunk them to just one point, namely, that the banker in this town is gruff, sometimes even to the point of ugliness, in dealing with the public.



"Conclusion of the conference was that any banker who fails to train his thoughts upon his own customs, mannerisms, etc., is neglecting an opportunity to improve his business as well as himself, while that banker so located as to be possibly threatened with the advent of a new bank, who gives his public less than the best there is in him, is simply inviting trouble for himself.

"The association's public relations committee, which urges all bankers to improve their methods by thinking seriously about them, and possibly by borrowing Dale Carnegie's book from the association, etc., especially urges those bankers who are in vulnerable position from the direction of new charters, to surely give heed to the advice to do their level best to make their public like them and their methods."

### W. B. A. Resolutions

Among resolutions adopted at last week's convention of the Wisconsin Bankers Association at Milwaukee, covered by COMMERCIAL WEST staff representative in the June 11 issue and by staff photographer in this number, was this: "Resolved, that in the opinion of the bankers of Wisconsin, assembled in annual convention, it is imperative that Sec. 6 (b) and Sec. 9 (4) of the wage and hours bill introduced into the Senate of the United States, be retained, inasmuch as these sections make this legislation practicable and workable, and would make it possible, under proper board regulations, for banks to adjust their working hours over a period in order to conform to requirements imposed during peak and low periods of business activity." Copy was sent Senator Robert M. LaFollette, member of the conference committee on the bill. Members of the resolutions committee were F. M. Weinholt, Milwaukee (chairman); T. E. Gander, Prairie du Chien; John Rose, Green Bay; C. J. Kuhnmuensch, Milwaukee; J. L. Stauber, Marshfield.

### Liquidations Completed

Completion of liquidation of 33 receiverships during May, bringing the total finally closed or restored to solvency since the 1933 banking holiday to 1,103, is reported by Marshall R. Diggs, acting comptroller of the currency. Included are:

First National, Iowa City, \$1,057,880 total disbursements, including offsets allowed.  
 Citizens National, Winterset, Iowa, \$465,667.  
 First National, Avoca, Mich., \$187,815.  
 First National, Buchanan, Mich., \$577,776.  
 First National, Manistique, Mich., \$463,005.  
 Millington National, Millington, Mich., \$103,594.  
 First National, Ironton, Minn., \$205,097.  
 First National, Hartington, Neb., \$255,517.  
 First National, Leigh, Neb., \$338,500.  
 First National, Litchfield, Neb., \$155,304.  
 Security National, Randolph, Neb., \$321,820.  
 First National, St. Thomas, N. D., \$186,805.

### North Dakotan to Wed

Col. C. B. Little, president First National, Bismarck, one of North Dakota's



**T**HE 75TH ANNIVERSARY of The First National Bank of Chicago occurs July 1, 1938. During three-quarters of a century the bank has grown with the city and the great central valley of the United States. Complete facilities for the transaction of financial business in this country and throughout the world are offered those who find a Chicago connection advantageous.

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of Chicago**

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**LOW 1¢ RATE**

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114 South Fifth Street  
Minneapolis

most prominent figures in banking circles, Friday last week obtained a license in Minneapolis to marry Irene L. Shepard, also of Bismarck. Colonel Little, 81, a former state legislator, received a waiver of the requirement that persons must have been in the county five days before a license can be issued. Irene L. Shepard is the widow of Frank E. Shepard, former vice president and cashier of the Bismarck First National, who died several years ago. Colonel Little's wife died at Hollywood in 1935.

### Sought in Northwest

George Slade, said by G men to be No. 1 Bank Robber at large and a member of the old Eddie Bentz bank holdup gang, is being sought in the Northwest for a long series of bank raids. Twenty-nine years old, Slade is charged by the government's investigators with participation in the \$6,914 robbery of the State Bank of Newburg, Wis., June 8, 1936, and is wanted for questioning in connection with the \$1,587 holdup Aug. 3, 1936, of the Belgium (Wis.) branch of the Port Washington State Bank, headed by Clarence Hill, who retired last week as president Wisconsin Bankers Association.

### Veteran is Honored

John C. Carlson, president State Bank of Rush City, pioneer Minnesota banker, recently was guest of honor at a ban-

quet attended by 25 persons, including business associates and old friends, on the occasion of his rounding out 50 consecutive years as local agent for Home Insurance Co., which presented him with a solid gold service medal. Mr. Carlson is a familiar figure at M. B. A. conventions and other bankers' conventions and banquets in this territory.



C. P. REIS

When the A. B. A.-A. I. B.'s Graduate School of Banking course opens Monday at Rutgers University, New Brunswick, N. J., one of the Twin City student-delegates will be Mr. Reis, manager credit department American National, St. Paul. Mr. Reis has one of the outstanding records among the class of 600 from all parts of the country, and will graduate in 1939.

### Winona A. I. B.

C. F. Witt, cashier First National, was elected president of Winona Chapter, A. I. B., at the annual meeting held the other day at the Merchants Bank. Mrs. Vivian E. Albert (Winona National & Savings) was named vice president, and Alvin Grulkowski (Merchants), secretary-treasurer. N. W. Schellhas and Otto Schildnecht, both of the Merchants, were elected to three-year terms on the board of governors. They join John Ambrosen and H. J. Busdicker (Winona National & Savings) and Lyle Morcomb and Elgin Sonneman (First). All bank officers and employes in the city are members of the Chapter, as well as a number of officers and employes of other banks in the vicinity.

### Wisconsin's Calumet

Here are the newly elected officers of Wisconsin's Calumet County Bankers As-

## "The PERFECT VACATION"



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- PACIFIC NORTHWEST
- ALASKA or CALIFORNIA

Here's the vacation that's complete but inexpensive . . . as vigorous as you want it: riding, hiking, fishing . . . or as restful and lazy: modern hotels, chalets, camps! Go on the luxurious Empire Builder—hotel service, with famous meals at low cost. Ask about the All-Expense Tours, and "Stop-Off" motor tours through Glacier Park.

A. J. DICKINSON  
Passenger Traffic Manager  
St. Paul, Minn.

Route of the AIR-CONDITIONED

## EMPIRE BUILDER



sociation, chosen at the recent annual meeting:

President—Walter Glowe, cashier State Bank of Hilbert.

Vice Pres—A. B. Connell, president State Bank of Chilton.

Sec-Treas—Joseph Binsfeld, assistant cashier Calumet County Bank, Brillion (re-elected).

### Liquidends

Among recently authorized dividend distributions to creditors of closed banks in the Northwest are:

Corson State, Corson, S. D., 10 p.c., bringing total paid to date to 85 p.c.

First Trust & Savings, Mitchell, S. D., final of 2.75 p.c. (\$23,556.91), bringing total to 22.75 p.c. (\$903,728.89).

Aurora County Bank, White Lake, S. D., first and final of 3.22 p.c. (\$17,025.73).

### Liquidation Completed

Minnesota's commissioner of banks on June 6 issued a final certificate in liquidation proceedings of the State Bank of Stanton, Minn. The bank voted voluntary liquidation Mar. 30, 1938, and liquidation was completed May 7.

### Making Over Waseca Bank



MR. SOMMERSTAD

C. P. Sommerstad's First National Bank at Waseca, Minn., is to be completely remodeled as to the interior and considerably changed on the outside. When completed it will be one of the most complete and finest banking houses in Southern Minnesota — and that's going some. Rapidly expanding business of the bank, so it may more satisfactorily serve the community, necessitated the improvement.

Exteriorly the present entrance will be replaced by modern doors, new steps will be built bringing the entrance to the street level. The main banking room will be cleared of present columns, the lobby will be enlarged and modern fixtures installed throughout, including six tellers' windows. Sound-deadening insulation will be employed on the ceiling. On either side of the vestibule will be a waiting room and consultation room, while officers will occupy attractively furnished quarters in the main room. A new massive vault will be installed with a door weighing seven tons.

Contract for the alterations has been let to A. Moorman & Co. of Minneapolis.

## "For Modern Bank Management"

Our competent and progressive service is exerting a profound influence in the safe, approved and profitable conduct of banking. The adoption of our modernized bank forms and methods is becoming nation-wide.

Counsel with us on your requirements. You will benefit by the many advantages offered.

Fred Schilplin, President J. L. Rivard, Vice President  
Kendall Clark, Sec'y-Treas.

### BANKERS CERTIFIED SERVICE, INC.

St. Cloud, Minn.

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S. J. Bina - - - H. D. Candor  
F. L. Martin - - - L. G. Pratt

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All  
*Air-Conditioned*

*... fast  
convenient  
service via  
the scenic  
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**MORNING ZEPHYR**

Lv. Minneapolis . . . . 8:00 am  
Lv. St. Paul . . . . . 8:30 am  
Ar. Chicago . . . . . 3:00 pm

**AFTERNOON ZEPHYR**

Lv. Minneapolis . . . . 4:00 pm  
Lv. St. Paul . . . . . 4:30 pm  
Ar. Chicago . . . . . 10:59 pm

**BLACK HAWK**

Lv. Minneapolis . . . . 9:45 pm  
Lv. St. Paul . . . . . 10:20 pm  
Ar. Chicago . . . . . 7:30 am

**EMPIRE BUILDER**

Lv. Minneapolis . . . . 10:05 pm  
Lv. St. Paul . . . . . 10:55 pm  
Ar. Chicago . . . . . 8:40 am

**NORTH COAST LIMITED**

Lv. Minneapolis . . . . 10:20 pm  
Lv. St. Paul . . . . . 11:00 pm  
Ar. Chicago . . . . . 8:45 am

● On the Zephyrs—spacious parlor cars, colorful coaches, cocktail lounge, full-length dining car.

● On the night trains—luxurious observation-lounge cars; Pullman sections, bedrooms, compartments, drawing rooms, de luxe coaches and diners.

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**Federal Reserve Party**

Out of Minneapolis Thursday morning on the Northern Pacific went a representative group of Federal Reserve officials for the Montana convention and Helena branch dedication. They were due to arrive Friday noon. In the party were Chester C. Davis, member of the board of governors at Washington who planned to remain a couple of days in Montana where he lived some 15 years; President J. N. Peyton and Vice President O. S. Powell, Chairman W. B. Geery and Directors Albert P. Funk, La Crosse; W. O. Washburn, St. Paul; H. R. Kibbee, Mitchell, S. D.; H. C. Hansen, Churchs Ferry, and M. O. Grangaard, Minneapolis. In Helena, of course, they were to be joined by the seven Montana directors, also by two Minneapolis officers already out there, namely, Vice President and Cashier H. I. Zeimer and Assistant Counsel T. H. Hodgson.

**Valuation Upheld**

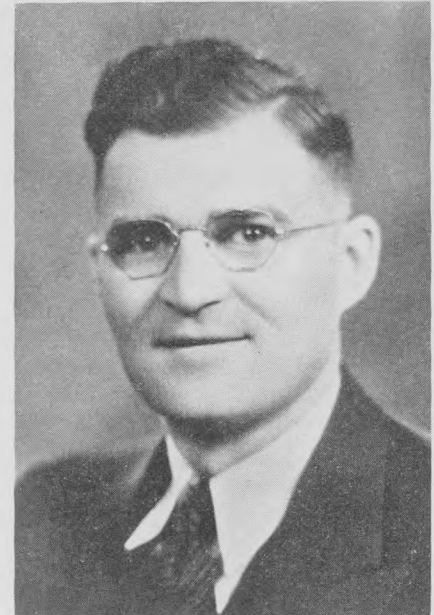
In an order rejecting a plea of the Minneapolis Federal Reserve Bank for a valuation of \$470,250 on its building and site, U. S. District Judge Gunnar H. Nordby Wednesday upheld City Assessor Gould's valuation of \$1,770,250. Taxes based on the city's valuation run around \$70,000 annually. The bank contended valuation for tax purposes should cover only land because the building is without value for any other purpose. But Judge Nordby ruled even that fact doesn't entitle it to escape its share of the tax burden.

**Here's a Money Maker**

Every banker is interested in the facts regarding other banks that are making money. So many today are complaining about low earnings that the success of the Olmsted County Bank & Trust Co. of Rochester is noteworthy. In 1937 this southern Minnesota bank made 3,192 loans aggregating \$1,058,000 and collected \$903,000. During the year it increased its local loans by \$155,000. Here is the record for the first five months of 1938:

Month	Number	New Loans	Loans Paid Off
January	239	\$67,000	\$85,000
February	244	60,000	47,000
March	335	95,000	64,000
April	275	91,000	64,000
May	353	96,000	77,000

For the year 1937 gross income was \$75,000 and gross operating expenses \$51,000, leaving net income of \$24,000, or about \$28 per share. On June 1 the bank deposits were about \$1,600,000, an increase of \$130,000 over a year ago. The bank has about \$250,000 in real estate loans including FHA mortgages. It is an important earning asset of the bank.



S. J. BINA

Mr. Bina now is identified with Bankers Certified Service, Inc., St. Cloud, organized three years ago by Fred Schilplin and J. L. Rivard. Formerly with Pierce Co. of Fargo for several years, Mr. Bina also has a background of practical experience in country banking. As sales representative with Bankers Certified Service, he will continue to call on his many customers in the northern part of Minnesota and in North Dakota, partly succeeding L. G. Pratt, whose territory has been further extended.

**Promotions at Omaha**

Promotions announced Wednesday by the Livestock National Bank of Omaha are: R. H. Kroeger, c., elected v.p. Paul Hansen, a.c., advanced to c. Chester G. Pearson and Herbert H. Echtermeyer elected a.c.'s. All have grown up with the bank and from the ranks, Mr. Kroeger starting as a messenger in 1914. Mr. Pearson began as a messenger in 1922 and Mr. Echtermeyer in 1920.

**75 Years in Chicago**

July 1 will mark the 75th anniversary of the First National Bank of Chicago. With initial capital of \$100,000 and \$1,000,000 fixed as a maximum, the bank's first quarterly statement, dated Sept. 30, 1863, showed total resources of \$481,848.55. Its capital, which had remained at \$1,000,000 until issuance of a new charter in Apr., 1882, was increased in May of that year to \$3,000,000; in 1900 to \$5,000,000; in 1902 to \$8,000,000; in 1910 to \$10,000,000; in 1920 to \$12,500,000; in 1926 to \$15,000,000; in 1929 to \$25,000,000, and in 1936 to \$30,000,000. In 1934, in common with many other leading banks, the First sold to the RFC \$25,-

000,000 preferred stock, all of which was retired by July, 1936. Surplus has been increased a number of times, now is equal to the capital. Several of its customers have been on the books since 1863. Many names well-known in Chicago are on the half-century roster, and there are thousands who have called the First their bank for from one to four decades. The bank has progressed steadily through periods of prosperity and through periods of adversity, and total resources now are well past the \$900,000 mark. Official staff is headed by John P. Oleson, chairman; Edward E. Brown, president; Bentley G. McCloud, R. Frank Newhall, James B. Forgan and Harold V. Amberg, vice presidents. Mr. Newhall also is cashier.

### N. D. Wins Again

With a record equalled only by two other states, North Dakota bankers again in 1937, for the seventh consecutive year, earned a 1,000 p.c. efficiency rating for their farmer-banker activities, an honor award bestowed by the Agricultural Commission of the A. B. A.

Reporting on the award, F. A. Irish, pres. First National, Fargo, chairman agricultural committee, North Dakota Bankers Association, paid a fine compliment of appreciation for the excellent cooperation of the Greater North Dakota Association, through Bert Groom, chairman of its agricultural committee. Mr. Irish also paid due tribute to key bankers, "and to every last individual banker in the state" for their unselfish and interested assistance.

### Personal and Pertinent

St. Paul Chapter, A. I. B., really put out a fine piece of publicity in its ballyhoo for Elmer Volkenant on the executive council at Louisville. Seems to have worked, too.

Virginia Bankers Association met this week, Thursday through Saturday, at Hot Springs.

Wind of tornado proportions Wednesday was reported to have ripped off the roof of the Farmers & Merchants State, Dickey, N. D.

First National Bank building at Valier, Mont., has been sold by court order; price, including building and remaining fixtures, \$2,250.

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# 1938

## Marks the 50th Anniversary of the Date When G. H. Haven Purchased the Root River Bank From J. C. Easton

NOW IN ITS 82ND YEAR OF SERVICE  
TO THE CHATFIELD COMMUNITY

Member Federal Deposit  
Insurance Corporation



Member Federal  
Reserve System

## The Officers and Directors of the NATIONAL BANK OF COMMERCE IN MANKATO

Send Greetings  
to the Minnesota  
Bankers Association  
on the Occasion of its  
49th Annual Convention

Prompt and Efficient Handling of all  
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RESOURCES OVER ONE MILLION DOLLARS

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**TRAVEL WISE** *says:*

I'm way out in front,  
right to the finish line.  
And so is the "400".

*The "400"*

Lv. Minneapolis . . . . . 2:30 PM  
Lv. St. Paul . . . . . 3:00 PM  
Ar. Milwaukee . . . . . 8:10 PM  
Ar. Chicago . . . . . 9:30 PM



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Business*

*Daily and Weekly Editions*

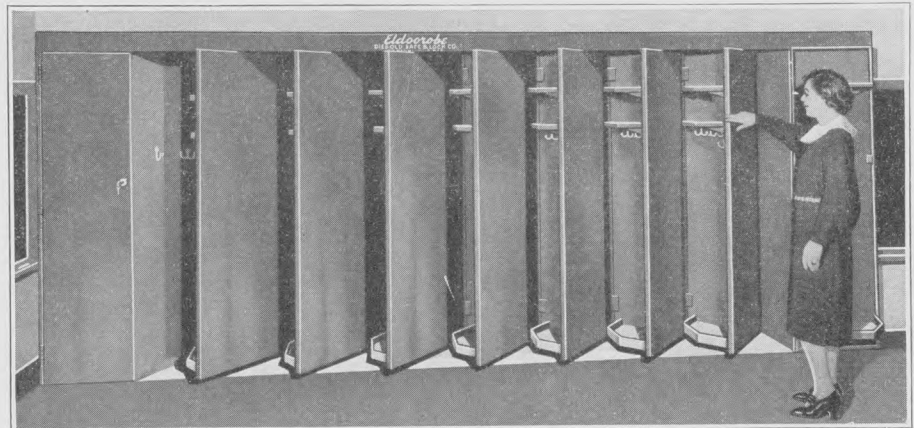
**THE BOND BUYER**

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**67 Pearl St., New York, N. Y.**

**MAKING GOING TOUGH FOR THIEVES**



This new Diebold Safe & Lock Co. device keeps robbers at bay.

A new type of multiple unit wardrobe, known as the Eldoorobe, that entirely does away with doors on the individual compartments has just been announced by the Diebold Safe & Lock Co., of Canton, O.

Wherever one person is responsible for the garments of a group of people the Eldoorobe is said to provide positive, centralized control and protect the garments against pilfering and mysterious disappearance. It is convenient and economical for classrooms and jury rooms; and for lodge rooms where one officer is responsible for ceremonial robes and equipment.

There are no handles or locks on the individual, "L" shaped compartments—

they are fully controlled, opened, closed, and locked from the supervisor's or teacher's wardrobe. Many practical advantages are claimed for this new type of compartment construction, such as saving of floor space, reduction in number of working parts, elimination of projections into room or aisle and low cost per individual.

The standard Eldoorobe accommodates 40 persons and has two cabinets for books and miscellaneous supplies. Either smaller or larger units can be easily furnished to provide any capacity needed. The Eldoorobe is described as a completely finished unit that can be installed in the open or recessed in the wall. It is thoroughly ventilated and can be readily connected to the building ventilating ducts.

**NEW MINNEAPOLIS HOUSING**

The first large housing development to be made in Minneapolis under an FHA insured loan has been developed and promoted by the Parklake, Inc., on property near Thirty-second street and West Calhoun boulevard and Excelsior boulevard. Magney & Tusler are the architects and the James Leck Co. has the contract for

the building. There will be five three-story brick buildings containing 54 apartments and 12 apartments in a two-story building—a total of 66 apartments. The location of this development is practically on Lake Calhoun and close to the Lake street shopping district.

Telephone calls through the Bell system average 68,000,000 daily.

**COMMERCIAL PAPER &  
SHORT-TERM MUNICIPALS**

We have at all times, commercial paper and short term Minnesota municipals to fit bank needs. Limited amounts of 60- and 90-day paper now available.

OUR CURRENT OFFERING LIST MAY BE HAD UPON REQUEST

**M. H. BISHOP & CO.**

MINNEAPOLIS

MINNESOTA

## To Rapid City

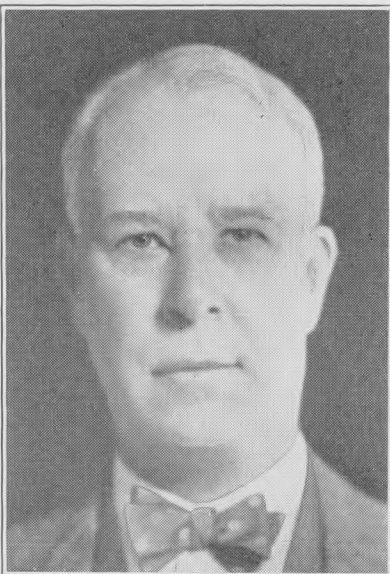
Quite a delegation from the Twin Cities will attend the 4th annual Tri-State Building, Loan & Savings Association convention at Rapid City in the Black Hills Thursday through Saturday next week. Most of them will drive, although Mrs. D. E. Crary Mudd, St. Cloud, secretary-treasurer of the Minnesota League, may travel by airplane in order to conserve time, so advising COMMERCIAL WEST Wednesday this week in a letter concerning the meeting.

The Twin Cities delegation will be headed, of course by K. S. Kerfoot of the Ben Franklin Federal, St. Paul, newly elected president of the Minnesota League. A. F. (Pat) Hall of Albert Lea is going and Stanton Dahlen of Thief River Falls. He may join Mrs. Mudd via airplane.

Others from the Twin Cities will include Roy W. Larsen and Martin L. Jordan of the Twin City Federal and Clarence Ohm, St. Paul, and Al Kamps, Minneapolis, of the Minnesota Federal.

## Seats at Bargain

Arrangements were completed Tuesday for the sale of a membership in the Chicago Stock Exchange at \$1,500, down \$100 from the last previous sale.



JOSEPH CHAPMAN

Press reports from Washington this week announced ICC confirmation of Mr. Chapman as a trustee of the Soo Line. He will act with George W. Webster, who was elected president when C. T. Jaffray became chairman of the board several months ago. Mr. Chapman was a Minneapolis banker (v.p. Northwestern National) later became head of the Donaldson department store, was the first RFC manager in Minneapolis, now is head of the Citizens Utilities Co., after having been a Foshay receiver.

# WILLMAR + + +

95 Miles West of Convention Headquarters.

Trade Center of West Central Minnesota.

Great Northern Railway Division Point With 6 Passenger Trains Daily.

Million-Dollar Municipal Light and Power Plant.

New Municipal Auditorium Built in 1937 at Cost of \$185,000.

Kandiyohi County's Soil is Productive —With 15 Creameries.

For Your Vacation, see Green Lake first.

For Prompt and Courteous Bank Service, Inquiries or Collections Within Our Territory, Write or Call On Us

## BANK OF WILLMAR

Resources Over One and One-Half Million Dollars

OTTO BREMER, *Chr. of Board*  
J. F. BRANTON, *President*  
EDWIN SELVIG, *Vice Pres.*  
N. H. TALLAKSON, *Vice Pres.*

JOHN GUNDERSON, *Vice Pres.*  
A. E. NORDSTROM, *Cashier*  
A. STRUXNESS, *Asst. Cashier*  
ADELINE SUNDBERG, *Asst. Cashier*  
LILLIE B. NOREN, *Auditor*

Member Federal Deposit Insurance Corporation

# 1868 • 1938

## Carrying On With Pioneer Spirit

For 70 years this bank has endeavored to meet the problems of each new era in a clear, constructive manner. On our 70th Anniversary we see new fields for development and new services for our clients. We believe our record proclaims our determination to meet new problems with the same vigor that characterized the founders of our institution.

## UNION NATIONAL BANK

**Rochester** **Minnesota**

H. R. Hommedal, President  
A. C. Burgan, Cashier

Dr. Christopher Graham, V.P.  
E. C. Weinhold, Asst. Cash.

Oscar A. Olson, V.P.  
H. L. Narveson, Asst. Cash.

Member Federal Deposit Insurance Corporation

## How Banks Stand

The condition statement of weekly reporting member banks in 101 leading cities shows the following principal changes for the week ended June 8: A decrease of \$30,000,000 in commercial, industrial and agricultural loans, and increases of \$270,000,000 in loans to brokers and dealers in securities, \$53,000,000 in loans to banks, \$47,000,000 in holdings of United States Government direct obligations, \$23,000,000 in obligations fully guaranteed by the United States Government, \$47,000,000 in "Other securities," \$103,000,000 in reserves with Fed-

eral Reserve banks, and \$445,000,000 in demand deposits-adjusted.

Commercial, industrial and agricultural loans declined \$16,000,000 in the New York district and \$30,000,000 at all reporting member banks. Loans to brokers and dealers increased \$242,000,000 in New York City, \$19,000,000 in the Chicago district, and \$270,000,000 at all reporting member banks. Loans to banks increased \$54,000,000 in New York City.

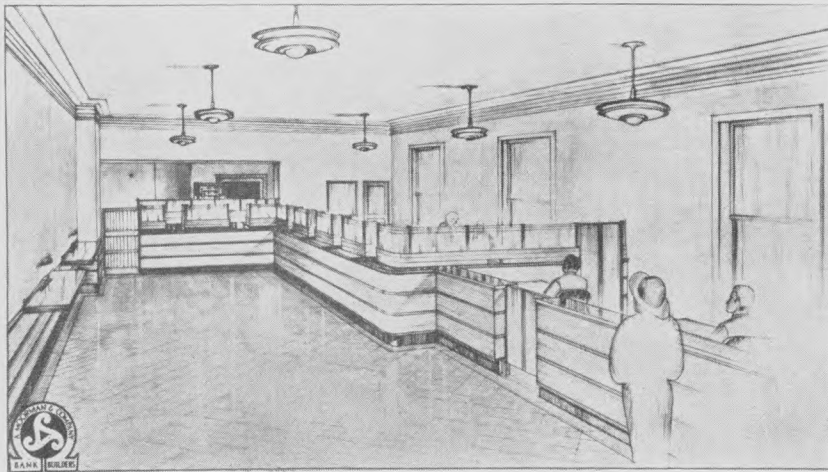
Holdings of United States Government direct obligations increased \$115,000,000 in New York City and \$47,000,000 at all reporting member banks, and declined \$22,000,000 in the Richmond district and

\$17,000,000 in the Cleveland district. Holdings of obligations fully guaranteed by the United States Government increased \$31,000,000 in New York City and \$23,000,000 at all reporting member banks. Holdings of "Other securities" increased \$39,000,000 in New York City and \$47,000,000 at all reporting member banks.

Demand deposits-adjusted increased \$215,000,000 in New York City, \$65,000,000 in the Philadelphia district, \$60,000,000 in the St. Louis district and \$445,000,000 at all reporting member banks. Time deposits increased \$16,000,000 in New York City and \$14,000,000 at all reporting member banks. Government deposits declined \$7,000,000 in New York City and \$13,000,000 at all reporting member banks.

Deposits credited to domestic banks increased \$90,000,000 in New York City and \$74,000,000 at all reporting member banks.

Borrowings of weekly reporting member banks amounted to \$24,000,000 on June 8.



## MODERNIZATION

and

## EXPANSION

During the next few months we will be busy with a complete remodeling job. When completed we will have one of the finest banking quarters in Minnesota

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## MACS in Session

Alexandria was the scene this Friday and Saturday of the annual mid-summer meeting of the Minnesota Association of Commercial Secretaries. The program included addresses by Constant Larson of Alexandria on the tax question; George J. Bassingwaite of Faribault on "Keeping in Step with Your Job"; Ben B. Lawshe, Washington, D. C., on "Is the Chamber of Commerce Geared to Meet Today's Needs," and W. E. Hammond, Minneapolis, Northwest representative of the U. S. Chamber of Commerce, discussing secretary problems.

L. A. Rossman, Grand Rapids editor, was featured speaker at the annual luncheon, his subject, as it has been in recent addresses, being "Retention and Development of Industry in Minnesota."

President Bruce Middlemiss of Hibbing handled the sessions as chairman. Jerry Pratt of Duluth again was in charge of the golf tournament. The question box was conducted by E. L. Stockinger of St. Cloud.

## Heads Ad Men

James H. Keenan, of L. S. Donaldson Co. was elected president of the Advertising Club of Minneapolis at its annual meeting Wednesday in the Curtis hotel. Edgar Ray Champion of Investors Syndicate was named first vice president, and Algot E. Swanson, second vice president. Harry E. Atwood was elected secretary-treasurer.

Frank Kiewel, Jr., advertising manager for the Minneapolis Brewing Co., was named chairman of the advertising clinic. Stewart Moore, advertising manager of Luther-Ford, was elected vice chairman.



## New Head of Powers Likes the West

Minneapolis has been enriched by location here of Doddrick Olson, newly elected president of the Powers Mercantile Co.

Mr. Olson has grown up in the merchandising business, having started with



DODDRICK OLSON

Birks in Winnipeg as a youth, but since 1923 was in the mercantile business in New York city and Newark, N. J.

His first New York experience was with Macy's as buyer in the china department, where he obtained wide experience in import buying and was merchandise manager in the booming '20's. In 1929 he went with Bambergers in Newark and was there for the next seven years, where he became executive vice president in charge of merchandising.

In 1936 Mr. Olson became chairman of the board of McCreery's in New York and on Jan. 1 this year was elected president. May 19 he was chosen as president of the Powers Mercantile Co. in Minneapolis.

In late years Mr. Olson has been closely associated with Oswald W. Knauth, now president of the Associated Drygoods Corp. which owns the Powers Mercantile Co. and other large department and specialty stores.

Mr. Olson hopes to make Minneapolis his permanent home. He says that he and Mrs. Olson and his two grown sons are very happy to be here, like the West, are very appreciative of the fine reception from the people and business men.

"The spirit of cooperation evidenced by business men here is one of the finest in my experience," Mr. Olson told COMMERCIAL WEST this week, "and I am very happy at the prospect of being in business here."

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Your Correspondent  
at the Gateway to  
Southwestern Minne-  
sota . . . . .

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# De Beeg News of Osseo

By Joe Bedore



JOE BEDORE

Osseo, Minsote,  
Eighteens of Jun,  
1938.

Dear M'sieu West:  
I want for wrote  
an' told you de  
beeg news of  
Osseo:

Doggone de hab-  
itant feel good.  
Pete LaFramboise  
say hee's leetle  
onion taste de be'  
he don't know.

Francois Codere say hee's tamack  
grow 'bout foot ev'ry day. (Course hee's  
mean 'bout inch.) He say, we don't 'ave to  
h'eat so much salt pork now af'er de  
jardin start.

Octave Talbot plant plantee de leetle  
w'ite bean. Mabbe you don' know; but de  
leetle w'ite bean mak' de bes' pea soup.

You know de Ol' Joe Latourelle, hee's  
always got de bes' jardin, no mattair w'at  
you got, hee's h'always beat you. Mack  
LeFebvre t'ink I'm goin' fool heem, me.  
Mack pass on Minneaplees an' was buy  
peck potato w'at be jue' ship to de mar-  
ket. Mack crawl hee's jardin an' put dose  
potatoe under de vine, an' put leetle stick  
difference place, so told where be de  
potato.

## Spoils Good Trick

Pret soon Joe com' an' mak' veesit wit'  
Mack. Mack of course be de bes' shoe-  
maker dis side of Trois Rivere. Af'er w'ile  
Joe say: "Gosh-all-your-mightie, my

petack got de beeg vine, bigger you  
nevaire see. Den Mack say: "I nevair see  
ze petack grow so fas'. I'm got som'  
petack be big lak 'en's h'egg. Com' ma  
fren I'm show you an' look for beeg hill.

Mack deeg de groun' lak' gofer an'  
pull couple nice potato. Sacre Bleu! Joe's  
h'eye com' off hee's head. He can't talk for  
long tam. Mack deeg couple more place  
to show heem. Joe look close an' pret soon  
hee's say, "Gee Crap, dees wan be ripe  
petack. Well, h'anyway, Mack can't stop  
laff—hee's deeg too many an' spoil good  
trick.

## Joe no Like

Dey feex de Ol' Joe wan tam, long tam  
behine of course, w'en hee's work in de  
beeg woods on de Leetle Willow reever.  
Sometam w'en hee's com' de camp he  
want lunch. One de lumberjack by de  
h'accident drop hee's red socks in de soup.  
Joe heem tak' beeg bowl full. Af'er he git  
through eat, hee's say to Booya Gervais,  
cookee, your dam cranberrie sauce, hee's  
no good.

## Snus Gets Wet

Philorum Gorham, Poleon Gosslin, Ed  
Morisette, Joe LaMondie an' Charlo Cre-  
peau pass on de Ol' Missip' las' wick for  
ketch de small mout' bass. Philorum goin'  
be more careful. Las' year hee's balawance  
de boat w'en hee's stood up, jus' for show  
his'sef an' hee's 'ear somethink go plunk  
an' By Gar it be his'sef w'at go plunk.

Hee' say he don't geev wan dam 'bout  
dat; but hee's git hees snus all wet.

## Convention Here

I'm read on your gawzette 'bout le con-  
vention w'at be in Minneaplees nex wick.  
An' de beeg bankaire all be der. I'm t'ink  
mebbe I go too. Hear som' good storie. Dat  
wan 'bout de bankaire an' ze glass h'eye,  
de Chinaman an' de fluctuation an' nodder  
wan w'ere dog bit de bankaire, be pret  
old.

H'anyway M'sieu West I'm 'ope some  
de Wisconsin bankaire com' too. Mebbe  
Jean Baptiste Sayles, Clarence Mau, Bob  
Banks and M'sieu Wenzel be der. Mebbe  
Francois Couvert, Rube Danielson, Dun-  
lap Clark an' Arch Anderson come' to  
Minsote too an' mebbe dey told us how to  
mak' more beezeness.

I'm 'hope to see us ag'in de twenty-two  
of Jun.

Wot' de bes respeck, I be,  
Your trulie,

—JOE BEDORE.

## The "Turn," Maybe

Considered significant as indicating a  
natural economic upturn, has been the  
fairly consistent gain in freight car-  
loadings since May. The change from de-  
crease to increase came just 11 months  
after the new depression set in last year.

## BANKING

### Finances

## AGRICULTURE

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## V. W. Johnson

(Continued from page 37)

curred—the borrowers couldn't or wouldn't pay their notes. This particular banker was well to do. When his bank began to have trouble, he liquidated his own fortune and retired the losses of his bank until he had exhausted all his means. When the end came, he considered taking his own life that his wife might collect his life insurance and not be left destitute.

He was honest and honorable in all his transactions and he could not be held responsible for the collapse of economic conditions that destroyed his bank and himself. Surely he had paid fully for any mistakes in judgment with which he might be charged, yet pursuant to the usual custom, he could no longer be employed in the profession which he had followed for his entire lifetime. At 65 years of age, he got a job mopping floors.

Might not this honorable banker—and others like him, who are legion—have been the ideal person described in this beautiful poem, the author of which is unknown:

### THE MAN WHO KNOWS

I want to walk by the side of the man who has suffered and seen and knows,  
 Who has measured his pace on the battle line and given and taken blows,  
 Who has never whined when the scheme went wrong nor scoffed at the failing plan—  
 But taken his dose with a heart of trust and the faith of a gentleman;  
 Who has parried and struck and sought and given and scarred with a thousand spears—  
 Can lift his head to the stars of heaven and isn't ashamed of his tears.  
 I want to grasp the hand of the man who has been through it all and seen,  
 Who has walked with the night of an unseen dread and stuck to the world-machine;  
 Who has beaten his breast to the winds of dawn and thirsted and starved and felt  
 The sting and the bite of the bitter blasts that the mouths of the foul have dealt;  
 Who was tempted and fell, and arose again, and has gone on trusty and true,  
 With God supreme in his manly heart and his courage burning anew.

And when the banker's best friend comes to him in distress with a sick wife in the hospital, his business in a failing condition and \$1000 is needed at once to save the situation—but the best friend has exhausted his credit—well, that is where the tragedy of the banking business becomes stark for the honest, sincere, sympathetic banker. His heart is heavy—Jim is a swell guy, has done oh so many of those little friendly things that cannot be measured in close relationships. Don't think for a minute that the emotions are not operating at full force.

### What Would You Do?

Shall the loan be made on sentiment now and all the high sounding phrases about "obligation of trusteeship," "other people's money," "sound asset loans" be abandoned? Is the personal obligation primary or has the depositor still the right to demand the banker's sane, sober

# Powers



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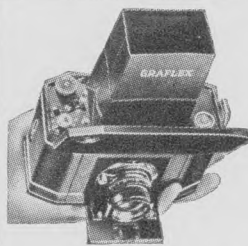
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COMMERCIAL WEST ADVERTISING PAYS

and impartial judgment? Ask yourselves, what would you do?

The man of Galilee said nearly 2000 years ago, "Render up unto Caesar that which belongs to Caesar and unto God that which belongs to God." On an occasion such as I have described, the banker is surely no blasphemer when he inquires—"which belongs to Caesar?"

Have you ever stood behind the counter and looked into the face of a very dear friend whom you have helped very materially to accumulate the \$5000 deposit which he has in your bank and from his eyes looked down at the check which he has passed through the wicket, which reads "Pay to the Order of Cash \$5000—when the line in front of the tellers windows stretches into the street—and the misery drums in your heart? Friendship—obligation yes, even blood relationship has been shattered by the clink of silver and the crinkle of new currency.

And have you ever experienced the knowledge that at the very same moment the widow Brown, a charming little gray haired lady, is sitting confidently in her old fashioned parlor, at home, rocking gently, looking down a tranquil shady street. Remember?—it was but yesterday she told you "You have been so kind to me and I know you have my interests at heart. This is all the money I have but I know it is perfectly safe with you in these troublesome times—isn't it?" And the line in front of the tellers wickets stretches into the street. What emotion would you have had, at such a moment, and what would you have said to the little grey-haired lady who rocks gently by the window?

And that's what makes bankers "that way."

### Fear Grasshoppers

"Small grain crops are generally of good stand and color," says the current crop letter of the Van Dusen-Harrington Co., Minneapolis, commenting upon the outlook in the Northwest. Rye is headed out, heavy stand and good color, and promises an excellent yield. Usual reports of damage by cut worms are being received, but greatest damage is feared from grasshoppers, which have hatched in great numbers recently in sections infested last summer.

### LARGEST AT DULUTH

Marine Iron & Shipbuilding Co., Duluth, has just been awarded a \$214,000 contract for construction of a lighthouse tender for the federal government. It will be the largest vessel ever built at Duluth. The keel will be laid about July 1 and the ship will be finished early in 1939.

# Stock Market Looking to Good Crops to Bring "Turn" in Fall

By the Observer

BACK last fall some time, if this commentator's memory serves him right, some of the nation's economists and board-room-wise experts (forgive the adjective) were predicting that this new business "repression" would be short-lived. They said the downswing of the stock market and bond values wouldn't last long.

That was last fall, remember. Along about Christmas time, with business beginning to look for its crutches, the experts began picking spring—early spring—for the turn.

And now we are in the summer of 1938, with the stock market still in the doldrums, business somnolent, unemployment back to about the old 1933 level.

What's the answer? Where are we going from here?

At this point in the proceedings, after the failure of the spring months to show us anything in the way of business or stock market revival, we are beginning to hear from the experts again.

### Look for Early Turn

This time they assert, with considerable confidence, that the "turn" will come this fall. Some are venturesome enough to say it will begin making itself manifest by early fall.

Well, this observer hopes they are right. It's about time some of us were right.

Logically the turn should come this fall. Congress is out of the picture, and that ought to help a lot. Perhaps some of the New Dealers will be so busy on political fence rebuilding that they won't have time to get new anti-business promulgations into the picture.

That would help a lot, too.

What we need, as I have said heretofore in this column, is good sentiment. We need a state of mind on the part of industry, finance and trade (and the public) that will begin tackling the job of getting business back on "Prosperity Highway." Such a state of mind will do more than anything else to lift us out of this new (and I still believe), needless period of hard times.

Certainly sentiment of the right kind is the spark plug needed to get our

securities markets back on their feet and doing business in more profitable volume in the investment banking offices and in brokers' houses all over the land.

If Official Washington will just lay off us for a while, if industry will take its pick and shovel in hand and get to work again, there is more than hope that the "turn" will come this fall.

There is nothing much else to stop it. Unlike previous depressions there is a plethora of cash in the banks, coffers

of the insurance companies and trust funds, even in surpluses of business and industry, to start the wheels turning and keep them moving. Money is at a discount. Interest rates are at the century's ebb, so there is no obstacle there to business expansion.

Billions are actually needed for delayed construction. There is no quarrel with the position of inventories. They are not a barrier.

Confidence only, it would seem is lacking.

The switch has been set against us. We've a clear track ahead but we need the "go ahead" signal.

From here it looks as though we might get that signal with this year's promise of abundant crops—freight for the railroads, business for everybody.

Let's get ourselves out of this pessimistic line of thought, check the green light, throw the switch and get going again.

### Chicago Reorganizes

Reorganization of the Chicago Stock Exchange, along the lines of getting in new blood the same as New York, has been completed with exception of choice of a new paid president. Arthur M. Betts, senior partner of Alfred L. Baker & Co. on Monday was elected chairman of the new board and was appointed president pro tem of the exchange, pending naming of the active president. Selection of the paid president will be made by a committee consisting of John J. Bryant, Jr., Michael J. O'Brien, Paul B. Skinner and Wallace C. Winter. Other new committees named by the board of governors are:

Executive—Morton D. Cahn, Robert J. Fischer, Warren A. Lamson, Harry M. Payne, Charles C. Renshaw.

Finance—Laurance H. Armour, M. Ralph Cleary, Paul B. Skinner, Virgil C. Webster, Wallace C. Winter.

Judiciary—William T. Bacon, James A. Cathcart, Alger Perrill, T. Clifford Rodman, R. A. Wood.

Floor Procedure—M. Ralph Cleary, Ralph W. Davis, Sampson Rogers, Jr., Alfred E. Turner, Virgil C. Webster, Herbert M. Weil, R. A. Wood.

## Bank Stocks

June 15, 1938

	Bid	Asked
<b>MINNEAPOLIS</b>		
First Bank Stock.....	9¾	10
N. W. Banco.....	6½	7
<b>NEW YORK</b>		
Bankers Trust.....	41½	43
Chase.....	26½	28
First National.....	1500	1540
Guaranty Trust.....	211	215
National City.....	22	23½
<b>CHICAGO</b>		
American National.....	165	175
Central Republic \$5 par.....	3¾	4½
City National.....	121	125
Continental Illinois.....	55	57
First National.....	163	166
Harris Trust & Savings.....	260	270
Northern Trust.....	490	500

## Business Chart

	Current Week	Previous Week
Bank Debts.....	\$146,416,000	\$131,202,000
Bank Deposits.....	508,000,000	497,000,000
Bank Loans.....	153,000,000	152,000,000
Bank Clearings.....	13,294,906	14,401,491
Stocks (Ave.).....	113.24	113.75
Commercial Paper.....	1%	1%
Wheat.....	.89¾	.79¾
Corn.....	.53½	.52¾
Barley.....	.45	.43
Rye.....	.50	.48¾
Oats.....	.24¾	.23¾
Flax.....	1.77¾	1.74
Hogs (cwt.).....	9.10	8.85
Cattle (cwt.).....	9.25	9.50
Lambs (cwt.).....	8.75	7.00
Butter (lb.).....	.26¾	.25
Eggs (doz.).....	.22¾	.21¾
Potatoes (cwt.).....	1.20	1.20

NOTE—Grain prices, Minneapolis for cash delivery. Butter and eggs, wholesale price, New York; livestock, price paid at South St. Paul; potatoes, wholesale price in Twin Cities. Bank debits cover reports from 17 selected cities, including Minneapolis, St. Paul and Duluth. Bank deposits and bank loans are reported only for Twin Cities, Duluth, Fargo, Sioux Falls, Helena, Great Falls, LaCrosse. Bank clearings are total for Twin Cities. All quotations latest available at Commercial West press time each week.

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Chicago

New Business and Public Relations—Thaddeus R. Benson, Ralph Chapman, Frank McDonald, Richard W. Phillips, Hugh H. Wilson.

R. Arthur Wood was elected to membership on the board of governors, to serve until the next regular election, to fill the vacancy caused by the election of Arthur M. Betts to the chairmanship.

Messrs. Britton I. Budd, pres. Public Service Co. of Northern Illinois; Sheldon Clark, v.p. Consolidated Oil Corp.; Lawrence A. Downs, pres. Illinois Central System, and Robert C. Schaffner, chairman of the board A. G. Becker & Co., have accepted appointment as advisors to the board of governors of the exchange.

### Hamilton Depositors

With an increase of 110 p.c. over May, 1937, production records of Hamilton Depositors Corp.'s Minnesota territory during May again led the nation (C. W., May 28), say L. V. Daniels and H. W. Linder, state managers. Business so far this year is running far ahead of 1937. And Mr. Daniels, whose offices are at 252 Foshay Tower, Minneapolis, says they're still looking for additional Minnesota representatives to augment the staff of 39 now at work.

### Personally Speaking

**Reunion-ers:** Lawrence Woodard (Woodard-Elwood) is attending his 25th reunion at Williams College, Williamstown, Mass., and Eddie Lynch (J. M. Dain) is at Dartmouth, Hanover, N. H., for his 15th.

**Summer residents:** Charles Park (Bundy & Park, St. Paul) is at Marineon-St. Croix; Jim Mairs (Mairs-Shaughnessy) is at Bald Eagle lake; John Getchell (Piper, Jaffray & Hopwood) is at Christmas lake.

**Twin City visitor last week-end:** Charles Main (Ballman & Main, Chicago), Henry Arnold (W. L. Lyon & Co., Cincinnati), James Moore (Braun-Bosworth, Chicago), Sid Mohr (King, Mohr & Co., Montgomery), Elbert L. Land (Union Planters National Bank & Trust, Memphis).

**Miscellany:** John Heines, formerly with Allison-Williams, now is with the RFC . . . Gene Hanson, Dale Merrick, James MacRae and their wives spent last week-end at Gull lake . . . Harvey Carr (Wells-Dickey) is entertaining a group of investment people at his summer home at Bemidji this week-end . . . Lester Elwood (Woodard-Elwood) was a recent Chicago visitor.

### Touring Europe

John F. Scott, president Minnesota Federal Savings & Loan Association, St. Paul and Mrs. Scott left this week for a tour of Northern Europe. They expect to return home about Aug. 1.

# Municipal Financing

County Officials and Others Interested Are Invited  
to Report Promptly All News for This Department.

**T**HE BIG NEWS this week in Northwest municipal finance is the possible crisis in Minneapolis caused by a local attorney challenging the city's bonded debt limit by filing a suit.

Bond dealers in the Twin Cities have felt for some time that Minneapolis was getting dangerously near its debt limit despite, as they say, the unsound practice of including money and credit assessments as part of the valuation for bonded debt.

Minneapolis had advertised to sell on June 23 two large issues of bonds, \$386,478.84 of street improvement bonds and \$500,000 waterworks bonds. Sale probably will be impossible until the suit is settled, say prominent municipal men, although some dealers are considering bidding, subject to 30-day delivery and the legal opinion of their bond attorneys.

Several dealers interviewed by COMMERCIAL WEST declared relief to be Minneapolis' big problem. Nearly all charged

waste and mismanagement in the handling of the needs of the unemployed. Constantly piling up long term debts to pay current relief expenses is not considered sound financing. As one municipal expert put it: "There just is no justification for a city putting out a 10-year bond to pay for a breakfast tomorrow morning." This dealer said the Eastern syndicate that his firm represented quit bidding on Minneapolis bonds some six months ago.

Another dealer expressed the opinion that the city's plight was due to pressure from the state which forces Minneapolis to carry an extravagant relief load or go without state aid. If Minneapolis were a large industrial center like Detroit, with a highly seasonal business, he declared, some of its difficulties might be justified.

Minneapolis has always had a very high credit position with municipal buyers but when the city began refunding serial maturity bonds, then a new situation developed and the status of the bonds, in the opinion of most dealers began to decline.

One of the problems Minneapolis has had to contend with was the exact status of the debt. On June 1 the total bonded debt was \$69,240,211.11, from which were deducted amounts aggregating \$9,961,649.98 for which no future ad valorem levy is required. This leaves a gross indebtedness to be financed from current and future debt levies of \$59,278,561.13. Under the Minnesota law additional deductions of \$10,173,815.36 are permitted making the net bonded debt per Minnesota law \$49,104,745.77. With a gross permissible bonded debt of \$59,833,635.50 on the basis of 10 per cent of the assessed valuation, the margin as of June 1 for additional bond issues, according to O. J. Turner, city comptroller, was \$10,728,889.73.

The suit brought by Attorney Grimes is to the effect that the city's bond is already exceeded and the \$1,289,207 in bonds authorized and to be sold is illegal. As one dealer with whom the COMMERCIAL WEST talked put it: "There are too many deductions for exempted bonds."

While local municipal dealers feel that the situation is not critical in the long run if properly handled, nevertheless most of them insist steps should be taken to correct some of the serious abuses that now exist.

The permanent corrections proposed would involve either a constitutional

amendment or new laws. Here are some of the definite recommendations made by municipal experts who know the Minneapolis situation:

1. That real estate be assessed at 100 per cent of its full or true valuation and the constitutional debt limit placed at 5 per cent.
2. That money and credits be exempted from the valuations as a basis for bonded indebtedness.
3. That a general sales tax be enacted to take care of all relief expenses and for no other purpose.
4. That the income taxes be used for school purposes and debt retirement and for no other purpose.
5. That no new types of taxes be used for new expenditures.

An effort to dispose of the Grimes suit will be made next week, according to R. S. Wiggin, city attorney. The city filed an answer this week contending that there is a margin of \$8,355,054 after allowing for the \$1,289,207 authorized but not sold.

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CORPORATION**  
Davenport, Iowa

**DOTY DISCOUNT CORPORATION**  
Detroit, Mich.

Country Bank Representatives  
**ALBERT WICKSTROM - A. F. JOHNSON**  
**FRANK N. MOWATT**

**RAND TOWER MINNEAPOLIS**

**NORTH DAKOTA**

*State and Municipal Bonds*

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

**M. PLIN BEEBE**

*South and North Dakota bonds,  
warrants and  
refundings*

Ipswich, S. D.

**IOWA**

**BURLINGTON**—Proposed—\$70,000 refunding bonds for Des Moines county.

**CENTERVILLE**—Election—Held June 15, \$232,000 school bonds.

**CHARLES CITY**—Offering—June 20 at 2 p. m., \$30,000 consol. school district bonds, 11 $\frac{1}{3}$ -year average. Voted Apr. 21 by 360-62.

**CORNING**—Defeated—June 6, \$80,000 court house bonds by Adams county by 1,256-1,538.

**DAVENPORT**—Awarded—\$145,000 sewer, street and refunding bonds, due 1945-58 to White-Phillips Co.

**DES MOINES**—Voted—June 6, \$295,000 airport bonds by 18,196-8,893. C. Roy Hanson, city clerk.

**DES MOINES**—Offered—June 16, a variety of bonds aggregating \$617,000.

**EMERSON**—Proposed—\$5,500 indept. school district bonds for refunding purposes.

**EMMETSBURG**—Offering—June 27 at 2 p. m., \$500,000 primary road bonds by Palo Alto county. C. C. 3 p.c. Casper Nelson, county treasurer.

**FARLEY**—Voted—June 1, \$12,000 community building bonds by 253-90. Jos. A. Ahlers, village clerk.

**HOLSTEIN**—Awarded—\$20,000 sewer 2 $\frac{3}{4}$ 's to Holstein State Bank at 100.625 to yield 2.55 p.c.

**INDEPENDENCE**—Voted—June 6, \$110,000 court house bonds by Buchanan county by 2,665-1,756. J. M. Gemmels, county auditor.

**JEFFERSON**—Defeated—June 6, \$50,000 court house bonds of Greene county.

**LIVERNE**—Voted—\$6,700 indept. school district gymnasium and auditorium bonds.

**MARCUS**—Awarded—\$31,755.57 improvement bonds to White-Phillips Co.

**MARSHALLTOWN**—Voted—June 6, \$50,000 county farm dormitory bonds Marshall county by 2,279-913. J. E. Soderquist, county clerk.

**MASON CITY**—Offering—June 20 at 3 p. m., \$55,000 refunding bonds. Average maturity 8 $\frac{1}{2}$  years. Chapman & Cutler opinion.

**MINDEN**—Election—June 24, \$30,000 school bonds. L. J. Crow, clerk.

**MOULTON**—Voted—June 1, \$12,000 school bonds. S. Z. Mace, school clerk.

**NORTHWOOD**—Voted—June 6, \$6,500 court house vault construction bonds by 1,678-871.

**ORANGE CITY**—Awarded—June 14, \$500,000 Sioux county primary road bonds, due 1945-50 to syndicate headed by Northern Trust Co., Chicago as 2 $\frac{1}{4}$ 's at 100.8002. Bonds reoffered at prices to yield 1.60 to 2.05 p.c.

**PLANO**—Election—Held June 17, \$3,000 indept. school district No. 3 bonds.

**POCAHONTAS**—Offering—June 27 at 2 p. m., \$125,000 primary road bonds of

**CALENDAR OF BOND SALES**

**June 18**

Hot Springs, Mont.—\$5,000 school building bonds for high school district No. 14.

**June 20**

Mason City, Ia.—At 3 p. m., \$55,000 school bonds.

St. Charles, Ia.—At 2 p. m., \$30,000 school bonds.

Midland, Mich.—At 7 p. m., \$15,000 school building bonds.

Mahtmedi, Minn.—At 8 p. m., \$4,500 bonds for construction purposes.

**June 21**

Menominee, Mich.—At 9 p. m., \$623,000 electric light and power bonds.

Minneapolis—\$789,207 permanent improvement bonds.

Townsend, Mont.—At 2 p. m., \$17,500 waterworks bonds.

**June 22**

Paw Paw, Mich.—At 8 p. m., \$75,000 electric light and power plant bonds.

**June 23**

Minneapolis—At 10 a. m. and 11 a. m. on \$500,000 waterworks bonds and \$386,478.84 special street improvement bonds respectively.

**June 24**

Brighton, Mich.—At 2 p. m., \$235,000 water and sewer bonds.

Winneconne, Wis.—At 2 p. m., \$20,000 general bonds.

**June 27**

Emmettsburg, Ia.—At 2 p. m., \$500,000 Palo Alto county bonds.

Pocahontas, Ia.—At 2 p. m., \$125,000 road building bonds.

Mankato, Minn.—At 2 p. m., \$68,000 ditch refunding bonds for Blue Earth county.

Humbolt, S. D.—At 8 p. m., \$8,500 sewer bonds.

Milwaukee, Wis.—At 10 a. m., \$3,000,000 relief

**June 30**

Blue Earth, Minn.—At 1:30 p. m., \$15,000 drainage ditch bonds for Faribault county.

Pocahontas county. C. C. 3 p.c. J. F. Carlson, county treasurer.

**ROCK RAPIDS**—Awarded—June 14, county to Harris Trust & Savings Bank as 2 $\frac{1}{4}$ 's at 100.8004.

**SIDNEY**—Voted—June 8, \$10,000 waterworks bonds by 157-122. Bert Stiles, city clerk.

**WAUKON**—Proposed—Issue of bonds for court house by Allamakee county.

**MICHIGAN**

**BAY CITY**—Awarded—\$74,000 2-year emergency bonds to Halsey, Stuart & Co. as 1 $\frac{1}{4}$ 's at 100.293 equal to 1.11 p.c. basis.

**BENTON HARBOR**—Awarded—\$25,000 6-year average emergency relief bonds to E. W. Cress & Co. as 1 $\frac{1}{2}$ 's at 100.04.

**DOWAGIAC**—Awarded—\$145,000 electric light plant bonds to Barcus, Kindred & Co. and Channer Securities.

**GRAND HAVEN**—Awarded—\$4,752.70 special assessment paving bonds to the city for its investment funds.

**MASON**—Approved—\$2,113.72 on notes against unpaid taxes for current fiscal year.

**MENOMINEE**—Proposed—\$180,000 Menominee county road bonds.





**MIDLAND**—Awarded—\$50,000 water-works bonds to Martin, Smith & Co. as 2¼'s and \$37,749.27 sewer assessment bonds to Carleton M. Hugby Corp.

**PAW PAW**—Awarded—\$75,000 electric light and power revenue bonds to Cray, McFawn & Petter & First of Michigan Corp. as 3½'s at 100.83.

**PETERSBURG**—Voted—May 31, \$6,000 sewer bonds.

**PORT HURON**—Voted—May 23, \$17,000 building bonds by 170-29.

**SCHOOLCRAFT**—Offered—June 15, \$27,000 Schoolcraft township school district bonds. Maturing 1939-43.

#### MINNESOTA

**CLARA CITY**—Defeated—June 1, \$38,000 indept. school district No. 62 by 157-180.

**HAYFIELD**—Awarded—\$9,500 village bonds to state board of investment.

**MANKATO**—Offering—June 27 at 2 p. m., \$68,000 Blue Earth county ditch refunding bonds. Rate 2¼ p.c. B. E. Lee, county auditor.

**MILROY**—Election—Held June 14, \$15,000 school gymnasium bonds for consol. school district No. 95. E. F. Wetter, clerk.

**PRINCETON**—Proposed—\$55,000 municipal light plant bonds. B. R. Whitney, city clerk.

**RAYMOND**—Voted—June 6, \$35,000 school bonds for indept. school district No. 49. A. G. Stob, clerk.

**RED LAKE FALLS**—Awarded—\$18,000 refunding bonds to Red Lake County State Bank for premium of \$185 for 3 p.c. coupon.

**STEPHEN**—Election—June 20, \$25,000 school auditorium bonds. M. E. Fjeld, clerk.

**TWO HARBORS**—Election—In July, \$185,000 Lake county school bonds. C. E. Compton, supt. of schools.

**WHITE (P. O. Aurora)**—Awarded—\$22,000, 7-months certificates of indebtedness.

**WRENSHALL**—Election—June 17, \$5,500 school garage bonds for indept. school district No. 15. Lawrence Holmes, clerk.

#### MONTANA

**BELGRADE**—Election—June 22, \$60,000 school bonds. W. L. Hodgskiss, clerk.

**BOZEMAN**—Voted—June 8, \$316,000 school bonds.

**CLYDE PARK**—Unsold—\$10,000 refunding water bonds offered June 6 were offered without bids.

**GREAT FALLS**—Proposed—\$170,193.25 school bonds for school district No. 1. V. F. Gibson, clerk.

## When You Come to the Minnesota Convention June 23-25

Be sure to visit us in  
● the Bond Department ●  
at the "Northwestern"



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Building, a business ad-  
dress of distinction.*

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GOVERNMENT, STATE  
AND MUNICIPAL BONDS

BOND DEPARTMENT

### NORTHWESTERN NATIONAL BANK AND TRUST COMPANY

MINNEAPOLIS, MINNESOTA

## NORTHERN FINANCE CORPORATION

Established 1912

Minneapolis, Minn.

### COLLATERAL TRUST NOTES

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MINNEAPOLIS

## GREENMAN & COOK, INC.

ALMON A. GREENMAN

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944 McKnight Building

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**Heat Water Electrically**  
**LOW 1¢ RATE**

**THOMPSON FALLS—Election**—July 19, court house building bonds. Goldie Clusen, county clerk.

### NEBRASKA

**EMERSON—Awarded**—\$36,000 refunding bonds mentioned in COMMERCIAL WEST, Apr. 9, have been sold.

**PLATTSMOUTH—Awarded**—\$28,000 refunding 3's to Greenway-Reynor Co. at 100.21.

### NORTH DAKOTA

**CAVALIER—Offered**—June 14, \$9,000 municipal auditorium and armory bonds.

**FESSENDEN—Voted**—June 7, \$100,000 school bonds for district No. 40 by 337-74. Otto G. Krueger, clerk.

**HATTON—Awarded**—\$30,000 water-works bonds offered last February have been sold.

**LINTON—Election**—June 25, \$9,000 school gymnasium bonds for special school district No. 36. John F. Ports, clerk.

**WESTHOPE—Offered**—June 17, \$10,000 school gymnasium and auditorium bonds for Daybreak school district No. 17.

**WILLISTON—Election**—June 28, \$77,000 court house bonds for Williams county.

### SOUTH DAKOTA

**HUMBOLDT—Offering**—June 27 at 8 p. m., \$8,500 sewer bonds maturing \$500, 1941-48, \$1,500, 1949-51. Optional after July 1, 1943. Assessed valuation \$273,019. Tax collections for 1935 and 36 better than 93 p.c. Legal opinion of Junell, Fletcher, Dorsey, Barker & Colman.

**PARKER—Proposed**—\$27,000 school bonds for indept. school district No. 1. V. B. Clikeman, clerk.

**THOMAS—Voted**—\$8,000 school bonds.

### WISCONSIN

**EDGAR—Election**—In June, \$20,000 water and sewage disposal bonds. Ivan Cherney, city clerk.

**KENOSHA—Awarded**—\$45,000 refunding school bonds as 3¼'s at 100.638 to yield 3.18 p.c. to John Nuveen & Co.

**MEDFORD—Approved**—\$50,000 highway bonds for Taylor county by attorney general of state.

**MILWAUKEE—Offering**—June 27, \$3,000,000 Milwaukee county relief bonds due July 1, 1939. Chapman & Cutler, opinion.

**WINNECONNE—Offering**—June 24 at 2 p. m., \$20,000 general obligation bonds, maturing 1939 to 1957. C. C. 2 p.c. Otto G. Ansorge, village clerk.

### Bond Club Picnic

Twin City Bond Club "pulled" good weather for its annual picnic Thursday. Representative attendance marked the occasion, with its highlights of golf, tennis and so on at the Somerset Country Club, just outside St. Paul, after which dinner was served and prizes presented at the University Club in St. Paul.

# Investors Syndicate Promotes 3

## Staff Men Advanced in Service

INVESTORS Syndicate this week announced promotion of three of its executives.

Daniel E. Farr, vice president and counsel, was named chairman of the board to succeed the late J. R. Ridgway, Sr.

E. M. Richardson, secretary and treasurer, was advanced to vice president.



DANIEL E. FARR



RALPH KENNON



E. M. RICHARDSON

Ralph Kennon, auditor and actuary, was promoted to secretary.

Mr. Farr is a Sioux Citian by birth, took law at Iowa and Columbia, was a World War captain, has been with Investors Syndicate since 1926, handling legal matters for the most part. Mr. Richardson joined the company as secretary in 1925, had been a Missouri banker. Mr. Kennon joined the firm in 1930.

As of May 31 this year Investors Syndicate had total resources of \$119,936,612.

### Minnesota Power & Light Company

Dividends on Preferred Stock

Payable July 1, 1938

The regular quarterly dividends for the period ending June 30, 1938, of \$1.75 on the 7% Preferred Stock and \$1.50 on the \$6 and 6% Preferred Stocks of Minnesota Power & Light Company have been declared payable on July 1, 1938, to stockholders of record at the close of business on June 15, 1938.

W. S. HODGSON,  
Treasurer.

### MONTANA-DAKOTA UTILITIES CO.

Notice of  
Preferred Stock Dividends  
and Common Stock Dividend

The Board of Directors of Montana-Dakota Utilities Co. has declared the regular quarterly dividends of \$1.50 per share upon its 6% series preferred stock and of \$1.25 per share on its 5% series preferred stock. The Board of Directors has also declared a dividend of 10c per share on the common stock. Payment on all classes will be made July 1, 1938 to stockholders of record June 15, 1938.

R. M. Heskett,  
Vice President and Treasurer.

There are 44 freight cars in service on American railroads for each passenger car in service.

## MERCHANDISE AND MEN

Curtis merchandise could not be purchased to the best advantage without the help of our sales representatives.

With considerable pride, we publish a roster of the MEN who are presenting our merchandise intelligently, faithfully and honestly:

Porter, Minneapolis	Grodahl, W. Minn.	Eby, Iowa
Holman, Minneapolis	Johnson, North Dakota	Nelson, Iowa
Gustafson, St. Paul	Pryor, South Dakota	Isakson, North Dakota
Kilgore, St. Paul	Patient, Montana	Gibson, Duluth
Castledine, S. W. Minn.	Williams, Nebraska	Hoslett, Milwaukee
Hutchinson, S. E. Minn.	Marsh, Wisconsin	Tighe, Wisconsin
Dougherty, St. Paul	Dissmore, Wis.	

For fifty-six years, we have served bankers and industrial concerns of the Twin City trading area. During this period, our constant aim has been to deliver good merchandise. Also to have good men to present our merchandise to you.

### CURTIS 1000 INC.

1000 UNIVERSITY AVE.

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# Insurance Takes Up Public Relations

## Federation's Annual Meeting Discusses a Program

**T**HE NEED for a general program of public relations was stressed at the 24th annual meeting of the Insurance Federation of Minnesota Monday at the Curtis hotel, Minneapolis.

It was touched on briefly in the annual report of Clyde B. Helm, secretary, and amplified by Ward F. Senn of the Pioneer Agency, Minneapolis, and others.

Secretary Helm pointed out the necessity of greater personal contact with policyholders and prospective policyholders, and also of an educational campaign among country editors of the state on the value of insurance of all kinds.

Because the Federation represents all branches of insurance Mr. Senn asserted the organization would be the most logical to undertake coordination of public relations.

While no formal motion was adopted it was the consensus of opinion that in the coming year Secretary Helm work out some plan for a public relations program and means of financing it, the plan to be approved, if found feasible, at some later meeting.

The troublesome intervention of government crop insurance into the picture came up on presentation of O. W. Kolshorn of Red Wing, who asked if private companies would be held for that part of fire or hail insurance they might have on a crop that was also government insured.

Opinion of those who were familiar enough with the whole situation to offer advice was that the private companies would be held, but the matter was left to Secretary Helm to obtain official information on the subject for such companies as might wish it.

### St. Paul Extends Welcome

George H. Radcliffe of Cathcart & Maxfield, Inc., St. Paul, got a good hand as he invited the Federation to come to St. Paul this fall when the big convention of the National Association of Insurance Agents is held there, bringing some 1,500 to 2,000 agents to that city.

On motion of L. L. Law of London Assurance the meeting adopted a resolution of condolence on the recent death of George V. B. Hill, a veteran member, and it will be sent to Mr. Hill's sister.

Wheaton A. Williams of the Fred L. Gray Co., Minneapolis, started a veritable shower of commendation for Secretary Helm when he moved for a standing vote of appreciation for the good work through the years of the Federation's popular secretary-treasurer, practically everybody trying to voice their approval at the same time, with Retiring Pres. A. G. Meile of New Ulm, leading the voicing.

Resolutions adopted, read by Armand W. Harris of St. Paul, in the absence of Ray H. Ostrander of Albert Lea, chairman, definitely placed the Federation on

record in favor of biennial appropriations by the legislature large enough to enable the state insurance department to give more effective supervision to insure greater protection for the public; reiterating opposition to the state or any subdivision engaging in the insurance business; urging that at the next legislative session the Federation support an automobile "guest" passenger law, amendments to strengthen the financial responsibility law covering owners of automobiles.

And that it should oppose compulsory automobile liability and property damage insurance.

Retiring President Meile in his annual report, said in part:

"In his notice of this meeting, the secretary calls attention to the fact that the purpose of the Federation is 'the preservation of legitimate insurance of every kind.' It seems to me that this statement carries with it a challenge and I am wondering how many of our members realize how well that challenge has been met during the past 24 years. During the past year we have been fortunate in that we did not have to contend with a legislative session. Nevertheless, as you undoubtedly know only too well, a regular session will convene early in 1939. There are many things brewing and it is difficult to see what the future has in store for us. This is an age of restlessness and revolutionary movements and it behooves all of us



AT THE ANNUAL meeting luncheon of the Insurance Federation of Minnesota. Being a bit early on the job not all had been seated when this picture was taken by the COMMERCIAL WEST Camera.

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means a policy backed by conservative management, speedy claims service and progressive underwriting.

SAFE DRIVERS REWARDED **NOW** by a SAVING in Liability and Property Damage premiums based on past experience.

Lloyds' financial statement as of December 31, 1937, and increased premium writings over 1936 clearly show stability and progress.

	1936	1937
Premiums Written .....	\$ 876,877.14	\$1,013,722.93
Policyholders' Surplus .....	904,948.22	938,753.79
Total Assets .....	1,586,486.58	1,723,829.66



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## HOME OFFICE

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**\$1,300 in**  
**13 Weeks**

You can do the same in your  
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 by bankers all through our  
 territory. Recently, on an  
 election day, a banker took  
 a half-day off and wrote  
 \$40,000 in new business for  
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 profit was equal to three  
 months' salary. Write for  
 our interesting folder tell-  
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 more profits.

**POLICYHOLDER'S**  
**NATIONAL LIFE**  
**INSURANCE CO.**

Sioux Falls, S. D.

to be on our toes if we do not want to wake up some fine morning to find that we have been legislated out of business, at least to a large degree."

Secretary Helm in his annual report stressed the fine assistance rendered by committees and members, especially in the matter of handling legislative matters, and urged all members to get acquainted with legislators and those who may be elected as an aid toward constructive explanation to them of the position of insurance as an integral and large factor in the general business structure.

Calling attention to the fact that John T. Hutchinson, for many years secretary of the Insurance Federation of America, had retired last December, Secretary Helm read a letter from him, congratulating the Minnesota Federation upon its work and asserting it is the most efficient of all state Federations.

Reporting as treasurer, Mr. Helm said the Federation had closed the year with all bills paid and a balance of \$500 in the treasury, which was commented upon by Wheaton A. Williams as very much different from the old days when it was invariably in the red at the end of the year.

C. W. Hall of the Northwestern Fire & Marine, Minneapolis, presented the report of the committee on nominations, which resulted in election of the following officers, directors and committees without change:

President—George R. Teeson, Alexandria Insurance Agency, Alexandria.

Vice Presidents—R. J. Grant, president Hardware Mutual, Minneapolis; E. C. Huhnke, MacGregor, Bradley & Huhnke, Duluth; O. W. Kolshorn, secretary Goodhue County Farm Mutuals, Red Wing;



**CLYDE B. HELM**  
 Re-elected Secretary-Treasurer

MISCELLANEOUS STATEMENT

**American Surety Co. of New York**

New York, N. Y.

Organized in 1881

A. F. LaFRENZT, Pres. C. H. HALL, Sec.

Attorney to Accept Service in Minnesota:  
 COMMISSIONER OF INSURANCE

Income in 1937

Total Net premiums received.....	\$ 9,534,691.73
From all other sources.....	1,440,782.12
Total Income .....	\$10,975,473.85
Ledger Assets, Dec. 31, 1936.....	\$29,305,978.64
Sum .....	\$40,281,452.49

Disbursements in 1937

Claims paid (net) .....	\$ 2,221,270.90
Dividends to stockholders, Cash.....	749,995.00
All other disbursements .....	6,894,648.19
Total Disbursements .....	\$ 9,865,914.09
Balance .....	\$30,415,538.40

Ledger Assets Dec. 31, 1937

Real Estate .....	\$ 8,300,000.00
Bonds and Stocks .....	17,396,573.97
Cash in office, Trust Companies and Banks .....	3,024,945.64
Premiums in course of collection.....	1,564,020.86
All other Ledger Assets .....	129,997.93
Total Ledger Assets (as per balance).....	\$30,415,538.40
Total Non-Ledger Assets .....	\$ 1,750,714.18
Gross Assets .....	\$32,166,252.58
Deduct Assets Not Admitted.....	\$ 6,481,468.18
Total Admitted Assets .....	\$25,684,784.40

Liabilities Dec. 31, 1937

Net unpaid claims except Liability and Workmen's Compensation Claims ...	\$ 3,558,517.17
Reserves for liability and workmen's compensation claims .....	1,183,868.40
Unearned premiums .....	5,941,658.69
All other Liabilities .....	3,428,155.23
Total Liabilities .....	\$14,112,199.49
Capital stock paid up.....	\$ 7,500,000.00
Surplus .....	\$ 4,072,584.91
Surplus as regards policyholders.....	\$11,572,584.91

Business in Minnesota in 1937

	Premiums Received	Losses Paid
Auto Liability .....	\$ 11,210.15	\$ 746.67
Liability other than auto....	4,282.14	290.75
Workmen's compensation ...	3,779.28	4,322.86
Fidelity .....	47,689.40	9,008.41
Surety .....	42,722.55	8,697.57
Plate Glass .....	213.79	45.00
Burglary and Theft .....	10,117.80	608.10
Automobile property damage.	3,030.56	1,179.35
Auto collision .....	35.95	.....
Property damage and collision, other than auto .....	259.23	.....
Totals .....	\$123,340.85	\$ 24,898.71

State of Minnesota

DEPARTMENT OF INSURANCE

I HEREBY CERTIFY That the Annual Statement of the American Surety Co. of New York for the year ended December 31, 1937, of which the above is an abstract, has been received and filed in this department and duly approved by me.

FRANK YETKA,

Commissioner of Insurance

J. H.

**L. C. Minor, Manager**  
 1445 Northwestern Bank Bldg.  
 Minneapolis, Minnesota



**R. J. GRANT**  
Elected a Vice President

Louis L. Law, state agent London Assurance, Minneapolis; E. A. Roberts, vice president and general counsel, Minnesota Mutual Life, St. Paul.

Secretary-treasurer—Clyde B. Helm, Minneapolis (re-elected).

Directors—Alexander Campbell (chairman), vice president Marsh & McLennan, Minneapolis; C. A. Dosedell, secretary St. Paul Fire & Marine, St. Paul; L. C. McGee, manager Aetna Casualty & Surety, Minneapolis; A. G. Meile, Henningsen-Meile Agency, New Ulm; George H. Radcliffe, Cathcart & Maxfield, St. Paul; J. E. Reimann, president Fred L. Gray Co., Minneapolis; H. P. Skoglund, president North American Life & Casualty, Minneapolis; A. A. Anderson, local agent, Luverne; G. W. Chadbourne, local agent, Brainerd; Howard W. Clark, Clark & Clark, Winona; Otto L. Danek, J. L. T. & O. L. Danek, Glencoe; Arthur Devine, superintendent Prudential, St. Paul; George W. Fevig, Fevig-Jesten Agency, Moorhead; Ralph W. Johnson, Johnson Agency, Inc., Virginia; Robert J. Lund, Lund Agency, Thief River Falls; R. W. McGarry, R. W. McGarry & Son, Stillwater; R. V. Mothersill, president Anchor Casualty, St. Paul; A. C. Page, Page & Babcock, Austin; Harry E. Reynolds, secretary Dunning & Dunning Co., Duluth; Henry J. Sauer, First National Agency, Paynesville; E. W. Willard, president Willard Agency, Mankato.

Finance Committee—R. B. Nienhauser (chairman), vice president R. M. Neely Co., St. Paul; C. S. Laidlaw, vice president Minnesota Farmers Mutual, Minne-

# GREETINGS AND GOOD WISHES

It is our hope that your 49th Annual Convention will prove even more profitable and enjoyable than in past years. We'll be seeing you.

H. O. Munson   Carl F. Hjermstad, Jr.   M. W. Strouts



W. J. BUCKLEY  
*President*

R. B. NIENHAUSER  
*Vice-President*

**Insurance**  
**Since 1891**

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**St. Paul, Minnesota**

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New York Casualty Company (Bonds)  
Albany Insurance Company  
London & Scottish Assurance Corp. Ltd.  
Marine Insurance Co., Ltd.  
New Brunswick Fire Insurance Company  
Union Assurance Society Ltd.

A SERVICE ORGANIZATION FOR THE LOCAL AGENT

### The Home Insurance Company, of New York The Franklin Fire Insurance Company of Philadelphia

**WEEKS & JACKSON, State Agents**

WALTER N. HANSEN, Special Agent  
DAVID WHITE, Special Agent

GEORGE C. MAXWELL, Special Agent  
HOWARD C. TAYLOR, Staff Adjuster

New York Life Bldg., Minneapolis, Minn.

apolis; Charles F. Liscomb, president C. F. Liscomb Co., Duluth.

Legislative Committee — George W. Wells, Jr. (chairman), secretary Northwestern National Life, Minneapolis; Hjalmar L. Hjermstad, president Citizens Fund Mutual Fire, Red Wing; Louis L. Law; John P. McGee, vice president W. A. Lang, Inc., St. Paul; R. B. Nienhauser; D. P. O'Neill, president Farmers Home Mutual of Madelia; Frank S. Rogers, F. S. Rogers, Inc., St. Paul; Wheaton A. Williams, vice president Fred L. Gray Co., Minneapolis.

The first seven named on the board of directors comprise the executive committee of the Federation.

### To Help Industry

St. Paul Association of Commerce is sponsoring a dinner at the Minnesota Club the evening of June 28 at which the speakers will be Dr. Roger Adams, vice president National Farm Chemurgic Council, head of the department of chemistry of the University of Illinois, and Dr. Lloyd Ryerson, director Northwest Research Foundation at the University of Minnesota. The dinner meeting has been arranged for the purpose of amplifying the importance of chemistry in development of industry in the Northwest.

## Great West Life Co. Promotions



H. W. MANNING



F. D. MacCHARLES

AT THE recent annual meeting of the board of Great-West Life Assurance Co. of Canada, Mr. Manning, formerly assistant general manager, was promoted to the post of joint general manager. Mr. MacCharles, formerly assistant general manager and actuary, was promoted to joint general manager and actuary. At the same meeting (C. W., June 11) H. A. H. Baker was promoted to assistant general manager and superintendent of agencies.

### Life Men Meet

The annual meeting of Minneapolis Life Underwriters Association was held Wednesday at which officers were elected and the group listened to an instructive address on how to step on the gas for business by Jack Lauer of Cincinnati, chairman of the "Million Dollar Round Table," rightly known as America's Number 1 life insurance agent. Starting in the life insurance business in 1923, Mr. Lauer has produced more than \$1,000,000 worth of business each year since that time. The annual golf tournament is to be held later this month at Westwood Hills.

### Business Barometer

Recent statistics show that railway buying from the manufacturing industry is closely following the trend of net operating income, which was 87 p.c. less in the first quarter of 1938 than in the same quarter of 1937.

Total buying of railway equipment and materials was \$95,024,000 in this quarter compared with \$277,160,000 in the first quarter of 1937, a decline of 66 p.c.

Purchases of materials declined from \$173,736,000 to \$84,817,000, or 52 p.c. Orders for locomotives and cars declined from \$103,424,000 to \$10,207,000, or 90 p.c.

### MINNESOTA FARMERS MUTUAL INSURANCE COMPANY

ANDRUS BUILDING

MINNEAPOLIS, MINN.

ASSETS .....	\$966,556.89
SURPLUS .....	\$711,939.00

### HAIL - CYCLONE - FIRE INSURANCE

AGENTS WANTED

**Heat Water Electrically**  
**LOW 1¢ RATE**



1902—Thirty-Sixth Anniversary—1938

**MINNEAPOLIS**  
**FIRE AND MARINE INSURANCE COMPANY**  
 MINNEAPOLIS, MINNESOTA

Fire, Lightning, Tornado, Inland Marine and Automobile Insurance

Financial Condition, December 31, 1937  
 (Securities Based on Market Values)

ASSETS	
Cash in Banks .....	\$ 501,727.22
Premiums in course of Collection (under ninety days) .....	196,734.62
*U. S. Government Bonds .....	743,750.00
*Canadian, State, Municipal, Railroad, and other Bonds, and Stocks .....	1,161,708.00
Mortgage Loans .....	12,000.00
Accrued Interest .....	10,439.73
<b>Total Admitted Assets .....</b>	<b>\$2,626,359.57</b>
LIABILITIES	
Cash Capital .....	\$1,000,000.00
Reserve for Taxes .....	3,500.00
Reserve for all other Liabilities .....	582,170.16
<b>Total Liabilities .....</b>	<b>\$1,585,670.16</b>
Net Surplus .....	\$1,040,689.41
Surplus to Policy-Holders, Dec. 31, 1937 .....	\$2,040,689.41

\*Market Values of December 31, 1937.

OFFICERS	
Walter C. Leach .....	President
J. D. McMillan .....	Vice-President
Frank C. Beazley .....	Secretary

DIRECTORS	
Charles M. Case .....	President Atlantic Elevator Co.
H. F. Douglas .....	Investments
John H. Hauschild .....	President C. W. Sexton Co.
Cavour S. Langdon .....	V.-Pres. Farmers & Mechanics Sav. Bank
Walter C. Leach .....	President
George C. Long, Jr. ....	President Phoenix Insurance Co.
J. D. McMillan .....	President Osborne, McMillan Co.
Harry G. Dickey .....	Pres. The Van Dusen Harrington Co.
Howard I. McMillan .....	Treasurer Osborne, McMillan Co.
Will A. Gregory .....	President Gregory-Jennison Co.

**Affects Western Companies**

Appointment of a special committee to study the problem of company examinations, which has arisen in the ranks of the National Association of Insurance Commissioners, is announced by Charles F. Liscomb of Duluth, pres. National Association of Insurance Agents. The committee is comprised of William H. Menn, Los Angeles, chairman of the executive committee, N. A. I. A., Chet V. Davis, Sheridan, Wyoming, and Archibald J. Smith, New York.

Appointment of this committee is in keeping with the statement issued by the executive committee at the mid-year meeting in Hot Springs, that such a committee should be appointed to "study the problem in the interest of the business as affecting the public welfare." The entire subject will be taken up at the forthcoming annual convention of the insurance commissioners' organization at Quebec, June 15-17.

It is the earnest hope of the executive committee that this meeting will bring about an amicable settlement of the question. It hinges on the ultimatum delivered by the Western Conference of the National Association of Insurance Commissioners to the New York state department that unless it complies with the zoning system for examinations of insurance companies, the licenses of New York com-

panies operating in the Western states will not be renewed.

Superintendent Louis H. Pink of the New York department, on advice of the attorney-general, maintains that this system could not legally be employed in that state because the statute provides that examinations must be conducted by employes of the department under civil service.

The executive committee in its statement, expressed the opinion that while on the surface this situation appears to be of concern only to supervising officials and insurance companies, it actually affects

the entire insurance industry for the following reasons:

If the Western commissioners refuse to relicense companies domiciled in New York, agents in those states who represent New York companies will be greatly embarrassed because they will be forced to admit to their assureds that these companies are no longer acceptable in their respective states.

In such an event, the New York retaliatory statute would be invoked, and no company in the 11 Western states would be permitted to do business in New York state.

PAUL A. ENCK

THOS. G. LINNELL

**ENCK & LINNELL, INC.**

**INSURANCE**

**GENERAL AGENTS**

**Managing Underwriters and Engineers**

**MINNEAPOLIS**

**PHONE MAIN 7596**

**BAKER BUILDING**

# Heads State Life Underwriters

## New Minn. Group Elects Officers

MINNESOTA State Association of Life Underwriters, at recent meetings, has progressed to the point of election of officers.

At present there are five local associations of life underwriters in the state, namely, St. Paul, Minneapolis, Duluth, Rochester and Mankato.

These five associations will form the nucleus of the new state association. The newly elected officers are:

President—J. D. Serrill, manager Sun Life, Minneapolis.

Sec-Treas—W. Wright Scott, general agent, Lincoln National Life, Minneapolis.

Vice Presidents—Hiram W. Moore, manager Mutual Life of New York, St. Paul; Manfred Johnson, Sun Life, Rochester; Orris J. Johnson, Prudential Life, Mankato; Howard F. Hoene, Northwestern Mutual, Duluth.



J. D. SERRILL

The foregoing officers will serve on the board, and in addition each local association will appoint a state committeeman, which will complete the board of directors.

### SOCIAL SECURITY PAYMENTS

H. P. Hartigan, manager Minneapolis field office, Social Security Board, advises COMMERCIAL WEST that to date more than 650,000 numbers have been issued to Minnesota residents, and that at the end of April about \$50,000 in claims had been certified for payments. The office has been unable to certify some claims because employees have been sick or laid off when payrolls were made up, neither the employer nor the family reporting the matter.

### Has Fine Record

Excellent progress during the year just closed, and prospects for another prosperous year in 1938, are indicated in the 33rd annual statement of the Minnesota Commercial Men's Association just prepared for members by Paul Clement, secretary and general manager.

The company increased its resources more than \$17,000 during the past year, approximately all of this in cash, and its net reserve to members totals more than \$30,000 over that of a year ago.

The association's policies in force now total 25,425.

The portfolio of securities of the association shows the following investments and other resources: Cash, \$81,930.17; U. S. government securities, \$57,000; state, county and municipal bonds, \$74,125; public utility bonds, \$22,000; railroad bonds, \$15,000; first mortgage loans, \$8,300; real estate (including home office building) \$24,547.47; endowment fund, \$6,921.60; interest due and accrued, \$1,236.41 and advance payments by members, \$1,794.50. This makes a total of \$292,855.15 in resources. Outstanding in the column of liabilities is a reserve for protection of members amounting to \$267,820.69.

### N. D. Underwriters

H. O. Kallgren of Fargo, state agent for the Home Insurance Co., was elected president of the North Dakota Underwriters Association at the recent annual meeting. Other officers named were Trimble P. D. Davis, Fargo, state agent for Phoenix of Hartford, vice president; Allen Bolton, Fargo, state agent, National of Hartford, secretary.

Directors named were S. E. Bickard, Fargo, state agent, New York Underwriters, and Clarence Christensen, Fargo, state agent, Great American. They replace Carl C. Bye, Fargo, Northwestern Fire & Marine, and R. F. Thompson, Fargo, Hartford, whose terms expired.

Merland Hower, Fargo, was named president of the North Dakota Fire Prevention Association. He is state agent for the London, Liverpool and Globe. Other officers are Frank Nelson, Norwich Union, vice president, and A. Christensen, secretary.

# TO WINNIPEG

**VIA THE WINNIPEGER**

WINNIPEG is just a good night's sleep in a downy air-conditioned berth via the extra-fast Winnipeger.

Dining car service, if you want a complete dinner — buffet service for those who prefer a snack before retiring.

#### SCHEDULE

Leave St. Paul  
.. 7:25 each evening  
Leave Minneapolis  
.. 8:05 each evening  
Arrive Winnipeg  
... 8:35 each morning

#### Ticket Offices

St. Paul Ticket Office  
Fourth and Cedar  
Telephone CEdar 1891  
Minneapolis Ticket Office  
Marquette at Fifth  
Telephone MAin 1261



# *Safeguarding Your Loans! Increasing Your Profits!*

Through our *Field Warehousing* operations, with absolute independent custodianship of collateral at all times, we provide the bank with first security on a borrower's inventory and a control of the proceeds of sales of that inventory.

Our service is proving invaluable to many banks, enabling them to extend increased lines of credit and to take on new borrowing accounts with safety.

Our operations bring about greater safety and liquidity in lending, with increased earning power to the bank.

*We are experienced, extensive and responsible operators of "Field Warehouses" and invite your enquiries regarding our proven method of converting borrowers' inventories into*  
**SOUND BANKING COLLATERAL.**

## **ST. PAUL TERMINAL WAREHOUSE CO.**

ST. PAUL, MINNESOTA

MINNEAPOLIS  
618 Washington Avenue North

DETROIT  
1203 National Bank Bldg.

MILWAUKEE  
601 First Wisconsin Nat'l Bank Bldg.

# B & L Convention at Faribault

## Approves the Income Tax Fight But Turns Down Proposed Boost in Dues

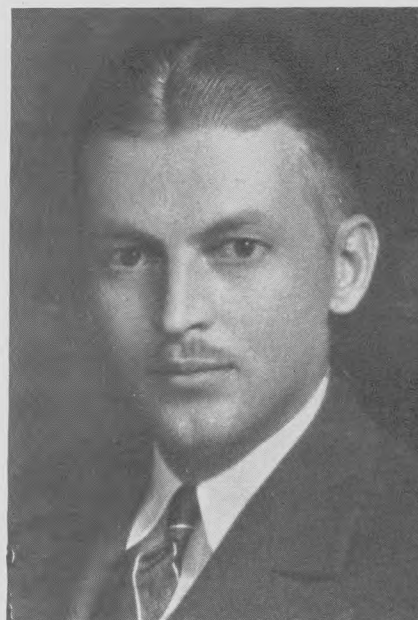
**T**RADITIONAL hospitality of Faribault, contributing to an excellent attendance record, combined to make the 24th annual convention of the Minnesota League, Building, Loan and Savings Associations held in that Southern Minnesota industrial and educational center Friday last week, one of the most successful, constructive and interesting in its history.

For the first time in its 24 years the association tried out the experiment of holding a one-day session and it "went over," despite the fact delegates, tiring with the hard work, had to prod themselves a bit around 6 o'clock to conclude detail reports prior to the evening banquet hour.

Highlights of the convention, in addition to an interesting and instructive speaking program, were forums in the forenoon and afternoon during which the convention went into committee of the

whole on the proposed litigation to determine validity of the 1937 special legislative amendment to the Minnesota income tax law including state chartered associations as taxable, and that on the new uniform code.

John F. Scott, pres. Minnesota Federal Savings and Loan, chairman of the association's legislative committee, outlined what had been done toward instituting a suit to determine validity of the income tax law, pointing out that nearly \$8,000 had been raised as a "war chest" for the suit from both federal and state-chartered associations, but, he expressed no little disappointment over the fact that 23 associations had not even replied to his letter requesting the assessments required, while six others had not joined in the movement for various reasons. However, Mr. Scott said, the committee had decided to go ahead with the suit.



**K. S. KERFOOT**  
The New B and L President

In presenting plans for the fight on the income tax Mr. Scott made it plain that B and L of the state is not trying to "dodge" its just share of taxes, but emphasized the point that if other mutual and cooperative institutions are to be exempted, such as cooperative creameries, etc., then B and L, which is cooperative and mutual, should not be singled out for income taxation.



IN THIS PICTURE by COMMERCIAL WEST Camera are presented newly elected officers of the Minnesota League, the retiring president, and an important Washington official. They are, left to right, Robert L. Palmer, Pipestone Federal, retiring president; K. S. Kerfoot, Ben Franklin Federal, St. Paul, president-elect; Verne C. Bonesteel, Washington, D. C., member review committee Federal Home Loan Bank Board; Mrs. D. Eliza Crary Mudd, Security Federal, St. Cloud, re-elected secretary-treasurer; B. N. Bell, Twin City Federal, Minneapolis, elected first vice president; H. C. Lindquist, Minnesota Federal, St. Paul, elected second vice president. In the center L. F. Shandorf, president Faribault B and L, who extended greetings of the host association and the official welcome to the city. The group at the right of Mr. Shandorf shows delegates coming out of the hall at the close of the forenoon session.

J. Blaine McKusick, attorney for the Minneapolis Savings and Loan Association, as chairman of the special committee to revise the state code and make it uniform as far as possible with a new national code, in the other forum, reported good progress being made, but, because of changes necessary to cover the Minnesota situation more fully, asked that final report be made at the forthcoming mid-winter meeting.

F. A. Amundson, B and L supervisor in the Minnesota Banking Department, who has handled detail of changes in the code, reported on changes so far agreed to by the committee and likewise recommended that further time be taken. The convention approved Mr. McKusick's request that the matter lie over.

Likewise the report of the by-laws committee was laid over for the next annual meeting, on motion of H. C. Lindquist, chairman, v.p. Minnesota Federal, who said his committee did not believe the time right to increase dues, as had been recommended by some members. Walter Youngquist, secretary First Federal Savings and Loan, Minneapolis, put up quite a determined fight to have the dues raised, but finally lost out.

As had been anticipated the convention followed precedent in election of officers by progress in the chairs:

President—K. S. Kerfoot, Ben Franklin Federal, St. Paul.

First Vice President—B. N. Bell, Twin City Federal, Minneapolis.

Second Vice President—H. C. Lindquist, Minnesota Federal, St. Paul.

Secretary-Treasurer—Mrs. D. Eliza Crary Mudd, Security Federal, St. Cloud, re-elected.

Director-at-Large—George Witter, Peoples Building and Loan Association, Albert Lea.

Mr. Kerfoot, of course, was advanced from first vice president; Mr. Bell from second vice president, and Mr. Lindquist from director-at-large.

Reports of committees and officers were made by Louis H. Kelley, Hennepin Federal, on public relations; Vern C. Soash, Minnesota Federal, publicity; Edward A. Murphy, Security Federal, St. Cloud, resolutions; H. C. Lindquist, Minnesota Federal, by-laws; Stanley V. Dahlen, Thief River Falls, auditing; Mrs. D. E. Crary Mudd, St. Cloud, as secretary-treasurer.

Mr. Soash, at the banquet reported on results of the speech contest, announcing that Norman Jones, Minnesota Federal, had won the contest and will represent the state in the national contest at Chicago in November; that Charles Spear, Minnesota Federal, had won second place, and that third winner was Axel Olson, St. Paul Federal.

## CALL ON DIEBOLD FOR GREATEST OPERATING ECONOMY

**FOR COMMERCIAL ACCOUNTS**—Ledger Safes speed operations, reduce fatigue, protect ledgers at point of action.

**FOR SAVINGS ACCOUNTS**—Rekordesks Safes house and protect ledger and signature cards where they are made and used.

**FOR BOOKS AND BOUND RECORDS**—Complete lines of 1, 2 and 4-hour safes. Receding Door Safes save valuable space.

**FOR PREVENTING UNJUST SAFE DEPOSIT CLAIMS**—Fool-proof operation of vault with sealed key, key changing locks.

**FOR COMPLETE HOLDUP PROTECTION**—a complete line of equipment for protected systems of handling counter cash and reserves.

**FOR VISUAL CONTROL** of trust, real estate, purchasing, payroll and other records—visible record systems.

**FOR VISUAL INDEXING** and followup systems—convenient, time saving Reference Panels, in wall, table and rotary racks.

**FOR LOBBY CONGESTION**—The Rushour Depository saves depositors' and tellers' time—a new banking service the public likes.

**DIEBOLD SAFE & LOCK CO.**  
Canton - - - - Ohio  
St. Paul Office - 2367 University Ave.

## CASUALTY - FIRE - SURETY

Loyalty to the American Agency System—  
Unexcelled Service to the Agency—Claim  
Service we are proud of.

**QUINCY HAAS, Inc.**

General Agents for Minnesota  
424 Empire Bank Bldg., St. Paul, Minnesota

## Newhouse Paper Co.

*"Better Printing Papers"*

**WHOLESALE PAPER**

515 Washington Ave. No.

Minneapolis



NEW ROUND  
TRIP DISCOUNTS

**SAVE 20%**

Reduce your travel costs one-fifth. Purchase round trip Hanford tickets at your point of departure to save 20%. Fly in cool luxury on Hanford's multi-motored Chief Liners—get there three times faster. Four convenient transcontinental connections.

**HANFORD  
Airlines**

Minneapolis Ticket Office 129 S. 7th St.  
Phones ATLantic 1406 and Mldway 1440.



## The Battle is On

Competition gets keener every day. The fight for business and efficiency demands strong vigor and vitality. Regular exercise, massage and bath will quickly bring you up on your toes. Improved physically, you will be more alert mentally, setting a hard and swift pace for all competitors.

*But start now—come over today—for the battle is on!*

**VIKING HEALTH SYSTEMS, Inc.**

Ground Floor, McKnight Building, Minneapolis

**Heat Water Electrically**

**LOW 1¢ RATE**

B and L Supervisor Amundson announced that Commissioner Beery is arranging for a series of group B and L meetings throughout the state for some time this fall to discuss the proposed new code.

Faribault's B and L greeting to the convention was given by L. F. Shandorf, president Faribault Building and Loan Association. He also extended the city's welcome in the absence of Mayor Hadley P. Bell, who had been called out of town unexpectedly. The invocation, short and to the point, was given by Father John P. Foley of the Immaculate Conception Church. Miss Elvern Jennings, Hutchinson Federal, responded neatly to Mr. Shandorf's greetings.

### Some of the Speakers

Speakers on the program included H. J. Miller, president Minneapolis Civic and Commerce Association; Robert L. Richardson, president Federal Home Loan Bank, Des Moines; Douglas Vaile, American Savings Loan Institute, Chicago; A. P. Taber, president Minnesota Quartz Co., Mendota; Dr. N. M. Pletcher of the Shattuck School; Owen P. McElmeel, St. Thomas College, St. Paul; John W. Ladd, director of advertising and publicity U. S. League, Chicago, and Verne C. Bonesteel, Washington, D. C., member of the review committee of the Federal Home Loan Bank Board, who was the featured banquet speaker.

R. L. Palmer of the Pipestone Federal, retiring president of the association, handled the proceedings as chairman in his usual very effective and action-getting manner, while, of course, Mrs. D. Eliza Cray Mudd of St. Cloud's Security Federal, secretary-treasurer of the association, was on the job every minute, keeping things going, looking after the always essential details of making the convention a success and seeing that everyone was happy.

Resolutions adopted approved invitation of St. Paul for the 1939 convention of the American Savings and Loan Institute, commended the 1937-38 officers committees for their good work, Faribault and the building and loan people of that city for their splendid arrangements and entertainment, supported the proposed suit to test the income tax law.

Despite the fact it rained most of the day and rained hard at times, the Faribault ladies' committee, Mrs. D. D. Coughlin, chairman, got the visiting ladies around the beautiful scenic drives, entertained them at luncheon and bridge at the Faribault Country Club, and were sorry the rain made it impossible to play golf.

James A. Foster was general chairman of Faribault arrangements; E. D. Roth, publicity; Mrs. Alelia Johnson, registra-

tion; D. D. Coughlin, banquet; M. J. Hinstala, hall arrangements, and L. F. Shandorf, entertainment.

The Faribault hotel was convention headquarters and the sessions were held just across the street in Ochs hall.

George J. Bassingwaite, secretary Faribault Chamber of Commerce, was toastmaster at the luncheon, while C. N. Sayles of Faribault, presided as toastmaster at the evening banquet. Both acquitted themselves most creditably.

Entertainment at the banquet, provided by Faribault's talented singers and musicians, proved a big success of the evening. Dancing at Hotel Faribault followed the banquet.



**MRS. D. ELIZA CRARY MUDD**  
Re-elected Secretary-Treasurer

**Elected President**

Harry H. Woolledge, who has been vice president, was elected president of the Northwestern Mutual Savings & Loan Association, Fargo, filling the vacancy caused by the death recently of H. L. Loomis, outstanding pioneer business man of North Dakota. With the association since 1920, Mr. Woolledge for the past five years has been chairman of its loan committee.

**Sewage Plant Opened**

Minneapolis and St. Paul on Wednesday last week threw the switch that started in operation the Twin Cities' \$16,000,000 metropolitan sewage system, one of the largest operations of its kind in the U. S. The new plant, by reason of modern dehydration in a big disposal plant just below St. Paul, will remove the Mississippi river between the cities from the category of being a sewage canal, adding to the scenic and home-building attractions of the river banks.

**IN MY  
LITTLE  
RED BOOK**

When you "hit the road"  
to call on Banks and Bankers  
you may be embarrassed  
unless you have it handy . . .

**Make It Number One!  
On Your MUST Parade!**

COMMERCIAL WEST,  
603 Second Ave. So.,  
Minneapolis, Minn.

Attached is our (my) check for \$7.50 for which send the COMMERCIAL WEST for one year (52 issues) and one copy of your 1938 Bank Directory of the Ninth Federal Reserve District.

Commercial West alone \$5.00  
The Directory alone . . . . 5.00

Total . . . . . \$10.00

Save \$2.50 by ordering them together now at only . . . . . 7.50

The Directory alone to regular Commercial West subscribers . . . . 2.50

# Pioneer St. Paul Ins. Agency

## R. M. Neely Co. Was Started in 1891

OLD HANDS at the business—W. J. Buckley, president, and R. B. Nienhauser, vice president—have advanced the R. M. Neely Co., St. Paul general insurance agency into the front rank of Northwest insurance organizations.

Organized 47 years ago, in 1891, by the late Richard M. Neely, and incorporated in 1901, it is one of the oldest general agencies in Minnesota, and is well and favorably known to agents throughout the territory, many of whom have represented companies in the Neely Agency over a long period of years.

As the years have passed the agency has grown and expanded its operations until today it is writing all forms of coverage, except life, through its represented companies in Minnesota, Iowa and Northwestern Wisconsin. In the early, stirring days of its institution the agency specialized in fire, tornado and was one of the first to write auto coverage.

W. J. Buckley was formerly manager of the Travelers in Minneapolis, joining the Neely Co. in 1918. R. B. Nienhauser, after association with St. Paul Fire & Marine for some years, joined the Neely Co. in 1916. Mr. Neely, founder, died in 1917. Casualty underwriting is handled by John M. Hanna, and Neil B. Macauley is in charge of field supervision. Miss Fern Lundgren is treasurer, and Miss Marie Moynagh has charge of underwriting business produced for the fire companies in the agency. P. J. Lyons is superin-

tendent of claims for one of the large companies represented. The agency is located at 420 Bremer Arcade, St. Paul.



W. J. BUCKLEY



R. B. NIENHAUSER

### SECURITIES ACCEPTANCE

Securities Acceptance Corp. of Omaha reports net income after all charges, including federal taxes, of \$90,201 for the first five months of 1938, equal to \$5.15 a share on 17,485 shares of 6 per cent preferred stock, \$25 par value, and 55 cents a share on 144,013 shares of \$4 par value common stock. This compares with \$77,114, or \$4.41 a share on the preferred and 46 cents a share on the common in the like 1937 period. Net income for the month of May, however, declined to \$14,890 from \$18,271 in May, 1937.

### Buick Expands Plans to Broadcast Fight

Sponsoring one of the largest sports broadcasts ever staged, which includes 146 stations of the red and blue networks of the National Broadcasting Co., including stations in Canada and Honolulu, the nationwide Buick dealer organization is preparing for the Louis-Schmeling fight, June 22.

This will be the fifth broadcast of a heavyweight championship fight broadcast by the Buick division of General Motors. As in the past, Buick dealers will establish "listening posts" in their showrooms and prominent places in their communities, and will otherwise identify their local businesses with the international broadcast.

Dealers' windows throughout the country are now being decorated with large 38-50-inch window posters calling attention to the broadcast. This poster is in four colors and shows a huge boxing glove on which is printed information concerning the fight, and Buick's participation. More than 3,500 of these posters have been supplied to the dealers.

At the same time, attention will be called to the "listening posts" throughout the country by easel cards designed to be placed in a prominent position in the dealers' showrooms and hotel lobbies and the like where the radio program will be tuned in.

More than 300,000 small window stickers in the shape of a boxing glove are being distributed by Buick dealers to their customers, and a novelty magic paper has been supplied in quantities of 250,000. When this paper is dipped in water the Buick slogan appears in the blank space as a Clem McCarthy tip as to "the smartest place to put your money."

With a total of 146 stations, Buick officials believe this is the largest sponsored broadcast ever staged for a major sports event. The largest previous broadcast sponsored by Buick included 115 stations of the red and blue N. B. C. networks, when the Louis-Braddock fight was broadcast from Chicago.

**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.

George F. Williamson      Ralph E. Williamson      Robt. E. Burlingame  
**WILLIAMSON & WILLIAMSON**  
 TRADE MARKS      **PATENTS**      COPY RIGHTS  
 Business Established 1885  
 935 Met. Life Building      Minneapolis



# SALE

**MEMBERSHIP IN A NON-PROFIT, COUNTRY-WIDE ORGANIZATION WHICH OFFERS:**

- ITEM:** Economy in your bank's advertising appropriation . . .  
eliminating wasted expenditures, increasing tangible results
- ITEM:** Protection for your good will . . .  
preventing steps and statements that might antagonize your public
- ITEM:** Suggestions for improved methods . . .  
streamlining customer service, stimulating increased business
- ITEM:** A portfolio library of financial advertising . . .  
showing how other banks have handled your problems
- ITEM:** A "Flying Squad" of key members . . .  
at your immediate service in a public relations emergency
- ITEM:** Monthly review in pictures and print . . .  
examples and explanations of current public relations programs
- ITEM:** Annual Convention (Fort Worth; October 31 - November 3) . . .  
shaping opinions with discussions, talks, exhibitions

And the cost of sharing these advantages with 500 of the most alert financial organizations in the country, is a very moderate membership fee. Ask your banking friends, or better still, write direct for details.

**PRESTON E. REED, Executive Vice-President**

## FINANCIAL ADVERTISERS ASSOCIATION

**231 South La Salle Street, Chicago, Illinois**

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Minneapolis, St. Paul & Sault Ste. Marie Railroad	74
Minnesota Clearinghouse Associations	42-43
Minnesota Commercial Men's Association	83
Minnesota Farmers Mutual Insurance Co.	72
Minnesota National Bank	14
Minnesota Power & Light Co.	67
Montana-Dakota Utilities Co.	67
Mueller (H. E.)	64
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National Citizens Bank	57
Neely (R. M.) Co.	71
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Northern Engraving Co.	53
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Northern Pacific Railroad	46
Northern Photo Supply Co.	59
Northern States Power Co.	49-66-72-78

# BUSINESS WANTS

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**SITUATIONS WANTED**

Man 44 years old with 20 years general experience in country and city banks desires position. Address Box 668 care Commercial West.

**WANTED**—Cashiership or assistant cashiership in good bank, preferably in Minnesota. Am 40, married, three children, also speak German, have had 17 years banking experience, can furnish best of references. What have you to offer? Address Box 649, care Commercial West.

**AVAILABLE SOON**—MAN EXPERIENCED with chattel mortgages, feeder, auto, real estate loans, farm rentals. Reference bond. Address Box 656, care Commercial West.

Capable executive of high standing, experienced in banking, installment financing and sales, seeks management or treasurership with or without investment in financial or business organization. Address Box 664, care Commercial West.

Young lady wants a position as stenographer or machine bookkeeper in office or bank. Interested more in experience than salary. Have good general office experience. Minnesota or adjoining states preferred. References. Gladys A. Johnson, R. 2, Osseo, Minn.

\$3,000 to invest in bank stock with my services. 38 years old, married. Address Box 662, care Commercial West.

Position wanted in office or bank by young man, protestant, married, one child. Six years country bank experience in all lines. Wisconsin or Iowa Preferred. Address Box 667, Care Commercial West.

**HELP WANTED**

**WANTED:** Bank Executive: Small group of business men contemplate organizing a bank in a county seat city of around 10,000 population. They are looking for a competent banker with successful experience in the management of a good sized bank and who is capable of assuming the management of the bank and who has sufficient capital available to make a substantial investment. He must be thoroughly familiar with agricultural, mercantile and installment loans. Give detailed information in regard to education, experience, qualifications and amount available for investment. All correspondence will be treated in strict confidence. W. R. OLSON COMPANY, Fergus Falls, Minnesota.

Wanted young man as bookkeeper in small country bank near Twin Cities. No experience required. Must be able to type and take shorthand. German preferred. Address Box 666, Care Commercial West.

Northwestern Fire & Marine Insurance Co.	71
Northwestern National Bank & Trust Co.	66-84
Northwestern State Bank, Duluth	47
Piper, Jaffray & Hopwood	62
Policyholder's National Life Insurance Co.	70
Powers Mercantile Co.	59
Preston (Charles H.) & Co.	80
Quincy Haas, Inc.	77
Rogers (H. A.) Co.	57
Root River State Bank	53
St. Paul Terminal Warehouse Co.	75
Security State Bank, Cannon Falls	59
Speer (H. C.) & Sons Co.	62
State Bank of New Ulm	57
Union National Bank, Rochester	55
Viking Health Systems, Inc.	78
Weeks & Jackson	71
Wells-Dickey Co.	65
Williamson & Williamson	80
Woodard Elwood & Co.	62

**FURNITURE & FIXTURES**

**Burroughs Posting Machines Rebuilt**  
Guaranteed Sales-Service—Also Kardex Files  
Dorrell-Markel Co.  
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**FOR SALE:** Fixtures of the Citizens Bank Building at Lake City, Minnesota. 22½ feet long with three windows and cashier's desk space of 7 feet additional. Of neat gray marble, new in 1922. If interested write for floor diagram and dimensions to Wm. G. Lindmeier, Lake City, Minnesota.

One Burroughs Posting Machine. In good condition. Reasonably priced. Otisco State Bank, Otisco, Minn.

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Capable builder and architect have developed plans for improvement of a 28 lot Minneapolis block. Construction of air conditioned six-room \$6,000 houses for long life with low upkeep is projected. Houses will exceed adequacy standards in size, appearance, and equipment.

Will organize corporation, placing control and assets in the preferred shareholders until their investment has been returned in dividends. Require \$25,000 from one or more investors to assure complete and successful operation. Address Box 659, care Commercial West.

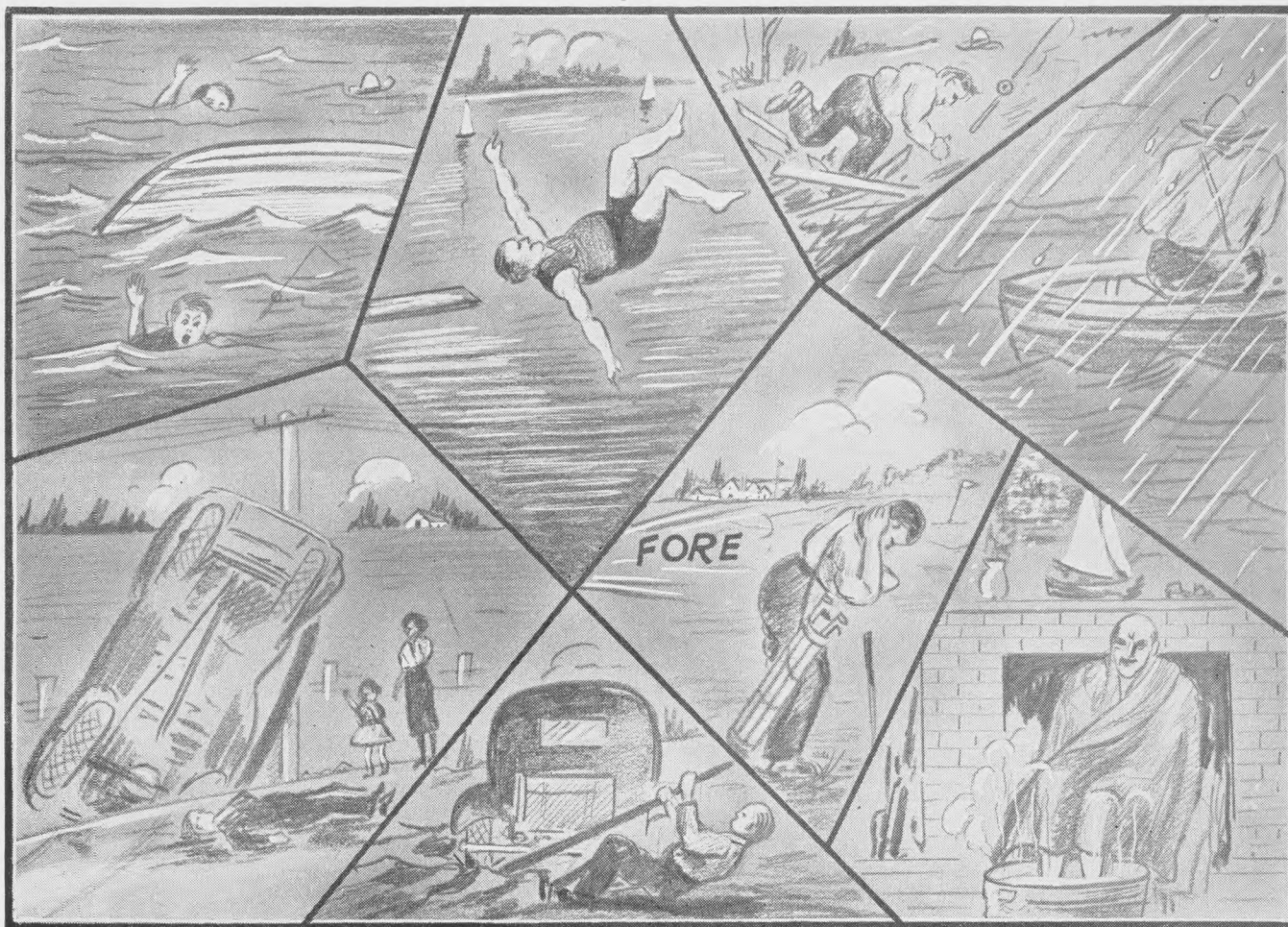
**BANK FOR SALE**

**FOR SALE**—Control Interest State Bank central Wisconsin town, Member FDIC. All correspondence confidential. Address Box 661, care Commercial West.

## Coming Events

Continued from Title Page

North Dakota Implement Dealers Association, at Fargo	Nov. 29-Dec. 1
Iowa Implement Dealers Association, at Des Moines	Nov. 29-Dec. 1
South Dakota Implement Dealers Association, at Sioux Falls	Dec. 6-7 (or 8-9)
1939	
Minnesota Implement Dealers Association, at Minneapolis	Jan. 10-12
Iowa Bankers Association (City Not Selected)	June 5-7
North Dakota Bankers Association, at Grand Forks	Date Not Set
American Institute of Banking, at Grand Rapids, Mich	Date Not Set
South Dakota Bankers Association, at Pierre	Date Not Set



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Do it now—put your mind at rest—enjoy a worryless vacation.

For approximately 33 years we have indemnified our members under a schedule providing either \$100 or \$200 monthly maximum during periods of disability in case of sickness or accidental injury. Hospital and Surgical Reimbursement only \$12.00 a year. Since our organization in 1905 our association has paid over 4 million dollars in benefits to its members. Principal sum \$5,000 for accidental death.

The annual cost has approximated \$12 for either health or accident insurance for single benefit policies.

Costs only \$2.00 each for Policies paid up in full to about December 15, 1938

*For application and further details write*



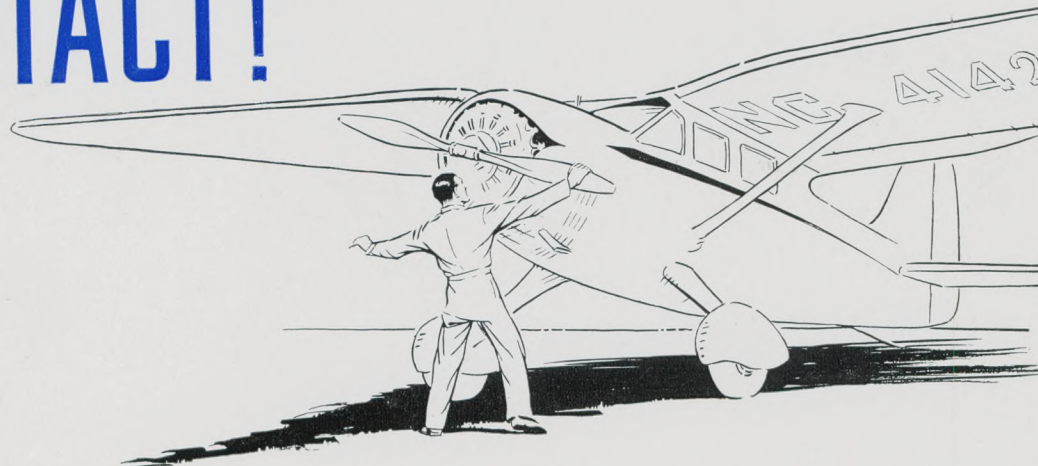
**MINNESOTA COMMERCIAL MEN'S ASSOCIATION**

PAUL CLEMENT, Secretary

2550 PILLSBURY AVE.

MINNEAPOLIS, MINNESOTA

# "CONTACT!"



AS it stands motionless on the ground, an airplane seems a helpless thing. Yet at the one word, "Contact!" man's skill and co-ordination can turn it into a machine capable of tremendous power and flexibility.

"Contact" and co-ordination are also of vital importance in the banking business. Along with the opportunity to exchange ideas, they are the greatest values, perhaps, which any convention can contribute to those who attend.

Bankers from all parts of Minnesota will soon be in attendance at the annual Minnesota Convention June 23-25. There will be many interesting subjects to discuss, many worthwhile things accomplished. But probably those which will be remembered longest—which will have the most lasting benefits for individual bankers—will be the contacts made and the ideas exchanged. We urge your attendance.

## USE "NORTHWESTERN SERVICES"

*Visit the Minnesota Peony Show held in our lobby during the convention.*

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