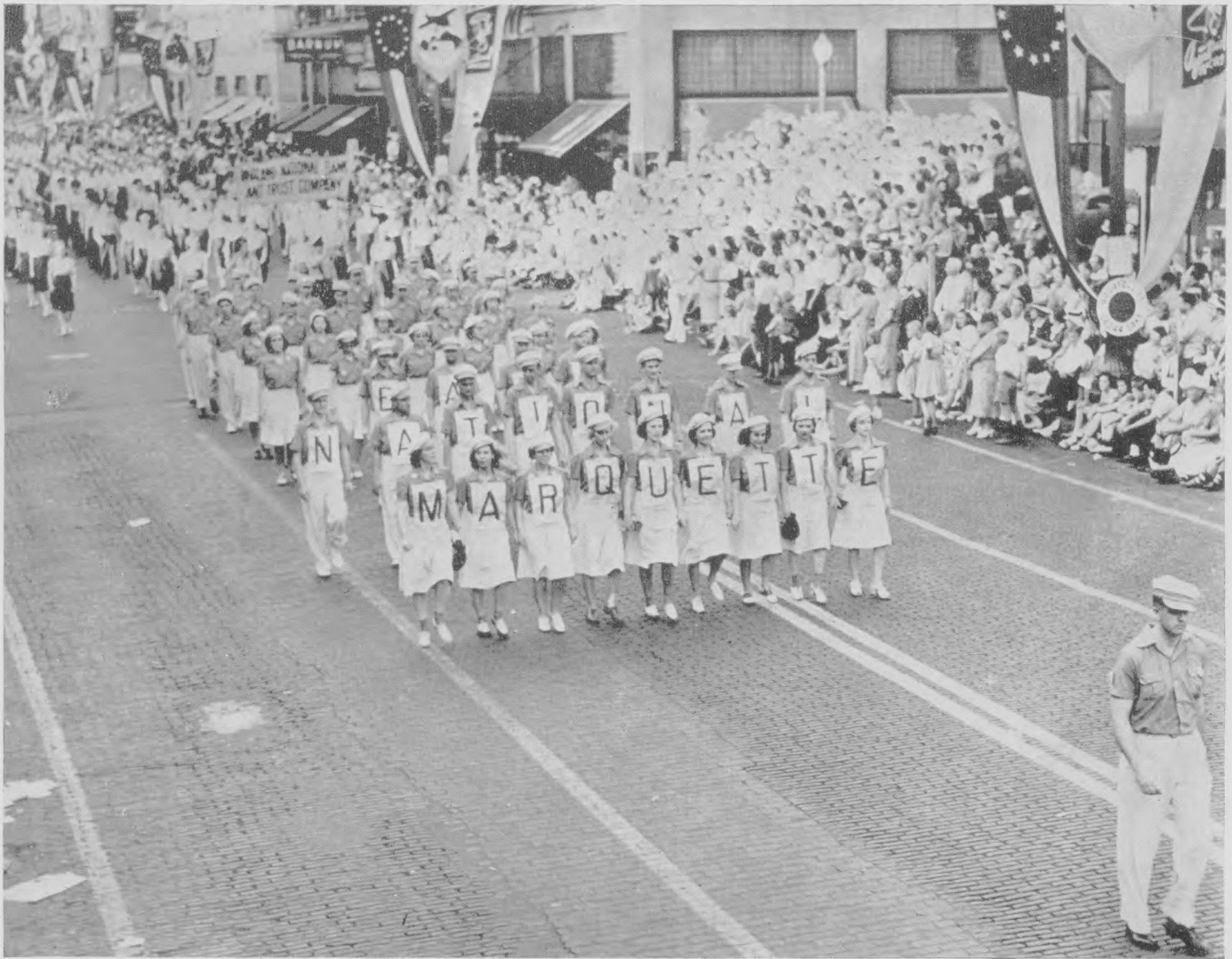


JULY 27, 1940



BANK UNITS HIGHLIGHT AQUATENNIAL PARADE . . . SEE PAGE 17

Commercial West

Incorporating NINTH DISTRICT BANKER
MINNESOTA BANKER • MONTANA BANKER

The **BANKER**

.... and TWIN CITY MARKET WEEK



***You're Elected a Delegate
to Urge Merchants to
Come to Market Week
July 29 to August 3***

- Every retailer should come to Market at least twice each year. **YOUR JOB RIGHT NOW** is to encourage your merchants to make this trip. They will return home better informed and more optimistic.
- What the Great Northwest needs today is Bankers, Business Men, Merchants—who are talking in terms of larger business volume.
- Let us not forget—in the heat of our personal arguments—pro and con—about the war—politics—and what not—that Consumers are going to continue buying food, clothing and entertainment.
- That—farming activities will continue—with a bumper crop in sight; that manufacturing has been speeded up; that wholesaling is far ahead of last year, and that retailers must meet consumer needs **WITH MERCHANDISE PEOPLE WANT.**
- An occasional word of suggestion and encouragement from you will help. Get the habit of reminding your retail friends about

TWIN CITY MARKET WEEK

MINNEAPOLIS ————— ST. PAUL

JULY 29 to AUGUST 3, 1940

Commercial West

Incorporating NINTH DISTRICT BANKER
MINNESOTA BANKER • MONTANA BANKER

Volume 80, No. 5

July 27, 1940

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When doing business with our advertisers please mention *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.



We're awful sorry we ran out of rice and old shoes . . . so many people come here to celebrate their first, fourth or fortieth wedding anniversaries. . . .

But it's all right. . . . Lots of folks come here on vacation just for fun. . . . To swim in crystal clear Big Pelican Lake, . . . to breathe zippy, pine-laden air . . . to golf, fish, play tennis, ride, for boating, sailing, canoeing and dancing.

All at surprisingly low cost . . . 50 modern cabins 100 complete hotel rooms.

Write for details . . . illustrated booklets.

BREEZY POINT LODGE

PEQUOT LAKES, MINN.

In the Heart of Minnesota's Great North Country

MODERATE RATES

COMING EVENTS

Next Week

- Twin City Market Week.....July 29-Aug. 3
 Sioux City Summer Festival.....July 29-Aug. 3
 Graduate School of Savings & Loan, at Chicago.....July 29-Aug. 9
 Minnesota Junior Baseball Tournament (American Legion), at St. Paul.....Aug. 1-4

Later

BANKING

- Central Minnesota Clearinghouse Association, at Staples.....Aug. 8
 Corn Belt Clearinghouse Association (Minn.), at Duke's Place on Long Lake, near St. James.....Aug. 8
 American Bankers Association Trust Conference, at Salt Lake City.....Aug. 15-17
 Pacific Northwest Banking School, at University of Washington, Seattle.....Aug. 19-31
 Iowa Bankers Association, at Des Moines.....Sept. 9-11
 National Association of Supervisors of State Banks, at Richmond, Va.....Sept. 18-20
 Association of Bank Women, at Atlantic City.....Sept. 19-21
 American Bankers Association, at Atlantic City.....Sept. 22-26
 Mortgage Bankers Association of America, at Chicago.....Oct. 2-4
 National Association of Bank Auditors & Comptrollers, at St. Louis.....Oct. 16-19
 Nebraska Bankers Association, at Lincoln.....Oct. 24-25
 American Bankers Association Trust Conference, at Chicago.....Nov. 7-8
 Wisconsin Bankers Association, Mid-Winter Meeting, at Milwaukee.....Jan. 20-21, 1941
 Illinois Bankers Association, Mid-Winter Conference, at Chicago.....Jan. 30, 1941
 American Bankers Association Mid-Winter Trust Conference, at New York.....Feb. 4-6, 1941
 Group One, Iowa Bankers Association, at Sioux City.....Feb. 12, 1941
 American Institute of Banking, at San Francisco.....June 2-6, 1941
 Wisconsin Bankers Association, at Milwaukee.....June 4-5, 1941
 North Dakota Bankers Association, at Bismarck.....June 17-18, 1941
 Montana Bankers Association, at Missoula.....June 20-21, 1941
 South Dakota Bankers Association, at Deadwood.....June 26-27, 1941

INSURANCE

- Minnesota Association of Insurance Agents, at Duluth.....Aug. 22-23
 National Association of Insurance Agents, at Buffalo, N. Y.....Sept. 16-19
 Fire Prevention Week.....Oct. 6-12
 International Association of Casualty & Surety Underwriters, at White Sulphur Springs, W. Va.....Oct. 7-10

OTHER

- National Association of Retail Meat Dealers of America, at St. Paul.....Aug. 5-8
 Twin City Bond Traders Club, at Minneapolis Golf Club.....Aug. 6
 Sioux Empire Fair, at Sioux Falls.....Aug. 19-24
 Minnesota Amateur Golf Tournament, at St. Paul.....Aug. 19-24
 Minnesota State Fair, at St. Paul.....Aug. 24-Sept. 2
 National Security Traders Association, at Detroit.....Aug. 25-30
 South Dakota State Fair, at Huron.....Sept. 2-7
 League of South Dakota Municipalities, at Pierre.....Sept. 5-6
 Minnesota Federation of Labor, at St. Paul.....Sept. 16-18
 Minnesota Photographers Association, at St. Paul.....Sept. 23-25
 National Federation of Implement Dealers Associations, at Chicago.....Sept. 30-Oct. 4
 Financial Advertisers Association, at Hot Springs, Va.....Oct. 28-30
 National Association of Real Estate Boards, at Philadelphia.....Nov. 11-16
 Investment Bankers Association of America, at Hollywood-by-the-Sea, Fla.....Dec. 9-13

Twin City Market Week Opens Monday

Chairman A. C. Gasser of the Twin City Market Week committee, in charge of activities for the week of July 29-Aug. 3, announces the program as "all set."

"Advance registrations indicate a rec-

ord crowd of merchants from every section of the Northwest," says Mr. Gasser. "Many are attending the Aquatennial this week, with more to register who expect to be here over the week-end."

Manufacturing and wholesaling executives point out the importance of merchants coming to market at this time, and are anticipating a lively buying season. Government activities in ordering such large quantities of materials may cause a shortage later on. Provide well for the future, seems to be the motto for dealers.

Lines of merchandise for autumn and winter retail selling are much larger and more varied than ever. Northwest retailers, in every line, can find satisfactory service in the Twin Cities market.

A record volume of holiday business is predicted, based on present general crop outlook, and a preview of wholesale lines indicates that merchants are going to be unusually optimistic in their purchases.

"With one of the largest gatherings of merchants we have ever entertained," suggests Mr. Gasser, "we should do everything possible to make the stay of these dealers both pleasant and profitable."

Enjoy the Lakes
 Lake Hamilton
 Lake Catherine
 AT
HOT SPRINGS
 NATIONAL PARK, ARKANSAS

Every glorious recreation is instantly available in Hot Springs! Fishing, boating on Lakes Hamilton and Catherine; horseback riding, hiking, golf, tennis, fish fries and moonlight picnics at Majestic Lodge on Lake Hamilton. All these wonderful activities are quickly reached from Hotel Majestic. Unusually fine accommodations, from single rooms to 2, 3, and 4-room apartments. For health, drink and bathe in the healing waters of the 47 thermal springs. Government supervised bathhouse in hotel.

Rates From \$2. Daily

HOTEL MAJESTIC
 APARTMENTS AND BATHS

Write For Free Booklet to
FRANK W. BYRNES
 Manager

Direction
 Southwest Hotels Inc. Mrs. H. Grady Manning, Chairman - R. E. McEachin, Gen'l. Mgr.

Friends

HOW MANY ~~CUSTOMERS~~ HAVE YOU ?

Every friend is a customer . . . but not every customer is a friend.

With today's economic and political trends what they are, nothing was ever more true of bank-customer relationship. This morning Mr. Jones borrows some money and thanks you profusely . . . this evening he damns your institution for its "bigness." The bank with the most customers often has the most enemies.

To combat this ever-growing force in Public Opinion, over 500 of the leading advertising and

public relations men in the banking field are banded together in the Financial Advertisers Association. Through this non-profit organization, these men freely exchange the practices, thoughts and ideas on bank advertising, new business methods, Publicity and Public Relations, found in their daily work. This wealth of information is available to every member in the form of portfolios, leaflets and in the F.A.A. Bulletin. The membership fee is moderate.

If your institution is not yet a member of F.A.A., we should like to send you full particulars.

FINANCIAL ADVERTISERS ASSOCIATION

PRESTON E. REED, Executive Vice-President

• 231 South La Salle Street, Chicago, Illinois

A NON-PROFIT ORGANIZATION FOR THE BETTERMENT OF ADVERTISING
PUBLICITY » » » NEW BUSINESS METHODS » » » PUBLIC RELATIONS

EDITORIAL

Fate of Our Exports

WE ARE JUST IN RECEIPT of the summer issue of the quarterly bulletin of the Norwegian American Chamber of Commerce, Inc., which for many years has contained authoritative reports of the trade volume between the U. S. and Norway. Coming out since Norway was conquered by Germany's Nazis, this issue is of particular interest in that it reveals what may happen to our world trade with all the countries subjugated by the Nazis.

For instance, the bulletin states that in April our exports to Norway amounted to only \$537,000 compared with \$2,087,000 in April last year, while in May they had dwindled to only \$11,000. Our exports to Norway have totaled around \$5,000,000 a month, with imports from that country running about the same.

Now take the German-Italian combination, including, of course, Germany and Italy, Denmark, Norway, the Netherlands, Belgium and the others, and we find that our combined exports to those nations ran between \$30,000,000 and \$40,000,000, with imports from them fairly close to the same figures.

"At the moment," says the bulletin, "trade with all these countries is virtually cut off."

With this actuality before us we can begin to visualize somewhat the effect that will be caused should Germany ultimately be victorious over England. Germany then will certainly rule the export and import business of Europe. That means we will have to fight every inch of the way for any and all export business we may obtain—and it will not be a willing business.

It behooves us, therefore, to lay plans for carrying on our exports, to lay them with real interpretation of the effect of the European war situation, and to lay them with respect to an economy that will be world wide. It means that we will have to adjust our domestic economy to a high peak of efficiency in order to absorb at home as much of our home production as is possible and still make our production profitable.

It means that we will have to revise the profit angle on our exports, because we are bound to meet with competition whetted by hunger for production profits—yet profits based upon competitive prices that are possible because of low-paid state labor and low-cost state machine operation.

If we are to maintain our world trade position, or even a sizable part of it, we have got to be prepared all along the line—Washington and Congress will have to cooperate with business and a definite fool-proof program will have to be devised.

★ ★ ★

The Defense Program and Business

HOW BUSINESS will be affected by the national defense program is a question of several dimensions.

On the whole it is expected to provide impetus for revivication of business all along the line.

Thus far a total of \$9,981,000,000 has been authorized and \$4,600,000,000 has actually been pro-

vided by Congressional action. It is anticipated that \$6,761,000,000 will be expended in the fiscal year ended June 30, 1941. Carried to its conclusion the U. S. defense program should cost around \$30,000,000,000.

That is an enormous sum, but it was exceeded by Germany which, in six years, spent \$36,000,000,000—an average of \$6,000,000,000 annually.

Obviously, expenditure of so vast a sum over a period of years is certain to accelerate business, as it did in Germany, all the way from the bottom to the top.

How to raise this money for armament, proposed drilling of all eligible men in a national army of approximately 42,000,000, pay for their time and equipment, doubling the size of the navy, etc., is the problem all of us must consider.

Part of it, of course, will have to be raised by bond issues. Part of it will have to come from increased taxes.

We already are experiencing the increase in so-called hidden taxes—those on luxuries such as the theaters, cigarets, and so on—but they are intensified, and, no doubt, will be more largely intensified, through all lines of merchandise we buy, financial transactions, etc. Next our income taxes will have to be increased.

But there is one source of taxation regarding which we certainly should move carefully and that is the excess profits tax. That is the burden to be laid upon business all the way along the line—from that engaged in warfare production through the varied forms of manufacturing, construction and merchandising.

If business is to assume its share of the defense program willingly and wholeheartedly it must be given a chance for its white alley. Those sitting in authority at Washington must allow business a profit before calling that profit an excess that will permit of a liberal wage for employment and a satisfactory return for stockholders. If that is not done no one can blame business if it sulks in its tent.

We are willing, all of us, to share the burdens of the defense program taxation, but at the same time we should be accorded the opportunity to earn in direct ratio to the tax burden we will have to bear.

★ ★ ★

Earning Position of Banks Improves

TRUE HERE as well as in the industrial East, earning assets of banks are on the increase. As of the June 26 call it is fully evident that banks of the nation have improved their earning position substantially.

The June call showed, for instance, that New York City banks had earning assets of \$9,277,000,000, an increase of \$1,144,000,000 over the corresponding 1939 period.

As we have pointed out several times in COMMERCIAL WEST, there is no question but what banks have improved materially their volume of profitable commercial loans. While total loans on the call date revealed a loss of \$3,000,000, commercial loans showed an increase of \$307,000,000.

Discussion with bankers of this Northwest Wealth Belt area reveal, as told to COMMERCIAL WEST, that

practically all our banks are in the same relative position with those of New York as to earning capacity.

It is a well-known fact that expenses of bank operation are heaviest during the first six months of the year when taxes have to be paid, improvements are made for the most part, January salary increases are voted, additional help put on, and so forth.

Take, for instance, just one statement made to us this week by a Central Minnesota banker: "We already have \$2,000 net earnings on our books and the last half of the year coming up, with no expenses to meet the rest of the year except those of running the bank. We should make a very good showing this year."

★ ★ ★

It's a One-Man Party

"THE DEMOCRATIC PARTY is as dead as the proverbial door nail."

That's the way the Brainerd (Minn.) Journal-Press sizes up the national political situation in a July 19 editorial. Continuing, the Journal-Press says:

"Sounds ridiculous, but it is just as true as the homily: 'The Lord made little apples.'

"A so-called Democratic ticket, headed by Mr. Roosevelt, will seek election—and, maybe, win—maybe not—but the Democratic party of Jefferson, Jackson, Cleveland, Bryan or Woodrow Wilson is as totally out of the picture as is republicanism in France. The Democratic party has been sold down the river—sold just as ruthlessly as was the Democratic party in Minnesota four years ago. It is now—to all intents and purposes—the personal vehicle for the unlimited and unpredictable ambitions of President Roosevelt.

"President Roosevelt's silence regarding a third term—a question which made good newspaper stuff, but puzzled no one—was nothing more than a means of squelching the ambition of any other candidate besides President Roosevelt himself.

"Had Mr. Roosevelt done the utterly un-Rooseveltian thing and refused to run, the Chicago convention couldn't have nominated another candidate capable of winning a state outside the solid South.

"What happened to the Democratic party in Minnesota four years ago has now happened to the national party. The Democratic party is dead. Mr. Roosevelt planned it that way."

★ ★ ★

Shattering an Ethical Tradition

SHATTERING an age-old ethical tradition, the doctors of this nation have launched an extensive advertising campaign. While it may be intended primarily to offset proposed national and state medicine—regimentation of the profession of medicine and surgery—yet it cannot help but prove of almost inestimable value to the medical profession as a whole as well as to the public.

Now it is up to some of the other professional groups, such as architects, accountants, lawyers and so on, to break away from their ethical advertising inhibitions. There is no reason why a professional man should not advertise his wares as well as the merchant or the plumber.

The BULL'S-EYE

By The Sharpshooter

UNTIL I talked the other day with a man who has just completed 5,000,000 (yes, 5,000,000) miles of flying I thought I knew something about this modern means of shooting across the continent in the daylight hours of a day. Now I know that I am just a mere tyro at flying.

This man is the general salesmanager of one of the nation's big industries. He has to go places all over this country, contacting branch offices, sales offices, sales crews and laying out sales programs. Moreover, he has to spend as much time as he can in the home office directing the industry's sales and distribution program, so it is highly essential and a time and money-saver to get places quickly.

For instance, he will spend two hours of a forenoon in his New York offices and 3 o'clock in the afternoon will find him 500 or more miles elsewhere looking after a sales drive in some particular region.

"Do you like flying?" I asked him, and immediately found that was "Foolish Question No. 1."

Certainly he liked flying. He not only liked it but he liked it because, as I said, it saves time and money. When I asked him how long he had been flying he answered, "Ever since 1928."

"Had any accidents?" I asked.

"No, not what you would call accidents. We were in some tight spots a few times, but nothing serious."

"What was the greatest thrill you ever had?"

"It was riding over the saddle of Mt. Shasta. Our own plane was in use elsewhere and I had gone to California on a transport. I wanted to make some places off the regular routes and hired a private plane. Mt. Shasta was on the way and I asked the pilot if he minded flying over it.

"'Not if you don't,' was his reply, so we headed straight for the saddle. It was the most wonderful sight I ever had visioned, and, for one thing, we dropped in one plunge a thousand feet. After it was over, I said, 'I suppose this is a regular thing for you.'

"'Nope,' said the pilot. 'First time I ever flew over Shasta, and I don't know any pilots who ever have flown the saddle. It's something I've always wanted to do, though. The boys all say it's pretty dangerous. And you've seen something today that man was never supposed to see.'

"People are the same whether riding a train or an airplane. That's one thing I've learned. They want to get there as fast as they can.

"Planes are safe enough now and, for the most part, riding in them is just about the same as in an auto on a smooth road. The heavy transports plow right through now and there is very little of the old bumping."

Minnesota Bankers Busy at Regionals

Annual Clearinghouse Meetings Draw Attention Throughout State

MINNESOTA bankers, when they organized their state-wide system of regional clearinghouse associations early in 1938, decided that each organization would meet four times a year. Three of the meetings were to be strictly business affairs at which members could get down to serious discussions of mutual problems, and their annual meetings, at which new officers were to be elected, were to combine special entertainment with the usual business, and were to be "open" to ladies and to outside guests.

That this plan has proved entirely satisfactory and eminently successful is a well-known fact both within Minnesota and outside the state.

In most instances the annual meetings are staged in July or August, making it possible for wide attendance by members and their guests alike and also making it possible for those in charge to arrange outstanding entertainment programs.

*

The 1940 series of annual meetings is rolling along splendidly, gathering momentum on the strength of the enthusiasm and interest evidenced in the meetings. Attendance marks are holding up well, thanks to the fine programs arranged and to the effective publicity work of the various secretaries and local committees.

*

As in the past, Minnesota Bankers Association officials attend as many of the annual meetings—and others, too—as they possibly can, sometimes appearing jointly, and on those occasions when two or more gatherings fall on the same date dividing up the honors. Naturally, they take featured spots on the speakers' programs.

This summer President K. O. Sattre, vice president and cashier Blue Earth State Bank, Blue Earth; Vice President O. G. Jones, president Goodhue County National, Red Wing; Treasurer E. B. Hanson, president First State, Fertile, and Secretary William Duncan, Jr., Minneapolis, are sharing the responsibilities. Their appearances make it possible for

members to be brought up-to-date on important banking matters of the moment.

*

Herewith are reports on four annual meetings staged in recent days, and, following them, are advance notices on other meetings.

*

At Dunvilla

Park Region Clearinghouse Association (Clay, Wilkin, Becker, Otter Tail counties) went back to Roy Dunn's famous resort on Lake Lizzie near Pelican Rapids for its annual meeting Wednesday last week. Members of this organization are fortunate in having one of the Northwest's choicest summer spots right in the center of their territory. It makes a wonderful site for a business meeting of this kind. Mr. Dunn, Republican national committeeman for Minnesota, member of the state legislature, is well acquainted with most of the state's bankers for his sterling support of constructive legislation over a long period of years, and his friends enjoy this opportunity to visit with him about matters of mutual concern.

Chicken dinner at 7 o'clock was followed by the business meeting, presided over by A. C. Meland, cashier J. P. Wallace State Bank, Pelican Rapids, retiring secretary. He had to take the initiative in sending out notices, getting arrangements made, and conducting the meeting itself due to the resignation several months ago of George J. Haas, cashier Detroit State Bank, Detroit Lakes, who was elected president at Dunvilla a year ago, and to the absence of Vice President Halbert Shirley, assistant cashier First National, Breckenridge.

Mr. Meland did a fine job. First he called on Mr. Dunn, who offered some pertinent remarks about the recent G. O. P. convention at Philadelphia, then answered questions of delegates and guests. Of Wendell Willkie, he said, "IF YOU WERE TO NAME A DELEGATION OF THREE PERSONS SITTING IN THIS ROOM RIGHT NOW AND TELL THEM TO GO OUT AND FIND A PRESI-

DENTIAL CANDIDATE, THEY'D STOP WHEN THEY HAD FOUND MR. WILLKIE."

George Susens, former M. B. A. secretary, president PCA, St. Paul, spoke briefly, as did William F. Kunze, vice president Marquette National Bank, Minneapolis. O. U. Habberstad, cashier Fergus Falls National Bank & Trust Co., Fergus Falls, was introduced as the association's newest member and as a really dependable addition. He, too, spoke briefly.

Then came Mr. Duncan, with his usual comprehensive report on things of interest to bankers of his state. COMMERCIAL WEST's coined word, "Duncanalysis," best fits the kind of talk Mr. Duncan always offers the M. B. A. membership.

Newly elected officers are:

President—H. E. Swenson, vice president and assistant cashier First National, Fergus Falls.

Vice Pres—E. C. Bergquist, cashier First National, Parkers Prairie.

Sec-Treas—W. B. Schwantz, assistant cashier Becker County National, Detroit Lakes.

Directors—B. F. Abbott, assistant cashier Peoples State, Frazee (representing Becker county); O. M. Westlin, assistant cashier American State, Moorhead (Clay); Duncan Barr, cashier Farmers & Merchants State, Breckenridge (Wilkin); Oscar Lien, cashier First State, Dalton (Otter Tail); S. O. Solum, vice president First National, Barnesville (at large).

*

At Bemidji

North Central Clearinghouse Association (Cass, Crow Wing, Hubbard, Wadena, Beltrami, Aitkin, Southern Koochiching) went to famous Birchmont Lodge near Bemidji for its annual meeting, also on Wednesday last week. Members golfed in the afternoon, then enjoyed dinner and staged the meeting proper in the lodge, overlooking beautiful Lake Bemidji.

Business was brief. Judge George P. Jones, former U. S. district judge of the

Virgin Islands, gave an interesting address. He was introduced by County Attorney Ed Rogers of Cass county, famed Indian end of the University of Minnesota football team in 1903. Only other speaker was Robert C. Rutherford, executive secretary Minneapolis Chapter, A. I. B., with a message on behalf of the M. B. A.'s study group committee, of which he is chairman.

There was a musical program and community singing. These new officers were elected:

President—R. W. Smyth, cashier State Bank of Park Rapids (advanced from vice president).

Vice Pres—W. J. Browne, president Wadena County State Bank, Wadena (advanced from secretary-treasurer).

Sec-Treas—R. H. Welle, cashier First National, Bemidji.

Directors (all re-elected)—Oscar Dahl, president Pine River State, Pine River (Cass county); C. R. Hewitt, cashier Farmers State, Dorset (Hubbard); R. G. Harte, cashier First National, Crosby (Crow Wing); E. D. Lyman, vice president Security State, Sebeka (Wadena); Henry D. McNeil, cashier Farmers National, Aitkin (Aitkin); E. O. Lukkason, cashier First State, Northome (Southern Koochiching).

*

At East Grand Forks

Red River Valley Clearinghouse Association (Polk, Norman, Red Lake, Mahnomen, Clearwater) met at the beautiful

Grand Forks Country Club two miles east of East Grand Forks on Thursday last week. Those who played golf enjoyed themselves on the rolling fairways of this splendid course during the afternoon; those who didn't play relaxed in the cool shade of the club house lawn.

Dinner was served at 7 o'clock. Spirited community singing was led by John Howard, director of music at the University of North Dakota, and Mr. and Mrs. Howard offered several violin-piano duets.

H. M. Mackenzie, cashier Minnesota National Bank, East Grand Forks, welcomed delegates and guests on behalf of the Grand Forks Clearinghouse Association.

Retiring President George A. Beito, (Continued on page 18)

TYPICAL of the good fellowship that pervades the entertainment end of annual meetings of Minnesota bankers' regional associations are these photos by COMMERCIAL WEST Camera taken last Saturday at Red Wing.

- 1. It looks like Willkie! This trio—R. E. Odgers, executive vice president and cashier Superior National Bank, Hancock, Mich.; O. G. Jones, president Goodhue County National, Red Wing, and Joseph A. Greenfield, Jr., vice president First Saint Joseph Stockyards Bank, Saint Joseph, Mo.—agreed that he's the man! (See story in Banks and Bankers.)
- 2. Enjoying the Mississippi cruise: William M. Kozel, executive vice president

Citizens State, Montgomery; Ray Meyer, cashier State Bank of Faribault; J. C. Moore, vice president Stock Yards National, South St. Paul; B. G. Berg, cashier Security State, Kenyon.

3. Community singing—so largely a part of the day's enjoyable outing, and of similar meetings throughout the state—on the upper deck of the Nellie Bly. At extreme left, C. C. Rieger, Jamieson & Co., Minneapolis, leading.

4. It was a nautical meeting, entirely in keeping with the nautical theme of the Minneapolis Aquatennial, which opened that same day. And embodying the spirit of the Aquatennial was the Marquette National Bank's quartet, like Vice President William F. Kunze, attired in their Aqua uniforms. Left to right: Sig Silverness, Assistant Cashier Ronald Harrison, Mr. Kunze, Paul Petterson, Walter Nelson.



SEVENTH OF A SERIES ON

... BANK DIRECTORS ...

Their Duties, Responsibilities, Liabilities

By **CLAUDE L. STOUT**

Executive Vice President & Cashier Poudre Valley National Bank,
Fort Collins, Colo.

OUR BOARD is constantly on the alert for information leads of prospective borrowers, immediately passing this information on to the bank officers for investigation and such action as the facts appear to justify.

Similarly, they are alert in obtaining and passing on to the officers information concerning prospective borrowers whose situation likely would preclude the possibility of making a sound loan.

Among their friends, our directors constantly emphasize the fact that our bank "makes loans"—that we are now and for 60 years have constantly sought good loans—that "good loans" and "lots of them" is the main source of our "bread and butter."

*

Our directors effectively spread the fact that accusing any bank "of not wanting to make loans" is in the same class with a statement of accusing the merchant of not wanting to sell merchandise.

*

The merchant does not want to sell merchandise, credit the purchaser on his books and lose his merchandise, nor does the banker want to make loans, put them on the bank's books and never get paid.

Banking is just as charitable as merchandising and no more so.

We have a rule of many years standing, never to ask directly any prospective customer to favor us with his deposit. There are literally hundreds of methods of influencing prospective customers, other than that of direct solicitation. Our directorate and official management has very definite reasons for avoiding director solicitation, viz.:

*

(1) Implies bank is prepared to serve all commercial banking functions on customer's own terms.

(2) Implies bank has investigated

and is prepared to meet customer's future credit requests.

(3) Increases antagonism toward banks when bank finds itself unable to safely meet terms or requests of customers, whether request be for non-compensated service or improperly supported credit.

(4) Makes employe defense of bank's policies more difficult. In other words, customer is likely to employ more arbitrary attitude.

(5) Lastly, the mere fact that our bank wants the prospective customer's business is not, from the customer's viewpoint, a reason why the customer should select our institution. He should voluntarily select our bank because "we have more and bet-

ter goods and services of the kind the customer needs and less of the kind of goods and services he doesn't want" than any other agency.

*

This is a policy which the directors and official management have followed with modest success. The board of directors, in their capacity as such, are diligently contacting and getting acquainted with prospective customers, yet discreetly carrying out this policy. They are very conscientious in trying to keep their contacts within the realm of good business ethics.

The directors spend considerable time in our lobby meeting and greeting old friends particularly during busy days or busy seasons. However, without an exception, they are careful not to unnecessarily detain any customer who appears to be in a hurry. Every director is a local citizen of proven outstanding business ability and naturally the customers notice and appreciate the active interest taken by the individual directors.

Dependable, substantial goodwill must be based upon more than fast, efficient, friendly service. Lasting goodwill must be based upon that solid substance "knowledge on the part of the public, that here is a directorate who really are so interested and conscientious they are willing to devote the necessary time to act as the balance wheel in the bank's important policies." An active, conservative board of directors, be they active or retired leaders in the community, promotes confidence. Goodwill, without abiding confidence, is a temporary flimsy condition, indeed.

*

Our bank employs one of its directors as full-time loan inspector. In fully 50 per cent of the instances, this director-inspector is accompanied by another director when inspecting

(Continued on page 18)

In Colorado



CLAUDE L. STOUT

Visiting Around . . .

In Minnesota's Busy Banks

With Commercial West Outfielders

COMMERCIAL WEST Outfielders, busy running around Minnesota this summer covering annual meetings of bankers' regional associations (see story on page 8), naturally keep their pads and pencils working picking up newsy notes along the way.

Last week, for instance, one of the crew, heading for Western and Northern Minnesota with William F. Kunze, vice president Marquette National Bank, Minneapolis, learned from Ben F. DuBois, president First State, Sauk Center, that the Independent Bankers Association, of which he is secretary, may not hold its annual convention at St. Paul in early September this year, as has been its custom. Members of the executive council are being polled by mail right now on the desirability of postponing the meeting until next February, possibly on Lincoln's birthday.

Reason, says Ben, is that in September everyone is getting down to business again after the hot summertime and annual vacations, and that attendance might be higher if the convention was held at another time.

Mr. DuBois himself is feeling much better now following that three-week pneumonia siege recently, during which he spent three weeks in a Minneapolis hospital.

This seems to be an unusually heavy year for bank anniversaries. Now in its 25th year, though no particular celebration is planned, is the Farmers State, Rothsay. Lawrence Paulson, president and cashier, was a delegate to the Park Region Clearinghouse Association meeting at Dunvilla.

IT'S-A-SMALL-WORLD ITEM: While vacationing recently in Ontario, Mr. and Mrs. J. S. Ulland (he's president Fergus Falls National Bank & Trust Co., Fergus Falls) met a brother of a banker-neighbor of their's—Cecil W. Sherin, president J. P. Wallace State, Pelican Rapids.

Senator Elmer E. Adams, president First National, Fergus Falls, didn't get over to Dunvilla for the meeting, but Cashier R. E. Lincoln was there. Mr. Lin-

coln, a University of Minnesota classmate of Minneapolis' Mr. Kunze, agreed with most of the Park Region bankers that crops are fine this year in the main.

There are plenty of good fishermen among Minnesota and Northwest bankers, but one of the most rabid is H. E. Walseth, vice president and cashier Peoples State, Frazee. Mr. Walseth, by the way, has a son serving as lieutenant with the U. S. air force, stationed at present in Alaska.

Another real fisherman is O. B. Rusness, executive vice president First National, Moorhead, who's had extremely fine luck this year on a number of fishing trips.

Oscar's a real story-teller, too. Get him to tell you about his contacts with an albatross on a trip to Cuba several years ago, and about his search for a statue of General Weyler in Havana. He swears they're both true! They're masterpieces.

And he'll tell you about the man who came into the bank one day, asked Oscar if he could close both doors leading out of his office, then inquired if the bank had received "my money" yet. Asked "what money?" he said Hollywood was sending him \$1,000,000 for "his invention" of the Vitaphone. WHEW!

We ran in on both banks at Detroit Lakes the day after the Dunvilla meeting. Cashier Alden Pearson of the Becker County National reported their loans showing fine improvement right along. Cashier George J. Haas and Assistant Cashier Ben H. Peoples of the Detroit State also were in good spirits over the improved outlook in the Detroit Lakes area.

Also visiting with Mr. Haas when we came in was Art Clausen of the FHA, Minneapolis, original member of the old General Mills Wheaties Quartet.

As with everyone else, the European war is of real concern to J. H. Tembrock, president Ogema State, Ogema. It's always a pleasure to visit with Mr. Tembrock, who keeps himself particularly well-informed on current events.

Just back from a motor trip with his family to Yellowstone National Park was S. J. Schafer, cashier Farmers State, Waubun, who recalled that the last time we had visited his bank he and his son were playing hookey on a fishing trip. "Got some nice ones, too," he claimed. Mr. Schafer was much impressed, of course, with the beautiful scenery of Yellowstone and Montana, said they had a fine trip.

Well-equipped to combat this hot, sticky weather is the First National Bank's building at Mahanomen. Not only does it boast an effective air-conditioning plant that affords complete relief to staff and customers alike, but the banking rooms are fitted out with fluorescent lighting.

President M. H. Hanson again this year is president of the Mahanomen County Fair. Last year Mr. Kunze and the Outfielder had been in Mahanomen while the fair was in progress and took some interesting pictures of the 4-H exhibits which were published in *COMMERCIAL WEST*. On that occasion Mr. Hanson had invited us to judge a beauty contest which was to be held that evening, but our schedule wouldn't permit us to stay over. The invitation was renewed this time, the fair scheduled for this week.

WHY CAN'T WE TIME OURSELVES RIGHT WHEN WE GO TO MAHNO-MEN?

It was just noon when we reached Winger, and Cashier O. B. Gjerdingen of the Farmers State had gone home to lunch. But we had a nice visit with Assistant Cashier John Jensen behind the McClin-

tock Bandit Barrier and learned that conditions in the vicinity are decidedly favorable.

*

You've often heard it said, "If you want something done right, do it yourself."

Well, G. O. Hage, president Crookston Trust Co., Crookston, is a firm believer in that philosophy.

When Mr. Hage wanted to streamline the bank's interior a few months ago, he decided to use the same fine mahogany counters after doing away with the old-fashioned grilled cages, etc., but carpenters told him that was a hard task without ruining the wood.

So Mr. Hage showed them how to do it himself, and the result is one of the most pleasant banking rooms in the state. It has new composition walls, too, and altogether offers a fine appearance.

*

Also modernized is the interior of the First National's building at Crookston, the grilled cages having been removed and low type counters substituted. President H. L. Marsh and his staff were busy with a long line of customers, but he greeted us cordially, passed the cigars and visited with us for some time.

*

Over at the Polk County State Bank in Crookston they're very much interested in how the wage and hour situation is going to work out. Cashier W. S. Ericson has been speeding the staff up so as to stay within the 42-hour limit, but thinks the further reduction in working time to 40 hours in October may be troublesome for lots of us.

*

By the time we'd had lunch in Crookston and driven over to Grand Forks, it was getting close to closing time.

Cashier H. M. Mackenzie of the Minnesota National, East Grand Forks, already had left the bank to look after things out at the country club, where the clearinghouse association was meeting.

We did see President Fred R. Orth and Cashier Carther Jackson of the First National, both in the bank and then later out at the country club, but it was too late when we reached the Red River National. We were happy to learn from Mr. Orth, though, that President Arthur G. Bjerken of the Red River was back on the job after his illness.

*

The morning of the day we were in Grand Forks had seen the Red River Bank building sold by Receiver L. E. O'Connor to an unidentified purchaser for \$52,500 cash. The five-story brick building, 44 years old, is one of the city's best business buildings and one of the best-located.

At the Red River Valley Clearinghouse Association meeting, Cashier G. B. Courtney of the First National, Bagley, had said he always opens up at 8:30 in the morning, although he didn't know why—that they might just as well wait till 9. So the next morning we decided to check up on him, and sure enough, when we reached Bagley just at 8:30, there was George, all set for another day's work.

President A. Kaiser still takes an active part in Republican politics, was a delegate to the state convention in St. Paul several weeks ago, likes Candidate Willkie, feels sure that there's going to be a change this fall.

*

With Mr. Kunze due at an important meeting in his bank at 4 p. m., we couldn't take time off as we sped over to Bemidji, then dropped down to Minneapolis, for the visiting with bankers that we would have liked so much to do.



HE SAID he always opened up at 8:30, and this Commercial West Camera shot proves it. It's G. B. Courtney, cashier First National Bank, Bagley, Minn. (See accompanying story.)

After Bagley, our only stop was at the First National of Walker, where we found Director and Former President E. I. P. Staede and President C. J. Elsenpeter hard at work.

Over a cup of coffee Mr. Elsenpeter told us that although the resort business is only about on a par with last year's, after early expectations that it would zoom this season, there's a wonderful hay crop in the Walker area. And business on the whole is o. k.

*

It was a first and novel experience for most of the bankers (and for their guests, as well) at the Red Wing Tri-County Clearinghouse Association meeting Saturday last week when they were taken through the locks of the Red Wing dam. There is plenty of red tape about going through the locks—whistles, bells, guide

ropes, and so on. And then comes the sensation of "going up" or "going down," as the case may be. We had both, inasmuch as the boats went through upstream and come back down-stream.

*

Everybody voted the Tri-County regional meeting a very enjoyable affair. It was hot—hot as heck—and it would seem as though the Red Wing bankers (all on the entertainment committee) headed by O. G. Jones, president Goodhue County National, vice president Minnesota Bankers Association, had figured it would be that hot. So, therefore, instead of a golf tournament or the like, they took everybody aboard six boats up the river several miles to the dam, got back just as evening was falling. Result, everybody happy because they had enjoyed a cool afternoon.

*

Among guests from outside the state were J. A. Greenfield, Jr., vice president First Saint Joseph Stockyards Bank, Saint Joseph, Mo. He was the house guest of D. Fay Case, president and cashier Security State, Cannon Falls. His first name being Joseph and his city Saint Joseph, naturally everybody was calling him Joe—and he liked it. In fact, he contributed no little to the festivity of the occasion.

Another popular guest of the Tri-County bankers was R. E. Odgers, executive vice president and cashier Superior National, Hancock, Mich. He had been visiting in Minneapolis, guest of C. C. Rieger, manager bond department Jamieson & Co., Minneapolis.

While their bank is just across the line in Dakota county, Fred R. Schlichting, vice president, and A. J. Roszak, assistant cashier Drivers Exchange State, South St. Paul, joined in with the Tri-County party and helped materially with entertainment, especially the singing.

*

Twin Cities banks all were ably represented at the Red Wing meeting, star country bank division men from each institution being in attendance. Mr. Kunze, of the Marquette National, Minneapolis, and the bank's famous quartet were there in full Aquatennial regalia. The quartet did itself proud in helping entertain on the boat trip and during the supper hour and business session.

*

Mr. Rieger had a willing and good accordionist with him, as well as taking along Jacob A. Kunz, manager North American Office, Northwestern National, Minneapolis, the COMMERCIAL WEST representative and Mr. Odgers. C. C. had his always-popular community sing sheets

(Continued on page 32)

BANKS and BANKERS

Heavy Liquidation of Corn and Other Loans in Prospect

WHAT TO DO with their idle dollars is a problem to which bankers of this rich agricultural section are beginning again to give very serious thought. From present indications cash in larger volume than usual will begin piling up in bank vaults from now on during the last half of the year. That is the information COMMERCIAL WEST has obtained from all over this section as representatives have been attending group and regional meetings of bankers.

Not only will there be heavy liquidation of the regulation run of farm loans but, on Aug. 1 the millions in 1939 corn loans will be paid off. These loans reach heavy figures for practically every country bank in Southern Minnesota, the east half of South Dakota, southeast section of North Dakota, Southeastern Wisconsin and, of course, in Iowa, Nebraska and Illinois.

One Southern Minnesota banker, for instance, told COMMERCIAL WEST this week that his corn loans will run around \$200,000, another said \$75,000, and on top of that he has \$150,000 liquidation of regular farm loans coming through this month.

*

Farmers of this section, as COMMERCIAL WEST has pointed out in recent years, have had record cash farm income. They have been cleaning up their notes at the banks and debts to merchants, on farm machinery and so on. They are in good shape. Bankers of Southern Minnesota, for instance, envision a comparably small volume of straight farm loans this fall.

*

Considering this situation, and with the large volume of liquidation now assured, banks will be more heavily laden with cash than at any previous time in their history, probably.

That means that they will have to do two things in order to get their idle dollars working, or as many of them, at least, as they can put to work:

*

(1) They will have to conduct aggressive campaigns for loans in their communities.

(2) They will have to put a lot more money into investments.

Both these alternatives are problems. If they go into eligible bonds they will have to be satisfied with the low return that the cheap money situation has developed. To build up their loans they will have to compete with the federal government's lending agencies and that entails the possibility of having to put out their loan money at a rate under that normally obtained. That is true not only of farm loans but of those for construction and in the matter of industrial loans.

*

One banker who has around \$175,000 liquidation to face this month and next said that he probably would put the bulk of it into investment. "We feel," he said,

Heads Clearinghouse



R. W. SMYTH

was advanced to president of Minnesota's North Central Clearinghouse Association at the annual meeting at Bemidji last week (story on page 8). Mr. Smyth is cashier State Bank of Park Rapids.

"that the money of our depositors should be earning something, even if it is only what we can get on acceptable bonds. We have been picking up all the good municipal paper we can find, but that is very scarce. We could get some good long-term corporate bonds but we do not feel that we should take on any considerable additional volume of them because that would throw our diversification out of gear. We could handle a lot of good short-term paper, even if the rate is low."

What this banker says of his situation is true, of course, of many bankers in this section. They have about all the long term government paper they feel they should handle; it's going to be hard work increasing local loans; many of them are seeking an outlet for their piling up cash through the investment channel.

★ ★ ★

Denied at Montgomery

Application of the proposed new Farmers State Bank at Montgomery, Minn., for FDIC deposit insurance has been disapproved by the Washington office, according to information reaching COMMERCIAL WEST Thursday afternoon this week.

Rumors that the application had been denied had reached COMMERCIAL WEST early this week. Upon inquiry at the St. Paul office of FDIC that office wired Washington and received a reply late Thursday stating that the application had been disapproved.

Application of organizers of the new bank for a Minnesota charter was approved May 14 by the Minnesota Commerce Commission after hearings lasting several weeks, during which a great deal of testimony was presented both for and against institution of the new bank. Applicants for the charter included H. W. Arveson, Albert J. Wondra, J. F. Janutka, John L. Marek, John H. Lebens and Joseph O. McKeon.

Montgomery has a bank—Citizens State—established in 1905, of which H. H. Westerman is president; William M. Kozel, executive vice president, and J. J. Petricka, cashier. Its deposits as of December 31 last were \$888,988 and its loans \$480,574.



Efficient and Dependable- American Way Service

In spite of wars abroad and uncertainties over developments that the future may bring at home, bankers must continue to serve their customers and their communities as usual.

We would like to remind Northwest bankers that our CORRESPONDENT SERVICE is of greater value now than at any previous time. If we are not now serving your bank, may we solicit an inquiry?

OTTO BREMER,
Chairman

L. H. ICKLER,
Trust Officer

H. B. HUMASON,
President

G. J. JOHNSON,
Vice-President

GUY E. DAILEY,
Ass't Vice-President

P. A. F. SMITH,
Cashier

JOSEPH A. CAVITZEL,
Ass't Cashier

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Bank Shares Comes Home

Bank Shares Corp., headquarters Minneapolis, operating Marquette National Bank, Chicago-Lake State Bank and University State Bank, all in Minneapolis, formerly a South Dakota corporation, has incorporated under the laws of Minnesota and changed its title to Bank Shares, Inc. It has just registered with the Minnesota Commerce Commission approximately the number of shares it has outstanding, namely, 40,000 class A common, par value \$25, and 25,000 shares of class B common, par value stated as 1 cent per share.

"There are no changes effected by the incorporation under Minnesota laws," President Ralph W. Manuel of Bank Shares, Inc., and also of Marquette National, told COMMERCIAL WEST this week, "excepting in the name, which was changed to conform more closely to modern nomenclature. We incorporated under the South Dakota laws originally in 1929 because of the double liability law in effect in Minnesota. We feel that we should move back home with our incorporation and, in all respects, be a Minnesota and Minneapolis institution. Officers will remain the same and operation continued just as it has been in the past. No public sale of the stock registered is being considered at this time."

★ ★ ★

Book on Latin America

First National Bank of Chicago's foreign department has just produced a book of tremendous value on credit, economic and exchange conditions of Latin America. Compilation of the material from its correspondents and official sources has required considerable time, no end of time and pains, not a little expense. Salient facts relative to each nation are presented in a concise form which, to quote Vice President Harry Salinger, "We believe will be helpful to those doing business with Latin American countries, and to those who contemplate entering this field."

★ ★ ★

Works Out O. K.

State Bank of Maple Plain, Minn., (Hennepin county) has about 90 per cent of its loans on a monthly payment basis. Result, nothing much to worry about except keeping books on the interest and principal payments as they come rolling around each day.

*

That's the story as P. F. Lindholm, cashier, told it to COMMERCIAL WEST, after some questioning during his visit to Minneapolis Tuesday, including a call, of course, on country departments of his correspondent banks.

"In eight years," said Mr. Lindholm, "we have reduced our bank building and furniture valuation from \$9,000 to \$4,000 and have increased our surplus from \$1,500 to \$5,000. Now, when our farmers come in for a loan they don't say, 'I want \$500 for six months.' Instead they ask, 'How much will I have to pay a month on a loan of \$500?' They know our policy and like it, because we have proved to them that is the way to get out of debt."

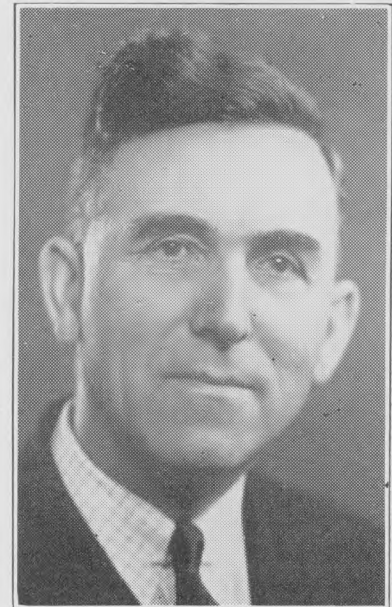
Mr. Lindholm has charge of insurance business handled by his bank, but makes no effort to obtain it by solicitation. "If it comes to us, O. K.," says Mr. Lindholm, "but we do not believe in setting up competition with our established insurance agents. At that, our net income on insurance business last year was \$600."

★ ★ ★

At International Falls

Stuart D. Sheldon, vice president First National, International Falls, Minn., in Minneapolis Tuesday fixing up a deal to entertain a couple of Minneapolis bankers on a fishing expedition to Rainy Lake, told COMMERCIAL WEST that business at the Falls is fairly good but that farmers of the section will not have as much income this year because of the drouth that hit that area this spring. It cut the yield down considerably on alfalfa and alsyke clover

Presided at E. G. F.



GEORGE A. BEITO

did another nice job of chairmanship the annual meeting of Minnesota's Red River Valley Clearinghouse Association last week at East Grand Forks (story on page 8). He's president Northern State, Gonvick.

seed, in production of which farmers of that community specialize. They have had several previously good harvests, however, and are in pretty good shape to withstand the income reduction. Nevertheless bankers of that section, states Mr. Sheldon, feel it would be much better if the farmers diversified more and did not confine themselves so closely to the one-crop idea. Dairying in that section had been very profitable because of the plentiful supply of pasturage and good water. Potato raising is profitable, as well as flax growing, etc.

"While the profits from diversification might not be as large as that from seed raising," said Mr. Sheldon, "the income would be more certain each year and, in the long run, diversification, with especial attention to dairying, running more sheep, feeder cattle, etc., we feel would assure our farmers a more stable annual income."

★ ★ ★

Buys Isanti Bank

Controlling interest in the First State Bank, Isanti, Minn., has been purchased by Hilding A. Erickson, vice president Cambridge State, Cambridge, Minn., who Monday this week was elected president and managing officer. The bank has \$10,000 capital, more than \$7,000 undivided profits, total footings of better than \$200,000. The capital structure will remain unchanged. The First State of Isanti, organized in 1901, has served its community for 39 years. Albert Wickstrom, who was elected cashier last year, died in May following a brief illness (C. W., May 25).

*

Mr. Erickson is a brother of Elmer V. Erickson, president of the Cambridge State Bank, which opened in 1914. Originally located at Dalbo, the bank moved to Cambridge in 1933, changing its name from State Bank of Dalbo to the present form. The Dalbo Credit Co. also moved with the bank and became the Cambridge Credit Co. Hilding Erickson retains his interest in that organization, and continues as its secretary-treasurer.

★ ★ ★

Support for Willkie

Last Saturday aboard the good ship Nellie Bly, which carried members of Minnesota's Tri-County Clearinghouse Association on a Mississippi river cruise from Red Wing (story on page 8, with COMMERCIAL WEST Camera photos) the C. W. representative conducted a mock caucus on the coming national election.

IT LOOKS LIKE WILLKIE!

On page 9 you'll find a photo of R. E. Odgers, executive vice president & cashier Superior National, Hancock, Mich.; O. G. Jones, president Goodhue County National, Red Wing, Minn.; and Joseph A. Greenfield, Jr., vice president First

GMAC

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Saint Joseph Stockyards Bank, Saint Joseph, Mo. That trio agreed individually and collectively that Willkie is the man. Mr. Odgers said he'd bring Michigan into his camp, Mr. Jones promised to look after Minnesota, Mr. Greenfield, Northwestern Missouri. It was all in fun, of course, but there was a vein of seriousness, nevertheless.

★ ★ ★

FRB Report

Country member bank deposits in the Northwest, as revealed by the July 29 Minneapolis Federal Reserve Bank summary, were up \$36,000,000 of which \$8,000,000 was placed in earning assets. Excess reserves continue to remain at a near record level. City member bank deposits reached an all-time high of \$623,000,000 on July 3 but receded about \$5,000,000 during the ensuing two weeks. Loans of all member banks were at the highest level since 1932, being \$356,000,000 on June 29, despite a slight decline of city banks. They were about \$100,000,000 over the post-1929 low reached during the first quarter of 1935. Investments continued to decline both at country and city banks, due largely to continued further liquidation of U. S. government obligations. Government bond holdings were at the lowest level June 29 since 1936.

★ ★ ★

Real Farm Aid

South Dakota banks did an excellent job in financing the purchase of breed and herd livestock during 1939-40, according to R. M. DePuy, vice president & manager Brookings office of Northwest Security National Bank of Sioux Falls, chairman South Dakota Bankers Association's agriculture committee. Returns from less than half of the banks in the state in a survey conducted by the committee, says he, show that the banks financed farmers in the purchase of 8,902 registered animals and 242,055 grade or herd animals. The amount of money loaned for the purpose totaled \$3,317,014, an average of more than \$40,000 for the 82 reporting banks.

Breaking the totals down into classes, these banks provided funds for the purchase of 1,324 registered bulls, 564 registered cows and 822 registered calves; 1,098 grade bulls, 14,470 grade cows, 9,949 grade calves and 30,560 general stockers; 1,155 registered boars and sows, and 6,611 grade boars and sows; 5,037 registered rams and ewes, and 80,213 grade rams and ewes, and 99,154 feeder lambs.

ON THE COVER . . .

"I LOVE A PARADE!" That was the theme song of some 200,000 Minneapolitans and their guests last Saturday as the first annual Aquatennial swung into action with a four-hour parade up Nicollet avenue—"Fifth Avenue of the West."

The huge throng, part of which had taken vantage points many hours before the parade began, paid little attention to the sweltering weather as unit after unit, float after float, passed in review, and it was liberal and enthusiastic in its applause.

One of the divisions that drew an unusual amount of attention was that of the clearinghouse banks, in the "Lake of the Isles" section.

First came the Northwestern National Bank & Trust Co. unit—rust and aqua uniforms; then the Marquette National Bank—royal blue and white; next, the Midland National Bank & Trust Co.—golden yellow and brown; finally the First National Bank & Trust Co.—blue and white.

This week's front cover photo shows the Marquette and Midland delegations. They're representative of the entire division.



INTERESTING FIGURES

During the year 1939, 278,000 patrons of this market received a total of \$94,383,000.00 for their livestock.

Any bank located in a territory which helps to make up these astounding figures will find an account with us beneficial in the handling of their livestock transactions.

STOCK YARDS NATIONAL BANK

SOUTH ST. PAUL, MINN.

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Home Building Holding Pace

FHA Loans Spur Residential Construction in First Half of This Year

Little if any letdown is anticipated in the volume of home building during the near future and it is reasonably expected that the substantial increases recorded in the first six months of this year over last year will be surpassed in the Middlewestern states, states Daniel J. Fouquette, FHA state director for Minnesota, North and South Dakota.

This forecast is based on a survey made by FHA in Minnesota, Indiana, Illinois, Wisconsin, Iowa, Nebraska and Missouri.

Two factors contribute chiefly to this belief: (1) The steadily mounting volume of applications for FHA mortgage insurance on new homes in these seven states the first half of this year in the face of very disturbing news, and (2) the upsurge in small homes building necessary to keep pace with the demands for living quarters necessitated by the defense program in certain sections of the Middlewestern area, notably in Minnesota.

*

Indicative of the steadily mounting

interest in home owning are the figures on applications for FHA mortgage insurance which show a total of 23,677 applications involving \$108,879,878 in the first half of this year in these seven states as compared with 20,442 applications amounting to \$92,691,896 in the same period of 1939. This is an increase of 3,235 applications amounting to \$16,187,982, a rise of about 15 per cent.

During the week ending July 12, 1940, 96 applications in the amount of \$440,500 were received, 81 of which, in the amount of \$383,400 were for new construction. In the comparable week of 1939, 63 applications in the amount of \$303,500 were received by the Minneapolis insuring office.

The bulk of FHA mortgage business in this area continues in the \$4,000-\$6,500 grouping, with no drastic change in the desire for conventional types of architecture, although a slight trend has been shown recently in higher priced homes toward the modernistic type of structure.

Statement of the Condition of University State Bank

of Minneapolis
as of
June 29, 1940

RESOURCES

1. Loans and discounts.....	\$ 774,608.26
2. Overdrafts	115.40
3. Bonds and securities.....	309,900.00
5. Banking House, Furniture and Fixtures	8,342.20
8. Due from other banks and cash on hand	308,131.11
12. Other assets, if any.....	2.00
Total	\$1,401,098.97

LIABILITIES

13. Capital Debentures	\$ 26,600.00
14. Capital stock	50,000.00
15. Surplus fund	40,000.00
16. Undivided profits, net.....	25,449.69
18. Other Reserves	10,500.00
19. Debenture retirement fund.....	3,000.00
22. Savings deposits	534,693.13
23. Time certificates	15,167.17
24. Dividend Checks Outstanding.....	2,500.00
25. Certified checks	6,141.91
26. Cashier's checks	10,996.48
27. Deposits subject to check.....	676,050.59
Total	\$1,401,098.97

State of Minnesota, County of Hennepin, ss.:

We, O. H. Odin, President and C. Herbert Cornell, Cashier of the above-named Bank, do solemnly swear that the above statement is true to the best of our knowledge and belief.

O. H. Odin, President.
C. Herbert Cornell, Cashier.

Subscribed and sworn to before me this 29th day of June, 1940.

(SEAL) Ethel M. Kelly,
Notary Public.

My commission expires Jan. 15, 1944.

Correct—Attest:
William F. Kunze,
F. R. Noble,
Directors.

MINNESOTA BANKERS

(Continued from page 9)

president Northern State, Gonvick, called upon M. B. A. Treasurer Elmer B. Hanson, member of the group, and a long list of guests for remarks. Among these were the PCA's Mr. Susens; Carther Jackson, cashier and trust officer First National, Grand Forks; F. C. Gustafsson, vice president Red River National, Grand Forks; Jacob Rigg, Ada, oldest examiner in point of service on the state banking department's staff; Max Tochtermann, FDIC examiner; Kenneth T. Martin, First National Bank & Trust, Minneapolis; D. E. Crouley, assistant cashier Northwestern National Bank & Trust, Minneapolis; Elmer M. Volkenant, assistant cashier First National, St. Paul; the Marquette National's Mr. Kunze; Wilbur F. McLean, vice president Minnesota National, Duluth, and the COMMERCIAL WEST representative. Chief speaker was Mr. Duncan.

Newly elected officers are:

President—S. J. Schafer, cashier Farmers State, Waubun (advanced from vice president).

Vice Pres—W. S. Ericson, cashier Polk County State, Crookston (advanced from secretary-treasurer).

Sec-Treas—Mr. Mackenzie.

Directors—Albert Henderson, assistant cashier First State, Clearbrook (Clearwater); Walter Johnson, cashier Red Lake County State, Red Lake Falls (Red Lake); Lorence Granum, cashier Farmers State, Fosston (Polk); A. J. Andersen, cashier First State, Lockhart (Norman); M. H. Hanson, president First National, Mahnomen (Mahnomen). It was Mr. Andersen's second re-election, Mr. Hanson's first.

At Red Wing

Tri-County Clearinghouse Association (Goodhue, Rice and Wabasha) had the distinction of drawing attendance of the two chief officers of the Minnesota Bankers Association and Banking Commissioner F. A. Amundson at its annual meeting Saturday last week at Red Wing. Association officers were President Sattre and Vice President Jones, the latter a Tri-County member.

Following a very enjoyable all-afternoon boat trip on the Mississippi river and an out-of-doors supper in a river-side park the following new officers were elected at a short business session presided over by Retiring President Roger W. Peavey, president Security National Bank & Trust, Faribault:

President—E. W. Harrington, president First National, Plainview (advanced from vice president).

Vice Pres—H. H. Billings, cashier Security State, Pine Island.

Sec-Treas—W. E. Sprague, cashier Lake City Bank & Trust, Lake City.

Directors—A. F. Meyer, president Northfield National Bank & Trust, Northfield; H. J. Croke, cashier Goodhue County National, Red Wing; A. S. Funk, cashier Security State, Hammond.

Attendance was 65, including invited guests.

This Saturday

Western Minnesota Clearinghouse Association (Big Stone, Traverse, Pope, Grant, Stevens, Douglas) holds its annual meeting this Saturday afternoon and evening (July 27) at Morris—registration from 2 to 5, dinner at 6:30 at the college of agriculture. J. O. Christianson, superintendent University of Minnesota farm school, St. Paul, and Secretary Duncan will speak.

Coming Soon

Central Tri-County Clearinghouse Association (Kandiyohi, Meeker, Renville) always holds its annual meeting at Fredolf Hultgren's lodge on Green Lake, near Spicer. Plans are under way now for the 1940 event, some time in August.

Central Minnesota Clearinghouse Association (Todd, Morrison, Stearns, Meeker) meets at Staples on Thursday, Aug. 8. Secretary Duncan will speak.

Corn Belt Clearinghouse Association (Cottonwood, Jackson, Martin, Watonwan) also meets on Thursday, Aug. 8, at Duke's place on Long Lake, five miles south of St. James on Highway No. 4. Delegates are invited to come as early in the afternoon as they wish. Business session starts at 5 p. m., with banquet and entertainment, followed by dancing, at 6:30.

DIRECTORS

(Continued from page 10)

security and condition of a new loan applicant. This information and acquaintance, when combined with that of officers, results in a reasonably accurate basis of facts for the entire board to act upon.

Members of our board either have been or are now eminently successful in the following occupations: Auto sales and financing, garage and filling station operation, lending money privately, drugs, general merchandise, law, farming, live-



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Daily: \$2.00 Single,
\$2.50 Double

WEEKLY AND MONTHLY RATES
AT. 5232 L. E. Hahn, Manager

stock feeding, ranching and farm management.

And so we have successful experienced advisers in practically every line of business found in our community. Furthermore, each member of our board is always willing to give his personal time and attention to investigating any particular type of loan.

We pay a regular monthly salary to directors for attending meetings, and in addition pay \$20 for each day spent examining our note case or any other extra work performed. Most of our meetings are with complete attendance.

Every day each director receives his individual copy of loans made and paid, present indebtedness of borrower, accounts opened, reopened or closed, both checking and savings as well as any recoveries on charged-off notes.

Thriftiest County WHEATLAND in Treasure State

Montana's Wheatland county, during the past year, acquired a new courthouse and a new high school without a special bond issue, to earn the reputation of thriftiest county in the state, according to Fred Bennion, secretary Montana Taxpayers Association.

The old high school building was taken over by the county and made into a new courthouse.

When the 1940 budget was drawn up the general levy was reduced by three mills. The county is now operating on a cash basis and there is as much money in the treasury as in any previous year. The financial outlook is rosy with the taxable valuation for this year showing an increase of \$150,000.

No state grant-in-aid or general relief and very little WPA aid was received by the county during this period, Mr. Bennion added.

Illinois Bank Quits

Depositors of the Concord State Bank, Concord, Ill., have been notified to withdraw their accounts as soon as possible. The bank discontinued business on June 29 and desires to pay all depositors and stockholders at once. President Herman Engelbach said that the bank could not make any profits, so the directors decided to retire from business without loss to the stockholders.

Interest exempt from all present Federal Income Taxation

\$725,000

Ramsey County, Minnesota

1½% Bonds

Due serially August 1, 1941 to 1950, inclusive

Legal Investment, in our opinion, for Savings Banks and Trust Funds in New York State

These Bonds, to be issued for public welfare purposes, in the opinion of counsel will constitute valid and legally binding obligations of Ramsey County, Minnesota, payable from ad valorem taxes levied against all the taxable real property therein without limitation as to rate or amount, and from ad valorem taxes levied upon all personal property within the County within the limits prescribed by law.

Prices to yield 0.20% to 1.60%

These bonds are offered when, as and if issued and received by us and subject to approval of legality by Messrs. Thomson, Wood & Hoffman, whose opinion will be furnished upon delivery. The offering circular may be obtained in any state in which this announcement is circulated from only such of the undersigned as are registered dealers and are offering these securities in compliance with the securities law in such state.

HALSEY, STUART & CO. INC.

BLAIR & CO., INC.

OTIS & CO

Dated August 1, 1940. Principal and semi-annual interest, February 1 and August 1, payable in New York City or St. Paul, Minnesota. Coupon bonds in the denomination of \$1,000, registerable as to principal only. The information contained herein has been carefully compiled from sources considered reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.

July 27, 1940.

The World's News Seen Through THE CHRISTIAN SCIENCE MONITOR

An International Daily Newspaper

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Tel. 8F12

Order for Hearing Petition for Summary Distribution of Exempt Estate

File No. 55523

State of Minnesota }
County of Hennepin }

In Probate Court

In Re Estate of Abraham Lincoln Hamilton, Decedent.

IT IS ORDERED that all persons interested show cause, if any they have, before this Court on Monday, August 5, 1940, at 10 o'clock A. M. in the Court House in Minneapolis, Minnesota, why the petition of Ollie Hamilton, of Hennepin County, Minnesota, claiming said estate as exempt from debts and praying for the summary distribution thereof to the persons entitled thereto and for the admission of decedent's will to probate, should not be granted. This order shall be published in the Commercial West and a copy mailed to each of the heirs, legatees and devisees of said Decedent at least 14 days prior to the date of said hearing.

WITNESS, the HON. MANLEY L. FOSSEEN, Judge of Probate Court, this 5th day of July, 1940.

ERNEST P. LORENZ
Clerk of Probate Court

(SEAL OF PROBATE COURT)

Bleecker & Babcock,
Attorneys

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T A B s

"ARGUE this one," said L. R. Ewart, vice president Citizens State Bank, Redwood Falls, Minn., in a recent newspaper ad:

"No woman can truly be called 'educated' unless she can cook."

*

Kerrick State Bank, Kerrick, Minn., outstanding for its advertising-mindedness and outstanding home-made ads sends in one of its advertising pencils. In addition to the bank's name it carries this message:

Three sensible SAFETY rules:

1. Pay your bills by check.
2. Use your safety deposit box.
3. Each month, save a little.

*

P. B. Murphy, cashier Citizens State Bank, Scobey, Mont., was in Minneapolis last week, on a trip to attend the wedding of his nephew at Austin, Minn.

*

R. Earl Brown, cashier of the Security National Bank, gave a brief review of the history of that institution at last week's regular meeting of the Sioux City Business Leaders Association.

*

The story is told that a Glencoe (Minn.) man and his wife entered a restaurant in Minneapolis to get dinner. After glancing at the menu, he inquired: "And how is the chicken today?" "Oh, I'm pretty well," replied the waitress, "I thought I recognized you, but wasn't sure." And the deep silence that fell over that part of the café was enough to blur the electric lights.—Glencoe Enterprise.

*

Yellowstone National Park registered its greatest June travel volume of history—82,997 tourists, an increase of more than 5,500 over June, 1939, which was a banner year.

*

Two Kansas City bankers, both on vacation in Minnesota, met quite by accident, or chance, in the First National, Minneapolis, last Friday. Both were headed homeward again by car, too. They were Sidney Silverman, vice president First National, and A. A. Schuneman, assistant cashier Union National. Mr. Schuneman hails from Hutchinson, Minn., had his wife and son with him. Mr. Silverman, a bachelor, had his nephew along. They reported heavy supplies of grain in Kansas City elevators. "Time was," Mr. Silverman recalled, "when we used to lend millions of dollars on such grain stocks and at 5 to 6 per cent."

Frank C. O'Brien, assistant vice president Northwestern National Bank, Minneapolis, Mrs. O'Brien, son Eugene and daughter Mary, rolled home last weekend from a 4,800-mile trip to Glacier, Yellowstone, Black Hills, Bad Lands, and Pacific Coast. They were gone three weeks, encountered only about 10 minutes of rain and that near St. Cloud, Minn.; went trout fishing in Idaho, used the newly opened floating bridge over Lake Washington at Seattle, heard reports in Montana of not-as-good-as-expected crop conditions.

*

George A. Haven, president Root River State Bank, Chatfield, Minn., accompanied by Mrs. Haven and their two younger children, Charles and Deborah, recently returned from a motor tour through New England. They drove east through Canada, entering it at Sault Ste. Marie and leaving it from Montreal. In Vermont they visited the place where Mr. Haven's father, for many years a Minnesota banker, was born 99 years ago. Places of interest to the children in their study of history and geography were visited, and relatives and school friends of Mr. Haven were called upon. Enroute the family camped in a tent. This is the fourth such annual vacation trip that the Haven family has enjoyed.

*

The threat of war reaching American shores has taken on the appearance of stark reality at the Brooks-Skinner Co. plant at Quincy, Mass., where announcement was made the other day that the firm has commenced the building of "All-Steel, Bomb-Proof Shelters"—the first in the United States—and will start advertising them soon.

*

Charles B. Mills, former president Midland National Bank, Minneapolis, is now business manager of the "Plows," the Moline member of the Three I league, and known as the Tri-City Plows.

*

A "bank pass book" on the Storkville International Bank, Winona, Minn., branch, records the fact that on July 8 a seven-pound daughter, Camilla Jane, was deposited to the credit of Mr. and Mrs. S. J. Kryzsko (he's assistant cashier Winona National & Savings Bank).

National Bank of Commerce IN Superior, Superior, Wis., is the official title, effective July 23. It was on March 2 last that the Union National purchased the old National Bank, electing to adopt the latter name. With all necessary details of the purchase and sale completed the comptroller this week gave his official approval.

*

F. E. Rathert, president First State Bank, Wolf Point, Mont., was in Twin Cities this week on hurried business trip.

*

On their way home from a trip east, H. B. Lovald, cashier First National Bank, Philip, S. D., and wife, stopped in Minneapolis this week to take in the Aquatennial.

*

E. O. Lerberg, cashier Peoples State Bank, Parshall, N. D., flashes us the following: "Weather hot . . . Crops are suffering . . . Yield will be drastically reduced as will grade."

*

W. P. Folger, chief examiner comptroller's office, Washington, was in Minneapolis this week conferring with L. H. Sedlacek, chief national bank examiner. They went to Alexandria for the week-end.

*

John F. Schock, Minneapolis Gas Light Co. appliance salesman, won national recognition and an award of a gold "master button" for Electrolux refrigerator sales in June. The award was made by Servel, Inc., Evansville, Ind., manufacturer of Electrolux, distributed by the Minneapolis Gas Light Co.

*

Mines of Alaska produced minerals worth \$25,296,000 in 1939, compared with \$28,607,000 in the previous year. Of the total \$23,279,000 was gold against \$23,170,000 in 1938. Next highest was platinum, \$997,000.

*

Lining up with the national defense program, the Illinois Central Railroad has just released orders for \$9,375,000 worth of new box cars, largest purchase at any one time by that road in the past quarter century. These cars (3,000) would make a train 25 miles long. All are steel-sheathed and modern in every respect, advises President J. L. Beven.

*

A delegation of St. Paul officials and business leaders will go to Washington this week to urge the federal government to make the Holman Municipal Airport in St. Paul a key flying center for the defense program. It would cost about \$685,000 in addition to sums for improvement

of the 109th air squadron hanger on the Holman field. Included in the improvement would be construction of a new direct highway to the airport, runway extensions, lights, etc.

*

Election of officers of the Greater North Dakota Association, to have taken place at the annual meeting held last week at Williston, was deferred until the September meeting at Fargo, thus retaining in office President Herman Stern of Valley City and other officers of the association. A highlight of the Williston meeting was determination of the association to devote its best energies toward production of food stuffs in North Dakota as part of its participation in the National defense program.

*

Northwest Airlines, Inc., topped all other air transportation in June in its increase of air travel through the Twin Cities area and out of Chicago. The line moved 3,056 passengers during the month, A. G. Kinsman, general traffic manager, advised COMMERCIAL WEST. A perfect operating record was made out of Chicago, all of the 196 planes scheduled having been in service.

*

"The fate of England is not only our most important present problem, but it is probably the most important problem we have ever faced nationally, except, perhaps during the Revolutionary and Civil Wars," states Colonel Leonard P. Ayres of the Cleveland Trust Co.

*

In recognition of 35 years of continuous service to its community, the State Bank of Long Lake, Minn., has just issued an attractive booklet in color, illustrated, of the U. S. Constitution and its amendments.


*

Ashley State Bank, Ashley, N. D., has been discontinued as Postal Savings depository.

New Rockford Sizeup

"Darned hot up here the last few days," says a July 23 letter from Martin Aas, vice president First State, New Rockford, president North Dakota Bankers Association, "and it is not doing our grain very much good, although we are going to come through with some crop; in fact, better than we anticipated 30 days ago. Our hard wheat is filling well and is going to be a good grade, also the early Durum, but of course we have a lot of poor stuff and my estimate of deterioration runs about 50 per cent, provided this heat doesn't further reduce and shrink the grain. We do have a good amount of hay, however, and splendid corn, so, taken all in all, we are not going to fare too badly."

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INSURANCE

New Standard Automobile Policy is Launched by the National Underwriters Group

IT HAS come at last—the long-awaited streamlined standard automobile policy including comprehensive, fire, theft, collision and miscellaneous hazards.

It was placed in the hands of member companies, and through them their agents, this week by the National Automobile Underwriters Association.

*

This greatly broadened policy should be a boon to agents. Its face has been lifted, its body tuned up to the times, and all-in-all makes an attractive, understandable, convincing and saleable pass-key to prospects.

*

Although the new policy is subject to individual company filing requirements in certain states, it may be used at once in Minnesota and all states and territories within association jurisdiction except Colorado, Iowa, Kansas, New Mexico, North Carolina, Oklahoma, Washington and West Virginia. Approval for use in such states will be announced as it is granted.

Distinguished by a clarity of arrangement and expression the new policy will enable the assured to comply with the request, "Please read your policy," with a new comprehension. Ambiguous phrases and many antiquated conditions and exclusions have been eliminated.

Each paragraph of the new policy is so captioned as to permit a speedy location of the provision which the reader seeks. Those conditions relating particularly to the duties of the assured at the time of loss have been grouped together under one heading. The language content of the policy has been reduced by one-third.

To place the policy on the same basis as the automobile public liability policy, the commencement and expiration hour has been changed to 12:01 a. m.

Territorial scope of the policy coverage has been extended to include while the automobile is within Newfoundland or any of the territories or possessions of the U. S., including while being transported between ports thereof.

*

Comprehensive coverage has been redefined to eliminate ambiguities. It now specifically covers all accidental loss or damage to the automobile in-

cluding glass breakage losses and damage due to falling objects or missiles which are propelled by force, but it excludes all other loss the primary and immediate cause of which is a collision of the automobile and mobile or a collision of the automobile and a vehicle to which it is coupled.

*

Fire coverage has been broadened to include damage to the automobile due to smoke or smudge from a fixed garage heater. Broad form theft coverage has been improved to the extent of eliminating the exception of loss due to persons who are members of the insured's household or in his employ, and the so-called "trick and device" clause is being retained only in the dealers' endorsements.

Deductible theft coverage has been similarly broadened and has been simplified by the deletion of all factory list prices and by placing the coverage on a straight \$25 deductible basis. Although the term "theft" has been retained in the coverage designations, it has been defined to

include larceny, robbery or pilferage. "Larceny" has a well-defined meaning and includes statutory as well as common-law larceny. Windstorm coverage has been broadened by the elimination of the "explosion within the combustion chamber of an internal combustion engine" exclusion. Since the term "windstorm" includes tornado and cyclone, no reference is made thereto in the policy.

Combined additional coverage, which is a combination of certain coverages other than fire and collision, has been broadened principally by the elimination of certain exclusions such as authorized destruction by civil authorities, damage due to falling aircraft when the automobile is in an airport or within 100 yards of it, and due to tides or the overflow of sea walls.

*

Grouped under the heading, "special provisions," are those additional agreements of the company extending coverage to include general average and salvage charges for which the insured may become liable while

Aquatennial Parade Attraction



THIS handsome float entered in the Aquatennial parade last Saturday by Northwestern Fire & Marine Insurance Co. and Twin City Fire Insurance Co., associated companies, Minneapolis owned and operated, attracted a great deal of attention all along the line of march. The banner on the other side of the float reads: "Northwestern Fire & Marine Insurance Co."

the automobile is being transported, loss of use by theft (rental reimbursement), automatic coverage of newly quired automobiles for a period of 30 days (formerly 10 days) following delivery thereof to the insured, and reimbursement of the insured for all reasonable expenses incurred by him at the request of the company.

*

The exclusions, instead of being scattered through the policy, are now grouped under two headings, namely, "exclusions," that is, those conditions, hazards, types of property and kinds of losses which either void the policy or are excluded from coverage; and "suspension of coverage," namely, those conditions for the duration of which the coverage of the policy is suspended. The exclusions "while used in military or policy service" and "while being operated in any race or speed contest" have also been eliminated.

The "other insurance" clause has been changed from a voiding clause to a pro rata liability clause and is in the same language as that used in the standard liability provisions. Losses do not become payable until 30 days (instead of 60 days as in the old policy) after proof of loss has been filed or the amount of loss determined.

Along with the policy are announced a number of endorsements and finance forms and finance certificates which have been revised for use with the new Standard Policy.

It is anticipated that this new standard physical damage policy will prove popular from the point of coverage as well as readability not only with automobile owners but also with all producers.

★ ★ ★

Backs Up Defense

Full service of the Association of Casualty & Surety Executives and its 62 leading capital stock company members has been offered to the U. S. government to assist in expediting completion of an adequate national defense program.

At its regular July meeting, the executive committee of the association unanimously adopted the following resolution:

"Resolved, That the Association of Casualty & Surety Executives and its 62 member companies place their respective services at the disposal of the government of the United States, in such capacities as their experience and facilities particularly equip them, for the purpose of aiding in the early and efficient completion of an adequate national defense program; and be it further

"Resolved, That this association place a copy of this resolution in the hands of the President of the United States and the heads of such departments and

A is for Assets 75 Million Strong,
As of December 31, 1939, N^WNL's assets totalled \$75,205,180 — double what they were in 1929.

B is for Bonds Short Term and Long.
Two-thirds of N^WNL's assets consist of bonds, all high grade securities of which approximately half are U. S. Government Bonds or bonds fully guaranteed by the U. S.

C is for Coverage from Birth to 65,
N^WNL has policies for every need, available on a participating, non-par, or N^WNL's famous GPR (Guaranteed Premium Reduction) basis.

D is for Diversification of Investments Far and Wide.
Your money is safe with N^WNL, invested in thoroughly diversified securities of the highest quality only after careful research by investment experts.

E is for Early with Complete Figures & True,
N^WNL's operations are so coordinated that its complete financial statement as of December 31 is ready and printed on New Year's Day. For years, N^WNL has been first to issue its annual financial statement.

F is for Fieldmen Trained to Serve You.
N^WNL fieldmen are trained to sell to fill needs. But more than that, they are paid, not according to the amount of insurance they sell, but according to the quality of their service at the sale and thereafter.

. . . And so on through the entire alphabet goes the N^WNL Primer. If you would like a copy of the complete Primer write NORTH-WESTERN NATIONAL LIFE Insurance Company, Minneapolis, Minnesota.

YOUR OPPORTUNITY!

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Contact and Hook Up With a Strong Company That is Going Places

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the advantages in coverage and service of our automobile policies. It will convince you of the true value of Lloyds in your agency.

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ST. PAUL, MINN.

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agencies of the government of the United States as may be interested in or affected by the action here taken."

Copies of the resolution are being delivered to President Roosevelt, Secretary of War Henry L. Stimson, Secretary of the Navy Frank Knox, the chief of the procurement division of the United States Treasury, and Chairman E. I. Stettinius of the Advisory Council of the National Defense, in Washington.

★ ★ ★

In New Quarters

Improved business conditions in the Twin Cities and surrounding area has caused the C. Osterberg Agency for North American Life & Casualty Co. in Minneapolis to move to new quarters and forced the E. J. LeClair Agency for the firm in St. Paul to enlarge present offices, states H. P. E. Skoglund, president North American Life & Casualty.

The C. Osterberg Agency has moved into new quarters at 114 South Ninth street, on the first floor of the Foshay Tower, in Minneapolis. New quarters will house 50 representatives of the company, including cashiers, so that payments may be made in the loop by policyholders. The C. Osterberg Agency formerly occupied space in the North American home office, 2222 Park avenue, Minneapolis.

An open house for policyholders, other insurance agents and the public was held Friday last week.

The E. J. LeClair Agency, 524 Empire Bank building, St. Paul, recently doubled the size of its quarters and now occupies 1,000 square feet of floor space.

★ ★ ★

Holds Open House

A two-day open house for the general public, to view the new home offices of the American Mutual Life Insurance Co., Des Moines, which recently occupied the three top floors of the Liberty building was held Tuesday and Wednesday this week. A special corps of girl ushers was on duty during the two days to escort visitors through the various departments and to explain the different types of modern business equipment used in handling insurance policies and claims.

In addition to an open invitation to the public, special invitations were extended to heads of other insurance companies and to state, city and county officials to participate in the open house observance.

*

"We were highly pleased at the response of the public," President Ward F. Senn told COMMERCIAL WEST. "Conveniently and modernly housed now in our new Home Office, we look forward to substantially increased business."

Arnold Plan Approved

A great deal of favorable comment has been received by COMMERCIAL WEST from insurance salesmen on the so-called "Arnold System" of compensation intended to increase and stabilize the earnings of salesmen. This a system devised by O. J. Arnold, president Northwestern National Life, Minneapolis, the company having just issued a brochure presenting the arguments for the system and reasons for its adoption.

"The essential point in all these statements," states the brochure, "is that the job of the salesman must be in line with the important tasks and the major sources of profit for the company for which he works—or the salesman's welfare will suffer in the conflict of interests between the two.

"And, conversely, when the first emphasis in the salesman's work is keyed to the most important and profitable tasks of the business, the salesman can and will be enabled to earn more money year in and year out. Business can always pay more for work which is sharply adjusted to the essentials of continued and increased profits than it can afford to pay for work which, for any reason, is not so adjusted—even if to get the right kind of effort appears temporarily to be costly to business. The important thing is that business must periodically reappraise the importance and the value of the job it wants done and then be prepared to pay what it is worth to get that kind of a job done.

"That is why it is essential for a man seeking a secure career to see that the company he serves has adjusted its aims in keeping with the times and has made the rewards on the job encourage directly the kind of effort which meets the current major needs of the business.

"This the Arnold System does. And NwNL's plan of renewal commissions based on the Arnold System therefore removes this conflict of purposes.

The Arnold System is a new method of compensation which recognizes frankly that conditions in business today are not those of 35 years ago. NwNL's plan of renewal commissions based on the Arnold System:

*

Recognizes that renewal premiums are the basic source of income and of profits for the companies and the policyholders.

New customers should be selected and sold with a view to their becoming permanent, satisfied customers and that the millions of established customers of the life insurance companies deserve continuous attention and consideration from its agency organization.

Both customers and prospective customers, if they are to be satisfied,

need low-pressure, thoughtful advice and counsel and that agents can give such counsel only when they are adequately paid to do so.

New sales and missionary work with new prospects still is vital and should be paid for accordingly, but makes the agent's major potential source of income the creating and keeping of permanent customer goodwill.

Business Gain Shown

"Business for June again showed a substantial increase," reports Ward F. Senn, president American Mutual Life, Des Moines, "being about 17 per cent above May of this year and 40 per cent above June of 1939. This gives us a record of 18 out of 19 months in which the company has shown an increased volume of sales. We are going to do our best to continue that record unbroken in each of the remaining months of 1940."

Insurance Riders

Clyde B. Helm, secretary-treasurer Insurance Federation of Minnesota, is spending several days contacting his membership throughout the state.

*

Death of James L. Bergoff Monday at Newark, N. J., removed from insurance circles in Minneapolis a steadfast, conscientious worker. He had been located for three years in Minneapolis as city loans manager for Prudential but had been with the company 15 years in the Home Office before coming West. He started the city loans branch in Minneapolis. Besides the widow Mr. Bergoff is survived by a daughter, his father and a sister. Word of his death was received in Minneapolis by Gordon H. Cooper, farm loan department manager.

*

More than 150 members of the Home Office staff of Northwestern National Life, Minneapolis, participated as a unit in the Aquatennial parade last Saturday. Garbed in gay red, white and blue uniforms, parading as a unique singing unit stressing "God Bless America," it not only placed third in awards as a marching unit, but was a decided hit of the parade. Included with the unit was a red, white and blue float featuring the Goddess of Liberty, portrayed by Virginia Sargent of the company's new business department.

*

Out on the West Coast in San Fran-
(Continued on page 32)

HOT SPRINGS NATIONAL PARK • ARKANSAS

THE IDEAL PLAYGROUND WITH TWO BEAUTIFUL LAKES



Lake Hamilton

Lake Catherine

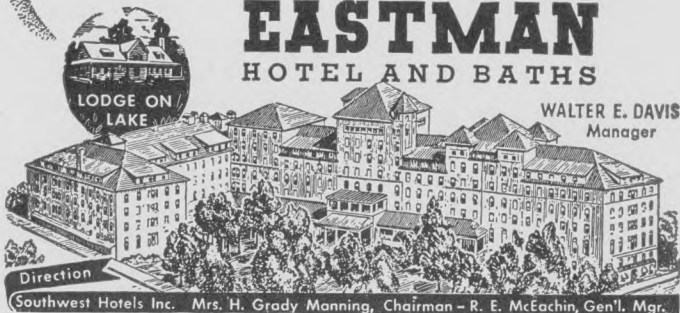


Hot Springs invites you, to the most wonderful days of rest, relaxation and recreation you have ever had! Two beautiful lakes - Catherine and Hamilton! All outdoor sports are year 'round features! . . . Picnics and chicken fries are frequent gala events at the Lodge on Lake Hamilton! Stop at the stately Eastman Hotel, where delightful rooms and suites are available at rates from \$2.00 daily. Located in its own private park, like some beautiful country estate. For health and pep: government supervised bathhouse in the hotel.

Stop at The

EASTMAN HOTEL AND BATHS

WALTER E. DAVIS
Manager



Direction Southwest Hotels Inc. Mrs. H. Grady Manning, Chairman - R. E. McEachin, Gen'l. Mgr.

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NORTH DAKOTA

State and Municipal Bonds

H. E. MUELLER

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THE MARKETS opened Thursday with about the same slow trend that has marked recent weeks, volume first hour being only 60,000, prices shaded about 1/8 point from the Wednesday close.

Wednesday's volume in stocks of 200,000 shares established a 22-year record, previous low this year having been 220,000.

*

Bonds were stronger in demand with an upward price tendency in evidence.

Dullness in the securities markets these days is the logical outcome of two prime factors. (1) The various market restrictions of recent years have tended to lower volume at all times, and (2) they have cut down boom volume. In a period of hesitation markets scarcely move.

We are in one of those calms now where markets bide their time awaiting clarification of the outlook for business volume and profits. The grave question of the next turn in European affairs is dampening market initiative. That stocks have in many instances reached levels which discount the impact of new heavy domestic tax burdens must be conceded. Moreover, the old problem of what to do with idle cash has not been solved. Hence, the natural disinclination to sell at present levels cuts down offerings. There is no counter inclination to buy at the moment, with the European outlook still to be clarified.

*

It might be suggested that the long term domestic horizon is sufficiently encouraging to merit purchases of certain stocks at these levels. The arguments for this viewpoint are not new and we have repeated them constantly. It may also be noted that our own markets failed to lose ground following the entry of Italy into

the war and during the days of the French collapse. This performance throws some suspicion on the contention that a German assault on Britain would send our share market sharply lower.

*

The dictates of prudence, however, must be observed. The coming few weeks will give us a picture of the European situation now lacking; it will provide us with a better guide on the progress of the political campaign at home. There will be more evidence on the extent and the speed of domestic rearmament activities, and likely we shall have an idea of the severity of coming tax legislation.

On the other hand, many preferred stocks and second grade bonds offer tempting opportunity for an acceptable yield and eventual price appreciation possibilities. We believe selective purchases in these groups are warranted without waiting for the crystallization of the factors noted above. Demand for these types of investments and speculations is quite likely to increase as appreciation of their favorable position spreads.

Northwest Business Picture

Monthly agricultural and business review of the Minneapolis Federal Reserve Bank as of next Monday keeps this Wealth Belt consistently at a high level compared with other regions. June figures show that month this year to have been highest in business volume since 1930. Farm prices declined but were higher than in June last year. Both miscellaneous and other car loadings increased during June and were at the highest level since 1937. Employment increased for the fifth consecutive month and was highest since June, 1937. Total building and

This Week's Business Chart

Northwest			Bank Stocks	
	Current Week	June 29	June 26, 1940	
			Bid	Asked
Bank Debits.....	\$164,706,000	\$166,612,000		
Bank Deposits.....	587,000,000	584,000,000		
Bank Loans.....	190,000,000	191,000,000		
Bank Clearings.....	14,481,256	15,334,294		
Stocks (Ave.).....	121.64	119.73		
Commercial Paper.....	3/8%	5/8%		
Wheat.....	.73 3/4	.75 3/4		
Corn.....	.57 3/8	.56 1/2		
Barley.....	.35	.33 1/4		
Rye.....	.41 3/8	.39		
Oats.....	.26 1/4	.29 1/2		
Flax.....	1.53 3/4	1.60 1/2		
Hogs (cwt.).....	6.15	5.00		
Cattle (cwt.).....	9.50	9.75		
Lambs (cwt.).....	8.75	9.50		
Butter (lb.).....	.27 1/4	.27 1/2		
Eggs (doz.).....	.16 3/4	.16 3/4		
Potatoes (cwt.) new....	1.20	1.90		
			NEW YORK	
			Bankers Trust.....	49 50 1/2
			Chase.....	28 1/2 30 1/2
			First National.....	1640 1675
			Guaranty Trust.....	276 281
			CHICAGO	
			American National.....	180 190
			City National.....	93 97
			Continental Illinois.....	73 75
			First National.....	200 207
			Harris Trust & Savings....	287 295
			Northern Trust.....	475 485

construction was 22 per cent above a year ago. Business failures were least in number and dollar value since June, 1919. Department store sales were up 2 per cent in the cities and 6 per cent in country districts.

★ ★ ★

Trend of a Month

The COMMERCIAL WEST Business Chart herewith quotes prices of June 29 compared with those of this Wednesday to serve as a trend review. From this comparison it appears there has been little change. The industrial stocks average has advanced less than two points — from 119.73 to 121.64—but it is an advance—evidencing the fact, as we have pointed out heretofore that, given some assurance of what the European war will bring forth, the domestic situation is such as to warrant a strong advance in the securities markets. There is little relative difference in prices of grains and livestock.

★ ★ ★

Minneapolis Gas Light Co.

Annual report just released of the Minneapolis Gas Light Co., reveals gross revenue for 1939 to have been \$5,355,723, highest in six years and comparing with \$5,018,563 in 1938. Meanwhile average price of gas was the lowest in the six years, having been 12.80c per therm compared with 14.06c in 1938 and 17.28c in 1934. Construction expenditures were \$639,172 against \$521,443 in the previous year, and taxes were \$763,127 against \$734,023. Active meters in service broke all previous records at 132,646, as did also gas sold—5,170,579,000 cubic feet. Large increase in installation of house heating appliances and various household appliances using gas account for the increase, states Harry K. Wrench, vice president and general manager.

★ ★ ★

Municipal Bond Market

The municipal bond market continues strong, shelves low, no issues of note locally coming up next week.

Ramsey county's \$725,000 relief issue was sold Wednesday to a syndicate consisting of Halsey, Stuart & Co., Chicago, Blair & Co., New York, and Otis & Co., New York and Cleveland. Syndicate paid a premium of \$2,711.50 for 1½s. On a similar purchase last April the same interest rate was bid but the premium was only \$450. Twin Cities houses were in other syndicates and none was lined up with the Halsey, Stuart deal. Most of the bonds went into the Eastern market, and at COMMERCIAL WEST press time prac-

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Investment
Securities

ST. PAUL
ENDICOTT BUILDING
GARFIELD 3307

Commercial West Advertising Pays

Northwest Stocks

Minneapolis-St. Paul Stock Exchange

July 18

	Bid	Asked
First Bank Stock.....	10 1/4	10 3/4
N W Banco.....	8 7/8	9
Mpls Brewing	7 3/4	8 1/8
Minn Min & Mfg.....	56 1/2	58
W H Barber com.....	13 3/4	17 1/2
Brandtjen	No Trade	
Cleary Hills Mines com.....	1 5/8	2
Diamond Iron Works.....	4	5 1/2
Emporium pfd	1	
Emporium com	2	
Yoerg Brewing	12c	45c

Twin City Bond Traders Club

July 25

	Bid	Asked
Bank Shares A.....	12	14
Bank Shares B.....	1	
Bur of Engrav 8 pfd.....	8	
Bur of Engrav com.....	1	
Filbert Corp.....	16.35	
Flour City Orn Iron com.....	2 3/4	3 1/4
Franklin Coop Cry com.....	40	
Gamble-Robinson 1st pfd.....	54	
Gam-Skogmo 7 pfd.....	103	
Gam-Skogmo com	66	71
Griggs Cooper 7 pfd.....	98	
Investors Synd com.....	4 1/2	6 1/2
Lavoris com	40	45
Marshall-Wells 6 pfd.....	41	
Mpls Gas Light 6 pfd.....	101	
Mpls Gas Light 5 1/2 pfd.....	100	
Mpls Gas Light 5.10 pfd.....	95	
Mpls Gas Light 5 pfd.....	92	
Mpls Gas Light units.....	91	
Minn Pwr & Lt 7 pfd.....	90 1/2	94 1/2
Minn Pwr & Lt 6 pfd.....	80 1/2	84 1/2
Minn Valley Can 7 pfd.....	98	
Minn Valley Can com.....	21	
Minn Valley Can tr cfs.....	3	
Mont-Dak Util 6 pfd.....	88	92
Mont-Dak Util 5 pfd.....	78	82
Mont-Dak Util com.....	6 1/2	8
Natl Battery vot com.....	34	38
Natl Battery com (non-vot).....	29	
Natl Pole & Treat com.....	2	3 1/2
New Eng Furn units.....	15	
Nicollet Hotel 1st pfd.....	6	8
Nor Sts Pwr (Del) 7 pfd (ex. div.).....	79	84
Nor Sts Pwr (Del) 6 pfd.....	72	77
Nor Grey Lines \$6.50 pfd.....	104	
Nor Grey Lines com.....	26	
N W Airlines com.....	13	14
N W Fire & Mar com.....	24	
N W Natl Life Ins com.....	11	12 1/2
N W Pub Serv 7 pfd.....	92	96
N W Pub Serv 6 pfd.....	82	86
Otter Tail Pwr \$4.50 pfd.....	100	
Otter Tail Pwr spec com.....	125	
Pioneer Grav & Eq com.....	1 1/2	
Pioneer Grav & Eq pfd.....	35	
Russ-Mill Mill pfd.....	100	
Russ-Mill Mill com.....	78	83
St P Fire & Mar com.....	222	238
St P Union Stkyds com.....	26	29
Title Ins com.....	47	
Truax-Traer Coal 5 1/2 pfd.....	68	
Twin City Fire Ins com.....	18	
Weyerhaeuser Tim com.....	27 1/2	30 1/2

tically the entire issue had gone into investors' hands.

★ ★ ★

Commerce Commission

Minnesota Commerce Commission at its regular meeting Tuesday, approved registration of the following issues:

☐ Hastings (Minn.) Gas Co. \$50,000 bonds.

☐ Birchwood Dairy Products Co., 800 shares Class A stock, par value \$10, at proposed sale price of \$10.

☐ Bank Shares, Inc., 40,000 shares Class A common, par value \$20 and 25,000 shares Class B common, par value 1 cent.

☐ Murphy Co. 500 shares employees benefit profit-sharing certificates, par value \$100 to be sold at \$100.

Rules and regulations of the Commission came up for discussion again; continued to the next meeting.

★ ★ ★

C. & N. W. Railway

Goodbody & Co. says: "The remarkable improvement shown in the last year by numerous bankrupt railroads is graphically illustrated in the case of the Chicago & North Western Railway. The company reported a deficit in net operating income of only \$72,292 in the first five months of this year against deficit of \$1,932,227 in same period last year. The balance sheet for May 31 showed cash on hand \$12,439,484, against only \$4,578,818 at the end of May, 1939. Current assets totaled \$26,548,400 and current liabilities were \$9,787,940. This reveals a good working capital position, and in fact it is a balance sheet equal to that of some of the strong solvent railroads.

"This good showing is the result, of course, of non-payment of any interest on the various issues, but it also is a result of a sharp cut in maintenance charges. The latter is now possible because the company has spent a huge amount on improving its road-bed, and equipment during the intervening years since it went into bankruptcy. Some step-up in equipment expenses later this year is possible.

"Outlook for good earnings this year seems bright, as the steel industry is operating close to capacity and is likely to be active throughout the year. The crop movement, therefore, in coming months will be very heavy and this is an important factor for Chicago & North Western. Traffic in lumber should continue favorable in view of the prospect for expansion in residential and industrial building. Although it is early to forecast the crop traffic, there are estimates for relatively large loadings in this product."

★ ★ ★

First Grain Receipts

First grain from the Northwest's 1940 harvest began rolling into the Minneapolis terminal market this week.

Calendar of Bond Sales

THURSDAY, AUGUST 1

Mason City, Iowa—At 10 a. m., \$80,000 county insane hospital building bonds for Cerro Gordo county.

Bismarck, N. D.—At 10 a. m., \$600,000 certificates of indebtedness of state.

FRIDAY, AUGUST 2

Grand Rapids, Minn.—At 8 p. m., \$80,000 school bonds of school district No. 1 of Itasca county.

SATURDAY, AUG. 3

Alexandria, S. D.—At 3 p. m., \$4,000 refunding bonds.

SATURDAY, AUGUST 10

Rolla, N. D.—At 2 p. m., \$45,000 certificates of indebtedness for Rollette county.

First car of spring wheat came from South Dakota, graded No. 1 heavy dark northern, tested 60.2 pounds to the bushel and contained 13.6 per cent protein content. It sold at 5 cents a bushel over the September futures and was consigned to Mullin & Dillon Co.

Several cars of rye received so far have tested No. 1 and weight has run closely around 57-57 1/2 pounds. Most of the rye has come in from Southern Minnesota and South Dakota, with a couple of cars coming in from North Dakota. First shipments were consigned to McCarthy Bros. Co., Benson-Quinn Co., Cargill Commission Co., Hallet & Carey Co.

From now on the Minneapolis Chamber of Commerce trading floor will be one of the busiest spots in the city, with crest of shipments to the market expected to be the latter part of August.

With the heavy Northwest crop in sight railroads serving the grain-growing sections of the Northwest have been busy preparing, getting motive power in good shape, fixing box cars, ordering new ones. The chief grain hauling roads are the Great Northern, Northern Pacific, Milwaukee Road, Soo Line, Burlington, Chicago & Northwestern, M. & St. L., Rock Island and Chicago-Great Western. Of all these lines the Great Northern hauls more grain than any other with its 8,000 miles of road running through the heart of the grain-growing sections.

Minneapolis office of the Association of American Railroads advised this week

there will be plenty of cars to move the grain.

Hot Off the Tape

Hasting, Minn., Gas Co. is changing over from artificial to natural gas and has registered with the Minnesota Commerce Commission \$50,000 bonds to finance the deal.

*

Minneapolis-Honeywell Regulator reports \$603,921 net income for the 1940 first half year.

*

Money in circulation June 30 broke into the new record reports with \$7,847,195,501, equivalent to \$59.39 per capita. Hidden merchandise, amusement and luxury taxes, increased for the defense program, are keeping the mints working overtime to produce pennies and other small coins.

*

Business volume in the Mid-West continues its upswing, with reports from such centers as Chicago, Detroit, Indianapolis and Milwaukee showing substantial increases over a year ago.

IOWA

MASON CITY—Offering—August 1 at 10 a. m., \$80,000 county insane hospital building bonds for Cerro Gordo county. C.c. 2 p.c.

MINNESOTA

BRAINERD — Voted — \$30,000 black top and sanitary sewer revolving bonds.

CLOQUET—Voted—\$25,000 bonds for installing additional wells and pumping equipment and repairing and extending system of water mains.

GRAND RAPIDS—Offering—August 2 at 8 p. m., \$80,000 school bonds of school district No. 1 of Itasca county. Int. 3 p.c. C.c. \$2,000.

MINNEAPOLIS—Offering—July 29 at 7:30 p. m., \$1,300 water main warrants of village of Morningside. Interest 6 p.c. C.c. 10 p.c.

RAYMOND—Voted—\$7,000 community building bonds by 64-54.

TRENT—Awarded—\$30,500 refunding bonds of Board of Education to Allison-Williams Co.

MONTANA

DEER LODGE—Election—August 31, \$38,489 high school gymnasium building bonds.

NORTH DAKOTA

ROLLA — Offering — August 10 at 2 p. m., \$45,000 certificates of indebtedness for Rollette county. Denoms. \$500 and \$1,000. Int. 7 p.c. C.c. 2 p.c.

WISCONSIN

WHITEWATER—Voted — \$30,000 armory building bonds.

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EXCESS RESERVES

There is an enormous amount of excess reserves in our banks, and the government is committed to easy money policies which leads some economists to believe low interest rates will prevail for a long period of time.

Certain developments in the domestic economic and political fields suggest a wider market for tax exempt obligations in the future. Most important, perhaps, is the prospect of higher taxes. Present plans in Washington call for a 10% increase in income taxes. Translated into terms of tax exempt issues, this means an additional increase in the value of tax exemption and a reduction in the income level at which it becomes profitable to hold municipals.

Past history shows that interest rates have always tended to rise during and after wars. Our government is rapidly developing an armament program that involves the spending of many billions, only a small part of which we can pay as we spend. Confidence in the currency and government credit, which is the mainstay against an inflation tendency, is not as strong as it was.

After considering these opposite views, we recommend that banks adopt a conservative policy by purchasing high grade, tax exempt, short time bonds to hold to maturity.

CURRENT MUNICIPAL OFFERINGS

Security	Rate	Maturity	Yield	Approximate Price	Rating
1945					
Birmingham, Ala.	2¾	4-1-45	1.60	102.96	Baa
Boston, Mass.	1¾	7-15-45	1.30	102.38	A
Yonkers, New York.....	2½	7-1-45	2.10	101.89	Baa
State of South Carolina Hwy.....	1½	5-1-45	1.40	100.48	Baa
1946					
Detroit, Michigan	3¼	6-1-46	2.60	103.59	Baa
Duluth, Minn., Refunding.....	1.30	7-1-46	1.20	100.35	Aa
Erie County, New York.....	1.70	5-1-46	1.55	100.85	A
Yonkers, New York.....	2.80	5-1-46	2.20	103.35	Baa
Cleveland, Ohio, Unlimited Tax W I	2	12-1-46	1.55	102.57	Baa
St. Paul, Minn.....	2	6-1-46	1.25	104.32	A
1947					
State of Georgia, Hwy. Rfdg.....	2	3-15-47	1.25	104.67	A
Detroit, Mich.	3¼	6-1-47	2.75	103.16	Baa
Minneapolis, Minn.	2	2-1-47	1.60	102.48	Aa
Newark, New Jersey.....	3	5-15-47	2.40	103.85	Baa
Erie County, New York.....	1.90	2-15-47	1.65	101.53	A
Ramsey County, Minn.....	1¾	8-1-47	1.30	103	A
1948					
Kearny, New Jersey, Var.....	2¼	7-1-48	1.85	102.96	A
Buffalo, New York.....	2¾	6-1-48	2.00	105.52	A
Yonkers, New York.....	2.80	5-1-48	2.40	102.89	Baa
Cleveland, Ohio, Unlimited Tax W I	2	12-1-48	1.80	101.48	Baa
Ramsey County, Minn.....	1¾	8-1-48	1.40	102.64	A
1949					
Hartford, Conn., Pub. Works & Rfdg.	1.20	5-1-49	1.20	100	AAA
State of Minn., Rural Credit.....	1¾	2-1-49	1.40	102.80	Aa
Jackson, Miss., School District.....	2½	6-1-49	2.20	102.44	A
State of Montana, Hwy. Deb.....	1.90	3-15-49	1.00	103¼	A
Buffalo, New York.....	2¾	6-1-49	2.15	104.89	A
Pittsburgh, Pennsylvania	1.90	4-1-49	1.50	103.18	A
Dallas, Texas, Voted St. & Pav. W I	1¾	2-1-49	1.50	101.99	A
Ramsey County, Minn.....	1½	8-1-49	1.50	100	A
1950					
Hartford, Conn., Pub. Works & Rfdg.	1.20	5-1-50	1.25	99½	Aaa
Woodbury County, Iowa, Fdg.....	1¾	6-1-50	1.55	101.85	Aa
Boston, Mass.	1¾	7-15-50	1.80	99.54	A
Detroit, Mich.	3¼	6-1-50	2.90	103	Baa
State of Minnesota, Rural Credit....	1¾	2-1-50	1.50	102.21	Aa
Duluth, Minn., Refunding.....	1.30	7-1-50	1.50	97.75	Aa
Minneapolis, Minnesota	1¾	2-1-50	1.70	100.44	Aa
State of Mississippi, Hwy.....	2¾	2-1-50	2.45	102½	A *
Kansas City, Mo., Sch. Dist.....	2¼	4-1-50	1.80	104	A
Newark, New Jersey.....	3	5-15-50	2.70	102.61	Baa
Nassau County, New York, W I.....	2½	8-1-50	1.90	103.17	A
New York City.....	2½	11-15-50	2.35	101.33	A
Cleveland, Ohio, Unlimited Tax W I	2	12-1-50	2.00	100	Baa
State of South Dakota.....	4½-3	8-1-50	2.25	106.68	A
St. Paul, Minn.....	2	6-1-50	1.75	102.39	A

Wire or telephone orders at our expense. All offerings are subject to confirmation. Figures obtained from reliable sources but not guaranteed.

S B & L Educational Talks Set for September

SAVINGS, building and loan association work will be emphasized in Minnesota and South Dakota during September, when Robert E. Lee Hill, public interest director Federal Home Loan Bank, Des Moines, past president Rotary International, and secretary Alumni Association University of Missouri, will put in the whole month on a series of educational meetings in those two states.

Mr. Hill is an accomplished speaker, knows his subject from A to Z, of course, and animates his addresses with enough of an enjoyable story-telling vein to break any monotony that might arise from a too continuous recitation of S B & L affairs.

Mr. Hill will open his campaign at a luncheon of the Rotary Club in St. Paul, Sept. 3. That evening Mr. Hill will address a mass meeting of all women's service clubs in St. Paul, at which Harry

Lindquist, president Minnesota League, will be toastmaster and which is being arranged by Miss Alice B. Daley, assistant to President John F. Scott of Minnesota Federal. Miss Daley is chairman of the general committee of women preparing for the dinner.

On Wednesday noon, Sept. 4, Mr. Lee will address the Optimist Club of Minneapolis at the Leamington. That evening all Twin Cities federal associations will be represented by officers and employees at a dinner meeting for Mr. Hill at which he will speak. (Place not yet selected.)

On Thursday, Sept. 5, Mr. Hill will address a noon luncheon meeting of the Kiwanis Club of St. Paul. That evening women's service clubs of Minneapolis will give a big dinner for Mr. Hill at which he will speak. It will be under auspices of the Soroptimist Club (International) of which Mrs. D. E. Crary Mudd of Northwestern Federal, Minneapolis, secretary-

treasurer Minnesota League, is one of the active members, and who will have a prominent part in arrangements for the dinner. Margaret Nale, who originated the Minneapolis Town n' Gown evening cafe parties, will supervise arrangements for the dinner. (Place not yet chosen.)

On Friday, Sept. 6, Mr. Lee will be the speaker at a noon luncheon of the Minneapolis Rotary Club at the Nicollet hotel. Evening plans for that day have not been completed, but a dinner is being discussed.

On Aug. 21 Mr. Lee will be principal speaker at the convention of the Wisconsin Building & Loan League, in session at Superior. On Aug. 22 he will address a noon luncheon of the Duluth Rotary Club. That evening he will be guest speaker at a big dinner put on at Duluth by the St. Louis County Federal S & L A and the First Federal of Duluth. Associations in adjoining cities on the Iron Range will participate in the dinner.

Invitations already have been received by Mr. Hill for addresses at Pipestone, Fergus Falls, Alexandria, and Thief River Falls, under auspices of associations of those cities.

Further definite dates for Mr. Hill's appearance in Minnesota and South Dakota will be announced in COMMERCIAL WEST as appointments are completed.

★ ★ ★

Has Record Month

Federal Home Loan Bank of Des Moines, states Robert J. Richardson, president, advanced more money to its membership in June than in any other month since the bank was established in 1932. A total of \$3,000,000 was turned over to member savings, building and loan associations for the purpose of home financing, bringing total advances made to such institutions by the bank since organization to \$48,000,000.

The Des Moines Bank is one of the 12 banks of the system and serves the needs of its members in Iowa, Minnesota, North and South Dakota and Missouri. The Federal Home Loan Bank system is largely rendering a service to savings, building and loan associations as the Federal Reserve Banks serve commercial banks.

Mr. Richardson stated that there is little evidence of fear manifested in the minds of the prospective home owners on account of the war situation, and the 240 members of the bank are doing increased home financing business. Assets of these 240 members total \$207,083,000 and the loan volume for home financing done by them for the six months of 1940, compared with the same period in 1939, shows an increase of 40 per cent.

Mr. Richardson further stated that most

Quick... and Thorough!

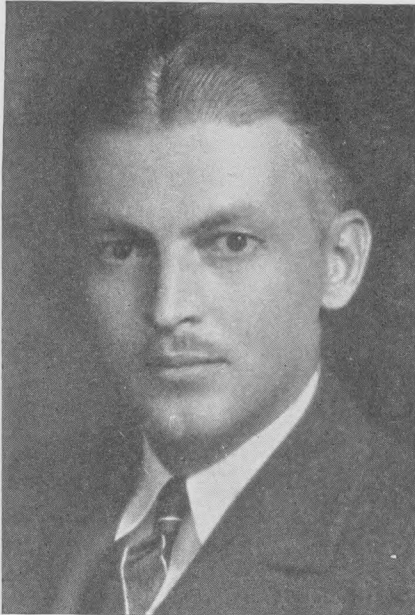


To do things quickly, and do them well, means, more and more often, to do them BY TELEPHONE.

In town or out of town, it's the rapid and easy way to secure a meeting of minds, to transact business pleasantly and with the understanding that goes with voice to voice contact.



Boosting Business



KENNETH S. KERFOOT adds promotion department to his Ben Franklin Federal Savings & Loan Association in St. Paul.

of the \$3,000,000 advanced to the membership in June was for construction of new homes.

★ ★ ★

S B & L Jottings

Minneapolis federal savings and loan associations are justly proud at having been awarded first prize for their float in last Saturday's big Aquatennial parade. It was a Southern Colonial home, with a beautiful yard, complete in every detail. The house was all glistening white. A few lilac sprigs here and there added a bit of color to the yard. The float was entered in the division of banks and utilities and was symbolic, of course, of the savings and loan business.

*

Northwestern Federal Savings & Loan Association had one of the smartest and most colorful marching units of the savings and loan division and as a result was invited to participate in the Wednesday evening parade.

*

Miss Elvern Jennings, secretary Hutchinson Federal S & L was a Minneapolis visitor this week, primarily to take in the Aquatennial.

*

W. L. Kullberg, president Northwestern Federal S & L, Minneapolis, is recovering at Northwestern hospital from a minor

operation for an infection on the back of his neck, at first thought to have been caused by an insect bite but later determined to have been a serious carbuncle disturbance.

*

Kenny Kerfoot of Ben Franklin Federal, St. Paul, is installing a promotion department to be under direction of an experienced publicity man.

*

Lou Kelley, Hennepin Federal, Minneapolis, didn't let the hot weather stop his early morning appraisal excursions. Says that's the best time to get out and look things over.

*

Evidence of increasing activity in residential construction, praise for improved policies of the nation's home-financing institutions, and a sharp rebuke for sub-standard construction on "mushroom" projects in a few localities were contained in an informal report July 20 by the chief examiner of the Federal Home Loan Bank Board.

*

Mid-year dividends of the regional Federal Home Loan Banks, which have just been declared, have brought the total paid by them on their capital stock since establishment in 1932 up to \$14,272,771. The U. S. Treasury has received \$11,183,336 of this amount on its share holdings in the banks and \$3,089,435 has gone to member institutions of the banks.

*

A constantly increasing number of home seekers, wanting some assurance of lasting value in their investments, are asking for expert advice on planning and supervising construction of new homes.

*

The year's largest gathering of lenders on residential property will be the 48th annual convention of the United States Savings & Loan League at Chicago, Nov. 11-15, when managers of a \$100,000,000 a month home construction and other residential lending programs are expected to gather 2,000 strong. These executives of savings and loan associations, building and loan associations, and cooperative banks will come from all over the continental U. S. and the territories of Alaska and Hawaii, to orientate the cooperative private-capital home lending system of the nation in today's rapidly changing world economic structure.

MINNESOTA CREDIT UNIONS

Norman County School Employees Credit Union, Halstad, Minn., has paid out 100 per cent, and Pine City Co-Op Oil Association Credit Union, Pine City, Minn., has opened for business.

IN MINNEAPOLIS
 Famous dance bands play nightly...Three
 Air Conditioned restaurants...600 rooms
 with bath...New Drive-in-Garage.

HOTEL NICOLLET
 NEIL R. MESSICK, Manager

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VISITING AROUND

(Continued from page 12)

with him, his accordionist furnished the music (and it was good), so impromptu singing was the much enjoyed order of the day.

*

Everybody voted the thanks of everybody to Ernest Vogel of Red Wing, owner and captain of the Nellie Bly, staunch and well equipped river boat which carried about 30 of the Tri-County bankers for the river ride. As a matter of fact the singers of the party worked up a special song for Mr. Vogel to express their thanks. Later they sang another specially arranged song for Red Wing bankers in appreciation of their entertainment.

*

Preliminary to the Red Wing meeting quite a party on the way there converged at the Gardner hotel in Hastings for luncheon. There were D. Fay Case, Cannon Falls, and his guest, Mr. Greenfield; Mr. Kunze and his Marquette National quartet; Fred Schlichting and Tony Roszak, and Mr. Rieger and his party.

*

Business meeting of the Tri-County at Red Wing held in a beautiful park at the side of the river, just as the evening shadows were beginning to fall, was brief and to the point. Retiring President Roger W. Peavey, president Security National Bank & Trust Co., Faribault, presided and Retiring Secretary-Treasurer B. G. Berg, cashier Security State, Kenyon, handled the minutes. Visiting guests were

introduced, after which K. O. Sattre, vice president and cashier Blue Earth State, president Minnesota Bankers Association, and F. A. Amundson, Minnesota Commissioner of Banks, spoke briefly.

*

President O. G. Jones of the Goodhue County National, Red Wing, proved at the Tri-County meeting that the M. B. A. made no mistake in electing him vice president and in succession as president. He was not only an admirable host as head of the Red Wing banking group entertaining the visiting bankers, but he was here, there and everywhere, seeing to it that everybody had an enjoyable day.

*

Red Wing continues to uphold its reputation, not only of a rich city, but of a hustling, aggressive one as well. The Fleischmann malting plant will be a heavy buyer of the famous malting barley grown around Red Wing this year and, in addition, a new factory is swinging into shape that will handle a considerable part of the flax crop. Rye fields are cut and the crop looked good with shocks thick. Farmers were in their oat fields Saturday and the hot weather had certainly sent corn climbing to the sky, many fields appearing ready to tassel and most of them up to a man's shoulders. Cattle looked sleek and the county has a good pig crop. Bankers of Red Wing were unanimous in stating that conditions are good and they are looking for a fine fall's business.

INSURANCE

(Continued from page 25)

cisco, Louis Menchini, a student of finance and insurance, has developed a plan for "insurance of investment." His idea involves institution of insurance that will protect an investor in the shares he purchases of industrial and business concerns. By means of such protection the plan would be presumed to bring a large volume of money into the securities markets that is now afraid to venture.

*

Neil B. Macaulay, formerly with R. M. Neely & Co., has been appointed state agent of the Atlas Assurance Co., and not the Albany Insurance Co., as reported last week.

*

Minnesota Safety Council will hold its annual summer meeting at Duluth, Aug. 5, at the Hotel Duluth with banquet in the evening. Several noted speakers on safety have been lined up for the program, including Colonel John Stillwell, president National Safety Council, New York.

Robert M. Hanes, president American Bankers Association, has just written 12,000 U. S. bankers urging them to carry on an intensive public campaign advising their desire to handle every sound financial need of their communities.

*

Directors of Pillsbury Flour Mills Co., Minneapolis, on Wednesday voted the regular quarterly dividend of 40 cents a share on common, payable Aug. 31 to stockholders of record Aug. 15.

Home Office

Near the Falls of Minnehaha
On the Mississippi River

"ALL-IN-ONE" POLICY

BODILY INJURY

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LOSS OF OR DAMAGE TO AUTOMOBILES

(Comprehensive coverage including collision and upset.)

Unlike the usual deductible forms of collision insurance, our deductible amount may be used up through payment by the insured of several smaller losses (reported to the company) or through payment of the deductible amount in connection with a single larger loss; thereafter the policy becomes a full coverage contract and all losses resulting from accidental collision or upset will be paid in full.

THE COST IS SURPRISINGLY LOW

ANCHOR CASUALTY COMPANY

SAINT PAUL
MINNESOTA



25 YEARS AGO

From Commercial West, July 31, 1915

THE NORTHWEST'S largest bank and office building—the Hill block in St. Paul—is enclosed and finishing work is progressing rapidly, with occupancy slated for about Dec. 1. The 12-story building, 300 by 300 feet in area, will house the First National Bank, Northwestern Trust Co., and general offices of the Hill lines.

Regarded as the "final word" of the U. S. to Germany on the sinking of the Lusitania, is the note sent to Berlin on July 24. It makes it clear that any repetition of the tragedy will be regarded as "deliberately unfriendly" to this country.

The first anniversary of declaration of war by Austria on Servia finds the conflict being waged on a world-wide basis, 11 nations involved, some \$16,000,000,000 expended to date, as represented in war loans, and approximately 10,000,000 men killed, wounded, missing or captured.

One hundred St. Paul business men spent this week trade-boosting in Minnesota and North Dakota.

Board of governors of the Investment Bankers Association of America held its quarterly meeting this week at Portland, Me., in preparation for the organization's fourth annual convention scheduled for Denver in September.

Lewis F. Crawford, cashier Interstate Bank of Billings County, Sentinel Butte, N. D., past president North Dakota Bankers Association, has been elected president of the board of regents of the University of North Dakota. The board has assumed control of all state educational institutions.

Henry M. Conkey, cashier Chase National Bank, New York, died last week from typhoid meningitis.

The Soo Line has acquired the Minnesota Northwestern Electric Railway Co.'s lines running from Thief River Falls to Goodrich, a distance of 18 miles. It is reported that extensions will be made.

Deposits in Iowa state and savings banks on July 6 amounted to \$325,812,711, an increase of \$11,625,216 over the total a year ago.

The First State Bank, Meriden, Minn., has opened for business.

Capital stock of the Citizens State Bank, Cannon Falls, Minn., has been increased from \$30,000 to \$60,000. Officers are Hiram A. Scriver, president; C. W. Gress, vice president; Algot W. Swanson cashier.

Another bank, the Peoples State, has been chartered for Cannon Falls. Capitalized at \$30,000, the bank will be headed by P. A. Peterson, president, and A. J. Lee, cashier.

Articles of incorporation have been filed for the Peoples Savings Bank, Watertown, S. D., with \$50,000 capital. D. F. Jones will be president and H. D. Rice, cashier.

A new \$4,000 building is being planned by the State Bank of Greenwald, Minn.

The James River National Bank, Jamestown, N. D., has secured a site for its new branch at Eldridge.

Capitalized at \$15,000, the Merchants & Miners State Bank, Tower, Minn., has been organized. Officers are Roy Quimby, president; A. H. Lofgren, vice president; Joseph A. Quinn, cashier.

Directors of the United States National Bank, Red Lodge, Mont., have elected J. L. Maryott vice president to succeed the late Charles E. Wright.

Northwest's Largest Hotel . . .

You'll find, at The Curtis, the opportunity to live as you wish . . . with every facility, every convenience and service to be found at any hotel, anywhere. And rates are moderate.

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BUSINESS WANTS

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SITUATIONS WANTED

Young man desires position as assistant cashier or teller in Minnesota bank. 24 years old, married, has 2½ years banking experience. References. Available immediately. Address Box 749, care Commercial West.

Intelligent high school graduate wishes position in bank. Experience chief aim. Has outstanding bookkeeping and commercial ability. Address Box 750, care Commercial West.

12 years banking experience and \$5,000 cash! With these I now seek an assistant cashier in good sound Minnesota bank, Southern Minnesota preferred. Address Box 744, care Commercial West.

Young man 27 years old is Minneapolis Business College graduate wants good position in bank or general office, has had 2 years experience in bank. Address C. R. Zvorak, Russell, Minnesota.

Married man, thirty-four years old, Norwegian, now employed, desires position as assistant cashier. Fourteen years experience in banking business. Address Box 739, care of Commercial West.

Am 40 years old, have had 20 years banking experience, hold AIB standard certificate, now open to consider cashiership or assistant cashiership in good country bank, preferably Wisconsin or Minnesota. Address Box 741, care Commercial West.

Some bank needs a man 47 years of age with broad banking experience and \$10,000 cash. I'm that man. What have you got to offer? Box 742, care Commercial West.

Experienced banker and former examiner wants official position in Northwest bank. Excellent references. Box 703, care Commercial West.

Do you need a cashier or assistant with twenty years' experience in small and large banks? A. I. B. graduate. Age 35. Address Box 728, care Commercial West.

Want any position immediately in bank, insurance office, loan office or any other office. Thirty years bank cashier and experienced in insurance, examining titles, closing deals, probating estates and drawing legal papers. Will invest. Address Box 729, care Commercial West.

Some live, fast-growing country bank somewhere (and I don't care where) in this great agricultural Northwest can quit looking for a serious minded young man to fill that new (or old) position. I'm your man! Have had city banking experience, am graduate of law, can speak German, want all around country banking experience. And I don't expect a vice president's salary. Am willing to start at the bottom. Address Box 734, care Commercial West.

Young woman wants position as bookkeeper or assistant cashier—1½ years experience as assistant cashier—20 years old—knows all phases of banking business—available immediately. Address Box 735, care Commercial West.

BUSINESS OPPORTUNITY

Want \$5,000 for partnership in established business of over 30 years in Minneapolis. Prefer active partner with executive or sales ability. Money to be used in promoting business. Address Box 748, care Commercial West.

HELP WANTED

Cashier wanted for small Minnesota bank, 100 miles from Twin Cities. Active manager. Nominal investment required. Give full particulars. Address Box 747, care Commercial West.

MISCELLANEOUS

BANKING OPPORTUNITY — For rent, quarters which until January 1, 1940, were occupied by Bank of Miles City, Montana. I am authorized to say the equipment, quite complete, can be purchased from owner at a material sacrifice. Miles City has a population of over 8,000 with only one bank. An opportunity for some Montana bank to improve itself; also, for some one or more individuals to start a new bank. Write Mrs. H. Slack, 629 University Avenue Southeast, Minneapolis, Minnesota.

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With extensive experience in remodeling and air-conditioning banks economically, perhaps I can do you a good turn. Write me if interested. J. F. Millard, 5100 Aldrich Ave. S., Minneapolis.

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Quit stumbling over those old fixtures in back room and basement. Turn them into cash. Other banks may have need for them. Tell us what you've got and bottom price you'll take. Address Box 718, care Commercial West.

George F. Williamson

Ralph E. Williamson

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WILLIAMSON & WILLIAMSON

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Rates for advertisements in this department are 4 cents per word each insertion. Words displayed in capitals, 8 cents per word. Initials, name, address, location and abbreviations count as one word each. Copy paragraphed, 28 cents per line. Check or postage stamps must accompany all orders. All answers to advertisements under key numbers must be accompanied by a three-cent stamp.

This client desires to purchase the controlling interest in a fair sized bank located in a good farming community in one of our Northwestern states. File No. 602.

Banker with many years of specialized experience in agricultural credit will buy minority interest in sound bank in which he can assume an executive position. File No. 609.

Controlling interest wanted in sound bank located in good town in West Central or Southwestern Minnesota. File No. 617.

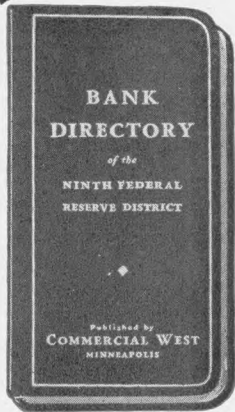
A confidential service for sale of minority and controlling interests in banks. Correspondence is invited.

W. R. OLSON COMPANY
Fergus Falls, Minnesota

NEW NORTHWEST PATENTS

Following patents were issued July 16, 1940, to Minnesota and Dakota inventors, as reported by Williamson & Williamson, patent attorneys, 925 Metropolitan Life building, Minneapolis:

William A. Arnesen and O. H. Arnesen, St. Paul, depth finder and fishing bobber; Julius M. Born, St. Paul, service unit for air cleaner; Adolph Crha, Ravinia, S. D., harvester accessory; George H. Ellis, New Brighton, Minn., making dense wall panels; Clifford Kirkpatrick, Minneapolis, key container; George E. Lane, Hecla, S. D., finger moistening solution; Rudolph W. Miller, Winona, Minn., lubricator and seal; Mark Nosal, Fargo, N. D., dimming device; Charles J. Olund, Cambridge, Minn., bag rack; James F. Paterson, St. Paul, glasses; Robert Sardeson, Minneapolis, mechanical timer; Robert Sardeson, Minneapolis, timer structure; Horace G. Whitmore, Minneapolis, portable and sectional building construction; Horace E. Woolery, St. Paul, railway tie cutting machine.



COMMERCIAL WEST,
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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 1940 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 _____

70

YEARS OF SERVICE

HERE is the record of The Minneapolis Gas Light Company for 1939—its 70th year of service to the city.

The year showed further expansion in the company's operation—further substantial reductions in rates—the largest number of active meters in the city's history—and the largest

consumption of gas for any 12 month period in 70 years.

Volume of gas sold increased 17%, but operating revenue increased less than 7%, because of lower rates. Net operating income (limited by provisions of the rate agreement with the city) increased only \$60,362.00.

STATEMENT OF INCOME

(With the Indicated Deductions from Net Income)

For the Years Ended December 31, 1939 and 1938

	Year Ended December 31,	
	1939	1938
OPERATING REVENUES.....	\$ 5,355,723.42	\$ 5,018,562.96
OPERATING EXPENSES:		
Operations (including net loss from merchandise and jobbing operations).....	\$ 2,643,283.83	\$ 2,432,363.25
Maintenance	264,031.83	227,257.97
Taxes (including income taxes).....	763,127.32	734,023.00
Total.....	\$ 3,670,442.98	\$ 3,393,644.22
NET OPERATING INCOME.....	\$ 1,685,280.44	\$ 1,624,918.74
NON-OPERATING INCOME:		
Dividend—Public Utilities Management Corporation.....	\$ 21,505.77	\$ 10,710.00
Other	3,250.26	6,698.75
Total.....	\$ 24,756.03	\$ 17,408.75
GROSS INCOME—Before provision for retirements and replacements.....	\$ 1,710,036.47	\$ 1,642,327.49
INTEREST DEDUCTIONS:		
On long-term debt.....	\$ 470,880.00	\$ 470,836.69
On bank loans.....	861.12	718.34
On consumers' deposits, etc.....	4,492.44	4,221.41
Total.....	\$ 476,233.56	\$ 475,776.44
Balance.....	\$ 1,233,802.91	\$ 1,166,551.05
OTHER DEDUCTIONS:		
Provision for retirements and replacements.....	\$ 267,780.72	\$ 256,648.89
Amortization of debt discount and expense (less premiums).....	86,555.76	86,481.14
Amortization of preferred stock expense.....	7,914.00	7,914.00
Total.....	\$ 362,250.48	\$ 351,044.03
Balance.....	\$ 871,552.43	\$ 815,507.02
INTEREST RECEIVABLE FROM AMERICAN GAS AND POWER COMPANY—On certificate of indebtedness (accrued but not received).....	31,316.08	93,948.24
NET INCOME.....	\$ 902,868.51	\$ 909,455.26
PREFERRED DIVIDENDS AND PAYMENTS ON ACCOUNT OF PARTICIPATION UNITS:		
Dividends on preferred stocks.....	\$ 127,136.95	\$ 129,002.84
Income payments on participation units.....	78,869.31	81,753.42
Total.....	\$ 206,006.26	\$ 210,756.26
Balance.....	\$ 696,862.25	\$ 698,699.00
Participation units surrendered to sinking fund depository for retirement.....	107,140.01	93,813.63
REMAINDER OF NET INCOME.....	\$ 589,722.24	\$ 604,885.37

On December 31, 1939, The Company was serving 15 communities, a population estimated at 510,000; operating 942.76 miles of main, employing 855 persons.

MINNEAPOLIS GAS LIGHT COMPANY