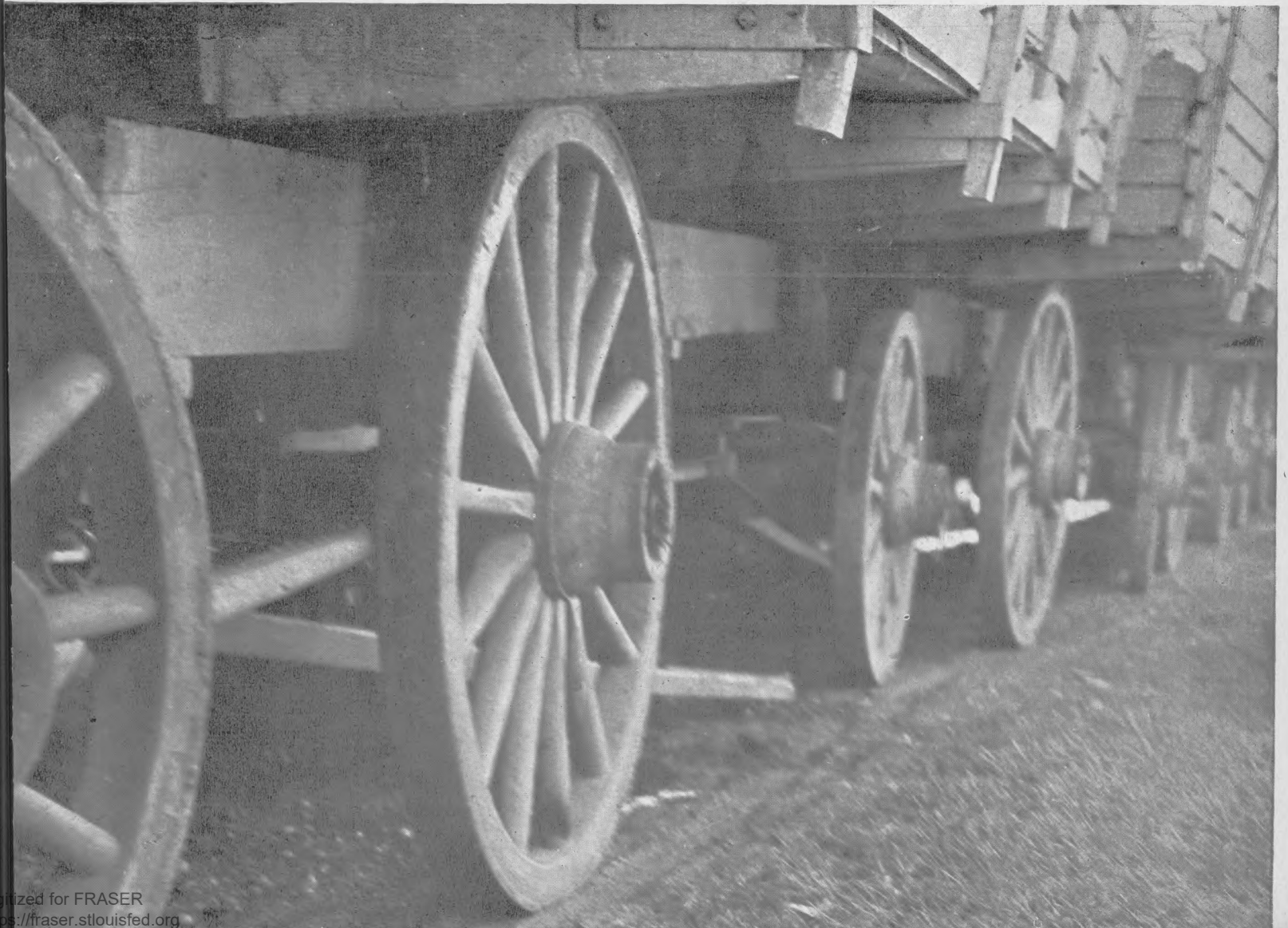


AUGUST 23, 1941

# Commercial West

NINTH DISTRICT BANKER • MINNESOTA BANKER • MONTANA BANKER

WAGON WHEELS ROLLING AGAIN . . . . SEE PAGE 11



# Bankers All Over Our Nation Are Helping Us Celebrate Our 40th Year of Service

These Typical Sales For June And July Are Representative  
As To Products And Localities:

GRATZ, PENNA.  
ELIZABETHVILLE, PENNA.  
GENESEO, ILL.  
NORFOLK, VA. (3)  
PENSACOLA, FLA. (2)  
FORT GEO. WRIGHT, WASH.  
LAKE LINDEN, MICH.  
PULASKI, VA.  
HURON, S. D.  
HIBBING, MINN.  
NEGAUNEE, MICH.  
SALEM, IND.  
WINNFIELD, LA.  
NEW ALBANY, IND.  
PINE CITY, MINN.  
BLYTHEVILLE, ARK. (2)  
PAOLI, IND.  
WASHINGTON, D. C.  
CLEVELAND, OHIO  
SUSANVILLE, CALIF.  
HINTON, W. VA.  
NEW ORLEANS, LA.  
BENSON, MINN.  
MOORHEAD, MINN.

PALO ALTO, CALIF.  
ARKADELPHIA, ARK.  
MASON, MICH. (2)  
SYRACUSE, N. Y.  
KEARNY, N. J.  
GREAT FALLS, MONT. (2)  
MOUNT UNION, PA.  
CHRISTIANSBURG, VA.  
HORNELL, N. Y.  
BIRMINGHAM, ALA.  
PITTSBURGH, PA.  
SAN FRANCISCO, CALIF.  
MONROE, WIS.  
BATTLE CREEK, MICH.  
OTTUMWA, IOWA (2)  
VINCENNES, IND.  
LA MESA, CALIF.  
OWOSSO, MICH. (2)  
ROUNDUP, MONT.  
BOTHELL, WASH.  
CHARLOTTE, MICH. (2)  
MILES CITY, MONT.  
STILLWATER, MINN.  
CANBY, MINN.

**The more we sell the better we can serve.**

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1941—Our Fortieth Year Of Service

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MANUFACTURERS OF

MINNESOTA

SOUND WAVE BURGLAR ALARMS    BANDIT BARRIER SYSTEMS    AFTER HOUR DEPOSITORIES  
VAULT VENTILATORS    COUNTER CASH PROTECTORS    CHIME CLOCK SYSTEMS

# Commercial West

NINTH DISTRICT BANKER • MINNESOTA BANKER • MONTANA BANKER

Volume 82, No. 9

August 23, 1941

## This Week

EDITORIAL . . . . . 6

### SPECIAL

Bankers' Groups in Wealth Belt Drawing Strong Turnouts . . . . .	8
Commercial West Camera at Clearinghouse Meetings . . . . .	9
Trust Men Review Current Problems at A.B.A. Conference . . . . .	10
Minnesota Valley Canning Company Operating Full Blast . . . . .	11

### FEATURE

Coming Events . . . . .	4
The Bull's-Eye: <i>By the Sharpshooter</i> . . . . .	7
Banks and Bankers . . . . .	13
T A B s . . . . .	19
Ahead of the Market: <i>With Wall Streeter</i> . . . . .	22
Municipal Financing . . . . .	24
Insurance . . . . .	27
Twenty-five Years Ago in Commercial West . . . . .	33
Business Wants . . . . .	34

### AND BE SURE TO READ

Joe Bedore on "Hard Rock Men of Ol' Osseo Plenty Tough Steel Gang" . . . . .	21
L. H. Sedlacek to Washington as Deputy Comptroller . . . . .	16
Along Financial Row . . . . .	24
Calendar of Bond Sales . . . . .	25

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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.

## STATE FAIR ATTRACTIONS

**BERGEN & McCARTHY**—Personal Appearance—Favorite Radio Entertainers of Millions of Americans. One Night Only, Saturday, August 23.

**STATE FAIR REVUE OF 1941**—World's Greatest Outdoor Spectacle. A Musicomedy Featuring 400 Living Artists. Grandstand, Nine Nights, Sunday Through Monday, August 24 to September 1.

**TWO THRILL DAYS** — Aerial Blitzkrieg. Diving, Zooming Attack Planes. Gliders and Parachute "Troops." Friday and Monday, August 29 and September 1.

**AUTO RACES** — World's Dirt Track Championship. Sixty Pilots. \$20,000 in Prize Money. On the New Super-Speedway. Four afternoons, Saturday, Wednesday, Saturday and Sunday, August 23, 27, 30 and 31.

**HORSE RACING** — Eight Big Races. 211 Pacers and Trotters. Purses totaling \$6,250. Two Days, Tuesday and Thursday, August 26 and 28.

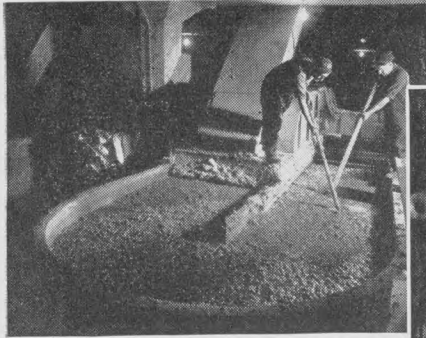
PLAN TO ATTEND!

# MINNESOTA STATE FAIR

NATIONAL PERCHERON SHOW

25¢

Opens Saturday  
**AUG. 23**  
Closes Labor Day  
**SEPT. 1**  
A BUICK GIVEN AWAY EVERY DAY!



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Come Sturdy Nelson Roofs



**"BEST FOR THE WEATHER'S WORST!"**

Seventy-three years a Northwest institution, Nelson knows at first hand what roofs on Northwest homes are up against. Proof of Nelson's ability to build roofing capable of beating the weather is shown in the many years of

service given by Nelson Master Roofs on thousands of Northwest homes. Produced for this territory by a firm with its roots deep in Northwest soil, Nelson roofs have rightfully earned the tribute "Best for the Weather's Worst!"

**THE B. F. NELSON MFG. CO.**  
401 MAIN STREET N. E. MINNEAPOLIS, MINNESOTA

**COMING EVENTS**

*Next Week*

- Minnesota State Fair, at St. Paul ..... Aug. 23-Sept. 1
- Red River Valley Fair, at Fargo Aug. 25-30
- National Association of Railroad & Utilities Commissioners, at St. Paul ..... Aug. 26-29
- Pacific Northwest Banking School, at University of Washington, Seattle, Continues Through ..... Aug. 30

*Later*

**BANKING**

- Iowa Bankers Association, at Des Moines ..... Sept. 8-10
- Group Two, Illinois Bankers Association, at Joliet ..... Sept. 15
- Group Three, Illinois Bankers Association, at Crystal Lake ..... Sept. 16
- Group Four, Illinois Bankers Association, at Rockford ..... Sept. 17
- Group Six, Illinois Bankers Association, at Peoria ..... Sept. 18
- Robert Morris Associates, at Detroit ..... Sept. 22-24
- National Association of Supervisors of State Banks, at St. Paul ..... Sept. 24-27
- American Bankers Association, at Chicago** ..... Sept. 28-Oct. 2
- National Association of Bank Auditors & Comptrollers, at Chicago ..... Oct. 8-11
- Nebraska Bankers Association, at Omaha ..... Oct. 9-10
- Group Five, Illinois Bankers Association, at Pere Marquette State Park ..... Oct. 13
- Group Nine, Illinois Bankers Association, at Centralia ..... Oct. 14
- Group Ten, Illinois Bankers Association, at Giant City State Park ..... Oct. 15
- Group Seven, Illinois Bankers Association (Place not selected) ..... Oct. 16
- Group Eight, Illinois Bankers Association, at Decatur ..... Oct. 17
- Group Seven, South Dakota Bankers Association, at Lead ..... Oct. 20
- Group Six, South Dakota Bankers Association, at Mobridge ..... Oct. 21
- Group Four, South Dakota Bankers Association, at Watertown ..... Oct. 22
- Group Five, South Dakota Bankers Association, at Huron ..... Oct. 23
- Group Three, South Dakota Bankers Association, at Mitchell ..... Oct. 24
- Group Two, South Dakota Bankers Association, at Sioux Falls ..... Oct. 25
- Group One, South Dakota Bankers Association, at Yankton ..... Oct. 27
- American Bankers Association, Mid-Continent Trust Conference, at St. Louis ..... Nov. 6-7
- Group One, Iowa Bankers Association, at Sioux City ..... Feb. 12, 1942
- South Dakota Bankers Association, at Sioux Falls ..... June 3-5, 1942
- Minnesota Bankers Association, at Duluth ..... July 8-10, 1942

**THEY**

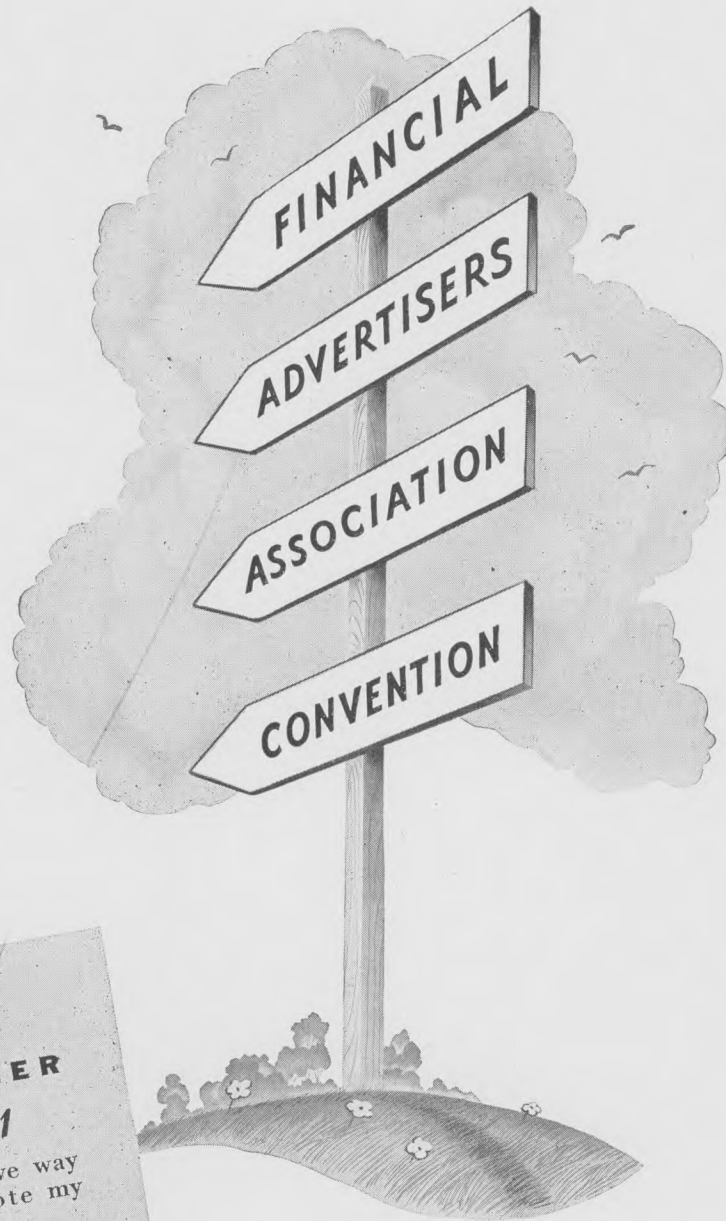
*Return*

Sweeter than words of praise is the desire of our guests to return for more of Hotel Radisson's hospitality. . . . In service and surroundings, the ideal center for business and social activities. . . . Convenient central location gives quick access to leading stores, offices, banks, theatres.

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Richard Kitchen, Gen. Mgr.

**HOTEL  
RADISSON**  
IN MINNEAPOLIS



*at Cleveland*  
**HOTEL STATLER**  
*September 8-11*

Is there an easy, effective way to learn how to promote my bank's business?

Answer: Yes, through the Financial Advertisers Association. The best place to start getting benefits from the Association is at the Convention's educational program, where men in the bank "new business" field assemble to exchange ideas.

Join now, and come to the Convention.

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Preston E. Reed, Executive Vice-President

A non-profit organization for the betterment of bank advertising  
. . . publicity . . . new business methods . . . public relations.

# EDITORIAL

## The Business Picture

More people of this Northwest Wealth Belt are buying more luxuries. That signboard points only one way—toward more money being spent from larger payrolls.

Northwestern National Life Insurance Co., Minneapolis, has just completed a survey on the buying trend of the people and sums up its inquiry as follows:

"A luxury buying 'spree' is getting under way. With the average worker family's surplus over living costs nearly doubled in the past 12 months and defense priorities threatening many so-called non-essentials, the American public is surging forward to buy more jewelry, furs, pianos, luggage and recreational items such as sporting goods."

The survey as yet finds little or no evidence of excessive stocking up by consumers. "Instead," it says, "the rising tide of buying only partially reflects the phenomenal expansion in the average worker's surplus spending power."

Perhaps this picture is better visualized in the four weeks of July business volume reported by clearing-house cities of the Northwest. It was \$768,729,000 compared with \$612,469,000 in the same period last year.

Business activity all over the country is at new high levels since expansion began more than a year ago.

Take construction as an example. The Department of Commerce estimates a 50 per cent increase over a year ago, citing a total for the nation of \$10,200,000,000. Added to defense program construction is a large volume of residential building.

Loading of revenue freight reached a new high level for the Aug. 9 week with 878,549 cars reported by the Association of American Railroads, up 151,476 from the 1940 week and 217,526, or 32.9 per cent over the 1939 week.

Standard & Poor's reports the department store index of sales stands at the preliminary figure of 113 for July, a gain of 23 per cent over 1940 July sales.

## U. S. Comes to Northwest Again

We are happy to know that the Northwest was recognized again when the federal government was seeking an outstanding man for one of its chief departments.

In this case the man picked was L. H. Sedlacek of Minneapolis, chief national bank examiner since 1939 of the Ninth Federal Reserve District, who has just been appointed deputy comptroller of the currency.

A Nebraskan, Montana banker, widely experienced as a national bank examiner here, on the West Coast and in Washington Mr. Sedlacek not only proved his

ability to the evidently full satisfaction of the Comptroller of the Currency, but had established himself throughout the Northwest as a leader in banking thought and procedure.

While we regret losing Mr. Sedlacek from this district we feel that his advancement at this critical period of our nation's history is practical recognition of the qualifications of a man well prepared to carry on the difficult work ahead of him.

## Banks and Defense Bond Sales

Evidencing how thoroughly banks of the Northwest have entered into the defense bond sale spirit, a total of 1,002 have signed up as qualified issuing agents out of a total of 1,685 in the five states of Minnesota, North Dakota, South Dakota, Montana and Wisconsin, states the Federal Reserve Board in its August Bulletin. In the nation as a whole 9,699 of 14,846 banks have qualified.

By states in this section banks have qualified as follows:

	All Banks	Qualified
Minnesota .....	676	379
North Dakota .....	163	91
South Dakota .....	162	103
Montana .....	111	72
Wisconsin .....	573	357

Discussing distribution of defense bonds in the Bulletin the Reserve Board says:

"A wide and successful distribution of defense savings bonds is obviously desirable, both from the point of view of the banks and the general public. The sale of these bonds to private investors rather than to commercial banks lessens the expansion of bank deposits and thereby tends to restrain consumer spending and to reduce the danger of inflation."

We trust our banks do see their "point of view," and that they will come through with flying colors, as we are sure they will. There must be no opening left for criticism (although it was wholly unwarranted) such as emanated from Washington early in the campaign to finance small business.

## Market Weeks a Good Investment

The Twin City Fall Market Week just recently provided retail merchants of the Northwest as a means of stocking merchandise for fall and early winter buying has proved again that such events are extremely valuable, not only as a market matter but in further cementing friendly relations between the Twin City market and country merchants.

Ever increasing evidence of these facts was borne home during the August Market Week. While defense program priorities had something to do with the record buying of merchandise there still remains the certainty that retail merchants returned to their home cities still further convinced of the style and versatility of lines provided them by Minneapolis and St. Paul wholesalers and manufacturers.

There should be no question, therefore, in the minds of Twin City supporters of Market Weeks when financial support of these weeks is up for consideration. This support should be forthcoming promptly and it should be ample enough to insure an ever-increasing Northwest buying power turned toward the Twin City market.

## Advertising on the Increase

Advertising, a recognized business barometer, is on the increase, evidencing the need of business to emphasize new products born of defense program priorities and to capture increasing dollars of employment. August issues of Advertising Age state that agencies are placing more ads in trade papers and that business paper advertising is up 16.4 per cent.

Meanwhile advertising men are keeping watchful eyes on Washington, where hints have been dropped that price control may involve advertising control. Talk of "business as usual" being in the discard while the defense program is booming is held as endangering the position of advertising to the point where large appropriations may be frowned upon by federal administrations.

Considering the fact that advertising is the motive power of business and that we are already talking about what's to be done along lines of reconstruction after the wars are ended, it would seem to be a wholly wrong attitude to comprehend the slicing of advertising at any time from now on. Business needs more advertising than it has ever done if it is to enter a reconstruction era prepared to build a bigger and better economic structure.

## Installment Buying Regulations

As students of the situation had expected, the preliminary pronouncements of the Federal Reserve Board on installment buying and financing, following recommendations of the President, was not so alarming as had been feared. Terms limited to 18 months on autos, radios, refrigerators and other household appliances will work no particular hardship on buyers. Down payments of one-third on autos is not excessive. Neither is that of 20 per cent on radios, refrigerators and other household appliances.

As we see the picture these nominal restrictions should serve to place the installment selling and financing business on a considerably more acceptable plane than now prevails. For one thing it should bring buyers into the picture better able to carry out their obligations, with fewer repossessions involved, than has been true in the recent past of this fast-growing phase of the business structure.

## May Swing Away From Governments

With Chairman Eccles of the Federal Reserve Board stating in a signed article in August Fortune that long term interest rates on government borrowing should not go beyond a 2½ per cent base, the assumption would appear to be warranted that banks will be found turning larger attention to municipals and other kinds of securities for their portfolios.

In that event it could be anticipated that Chairman Eccles may have to revise upward his interest rate base. Good times are high interest rate times. That is an inexorable rule of business trends. Combine that situation with lack of interest by the banks in Treasury issues and we have what would appear to be a ready-made motivation for higher rates on government issues.

# The BULL'S-EYE

By The Sharpshooter

Whether it is the defense program tension, speeding up of the private business situation, or whatever the cause may be, there's a new tempo these days in business men's affairs.

I have noted it in recent interviews with banking, business and industrial leaders. There is greater alertness all along the line, remindful of the tense days of the late '20's, when million dollar business deals were closed over the telephone, and it took a few hours instead of days to hatch them out.

Junior officers, clerks, receptionist and telephone switchboard girls are keener on the jobs. There is the aspect of "something doing" in offices.

It's a good sign—this switching from the lackadaisical atmosphere that did afflict some offices. It's a sign that business is better.

Senior executives are finding that time is valuable—very valuable. You've got to have a real valid reason for seeing them these days. By the same token the man wishing to see them is beginning to find out that his time is very valuable, too, that the "visiting" idea when making calls that used to fit into the picture when business was running down hill, is out—emphatically.

I called the other day on the head of one of Minnesota's large vegetable canning industries. It's going great guns. I had an appointment with him, was there on the dot. He shut the door, told his secretary to allow no incoming telephone calls to reach him or office people to see him. We finished our business in about one-half the time it would have taken if he had been answering telephone calls and listening to department heads. I asked him if that was something new, if he did it in the case of all interviews. He said it is a departure. "My time," he said, "is valuable, so is yours. Routine telephone calls and office matters can all be handled very quickly afterwards."

It was only two days later that I ran into exactly the same thing in the office of the head of one of the Northwest's great grain elevator and shipping concerns. I asked him the same question and he gave me exactly the same answer.

It looks to me like a good idea—a real time saver—and time is mighty important when business is on the uptrend.

And there is another phase that is important. Interruptions take minds off what is being discussed, breaking the train of thought, often leading to immature conclusions.

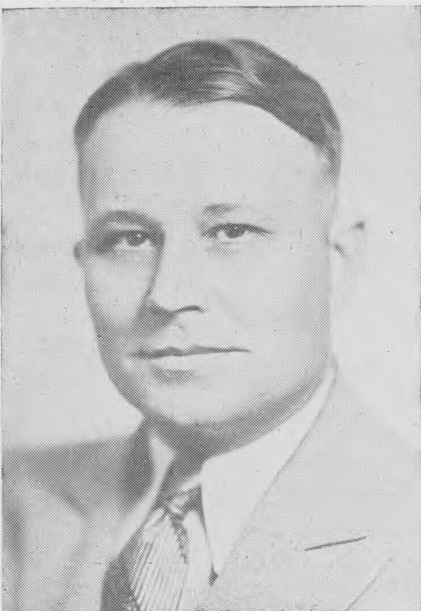
But my advice is never to try to take up the time of the head of a business unless you really have something worth the time involved.

# Bankers' Groups in Wealth Belt Drawing Strong Turnouts

**S**PLENDID attendance marks are being registered at mid-summer meetings of bankers' organizations throughout the Wealth Belt. Minnesota's regionals are continuing their usual series of annual meetings; North Dakota's first regional clearinghouse—the First Regional Clearinghouse Association—has cemented itself into a strong group, with its second annual meeting; county associations in North Dakota and Iowa are carrying on a heavy program of get-togethers, and South Dakota and Illinois groups, as reported in Commercial West last week, are pretty well set for their fall meetings, thanks to comprehensive arrangements just completed.

And on top of that, word came this week from the Wisconsin Bankers Association that the week of Oct. 20 has been selected for the 1941 group meetings. Directors again will be especially invited. Details will be ready shortly.

## New President



JESSE OLSON

## At Carrington

From Lynn W. Schwoebel, cashier First State Bank, New Rockford, N. D., whose term as secretary-treasurer has just expired, Commercial West has received a fine report on the recent meeting at Carrington of the First Regional Clearinghouse Association.

Institutions belonging to the organization are: Foster County State Bank, Carrington; First International Bank, Esmond; First National Bank and Wells County State Bank, Fessenden; First State Bank, Harvey; Farmers State Bank, Heaton; Farmers State Bank, Leeds; Farmers State Bank, Maddock; Farmers State Bank, Minnewaukan; First State Bank, New Rockford; Farmers & Merchants Bank, Sheyenne.

"The Carrington folks had a very fine party at the Rainbow Gardens," says Mr. Schwoebel. "All the ladies were invited and there were 36 persons present, eight banks represented. We had an enjoyable evening, consisting mostly of banquet and dancing, the business being somewhat in the background at this particular meeting, although a short session was held with open discussion on CCC loans and miscellaneous service charges. A resolution of sympathy was adopted and ordered sent to the families of A. W. Engel and T. L. Beiseker, members of our association who passed away since the last meeting. New Rockford extended an invitation for the next meeting, which was accepted."

Newly elected officers are:

President—F. J. Mohr, cashier First National Bank, Fessenden (advanced from vice president).

Vice Pres—E. B. Norin, vice president First State Bank, Harvey.

Sec-Treas—A. L. Garnaas, cashier Farmers & Merchants Bank, Sheyenne.

Executive committee—Martin Aas, vice president First State Bank, New Rockford; H. C. Duntley, assistant cashier Foster County State Bank, Carrington; H. I. Turner, cashier Farmers State Bank, Heaton; V. A. Helberg, president Farmers State Bank, Minnewaukan.

★ ★ ★

## At Medora

I. G. Fisher, assistant cashier Liberty National Bank, Dickinson, president of

North Dakota's Stark County Bankers Association, writes that members of that group at their recent regular meeting voted to put it into the records as the "first annual meeting," inasmuch as it will be an annual custom hereafter to stage the mid-summer meeting at the beautiful Custer Trail Dude Ranch, three miles south of Medora.

"Bankers and their wives numbering over 80 gathered to get acquainted," says Mr. Fisher, "and after the regular business meeting enjoyed themselves at a banquet, followed by horseback riding and dancing."

Officers, besides Mr. Fisher, are Harold Bowers, cashier First State Bank, Regent, vice president; G. E. Tollefson, assistant cashier First National Bank, Dickinson, secretary-treasurer.

★ ★ ★

## At Winona

A beautiful country club, superb banquet, different kind of speaker, and more than a hundred bankers, directors and families on hand, made the annual meeting of the Southeastern Minnesota Clear-

## Heads Central-Tri



W. E. BERGLUND



## Commercial West Camera at the Meetings



1. Two newly-elected officers of the Southeastern Minnesota Clearinghouse Association, S. J. Kryzsko, secretary-treasurer, and L. E. Briggs, vice president, left to right, say thanks for a good year of presiding to Out-going President John Ambrosen. Mr. Ambrosen and Mr. Kryzsko are cashier and assistant cashier Winona National and Savings Bank, and Mr. Briggs, vice president Security State Bank, Houston.

2. Answering roll call at one of the popular sidewalk meetings before dinner at Brown & Redwood Clearinghouse Association meeting at Redwood Falls are J. A. Cavitzel, assistant cashier American National Bank, St. Paul; A. E. Precht, assistant cashier Citizens State Bank, New Ulm; W. L. Boss, assistant cashier First National Bank, St. Paul; H. H. Prah, vice president Citizens State Bank, New Ulm; Harry I. Ziemer, vice president and cashier Federal Reserve Bank, Minneapolis, and E. M. Volkenant, assistant cashier First National Bank, St. Paul.

3. Showing 'em how it's done—L. O. Olson, cashier Midland National Bank

& Trust Co., Minneapolis and Mr. and Mrs. A. E. Pffner. He's president State Bank of Litchfield.

4. Banqueters at Redwood Falls—A. E. Precht; Association President Wm. A. Kuehl, cashier Citizens State Bank, Walnut Grove, and L. O. Olson again.

5. C. C. Reiger, Jamieson & Co., Commissioner of Banks Amundson and Oluf Gandrud, President Swift County Bank, Benson, talk over golf scores at the Willmar course.

6. Also on the Willmar course was this foursome: F. J. Koltavy and W. S. McGee, president Northwestern National Bank, Litchfield; O. F. Grangaard, president Security National Bank, Willmar, and E. M. Volkenant, First National, St. Paul.

7. Another sidewalk panel at Redwood Falls included R. H. Root, cashier State Bank of Redwood Falls; M. O. Hanson, cashier and L. R. Ewart, vice president Citizens State Bank, Redwood Falls, and again W. A. Kuehl.

inghouse Association at Winona a huge success.

Thursday evening, Aug. 14, was the date, and it was a good date for members to remember, because there was something happening all the time, making for not one dull moment, unless it was the weather which was dull enough to rain and spoil the planned golf games.

Annual meeting meant election of officers and being right up-to-the-minute they did what you would expect—elected officers. And here they are:

President—John A. Frisvold, cashier Rushford State Bank.

Vice Pres—L. E. Briggs, vice president Security State Bank, Houston.

Sec-Treas—S. J. Kryzsko, assistant cashier, Winona National and Savings Bank.

Directors—B. N. Onsgard, cashier Onsgard State Bank, Spring Grove, Houston county; G. C. Gullickson, cashier First National Bank, Spring Valley, Fillmore county; Ray Bublitz, assistant cashier Merchants Bank, Winona, Winona county.

It would happen that New President Frisvold was on vacation, and New Director Bublitz had an illness in the family to keep them from accepting honors, but Mr. Frisvold will know he's president soon enough when the work piles up and Mr. Bublitz must know by now. Out-Going President John Ambrosen, cashier Winona National and Savings Bank pitched the whole meeting therefore, had the help of H. L. Harrington, assistant cashier First National, Winona,

and R. M. Tolleson, vice president and trust officer Merchants Bank, Winona, on the "getting-up" of things.

Just short hellos by the Minnesota Bankers Association's head men, President O. G. Jones, Red Wing, and Secretary William Duncan, Jr., then on the edges of the chairs for a good hour of about the most interesting talk one can perk an ear to. Publisher-Newspaperman Bernard Ridder did the talking, and his subject hit the spot—"I Knew Hitler!" It left most everyone talking it over when he finished.

Oh, yes! Introduction of Mr. Ridder was by Smiling G. M. "Robby" Robertson, president First National Bank, Winona, who was picked to do that chore

(Continued on page 18)

*This Week's* **BANK MANAGEMENT** *Feature*

# Trust Men Review Current Problems at A. B. A. Pacific Conference

**K**EYNOTING the recent Pacific Coast conference of the American Bankers Association's trust division at Seattle, Carl W. Fenninger, president of the division, pointed to three primary problems with which modern trust business is confronted:

1. Effect of tax changes on the volume of trust business;
2. Effect of changing business conditions and corporate earnings on trust investments;
3. Effect of both of these factors upon the terms of trust investments.

Mr. Fenninger, vice president Provident Trust Co., Philadelphia, was one of a number of outstanding trust men who appeared before the conference, which again drew attendance from most states in the Rocky Mountain and Pacific Coast area.

"Looking at the first of these—taxes—we think naturally of the social and economic consequences of high death taxes and heavy income taxes that consume increasing proportions of the income of individuals and business enterprises," said Mr. Fenninger.

"Of proper taxation we make no criticism. Indeed, sound bankers of the country recognize the wisdom of meeting running expenses of both national and local governments by taxes, and urge that method. They believe that borrowing through bond issues to cover current expenses is, generally speaking, bad in practice and should only be resorted to in exceptional cases. Theoretically, our taxes should increase and decrease to meet the fluctuating costs of government operation.

"For permanent improvements we might properly borrow so that those who enjoy the facilities produced may in the future pay their fair portion of the costs. What seems to be happening to us, however, is that through high death taxes and excessive taxation on our larger incomes, we are penalizing thrift and economy just where it is most unwise to

do so because it is from these sources that our great reservoirs of funds for investment in productive enterprises come . . .

"Business conditions have changed radically. We need only cite the great change which has taken place in the railroad industry, on the one hand, and the chemical industry, on the other. Our railroads have gradually gone out of favor as investment media, while our chemical companies have moved in the opposite direction. There are only a few railroads whose bonds lend themselves to trust investment and only a very few whose stocks may be purchased where it is possible to make investments in stocks.

"On the other hand, the chemical industry has almost no debt, so that its stocks form the only medium of investment in that industry, and where only bonds may be bought, that avenue of investment is closed. In other words, these

two industries have moved in opposite directions . . .

"One of the possible problems we have in connection with this is that broad changes may in the future come more rapidly and alertness in the handling of investments may therefore be more important. Hedging against this possibility is one of the things which we should have in mind. There are two outstanding thoughts which may help us in this direction:

"1. The prudent-man theory of investment;

"2. The common trust fund.

"The only answer that seems apparent at the moment is that of diversification—this diversification to be a broad cross-section of all types of business enterprises. Of course, there is a practical limitation to diversification because of increased difficulties of service within the cost which trust customers can afford to pay, and whenever there are restrictions upon the investment powers, diversification becomes harder because it has to be made within a limited area."

The investment problem for the discretionary trust fund was analyzed at the Seattle conference by C. Alison Scully, vice president Bank of the Manhattan Co., New York.

"High-grade bonds should constitute the backbone of the list," said he. "They furnish the desired security of principal. The bonds selected should, as far as possible, be those with relatively short maturities with low coupon rates. They can be bought without the big premiums. The income actually received seems low. It is.

"The difficulty is that everyone has been accustomed to think of prime securities as yielding 4 per cent, 4½ per cent and 5 per cent. Time was when this was true. But not now. We are investing under different conditions today. There are no high-grade, triple A bonds which yield 4½ per cent to be had. These obligations are on a 3 per cent basis . . . We must accustom ourselves and we must ac-

## Spoke at Seattle



L. E. BIRDZELL

(Continued on page 32)

## CORN PACKING AT PEAK

# Minnesota Valley Canning Co. Operating Full Blast

Wagon wheels are rolling again at Minnesota Valley Canning Co. factories, as the Commercial West front cover picture this week portrays in so interesting and unusual a way.

Sweet corn canning which started the first week of August is hitting its stride at all the company's factories in Minnesota and Wisconsin. Both yield and quality are good.

The vegetable packing industry as a whole stands to make more money this year because of very little carryover and slightly higher prices. Sales of Minnesota Valley Canning Co. for the fiscal year ended March 31, 1941, amounted to \$10,800,000.

The company paid farmers last year \$827,000 for peas and corn they grew, and it paid in wages in Minnesota alone \$1,400,000.

The company and its affiliates this season will ship approximately 11 per cent of all the peas shipped by all canners of the U. S. and approximately 14 per cent of all canned corn.

Average gross return to growers over the current three-year period after seed cost deduction has been \$28.68 an acre for corn and \$29.52, an acre for peas.

By a refinancing plan carried out last spring through a large insurance company, Minnesota Valley Canning Co. reduced its annual interest costs by \$42,000 and, furthermore, assured itself of a commanding financial position among industries of the nation.

The national defense program is a factor this year also in the canned foods set-up. Of the approximately 30,000,000 cases of peas packed in the nation the Army will take about 3 per cent. Minnesota Valley already has sold the Army 7,500 cases of No. 2 cans—the staple household kind—and 45,000 cases of No. 10 cans, which hold 6 pounds, 11 ounces. Of the estimated national corn pack of 26,000,000 cases the Army is expected to purchase about 3 per cent or 800,000 cases. Minnesota Valley expects to bid on between 60,000 and 70,000 cases of corn for the Army.

The vegetable canning business has grown to the stature of a great industry in the Northwest. Minnesota now has the largest acreage and cans the largest volume of corn of any state in the Union. Chief vegetables canned in this section are corn and peas, the soil, climate and scientific development of seed, growing and packing methods having made Minnesota and Wisconsin outstanding in corn and peas canned foods—Minnesota first in corn, Wisconsin first in peas.

Outstanding in the canning industry of this section, of course, is the Minnesota Valley Canning Co., with headquarters plant and offices at Le Sueur, Minn., and plants at Montgomery, Cokato, Winsted, Watertown, Blue Earth, and Winthrop, in Minnesota. Companies affiliated with Minnesota Valley are Central Wisconsin Canneries, Inc., operating plants at Beaver Dam, Fox Lake, Rosendale, Ripon, and South Randolph, and the Blue Mountain Canneries, Inc., with plants at Dayton and Montesano, Wash., and at

Martinsburg, Pa. The company also operates in Canada under Fine Foods of Canada, Ltd., for general distribution of both canned and frozen foods throughout the Dominion.

One wouldn't think of the packing of corn and peas as a precision business such, for instance, as the turning out of a delicate piece of mechanism in a machine shop, but it is. It's precision business from the time the seed is planted until the last can is on the shelves of dealers. And back of it all is precision management.

There is no lost motion in the canning factories of the Minnesota Valley Canning Co., admittedly the most modern in the world.

That is one reason why the company's products are accepted everywhere on their face value—for quality—for continuous average of quality, can after can. Research, precision management and precision operation undoubtedly are the factors that have made this company so successful as a world competitor in canned goods and so successful financially as an operator—a continuous profitable operation year after year. For instance, its net for the 1940-41 year before taxes was \$1,464,985 compared with \$1,026,270 in the 1939-40 year. Taxes, as in the experience of all industries, took a large chunk out of net which, after taxes in the '40-'41 year, was \$855,822 against \$791,826 in the previous 12 months.

Precision starts with the seed that is planted, developed by careful scientific breeding through the years until now the company knows just what kind of corn and peas it will produce, always of an increasingly better quality, yield timed to the growing seasons, yield brought to the fullest volume for benefit of growers and factory production.

Take the corn that is being canned today at the various Minnesota plants. Factory experts who know their corn like they know their factory, check it at its various growing stages. At silking time, as they call it, these experts go into the fields, learn to a day when the corn

### Cannery Chief



E. B. (WARD) COSGROVE

## Corn on the Cob Soon to Be in the Can



Upper left: A "train" of trucks just in from the sweet corn fields at the Le Sueur factory of Minnesota Valley Canning Co.

Upper right: After these "trains" have been "stacked" in the receiving yard ready to be transferred to the wagons (see front cover) for delivery into the factory.

Lower left: A similar scene of truckloads of corn from the farms in the receiving yard at the Montgomery plant.

Lower right: The remodeled factory at Montgomery, raised just in time for this year's operations from a one-story to a five-story building. Scene shows sweet corn being delivered to the factory chute for transformation into canned corn. (Photos by Commercial West Camera.)

should be picked to assure the kind of quality demanded by the company.

They call this sort of precision pre-grading, an innovation in canning, which Minnesota Valley developed as against grading in the can after the product has been packed. Thus the company's pre-grading process enables it to grade its corn and peas in the field. That is another reason why its pack is so uniform in quality.

Its development of seed corn, for instance, has increased the yield 30 per cent over a period of 10 years, largely from hybridization and by better farm management and in use of fertilizers.

In this connection it may be said that Minnesota Valley has worked constantly and consistently with the farmers who grow its corn and peas, helping them increase their income, assuring them every year of cash crops, devising facilities for growing and harvesting their crops, seeing to it that they get farm help when it is needed. This cooperation has made the growers fast friends of the company, assuring it, in return, their cooperation year in and year out.

While, as stated heretofore, all plants

of the company are modern, that at Montgomery, Minn., (see Commercial West Camera picture on another page) is held to be the most modern in the world. It was improved during the past 12 months by an expenditure of \$250,000, raised from one to five stories in height, a warehouse added and complete new machinery of the most modern type installed. It is the pride of its superintendent, M. M. Malone.

As a means of providing employment, plants of the company at the height of the packing season employ between 9,000 and 12,000 men and women.

Minnesota Valley Canning Co. was organized in 1903 by the late C. N. Cosgrove, an ardent supporter of agriculture, member for several terms of the Minnesota Legislature in the '90s, a former president of the Minnesota State Fair. He organized the company at Le Sueur, his home town, more for the purpose of developing agriculture than that he expected it ever to grow to its vast stature of today with factories scattered throughout the country and world-wide distribution.

In 1914 his son, Edward B. Cosgrove, after university and farm school training and special courses in the canning busi-

ness, joined the company as secretary. He became president following the death of his father several years ago, became a dynamic figure in the business, a leader in production and sales methods, and in state and national canning associations, has gathered into the operating and sales staff men who are equally up on their toes, the official family as a whole contributing to the great strides the company has made in recent years.

Other officers besides Mr. Cosgrove, better known all over the country as "Ward," are H. B. Warren, vice president; William F. Dietrich, secretary, and L. E. Felton, treasurer.

Chief and nationally accepted brands manufactured by the company are Del Maiz corn, Niblets (whole kernel) corn, Niblet Ears, packed whole in glass, and Green Giant Peas.

Discussing the can supply situation during a visit to the headquarters of the company at Le Sueur last week by Commercial West representatives, Mr. Cosgrove said that he is not presently worried about the tin scarcity, due to defense program priorities, inasmuch as substitutes can and will be found, even though some may have to be glass.

# BANKS and BANKERS

## A. B. A. Releases Big Convention Highlights for Chicago Next Month

**B**IG names for the big national convention in Chicago, Sept. 29 to Oct. 2, were released from American Bankers Association headquarters this week, President P. D. Houston doing the official announcing. Headlining the list are:

Henry W. Morgenthau, Secretary of the Treasury.

Sen. Tom Connally of Texas, chairman of the Senate Committee on Foreign Relations.

Brig. Gen. Leonard P. Ayres, director and coordinator of War Department statistics.

The four-day convention is expected to attract some 5,000 bankers from all parts of the country to participate in its discussions. It will be characterized by two principal themes: "Hemispheric Solidarity," and "National Defense Financing."

The program will consist of two general sessions, the annual meetings of the four divisions of the associations, and a series of round table conferences.

A feature will be the celebration of the 25th anniversary of the formation of the State Bank Division at the division's annual meeting on Monday morning, Sept. 29. A special program has been arranged in the nature of a review of the progress of chartered banking made during the 25 years of the division's life. Addresses will be delivered by Harry A. Bryant, president State Bank Division, who is president Parsons Commercial Bank, Parsons, Kan.; Deane W. Malott, chancellor of the University of Kansas; A. L. M. Wiggins, president Bank of Hartsville, S. C., who is chairman of the A. B. A. Committee on Federal Legislation, and William S. Elliott, past president State Bank Division and president Bank of Canton at Canton, Ga. Mr. Wiggins will present the past presidents of the division and Mr. Elliott will speak on "A Quarter Century of Progress."

The National Bank Division's annual meeting Monday afternoon, Sept. 29, will be addressed by the division's president, Andrew Price, president National Bank of Commerce, Seattle; Dr. Lionel D. Edie, economist, on "Bank Investments Under War Conditions," and Fred L.

O'Hair, president Central National Bank, Greencastle, Ind.

The Savings Division will have its annual meeting Monday morning, Sept. 29. Addresses will be delivered by Roy R. Marquardt, president, who is vice president First National Bank in Chicago, and Dr. Marcus Nadler, professor of finance at New York University and research director Institute of International Finance, New York.

The Trust Division meeting, under the chairmanship of its president, Carl W. Fenninger, vice president Provident Trust Co., Philadelphia, will be held Monday afternoon, Sept. 29, and will be addressed by W. W. Hinshaw, Jr., president Corporate Fiduciaries Association of

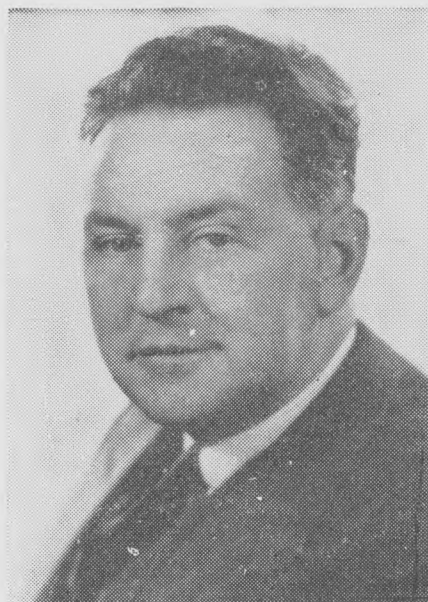
Chicago. The meeting will feature a panel discussion on bank management and the trust business which will be participated in by Gwilym A. Price, president Peoples-Pittsburgh Trust Co., Pittsburgh; Frederick A. Carroll, vice president National Shawmut Bank, Boston; Louis S. Headley, vice president First Trust Co., St. Paul; John W. Remington, vice president and trust officer Lincoln-Alliance Bank and Trust Co., Rochester, and Arthur F. Young vice president and trust officer National City Bank, Cleveland.

In each of these division meetings there will be reports of committees and other business and the election and installation of new officers.

Secretaries of state bankers Association will hold their annual meeting at the convention Monday afternoon, Sept. 29, with addresses by James C. Scarboro, secretary Colorado; Haynes McFadden, secretary Georgia; Lauder Hodges, executive manager California; William Duncan, Jr., secretary Minnesota; Edward A. Wayne, secretary North Carolina; Charles F. Zimmerman, secretary Pennsylvania, and Mr. Wiggins who will speak on "Federal Legislation."

On Monday, Sept. 29, a round table conference on Public Relations will be held under the chairmanship of Frank M. Totton, second vice president Chase National Bank, New York. Addresses will be given by Robert W. Sparks, vice president Bowery Savings Bank, New York and associate field director of the U. S. Treasury's Defense Savings Staff, whose topic will be "Mobilizing Money," and Samuel N. Pickard, president National Manufacturers Bank, Neenah, chairman of the A. B. A.'s Public Relations Council, whose topic is "Mobilizing Public Opinion." George R. Boyles, president Merchants National Bank, Chicago; Ernest L. Pearce, executive vice president Union National Bank, Marquette, and William Powers, director of Customer Relations, A. B. A., will partici-

### "School" Master



HENRY M. BUSCH

is to conduct the "school session" at the Financial Advertisers Association convention in Cleveland, Sept. 8-11 (C. W., Aug. 16). Dr. Busch is head of the division of social sciences, Cleveland College of Western Reserve University.



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pate in a panel discussion on "Mobilizing Information."

This round table conference will also feature public relations technique demonstrations by members of the Chicago Chapter, American Institute of Banking, educational section of the A. B. A. Cash prizes of \$50, \$30 and \$20 will be awarded to the winning participants in this phase of the round table.

A Bank Management round table conference will be held Tuesday, Sept. 30, at which the public relations aspects of consumer credit will be discussed by John Burgess, vice president Northwestern National Bank & Trust Co., Minneapolis. "Real Estate Holdings in the Emergency" will be discussed by Dr. Ernest M. Fisher, A. B. A. director of research in real estate and mortgage finance. A panel discussion on simplification of bank operating procedure will follow these addresses. Participants in the panel will be Darrel G. Ensign, assistant cashier Commonwealth Bank, Detroit; William J. Kinnamon, cashier Hunterdon County National Bank, Flemington, N. J., and J. M. Sorensen, executive vice president Stephens National Bank, Fremont.

On Wednesday, Oct. 1, there will be a round table conference on Defense Financing, under the chairmanship of J. Harvie Wilkinson, Jr., chairman of the association's National Defense Loans Committee and vice president State-Planters Bank & Trust Co., Richmond, Va. Speakers include Benjamin E. Young, vice president National Bank of Detroit; Mark A. Brown, vice president Harris Trust & Savings Bank, Chicago, and Philip A. Benson, president Dime Savings Bank of Brooklyn. Mr. Young will speak on "The Social Effects of Defense Financing"; Mr. Brown on "Defense Loans"; Mr. Benson on "Defense Savings Bonds."

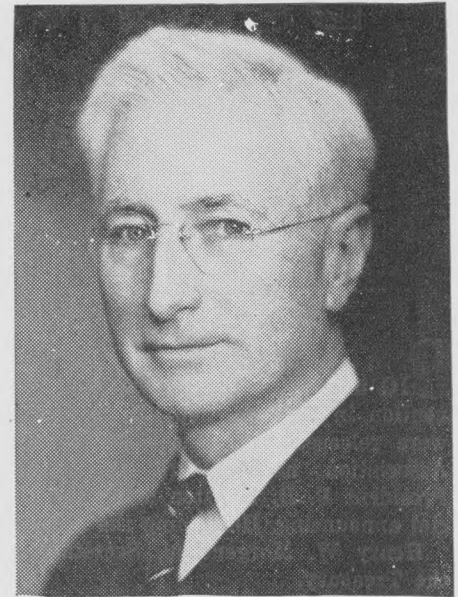
The fourth round table conference will be held Thursday, Oct. 2, on Current Economic Problems. Dr. Paul F. Cadman, A. B. A. economist, will preside. Albert William Atwood of Washington, writer on business and financial topics; Earl B. Schwulst, first vice president Bowery Savings Bank, New York, and Dr. Lionel D. Edie, New York, will take part in the round table discussion.

★ ★ ★

### Book on Banking

Presenting a definite program for establishing and controlling efficient procedures in financial institutions is "Bank Management Controls," a book just published by Rand McNally & Co., written by H. N. Stronck. It outlines a system of controls enabling the administrative heads of a modern bank to maintain a check on every function of every department.

## F. A. A. Official



JOHN C. McHANNAN

heads the advisory committee for the Financial Advertisers Association convention at Cleveland, Sept. 8-11 (C. W., Aug. 16). He is chairman of the board Central National Bank, Cleveland.

## Chetek Bank Approved

Authority for organization of the new Indianhead State Bank of Chetek has been granted by the Wisconsin State Banking Department. First meeting of incorporators was held Aug. 16 at which time the following were named as temporary officers:

Gustave Johnson, chairman.

Geo. De Guire, vice chairman.

F. A. Pattridge, secretary.

F. L. Schofield, treasurer.

Final organization plans are expected to go forward promptly with formal opening planned for early in September. F. A. Pattridge has been approved as cashier.

★ ★ ★

## Bank May Be Jail

If visitors passing through Highmore, S. D., in the near future are caught speeding and can't pay their fine the chances are they will be sent to the old bank building by the local magistrate. Does that sound foolish? Not when you know out there they proposed to issue bonds to buy the Bank of Highmore building, then promptly convert it into a city jail, bars and all. It's just in the "proposing" stage yet, but if and when it takes shape, the city administration set-up as well as the jail would be included in the bank building.

### To Build New Home

Construction of a new two-story bank building will begin as soon as plans can be drawn and contracts let, reports the Rapid City National Bank, Rapid City, S. D., which has just purchased corner lots at St. Joe and Seventh streets. Tentative plans call for a two-story building, 50 feet wide by 140, full length of the lots. The bank will use the front 90 feet, the remainder to be available for one or two stores or offices. Additional office space will be available on the second floor. Directors—Roy Dean, president; A. E. Dahl, executive vice president; H. J. Devereaux, vice president; W. E. Shoberg, cashier, and Earl Keller, assistant cashier—issued this statement:

"The matter of obtaining additional room to take care of our growing number of customers has been under consideration for a long time. Thought was given to further remodeling present quarters, obtaining additional space in adjoining buildings, leasing other quarters, but these plans were abandoned in favor of a new building as the most practical and economical plan in the end.

"The new location is one of the most central locations in Rapid City, and readily accessible to everyone. It is near the postoffice and closer to better parking space. We believe our customers will like this new location.

"The new building will be modern in every respect with air conditioning throughout, but the architecture will be conservative. We are building for room and utility rather than style, as our first thought is to obtain more room to serve our customers. Monumental stone, marble and mahogany offices will be conspicuous by their absence.

"The Rapid City National Bank opened in 1934. Since that time it has been our pleasure to serve an increasing number of customers. The expenditure which such a project entails is definite proof of our firm belief in this community, and our confidence in the years that lie ahead."

The Rapid City National Bank was organized in 1934 with capital funds of \$120,000. Deposits were about \$300,000 and resources \$400,000. Today capital funds total \$300,000, deposits are \$2,700,000 and resources about \$3,000,000.

★ ★ ★

### Iowa 50 Year Group

Again this year at Iowa's 55th annual convention in Des Moines, "50 Years or More Bankers" will be privileged to have their own special table at the banquet. The association is anxious to complete its list of all these pioneers who have completed half a century or more in Iowa banking, whether retired now or not, and is hot after names. Know any? If so, please report to Secretary Frank Warner.

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**Sedlacek to Washington**

Bankers of the Ninth Federal Reserve district generally, national bankers particularly, and his personal friends more especially, were happily surprised by the appointment of Chief National Bank Examiner L. H. Sedlacek to the position of deputy comptroller of the currency at Tuesday. Monday evening's dinner was given by First National Bank & Trust Co., Minneapolis.

The news broke Monday and promptly promoted a round of farewell parties starting Monday evening with dinner at the Minneapolis Club attended by close to half a hundred senior bank officers of Twin Cities banks. Next Monday evening he will be honor guest at a farewell party staged by the Schnitzelbank Club. Everything had to be hurried because the Sedlaceks will drive to Washington to be on his new job Sept. 1. They plan to leave Tuesday.

Appointment of Mr. Sedlacek follows resignation of A. J. Mulrone to become vice president of the Federal Reserve Bank of Chicago.

Mr. Sedlacek was born at Spencer, Neb., Feb. 25, 1897, fresh out of high school he taught school in Nebraska and Montana, started his banking career with the old Farmers State Bank at Lambert, Mont., enlisted in the Rainbow Division July 25, 1917, went overseas that same year, returned late in March, 1919, worked that summer in the Bonesteel State Bank, Bonesteel, S. D., had to go to California in the fall for a rest cure because he was severely shot up in the war, early in 1920 joined the State Bank at Hinton, Iowa, on invitation of a Hinton banker he met in California, had to go back to a government hospital in St. Louis for many months, then went with First National Bank, Gregory, S. D., for a year until the bank closed, served the next two years as assistant receiver of that bank and several other trusts, in May, 1924, was invited to join the national force as assistant examiner, was commissioned an examiner Sept., 1927, then in Feb., 1932, was transferred to Washington to reorganize banks in receivership, Feb., '33, was transferred to San Francisco but while in Minneapolis enroute west the bank moratorium broke and, instead, he was ordered to Detroit where he served two months during the banking trouble there, in April was called back to Washington and made chief of the reorganization division in charge of the then 1,417 closed national banks, in June, '34, was transferred to San Francisco as trouble shooter working over a wide territory including Alaska, then was placed in charge of examining San Francisco banks, Jan. 1, 1939, was appointed chief examiner of the Ninth Fed-

eral Reserve district at Minneapolis but did not actually take office until late in March.

A. J. Mulrone was appointed deputy comptroller on July 6 of this year, had been in the comptroller's office since the bank holiday when he was called to Washington to serve in the newly formed reorganization division, later, in the capacity of assistant chief national bank examiner, was placed in charge of the preferred stock division. He began his banking career as an examiner for the State of Iowa, in 1928 received his commission as a national bank examiner, was assigned to a district which included parts of Michigan and Indiana, later accepted position as trust officer of a Chicago bank and remained there until he was made an officer in the credit department of one of Chicago's large banks. He was born at Mallard, Iowa, Aug. 14, 1897, was employed in a country bank two years before entering college, enrolled in the University of Iowa in Jan., 1919, two years later returned to banking for a year before entering the law college of University of Iowa, from which he received his LL.B. in 1924, was admitted to the Iowa bar that year.

★ ★ ★

**News Travels Fast**

News surely travels far and fast, especially if it is printed in Commercial West. Guy E. Dailey, vice president American National Bank, St. Paul, can attest to that. Remember the "Wrong Way Dailey" story published in Commercial West? Well, Mr. Dailey told a representative the latter part of this week that he had just

**Deputy Comptroller**



L. H. SEDLACEK



received a wire from a friend in San Juan, Porto Rico—A. J. King, manager Naco Fertilizer Co., there—that he had seen the article and, of course, kidding him about it somewhat. Mr. King is a former Hudson, Wis., resident and a schooldays friend of Mr. Dailey. "That's nothing, however," Mr. Dailey told Commercial West. "The day the story appeared in your publication I began getting telephone calls about it, and since then bankers dropping in from the country have been kidding me about it. That Commercial West of yours sure is read."

★ ★ ★

### First Bank Stock Dividend

First Bank Stock Corp. directors, meeting in Minneapolis Monday, voted to pay a dividend of 30 cents a share on Oct. 1 to stockholders of record Sept. 15. This will be the 33rd consecutive dividend paid by First Bank Stock.

At the same meeting Joseph H. Colman, partner in the Minneapolis law firm of Fletcher, Dorsey, Barker, Colman & Barber, was appointed a member of the board of directors.

\*

A regular monthly meeting of the board of directors of Northwest Bancorporation was held Thursday afternoon in the board room of Northwestern National Bank & Trust Co., Minneapolis. Action on dividend will not be taken by Banco until the October board meeting.

★ ★ ★

### Bank of America

Effective Sept. 1, the following promotions of Bank of America will go into effect, reports Pres. L. M. Giannini:

R. J. Barbieri, vice president and controller;

R. P. A. Everard, vice president and cashier;

A. Fenton, vice president and chairman operating committee;

E. A. Mattison, assistant to the president;

J. A. Purdy, vice president and vice chairman operating committee;

Frank F. Risso, vice president in charge of personnel relations;

Hugo A. Steinmeyer, secretary.

★ ★ ★

### Show Clicks Again

The annual "4-H and Vocational Agricultural Beef Calf Show" of the Citizens State Bank, Humeston, Iowa, again attracted large attendance and lots of interest last Saturday. Prizes were awarded to the extent of \$5 for first prize on each breed; \$3 for second prize; \$2 for third; \$1 for all others. Officers of the sponsoring bank are E. S. Williams, president; D. S. Moore, vice president; George R. Garton, cashier; H. L. Marks, assistant cashier.

(Continued on page 26)

# THIS AND THAT ABOUT BANKING *in*

## ATHENS of OLD

Since alphabetic letters, then used to denote figures, were limited in number, the bankers of ancient Greece computed their business by a primitive form of "adding machine." It was much like the abacus of China and Japan.



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BREEZY  
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Advertising Pays in  
COMMERCIAL  
WEST

## Bankers' Groups in Wealth Belt Drawing Strong Turnouts

(Continued from page 8)

for some reason or another, they didn't say why. Maybe because he knows how to do a darn good job of it, which he did.

Something different! When dancing started, the meeting had a new twist. One of the members in good standing, H. J. Litcher, assistant cashier Security State Bank, Lewiston, was right in the front row of the orchestra tooting a mean horn, a job he handles week-ends regularly.

If bankers think they bring a good-sized gathering around to their meeting, read here that the First National, Rushford, had 14 present, which included directors, wives, families.

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### At Redwood Falls

Nearly half-a-hundred members of Minnesota's Brown & Redwood Clearinghouse Association gathered at Hotel Ramsey, Redwood Falls, Friday night last week for annual meeting and election of officers, and also last, but far from least, a delicious steak dinner, sweet corn and all the trimmings'.

Although invitations were issued for 6:30, sidewalk sessions were held in front of the hotel from 5 o'clock on. Banker-members of the association together with Twin City guests discussed everything from amount of damage caused this year by wheat rust to effect of curb on installment buying.

Short and to-the-point talks on matters pertaining to banking were given by M. B. A. Pres. O. G. Jones and M. B. A. Sec. William Duncan, Jr. These were followed by the annual election of officers, as follows:

President—Jesse Olson, president State Bank of Redwood Falls.

Vice Pres—H. W. Smith, vice president First National Bank, Sleepy Eye.

Sec-Treas—A. E. Precht, assistant cashier Citizens State Bank, New Ulm.

Directors—Henry Anderson, Brown county, cashier State Bank of Hanska; W. D. Yaeger, cashier Sanborn State Bank, Sanborn, Redwood county.

Brown-Redwood pick-ups: E. L. Nippolt, cashier State Bank of Springfield, received many well-deserved compliments on his new western-type belt . . . Two young up-and-comers in banking business are G. W. Flaten and Lloyd Buss, both from Citizens State, Redwood Falls . . . A. E. Precht, newly elected secre-

tary-treasurer, got off to a head start on his new job by substituting at this meeting for Sec. N. V. Swanbeck, assistant cashier Farmers & Merchants State Bank, Springfield, who is on his vacation . . . A. F. Hassenstab, cashier Wabasso State Bank, Wabasso, was planning his vacation to include Shriners' convention at Winnipeg and also a few days at Remer, Minn.

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### At Green Lake

Golf for the men at the Willmar Golf Club and bridge for the ladies at Hultgren Lodge, Green Lake, were on the afternoon program last Saturday when Minnesota's Central Tri-County Clearinghouse Association got together for its annual meeting and election of officers.

The golf tourney proved to be a popular event. The course was in fine condition and there were many good scores turned in. George Odell, cashier Security National Bank, Willmar, won the prize for most 3s, Commissioner Amundson for the most 4s. C. C. Reiger, Jamieson & Co., captured the blind bogie prize.

Over 120 appetites were well whetted for and satisfied with the fine fried chicken dinner that was served at Fredolf Hultgren's lodge. Shop talks were given by M. B. A. Pres. O. G. Jones and M. B. A. Sec. William Duncan, Jr., after which officers were elected as follows:

President—W. E. Berglund, cashier State Bank of Pennock.

Vice Pres—A. R. Quast, cashier Citizens State Bank, Fairfax.

Sec-Treas—R. S. Schmid, cashier State Bank of Eden Valley.

Directors—J. A. Herzog, assistant cashier State Bank of Bird Island (Renville county); William Nagel, cashier Home State Bank, Kandiyohi (Kandiyohi); R. E. Simms, cashier Farmers State Bank, Darwin (Meeker county).

Central Tri-County cut-offs: Discussing their faults on the 19th hole one of the boys said his main trouble was standing too close to the ball after he hit it . . . Association Pres. A. E. Pfiffner, president State Bank of Litchfield, received many loud and flowery compliments on his new tie . . . Speaking of flowers, F. W. Conrad was wearing one of his own home grown bachelor buttons . . . Fried Chicken Eater Extraordinary: Norm

Tallakson, vice president Bank of Willmar.

★ ★ ★

### At Spirit Lake

Ralph Bunce, Iowa's deputy superintendent of banks, and B. A. Gronstal, president Council Bluffs Savings Bank, Council Bluffs, new member of the state banking board, were chief speakers at the recent quarterly meeting of Iowa's Four-County Bankers Association, at Spirit Lake. Attendance was "fine," say association officials. The quartet of counties concerned is made up of Dickinson, Clay, Emmet and Palo Alto.

## TABs

You've heard that one about, "How much wood could a woodchopper chop," etc? Well, we heard a new version of it the other day down at the Le Sueur, Minn., plant of Minnesota Valley Canning Co. A couple of girl workers were whiling away a few minutes of a rest period. One of them said, "How much corn would a corn canner can if an especially good corn canner could can corn?" The other one replied, "If a corn canner can can corn he could can as much corn as a good corn canner could can." Pretty good, even if a bit corny, we thought. And then the first girl said, "That's the kind of good corn we can when we can can corn at the Minnesota Valley corn canning cannery." Don't try to say any of it fast.

B. M. Harris, president Yellowstone Bank, Columbus, Mont., has been designated chairman of the Defense savings executive committee for Stillwater county by William H. Bartley, Montana administrator of the Defense savings staff, U. S. Treasury Department.

Heard in Washington: Treasury Secretary Morgenthau is said to have told Senator Carter A. Glass he is no longer interested in bank holding company legislation nor in a tax on bank checks.

Twin City advertising agencies received this week from leading national circulation magazines of the country instructions that advertising rates will not be guaranteed for periods of longer than three months. Increasing costs of labor and materials are forcing publications to increase their rates and, at the present pace of increasing costs, it is not practicable to fix rates for longer than the three months' periods.

Because of large receipts of wheat in the Minneapolis market this week elevator operators, Chamber of Commerce officials and shipping interests were holding daily meetings checking the situa-

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## Commercial West Advertising Pays

tion and planning to avoid if possible a tighter or, possibly, a complete embargo on shipments of wheat to markets here and at the Head of the Lakes. If conditions grow more difficult it may be necessary for the Northwest committee considering the matter, of which E. J. Grimes, vice president of Cargill, Inc., Minneapolis, is chairman, to hold a special meeting to take action in the matter.

Annual income of the average office building has declined 35 per cent in the last 10 years while operating costs have shrunk only 13½ per cent, reveals data just compiled by the Mortgage Bankers Association of America.

A study just completed by the Greater North Dakota Association shows that value of the state's livestock industry is expected this year to reach a total of \$125,000,000 compared with \$88,000,000 in 1939.

Uncle Sam has come to the Northwest for another official. He is Addison H. Douglass, Minneapolis, who has just been appointed director of public works reserve for this section. His office will be in St. Paul and his job will be to cushion the nation's transition (when and if) from the defense program into normal conditions.

American Artstone Co., with factory and main office at New Ulm, has opened a Twin City office and display room in the National building, Minneapolis, with Warren L. Hullinger in charge.

In its Aug. 16 trade letter Archer-Daniels-Midland Co. says: Provisions for a loan on flax have been agreed to by the Department of Agriculture. The loan is to be available both on farms and on terminal warehouse stored flax, and the rate has been set at \$1.85 a bushel at Minneapolis which would be \$1.70 a bushel on the farm.

Every major railroad in the U. S. has arranged systematic payroll allotment plans for purchase by their employes of defense savings bonds and stamps.

Coal buyers of the Northwest are being urged to lay in their season's supply of fuel as early as possible because of diversion of transportation facilities to defense program needs. Early filling of bins and fuel oil tanks will relieve roads of a heavy burden later this fall when they will be busy moving grain and defense materials.

Paul Andros Brooks, vice president Brooks-Scanlon Lumber Co., Minneapolis, died Wednesday at Northwestern Hospital. He had apparently recovered from a major operation performed in the East about two months ago, but was taken ill again a few days ago. Mr. Brooks was a son of Anson S. Brooks, pioneer lumberman of this section.

**JOE BEDORE ON JOB AGAIN**

**Hard Rock Men of Ol' Osseo  
Plenty Tough Steel Gang**



JOE, HIMSELF

Osseo, Minsote,  
22 de August,  
1941.

Dear M'sieu  
West:

De wedder be nice an' cool now, so I'm got som' h'a p p e t i e for wrote an' told you de beeg news of Osseo.

E v'ry t'ing boom in O!

Osseo. De petak he go 'bout 400 bushel to de arpent an' de habitant got beeg smile.

Jeem Hill relroad put new steel on hee's relroad. H'it reminie me de las' tam dey put steel. Course dat be long tam behine. But I'm bet I'm tak dat ol' steel gang an' stop Hitler anytam. Sapree toryeau, dey be tough.

Dat's how Joe Talbot, Pete LeFleur an' Francois LeBleu com' to Osseo.

Dey be in Minneaplees an' was look som' sine on de employment agency w'at say: "Ship tonight—hard rock men wanted."

Dey be yong fellers an' was took quite a few drink before dey go West. W'en de train stop in Osseo, Pete say, Gosh, look here! dey got de steel gang. So dey jomp de train and work wit' steel gang, an' be yere ever since.

(Talbot say dat be de tam w'en you got your clothes in common gunny sack, you can tell anyone be awful poor; but if you got your bes' suit in Amoskeag grain sack, you be pret well off.)

W'en dey tak bath on Sunday, dey was stand under de water tank an' som'buddy pull de chain. Bon Dieu, you damn neer git drown.

Dey sleep in bunk in box car. If you don' watch out you git beeg sliver in your foot. Dem floor don' be smooth. You watch close an' you see dem pick de "grayback" off der Sunday suit. Dey t'row Mr. Grayback on de floor and step on heem good an' w'en dey swore, dey swore blue.

Jerry Mooney, de beeg H'Irish boss, say de work got move faster. Dey got wan bunch dey call de "wops." But dey be de "Sicyleanoes" Holy Macrow, M'sieu Wes' look out for dem.

Dey got no belt or suspender for hold

up de pants; but beeg sash wound 'roun, w'at pret neer hang to de groun'. Prengard! Dey kip one beeg knife in dat sash.

We got wan ongineer in Osseo. Hee's name be Henri Sampson. Dey call heem "Strong Man Sampson." Mooney complain dose Wop don' move fas' enuf. W'en dey git on track wit' hand car, dey don' care 'bout de beeg gravel train w'at com' an' mak it go ver' slow.

Sampson say: "Geev me dat train. Nex morning O' Henry steam up. Hee's ring dose whisle an' blow dose bell. Two long—two short. Sapree Toryeau! Holy Macrow! Dose Wop jomp dose ditch. W'en Sampson struck, de h'air be full of Wop, dinner pail, hand car an' shovel. Afer dat dey say: "Prengard! Here comes Sampson. Henri say dey want mak' no Pope out dem.

Wan night Pete LeFleur got few drink on Joe Paul's s'loon an' he meet wan dose Wops. He was drop rail on Pete's foot in de morning. Pete geev good strike to heem, w'en de Sicyleano pull hee's beeg



knife. But before he knew it he be on de floor. Pete geev heem de French flip."

De steel gang today don' compare wit' de Ol' Steel Gang w'at be in Osseo long tam ago.

Pete, Joe an' Francois all mak' de marry wit' nice Canayen girl an' leeve in Osseo ev'r since.

I'm see Pete de odder day an' hee's say: "I'm nevair fo'get dat sign: "Ship tonight—hardrock men wanted."

Ev'rybody in Osseo be so busy, can't 'ardly speet.

More nouvelle de nex tam.

Wit' bes' regard, aurevoir,

—JOE BEDORE

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## **STOCKS & BONDS . . .**

# **AHEAD OF THE MARKET**

*With* **WALL STREETER**

**W**HEN Germany, after the first World War, attempted to solve her economic problems by printing paper money it should have been easy to see the direct connection between cause and effect. Increasing volume of money pushed prices higher, which required more money, which pushed prices still higher, until the money became worthless. Despite the obvious sham of offering paper for goods, the common people of Germany believed almost to the end that the basic trouble was still "not enough money." Over here business men and investors lost hundreds of millions buying what became worthless Germany paper money.

People have an abiding confidence in established institutions. A money that was good is good until proven worthless.

In this country bank credit takes the place of money, business being conducted almost entirely with bank checks, either directly or in payment of "charge" or open accounts.

The first step toward uncontrollable inflation, and the destruction of the monetary system with paper money, is to make the paper money inconvertible; refuse the holder the right of conversion into metallic money of a fixed weight and fineness. The right to convert into metallic money of a set value places physical limitations to the upper limits of paper money issuance; it is physically impossible to make the paper money worthless, or greatly decrease its buying power, so long as convertibility into real money exists.

In this country we took that "first step" in 1933-34 when we went "off the gold standard." Since then, no matter how much or how little one has of paper money, bank deposits, savings, insurance or bonds, one can only get paper money for them. What effect will that have upon a country which does business not with money, but with bank credit? It removes the upper limits to the volume of bank credit which may be created.

In either case an economic dictator must be set up to take the place of the

gold standard. He determines how much money shall be available, and thus determines prices and business activity. His judgment of economic needs, his humanitarian instincts, his desire to experiment and political expediency take the place of the toil and sweat of gold production, the output of goods, the play of free markets, the self interest of producer, consumer, business man and banker.

Since each individual's economic well-being is determined by his own ability to get money, he uses all his pressure upon the economic dictator to increase the total volume of money so that his chances of getting some are improved. That is why every country, since history began, has ended with worthless paper money under economic dictatorship, unless the dictator has an army and firing squad to help "control" prices.

Organized labor and organized farmers believe they are benefiting themselves and the country by putting on the pressure for higher wages and better farm prices. Already, the President dare not disregard their demands and Congress is willingly cooperating with them. The President warns of the danger of inflation and asks for a bill to control it. Congress complies with a bill raising farm prices and denying him power to control wages and installment buying. The President declares a state of all-out emergency exists, the people's representatives by a vote of 404 to 401 extend the service period of soldiers 18 months and raise their pay almost 50 per cent. And why should not soldiers be well paid along with workers and farmers? If one man can create the money why not extend it to all?

Theoretically, one man or a group could put out just the right amount of paper money, if he or they were wise enough and there existed no political pressure, to lubricate a nation's economy to just the proper degree. So, too, could he or they create just the proper amount of bank credit to prime the pump just right. But no man or group of men wise enough have ever been found, and "con-

trolled" money in a democracy will be as feasible as controlled heat in a prairie fire.

The degree of and the progress toward uncontrollable inflation may be measured by the federal deficits and the quantity of government bonds held by our commercial banks. The federal debt is now 50 billions at the beginning of this war compared with 26 billions at the end of the last war. The deficit will be 10 billions for this fiscal year compared with 6 billions last year. Last year our commercial banks held 16 billions of governments. That represents pure inflation, is as inflationary as paper money and is what has been priming the pump for New Deal prosperity. The amount of bonds taken by the banks in the first five months of this year was greater than for all of last year.

We are already at the stage where more money means higher prices and the people are demanding and getting more money to meet the higher prices and thus are pushing the prices still higher.

A continuation of that process is as certain under our present "managed" economy as a smash was inevitable in 1929.

\*

### **THE RAILROADS**

The railroads knit this vast continent into the most progressive nation, with the highest standard of living, the world has ever seen. This basic transportation rightly enjoyed security and prosperity for many years. For the last 20 years ever-increasing taxes and wages, lower rates, and government aid to competitors such as highways, waterways and airways has made it tough for transportation. Despite this some systems like the Pennsylvania, Union Pacific, Chesapeake & Ohio and Norfolk & Western have been able to maintain splendid dividends. Others like the Great Northern, Northern Pacific, Southern Pacific and New York Central have maintained regular interest payments on their bonds.

From 1929 to 1933 the national income fell from 85 billions to 37 billions and the volume of freight and passenger business

fell disastrously forcing many companies into receivership. The period from 1933 to 1939 was marked by the New Deal fostering the lighter consumer goods industries, while the heavy industries lagged. Since 1939, the war and armament program have spurred activity in the heavy industries and rail loadings and earnings have immediately responded. Our need to continue a large army, two navies and a great air force will insure activity in the heavy industries and good rail traffic. Inflationary tendencies encourage free spending, a high national income and good traffic. A top to the bond market and heavy governmental debt will tend to limit spending and subsidies and make rail competitors stand on their own legs. All interstate transportation under control of the I. C. C. will insure more uniform treatment and lessen the competitive advances of trucks, boats and planes.

Reflecting the better earnings, railroad stocks and bonds enjoyed a fair rise from January to June. Since then the wage demands and peace proposals have caused some decline and dullness. From here until October the rails will experience a fine rise in traffic and earnings. The wage increase will be moderate and rail securities should experience another advance, some of them should double their current prices.

The dividend payers are excellent investments: Pennsylvania Railroad which has paid for 97 consecutive years, now sells at 23½ is paying \$2 and yield 8½ per cent. Union Pacific at 81½, paying \$6 to yield 7½ per cent, is a good investment. Great Northern, Southern Pacific, Nickle Plate pfd., Southern Railway pfd., Northern Pacific, New York Central and Atlantic Coast Line are excellent speculations, some of which should

double in price before the end of this year.

On the basis of assets and earnings per dollar of market price nothing equals the defaulted rail bonds and this writer believes that more money can be made with less risk in these issues than anywhere else. For example:

St. Louis, San Francisco 4½'s/'78 are selling at 15 or \$150 per \$1,000 bond. Under the reorganization plan, each bond is to receive \$169 of new first mortgage bonds, plus other securities. There will be so few of these new first mortgage bonds outstanding that they should be among the safest investments in the world and soon worth par. Each bond also receives \$122 in new 4½ per cent income bonds, 1.95 shares of \$5 pfd. and 3.4 shares of common. It would only require a price of 40 for the new income bonds, 30 for the new pfd. and 15 for the new common to equal \$158 for these miscellaneous securities. That would give the current buyer all his money back and give him \$169 of first mortgage bonds, which should be able to pay their interest until the end of time, for nothing. Where is there a better place to put part of your money in a world of war, debt and inflation?

Look at Chicago, Milwaukee & St. Paul 5's/'75 selling at 11. Including this bond, but not the income 5's/2000, this railroad has a funded debt of fixed charges of only \$27,700 per mile. That includes right-of-way, terminals equipment and \$23,000,000 of cash. It costs \$40,000 per mile to lay simple two-lane concrete highways, without the land or anything else. But these St. Paul 5's/'75 are only selling for 11, and a midwestern railroad in normal times can support \$50,000 to \$60,000 per mile of capitalization. If the St. Paul 5's/'75 only paid 2 per cent instead of 5 per cent, it would be a return of almost 20 per cent on your investment. If conditions in the U. S. A. are going to be such that the Milwaukee cannot earn and pay 2 per cent on this bond over the next 20 years we may as well buy Russian Rubles for our old age.

The last time the Chicago Rock Island had present traffic, its common stock sold at 140 and paid \$8 in dividends. But the railroad, physically, was not nearly as good a property as it is today. Now, you can buy a thousand dollar bond, the 4½'s/'60, for \$20. For the first six months of this year the Rock Island earned all its bond interest had had \$1,100,000 left for its stock. This bond is selling for less than half of this year's earnings! If the Rock Island only paid you one-ninth of the regular rate, ½ per cent instead of 4½ per cent, that would be a return of 25 per cent a year on the current market price. It would seem a

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# Northwest Stocks

## Minneapolis-St. Paul Stock Exchange

August 21

	Bid	Asked
First Bank Stock.....	11 1/8	11 1/4
N W Banco.....	11 7/8	12
Mpls Brewing.....	4 1/2	4 7/8
Minn Min & Mfg.....	49 1/2	51
W H Barber com.....	14	17
Brandtjen .....	No Trade	
Diamond Iron Works.....	8	10
Emporium pfd.....	1	
Emporium com.....	2c	
T C Rapid Trans com.....		

## Twin City Bond Traders Club

August 21

	Bid	Asked
Bank Shares A.....	12 1/2	
Bank Shares B.....	1	
Bur of Engrav 8 pfd.....	8	
Bur of Engrav com.....	2	
Filbert Corp .....	17.25	
Flour City Orn Iron com.....	4 3/4	5 1/2
Franklin Coop Cry com.....	35	
Gamble-Robinson 1st pfd.....	52	
Gam-Skogmo 7 pfd.....	105	
Gam-Skogmo com.....	57	
Griggs Cooper 7 pfd.....	94	98
Investors Synd com class A.....	2 1/2	3 1/2
Lavoris com.....	45	
Marshall-Wells 6 pfd.....	49	
Mid-Continent Airlines com.....		
Mpls Gas Light 6 pfd.....	104XD	
Mpls Gas Light 5 1/2 pfd.....	106XD	
Mpls Gas Light 5.10 pfd.....	101 1/2 XD	
Mpls Gas Light 5 pfd.....	100XD	
Mpls Gas Light units.....	98	
Minnesota & Ontario Paper com.....		
Minn Pwr & Lt 7 pfd.....	88	92
Minn Pwr & Lt 6 pfd.....	82 1/2	86 1/2
Minn Valley Can 5 pfd.....	102	
Minn Valley Can com.....	29	
Minn Valley Can tr cfts.....	4	
Mont-Dak Util 6 pfd.....	96	100
Mont-Dak Util 5 pfd.....	90	95
Mont-Dak Util com.....	9 1/2	11 1/4
Natl Battery vot com.....	35	38
Natl Battery com (non-vot).....	30	
Natl Pole & Treat com.....	4	5 1/2
New Eng Furn units.....	12	
Nicollet Hotel 1st pfd.....	4	5 1/2
Nor Sts Pwr (Del) 7 pfd.....	68 3/4	73 3/4
Nor Sts Pwr (Del) 6 pfd.....	63	68
Nor Grey Lines \$6.50 pfd.....	108	
Nor Grey Lines com.....	27	
N W Fire & Mar com.....	23 1/2	26
N W Natl Life Ins com.....	9	10 1/2
N W Pub Serv 7 pfd.....	90	94
N W Pub Serv 6 pfd.....	86	91
Otter Tail Pwr \$4.50 pfd.....	102	
Otter Tail spec com.....	140	
Pioneer Grav & Eq pfd.....	33	
Pioneer Grav & Eq com.....	2	
Russ-Mill Mill pfd.....	102	
Russ-Mill Mill com.....	68	
St P Fire & Mar com.....	256	266
St P Union Stkyds com.....	23	26
Title Ins com.....	52	
Toro Mfg Co com.....	5	
Truax Traer Coal Co 5 1/2 pfd.....	75	
Twin City Fire Ins com.....	17	
Union Pub Ser 7 pfd.....		
Union Pub Ser. 6 pfd.....		
Weyerhaeuser Timber Co com.....	36	38

certainty that these various defaulted rail bonds will be worth, some day, from two to 10 times their current prices. Be sure to have some of them. If there isn't going to be enough business in the United States for these systems to pay at least part of their interest, how can anything else be any good?

★ ★ ★

## Along Financial Row

Commercial West is able this week to make a definite statement concerning rumors on the Street that Northern States Power Co. was making preliminary study of a \$100,000,000 financing program to be launched after the first of the year. No such financing is in prospect, state executives of the company, although there had been considerable talk of such procedure, which emanated from New York City.

Wells-Dickey Co. was getting along a bit shorthanded this week, what with Vice President R. J. Stallman and Sales Manager T. A. Roden on vacations . . . Minneapolis office of Kalman & Co. had been operating without Paul Doelz, its manager and company vice president, who returned Monday from a couple of weeks spent at his summer home on Gull Lake.

Add what happens when business picks up: The U. S. Mint jumped to an all-time high for its fiscal year ended June 30 in production of coins with total pieces numbering 1,770,021,507, which compares with 803,785,830 last year and 303,753,460 in 1939. Value of the current year's coinage was \$74,987,420, while that of 1940 was \$39,994,684 and for '39, \$15,538,373. Change-making nickels and pennies comprised the largest numbers of pieces—1,001,445,372 pennies and 315,228,278 nickels.

★ ★ ★

## Buy Partners' Interests

An important change was effected this week in the partnership of Juran, Moody & Rice, St. Paul investment house specializing in municipals. Messrs. Rudolph S. Juran and Harold W. Moody, senior partners, purchased the interests of Harry C. Rice, W. W. Lewis and W. J. Lau, and the firm name was changed to Juran & Moody, who now are sole owners. Ralph Webber, who has been with the firm since last spring, was advanced to sales manager in charge of country salesmen, and also placed in charge of dealer contact. Mr. Webber has been in the investment business in the Twin Cities about 20 years, formerly was with Piper, Jaffray & Hopwood and Paine, Webber & Co., has specialized in sales in Northwestern Minnesota territory.

## Cleveland Speaker



EMMETT F. CONNELLY

will discuss "Public Relations of the I. B. A." at the Financial Advertisers Association's Cleveland convention, Sept. 8-11 (C. W., Aug. 16). Mr. Connelly, president Investment Bankers Association of America, hails from Detroit.

## Municipal Financing

### Minnesota

Luverne—Awarded—\$65,000 refunding bonds to Kalman & Company, Minneapolis at 2 1/2 p.c. and a premium.

Minneapolis — Awarded — \$270,000 City of Minneapolis refunding bonds to Phelps Fenn Company, New York, and associates. Interest 1.4 p.c.

Minneapolis — Awarded — \$750,000 relief and \$595,000 permanent improvement bonds of the City of Minneapolis to Phelps Fenn Company and associates. Interest 1.6 p.c.

Moorhead — Authorized — \$25,000 improvement fund bonds by resolution of city council.

Shakopee — Awarded — \$16,000 school building improvement bonds to Park-Shaughnessy & Co., St. Paul. Interest 1 1/2 p.c., premium \$185.

Walker—Awarded—\$100,000 refunding bonds of Cass County, to Piper, Jaffray & Hopwood, Minneapolis, and Kalman & Company, St. Paul. Interest 3 p.c.

### North Dakota

Sharon — Election — \$21,000 Sharon School District refunding.

### South Dakota

Huron—Awarded—\$34,000 sewage disposal plant bonds to E. J. Prescott & Co.,



## Calendar of Bond Sales

### Monday, Aug. 25

Edina, Minn.—At 8 p. m., \$24,000 water main improvement No. 1 certificates of indebtedness. Denominations \$2,000 and \$3,000 each.

### Tuesday, Aug. 26

Caledonia, Minn.—At 8 p. m., \$115,000 school building bonds for Independent School District No. 42.

Helena, Mont.—At 10 a. m., \$500,000 bonds to finance construction of new buildings at state insane asylum.

### Friday, Aug. 29

Albany, Minn.—At 8 p. m., \$25,000 negotiable bonds. Cc. \$500.

### Tuesday, September 2

Farmington, Minn.—At 9:00 p. m., \$4,740 Improvement Warrants. Interest 4 p.c.

### Tuesday, September 9

Flaxton, N. D.—At 2:00 p. m., \$4,000 negotiable funding bonds. Interest 3 p.c. Cc. \$200.

Minneapolis. Interest 1 and 1¼ p.c., premium \$25.00.

Huron—Awarded—Sand Creek School District \$45,000 refunding bonds to Northwest Municipal Association, acting for the bondholders.

Winner — Awarded — \$250,000 Tripp County refunding bonds to permanent school fund. Interest 2 p.c.

### Wisconsin

Shullsburg—Election—\$11,500 building bonds for School District No. 6. Carried.

## Join Bigelow-Webb

William W. Lewis, Harry C. Rice and William J. Lau this week joined the staff of the Minneapolis investment house of Bigelow-Webb, Inc. Up to a few days ago they had been connected with Juran, Moody & Rice, St. Paul. Addition of Messrs. Lewis and Lau will amplify the municipals department of Bigelow-Webb, with Mr. Lewis as department manager and Mr. Lau as his associate. Mr. Rice becomes a member of the sales department. Messrs. Lewis and Lau are recognized as long-experienced in the field of municipal bonds, having been with Kalman & Co., St. Paul, prior to joining the St. Paul firm in 1939. Mr. Rice is an investment man of many years' experience, formerly with Bigelow-Webb, and well and favorably known to investors of the Northwest.

WE WISH TO ANNOUNCE THE FIRM OF

## JURAN & MOODY

HAS SUCCEEDED THE FIRM OF

## JURAN, MOODY & RICE

GROUND FLOOR  
MINNESOTA MUTUAL LIFE BLDG.  
SAINT PAUL, MINN.

RUDOLPH S. JURAN

HAROLD W. MOODY

Established 1885

## H. C. SPEER & SONS CO.

### MUNICIPAL, COUNTY AND SCHOOL BONDS

135 So. LaSalle St.

Chicago

## KALMAN & COMPANY

MINNEAPOLIS  
McKNIGHT BUILDING  
ATLANTIC 5313

Investment  
Securities

ST. PAUL  
ENDICOTT BUILDING  
GARFIELD 3307

**WHEAT**  
and Other Grains  
By the  
Truck-Load  
Car-Load  
Boat-Load  
Any Where  
Any Time

COAST TO COAST GRAIN SERVICE

**CARGILL**  
Incorporated

Minneapolis and All Principal Markets  
For Crop News, Read the Cargill Crop Bulletin

## Commercial West Advertising Pays

Announcing that—

**WILLIAM W. LEWIS**  
Manager Municipal Department

**WILLIAM J. LAU**  
Municipal Department

**HARRY C. RICE**  
Sales Department

Are Now Associated With Us

## BIGELOW-WEBB, Inc.

First National-Soo Line Building

Minneapolis



## Residence Burglary Insurance

### Insures

**CLOTHING**, personal effects, household goods, furnishings, fixtures and appliances.

**JEWELRY**, silverware and furs.

**ALL DAMAGES** to your home including vandalism or malicious mischief, caused by burglars, except fire.

**ALL PROPERTY** stolen from safe deposit boxes, or public warehouses.

**PAYS FOR** articles stolen from porches, storerooms, basements, laundries, garages, stables and yards up to \$100.00.

**INCLUDES** protection for your guests and servants. Provides 10-day Automatic Coverage at new location, when moving.

#### PRIVATE RESIDENCES AND TWO-FAMILY HOUSES (Rate per \$1,000 of Coverage)

Territory	Divided Coverage	100% Blanket	\$100 Limit Blanket	Special \$500 Blanket Policy
4	\$8.50	\$12.75	\$8.50	\$7.50
APARTMENTS AND FLATS				
4	\$10.50	\$15.75	\$10.50	\$7.50

**DIVIDED COVERAGE**—Section (a) covers jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones, articles of gold, platinum, sterling silver and furs. Section (b) covers household goods, personal property, plumbing, heating, refrigerating, electric, gas and water fixtures and equipment, also \$100 on stamp and coin collections and \$50 on money and securities.

**FULL BLANKET**—Combines Sections (a) and (b) of the Divided Form.

**LIMITED BLANKET**—Combines Sections (a) and (b) of the Divided Form, but not more than \$100 of insurance per article is applicable to Section (a) property.

**OPTIONAL COVERAGE**—Theft outside premises—in temporary residences (hotels, etc.), public conveyances, purse-snatching, pocket-picking, hold-up, etc.

#### RATES

Territory	\$500 Policy	\$1,000 Policy
4	\$2.00	\$3.40

All Policies written for three years at two and one-half times the annual premium if paid in advance or two and one-half times the annual premium plus 5% if paid in installments of 50%, 30% and 20% for the first, second and third years respectively.

## BANKS AND BANKERS

(Continued from page 17)

### Heads ABA Credit Council

John Burgess, vice president Northwestern National Bank & Trust Co., Minneapolis, has been appointed acting chairman of the Credit Council of the American Bankers Association. He succeeds Kenton R. Cravens, Cleveland, who resigned after having been drafted by the Federal Reserve Board as consultant in its securities division. Mr. Burgess has been Northwest member of the Credit Council and very active in promotion of installment credit control through addresses at bankers' meetings and in articles in Commercial West and other publications. This work will be largely expanded when final regulations for installment credit are issued by the Federal Reserve Board, now expected to be made effective about Sept. 1.

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### Phenomenal Expansion of an Idea

The Alfred D. McKelvy Co., Minneapolis, manufacturer of men's toiletries under the trade name of Seaforth, has been sold to the \$60,000,000 Vick Chemical Co. Mr. McKelvy will continue as president. Headquarters will remain in Minneapolis and McKelvy Co. has become a Vick operating affiliate.

Phenomenal rise of this business is exceptional in modern merchandising. Mr. McKelvy came to the Minneapolis office of Batten, Barton, Durstine & Osborn as account executive for the Cream of Wheat Co. following several years of script writing on the West Coast for the agency's large oil accounts.

Developing his formulas at home in the kitchen, including new ideas in packaging, Mr. McKelvy left the agency and went into production. First shipments were made in October 1939, Marshall Field being the first customer. In 1940 he won first prize in the All-America package competition.

The products are sold now in 17 foreign countries. In addition to the Minneapolis plant, factories are located in Los Angeles and Mexico City, with a plant to be opened in Canada before Nov. 1.

About \$100,000 will be spent in advertising this fall, including full pages in four colors in national magazines, placed by B.B.D. & O.

**INSURANCE . . .****Flash! Committee Heads Named  
by Mpls. Life Underwriters**

News While It Is News . . . News in the Making . . . Tomorrow's Headlines Today . . . Scoop!

These stand-by phrases were met and surpassed by Commercial West Wednesday afternoon when one of its representatives sat in the office of Ellis J. Sherman, new president of the Minneapolis Life Underwriters Association, while he named new executive committee and chairmen of other committees.

So, in this column now you are privileged to read "This Year's Headlines Today," a year that promises to be a record breaker both in agent interest and association objective accomplishment.

Here, hot off the griddle, are the appointees:

Executive—W. W. Scott, chairman, William Leighton, A. B. Duellman, Paul Lathaw, J. Walker Godwin, Louis Gross and Paul K. Adams.

Woman's—Meta C. Toker.

Membership—F. J. Osander.

Attendance—Carl A. Ernst.

Program—Harold R. Kaufmann.

Leaders Round Table—Paul Dobson.

Legislative—G. A. Sprecht.

Public Relations—M. C. Laughman.

National Committeeman—Paul Dunnavan.

State Committeeman—M. C. Laughman.

Minneapolis Association's first fall meeting will be held Sept. 11, just three days before the annual convention of the National Association of Life Underwriters at Cincinnati, Sept. 15-19. More than 50 insurance men of the Twin Cities are expected to attend, determined to bring home the 1942 national convention.

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**Provident Life Convention**

A satisfactory gain of 21 per cent in new paid-for business for the first six months of the year and an increase of 8.7 per cent in total insurance in force was reported by F. L. Conklin, vice president Provident Life Insurance Co., at the opening session of their three-day silver anniversary agency convention at Breezy Point Lodge last week.

Leading producers and agency managers from Northwest states in which the company operates were in attend-

ance. The business part of the convention program was in charge of Joseph Dickman, manager of agencies, with E. R. Thurman, general agent New England Mutual Life and former president Life Underwriters Association of Chicago, as guest speaker.

The business sessions were confined to the mornings, leaving the afternoons and evenings free for entertainment.

A delegation from the home office staff attended as well as the wives of many of the agents. The convention closed Wednesday night with a banquet at which Dr. Hugo Kosloff, "noted Russian surgeon and statesman," was the after-dinner speaker.

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**Tax on Mutuals Studied**

In Washington the Senate finance committee agreed Wednesday that after disposing of the pending \$3,236,700,000 tax bill it would consider proposals for taxing mutual casualty and surety companies.

Ray Murphy, assistant general manager Association of Casualty and Surety Executives, New York, told the committee that capital stock casualty, fire and surety companies were required to pay the same tax rates as corporations in other fields, whereas the mutual companies "almost completely escape payment of federal income taxes."

Mr. Murphy recommended that small mutual companies be exempted by granting a \$100,000 credit against income.

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**Mrs. Helm Passes**

Mrs. Nellie A. Helm, mother of Clyde Helm, secretary Minnesota Insurance Federation, and one of Minnesota's pioneers, passed away at the home of her son, Merritt Helm, at Tower, Minn., on Sunday.

Mrs. Helm was born in New Hampshire 88 years ago. At the age of three she came to Minnesota, then a territory. She was an honorary member of Minnesota's Territorial Pioneers.

**A HOUSEHOLD INVENTORY**

is an extremely helpful reference in the adjustment of a fire loss on personal property.

Our Agent in your community will be glad to furnish you with a booklet for preparing such an inventory on request.

**PHILADELPHIA FIRE AND  
MARINE INSURANCE  
COMPANY**

OF PHILADELPHIA, PENNSYLVANIA

"One of the North America Companies"

Philadelphia Fire & Marine Insurance Company and the Indemnity Insurance Company of North America write practically every form of insurance except life.

**MINNEAPOLIS SERVICE OFFICE**

1029-1034 Plymouth Building  
Minneapolis, Minnesota  
Telephone Geneva 6625

**Queen City**  
FIRE INSURANCE CO.  
SIOUX FALLS, S.D.

*Thirty-Six Years  
of Unexcelled Service*

**QUEEN CITY  
FIRE INSURANCE CO.**


DENNY P. LEMEN, President  
and  
General Agent

**HARTFORD ACCIDENT  
& INDEMNITY CO.**

**Twenty-seven years of  
successful**

**AUTOMOBILE  
INSURANCE  
UNDERWRITING**

*A truly MINNESOTA Company  
with a speedy, Nation-Wide  
Claim Service*

*Underwriters at*  *of Minneapolis*

**HOME OFFICE  
McKnight Building**

**Minneapolis                      Minnesota**

## **Insurance Riders**

Well represented at Rochester's Insurance Clinic, Sept. 11-13, will be St. Paul Insurance Women. Sally Curran, U. S. F. & G., and Fern Harrington, Hannaford-O'Brien, are planning to attend. Miss Curran is scheduled to speak.

"Got lonesome, so came in to visit around with some of the boys," said Frank Yetka, former Minnesota insurance commissioner, in town Tuesday from Forest Lake where he is spending the summer "doing what I've always wanted to do."

George Maxwell's address for the next six weeks will be Hotel New Yorker. He is attending an intensive training session of the Home Insurance Co.

William Clark, Fire Underwriters Inspection Bureau, will probably get his fill of duck and pheasant hunting this year. He's going to try to fill the old duffle bag in Minnesota and is buying a South Dakota license "just in case."

Blue Goose golf tournament will be held Monday, Sept. 8, at Golden Valley Golf Club. It's an all-day affair with the main event in the afternoon. It's being

described as a "warm up for the Rochester agents' meeting."

A special meeting of National Association of Insurance Agents' advisory committee to Business Development Office was held Monday in New York. Meeting with the committee were officers of Business Development Office including Director Milton W. Mays; Assistant Director Fred W. Westervelt, Jr. and Assistant Director H. Pierce North.

Although fatter and fatter pay checks give the average American family an ever-widening margin of "prosperity-money" the same family may see its expenses climb in an accelerating tempo from here on, according to current family buying power study by Northwestern National Life Insurance Co.

Shay Insurance Agency, Minneapolis, held a two-day conference at Hotel Nicolet this week with more than 100 in attendance.

Annual meeting of National Association of Insurance Agents, Kansas City, Oct. 13-17, will be recorded in sound film from start to finish. This is a new and unprecedented feature.

Milton W. Mays, director of Business Development Office, New York, is scheduled to speak at Sept. 16 meeting of St. Paul Insurance Women.

Based upon 69 companies' experience the average size of life insurance policies sold in Minnesota during the first six months of 1941 was \$1,848 compared to \$1,801 for the same period in 1940. This according to monthly survey of ordinary life insurance sales in United States, a Research Bureau Service.

★ **Average Yearly Increase in  
Premium Writings Last 3 Years 36%**

**NORTH AMERICAN LIFE  
and CASUALTY COMPANY**

MINNEAPOLIS "Since 1896" MINNESOTA  
Life — Accident — Health — Hospitalization

**SINCE 1891**

FIRE . . . CASUALTY . . . LIFE

*"The House of Insurance"*

**FRED L. GRAY COMPANY**

816 Second Ave. So.                      Minneapolis

**COUNSELORS TO BANKS  
INSURANCE**

**BLANKET BONDS**  
One Policy covering Fidelity, Burglary, Robbery, Messenger, Forgery, and other important coverages.

SAFE DEPOSIT . . . REGISTERED  
MAIL . . . ALL OTHER LINES

*Inquiries Invited*

**L. R. MOELLER**  
Executive State Agent

  
**INDEMNITY COMPANY**

OF SAINT PAUL  
ST. PAUL, MINN.

Owned, operated and controlled by the St. Paul  
Fire & Marine Insurance Co.

**BANKERS: MAKE MORE MONEY**  
. . . The Bankers' Company . . .

**POLICYHOLDER'S  
NATIONAL LIFE INSURANCE COMPANY**

SIOUX FALLS,                      (Old Line Legal Reserve)                      SOUTH DAKOTA

## Nichols Closes His Bank

John M. (100 per cent) Nichols, president First National Bank of Engelwood, has made good his longstanding threat to shut up shop. And here's the explanation he gives in a letter headed "Statement of Condition at Close of Business August 20, 1941:

"Confronted as we are today with the spectacle of a nation betrayed by its own public officers, a people divided as never before, not even in Civil war days, and on all sides a resorting to the first law of self preservation, I do not care to continue as the custodian of other people's money.

"We have therefore returned all but \$39,000 of a one time high deposit of over \$7,000,000, and we urge the immediate withdrawal of the small balance to enable us to close our books on 52 years of successful banking, at least for the duration of the Roosevelt concocted emergency."

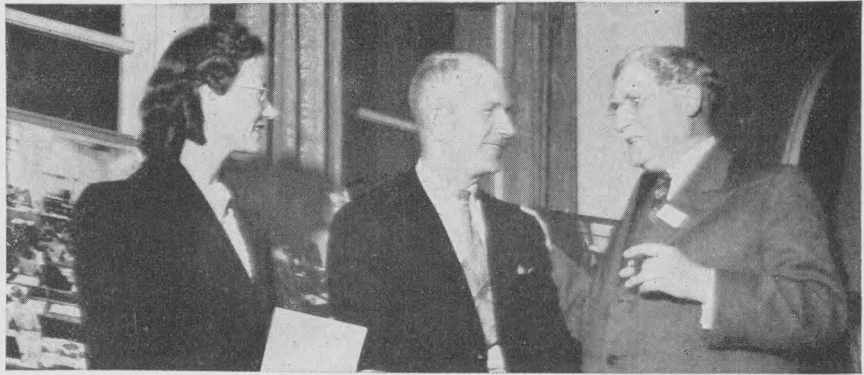
Mr. Nichols is quoted as saying he hoped to keep the bank building and charter so that he could reenter the banking business "when, as and if financial and political conditions warrant it."

## Music in Banks

With the installation of music by Muzak Corp. just completed in the personal credit department of the 42nd Street branch of the National City Bank, New York, officials have issued an additional order for a similar installation in eight other sections of the bank. Music as a means of breaking the monotony of work, reducing fatigue and bolstering morale is being utilized by a growing number of companies, but the National City, it is believed, is the first banking institution to recognize the beneficial effects of music. The additional sections in which music service is to be provided for employes and customers alike include public space on the third and fifth floors of the bank, in the liability file cage, in the legal typing room, in the application files, on the fourth and fifth floors, in the payment section and in the mail cage area.

Lewis W. Douglas, president Mutual Life Insurance Co. of New York and former director of budget of United States, will address 28th annual convention of Mortgage Bankers Association of America, New York, Oct. 1.

Paul O. Pearson of Mora, who, as reported in Commercial West at the time, married Miss Helen E. Billett of St. Paul June 28, left the Kanabec State Bank July 5 to join the Baker National Bank, Baker, Mont., has now been elected a director.



President O. J. Arnold visits with typical NwNL policyholders at Mankato, Minnesota meeting June 16, 1941

## People Are Interested . . .

**B**ELIEVING that modern business, like a democratic government, can prosper best through a well-informed "citizenry," and suspecting that modern policy owners are insurance-curious, NwNL recently conducted a series of experimental policyholder meetings in small cities of Minnesota and North Dakota. The meetings turned belief into conviction. They proved that owners of life insurance *are* alert to their privileges and responsibilities; they *are* interested in how their funds are handled, what their dollars mean to the nation's economy; they *are* eager to be informed. Moreover, the meetings reflected what life insurance men, proud of their profession, have themselves long felt—that policyholders harbor a feeling of friendly confidence in the institution which has stood by them through the world's worst depression with an integrity unmatched by any other business or financial institution.

Like its forward-looking plan of agents' compensation introduced in 1939, like its new method of remunerating brokers, effective July 1, 1941, NwNL's policyholder meetings—all of which were kept entirely free from any suggestion of a sales atmosphere—are distinctly a new departure, a new milestone in a record already studded with progressive achievement. NwNL is happy to have pioneered this democratic venture of bringing the company to the policyholder, a move which may hold healthy promise for the industry as a whole.

**NORTHWESTERN *National* LIFE**  
**INSURANCE COMPANY**  
 O. J. ARNOLD · PRESIDENT        MINNEAPOLIS · MINNESOTA

## Rubber and Metal Stamps of Every Description



**1882-1941**

Fifty-Nine Years of Faithful Service

**NORTHWESTERN  
 STAMP WORKS**

321 CEDAR STREET

ST. PAUL, MINNESOTA

## **SAVINGS, BUILDING & LOAN . . .**

# Increased Loan Demand Seen Defense Bonds Pushed

Busy as can be handling new loans! That's the consensus of opinion of Savings, Building and Loan leaders in the Twin Cities this week as to their business, individually and generally. Just lots of people in either the mood, the market, or both, for loans of all types, and as one of the association heads talking to Commercial West put it, "Been so tied up with new loans, that I haven't even started on my correspondence yet this week!"

As if this couldn't keep them with proverbial "nose to the grindstone," also reported was a substantial amount of inquiries for Defense Bonds. This phase of the business fits in right well with Uncle Sam's patriotic appeal, and the recent and more direct admonition of President J. Richardson, Federal Home Loan Bank of Des Moines:

"Outside of the patriotic duty involved, it is good business for our institutions to attract folks to their offices which cannot help but benefit the association. If you have not taken steps to qualify, will you not proceed to do so."

Novel feature in the Savings, Building and Loan campaign to put over the sale of the Defense Bonds in a big way, is a transcription of a radio address given by James F. Twohy, governor of the Federal Home Loan Bank system, entitled "One Way We Can All Help Defend Our Country." Convinced that this talk is of inestimable value, the Des Moines Bank has made the transcription available for rebroadcast in the Twin Cities, Kansas City, St. Louis, and other key cities in the district.

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### Resources Up \$450,000,000

During the fiscal year ending last June 30, insured savings and loan associations increased their resources by \$450,000,000, reports the Federal Savings and Loan Insurance Corp. Oscar R. Kreutz, general manager, calls it "a striking example of the current expansion of funds available for financing small homes in the United States.

"Although a portion of this gain comes from the associations insured during the year, about \$386,000,000 represents new savings flowing into the institutions previously insured, increased public confidence inspired by this protection of savers being an important factor." Mr. Kreutz said, "Private capital in these as-

sociations rose by \$407,779,000 during the year, to a total of \$2,458,000,000."

Resources of the 2,310 insured thrift institutions now total \$3,160,000,000, he reported. Illustrating the widespread coverage of insurance of accounts in savings and loan associations he pointed out that associations so safeguarding their investors, up to \$5,000 each, are now operating in every state and in Alaska, Hawaii and the District of Columbia.

"Logically, as the leading savings, building and loan state of the country, Ohio leads both in number and combined assets of insured units, with 241 such associations holding resources of \$526,000,000," he said. "The 130 insured associations in California stand second with \$276,000,000. Illinois is third, having 197 insured institutions with combined assets of \$245,000,000. New York ranks closely behind. In each of 16 other states, the resources of insured associations aggregate between \$50,000,000 and \$200,000,000."

At the end of the fiscal year, the Federal Savings and Loan Insurance Corp. itself, created in 1934 with an initial capital of \$100,000,000, had total assets of \$130,920,000. During the year \$6,320,280 was transferred from earnings to surplus and reserves, bringing these items to \$29,388,882. Net losses over the period amount of \$546,468.

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### Repayments on Increase

Savings and loan associations paid the federal government \$3,213,546 in dividends for the first half of 1941, bringing to \$41,785,882 its earnings on investments made in member home-financing institutions of the Federal Home Loan Bank system during the depression years, James Twohy, governor of the system, announces.

He said that repurchases of shares in these associations in which the government had invested amounted to better than \$11,000,000 for the same period.

"Under authorization of the Congress in 1933 and 1934, the United States Treasury and the Home Owners Loan Corp. invested more than \$271,000,000, largely during 1935-1937 period, in the shares of some 1,100 such institutions in order to provide them with funds sufficient to encourage wider and sounder home ownership in their communities," said Mr. Twohy.

"The fact that well over one-fourth of

this sum already has been retired voluntarily, considerably in advance of the time such repurchases were due, is a solid indication of the public's confidence in savings and loan associations, and that private investment now has resumed its proper course."

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### Foreclosures Turn Downward

Urban real estate foreclosures continued a steady downward trend with the first six-month period of 1941 establishing a new low record for the past 15 years, economists of the Federal Home Loan Bank Board report.

Such foreclosures for this period by all types of mortgage lenders on non-farm property are estimated at 31,941—18 per cent less than those during the January-June period of 1940, and 75 per cent under those of the average month of 1933.

The most recent sharp decline in the number of foreclosures, according to the board's division of Research and Statistics, has resulted largely from conditions in defense areas—acute housing shortages and increased incomes.

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### At Graduate School

At Graduate School of Savings and Loan, Northwestern University, Chicago, Aug. 18 to 29, from Twin Cities are Roger A. Gurley, Minnesota Federal Savings and Loan Association and Axel A. Olson, St. Paul Federal Savings and Loan Association. Both men hold five year diplomas of the American Savings

### Advertising Advocate



WILLIS ENDSLEY

and Loan Institute and are past presidents of the Twin Cities' chapter of the Institute.

Advanced courses offered by the Graduate School to 100 executives and junior executives of associations include savings and loan management, savings and loan law, business and real estate cycles, and investment and banking systems, or just about everything to do with the business.

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## Pioneer Remembered

Announcements of the 50th anniversary of the Minneapolis Savings and Loan Association bring to mind the fact that the late Willis Endsley, who was executive secretary of the association for many years, was likewise active in affairs of the Minnesota State League. He served on the executive committee for several terms and was successively vice president and president of the state league.

Of Mr. Endsley, former associates and League co-workers remember that always he advocated consistent advertising of the educational and informative type, and he thoroughly believed in the working principle of mutuality and completely understood its functioning for the benefit of both classifications of membership, borrowers and investors.

They found him an inspiration to work with in state league activities. He was analytical and thorough in his thinking. He quickly saw both sides of a question but was always tolerant with those who held contrary views. Their recollection is that he was ever patient and sincere. His influence was valuable throughout the state during the years when new associations were being organized.

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## Northern Federal Ups

W. R. Mahood, secretary-manager, reports that the Northern Federal Savings and Loan Association, St. Paul, in the last four years has chalked up a sweet record for itself. Mr. Mahood didn't toot the Northern's horn to that extent, but he did give out the figures and the figures tell the story. Assets increased from \$294,000 to more than \$1,300,000 in the four-year period! That's a boost of \$1,006,000, a boost of note that the Northern Federal is justifiably proud of.

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## Twin City Figures

Assets now over \$14,700,000! That figure is the latest for the Twin City Federal Savings and Loan Association and shows an increase of \$3,500,000 in just the last year. And not only did the assets get a heave upwards, but Twin City also made a goodly addition to reserves and undivided profits, an addition of \$100,000 in the same period of a year.

## Mutual Ass'n Liquidated

The Inter-County Mutual Building and Loan Association of St. Paul completed liquidation Aug. 6. The vote on the voluntary liquidation was taken last March, and now finally the job is all a matter of record.

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## New Surroundings

Ken Kerfoot, Ben Franklin Federal Savings and Loan Association's "army executive" reports that he is sitting "right in the middle of it" nowadays. The office is being remodeled, redecorated and what-have-you, and Ken can't turn around without hitting a paint pail or a carpenter.

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## U. S. League Booklet

Prologue to its 50th Anniversary next year, in a sense, is the occupation of new and more effective business quarters of the United States Savings and Loan League in Chicago. Published as a memento of the new moving is a booklet entitled "The First Fifty Years of Service," meat of which is a reproduction of Bulletin No. 1, of the United States League issued 1892, announcing the organization of the League that same year.

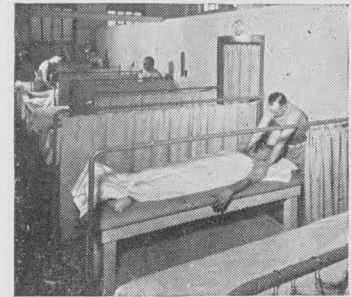
Looking through its pages for familiar names of that day, Secretary of the Minnesota League, Mrs. D. E. Crary Mudd, caught the name of one Theo. Sanders, St. Paul, named on the first executive committee. Not satisfied with that, the ever-searching Mrs. Mudd turned to her own chapter on Minnesota in "The History of Building and Loan in the United States" and found that she had written a paragraph on this same Mr. Sanders praising him for such accomplishments as bringing the building and loan idea to Minnesota from Philadelphia, organizing the St. Paul Workingman's Society, in short, being an active promoter of building and loan in Minnesota.

Formal opening of the League's new quarters this Aug. 1 was quite a pretentious affair, with notables in and out of the savings and loan business on hand.

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## New Storehouse Idea

A Minneapolis designing and consulting engineer gets credit for designing the first wire rope suspension roof storehouses for distress grain! He's Walter H. Wheeler, originator of the "Smooth Ceilings System," and the mammoth 2,000,000 bushel capacity buildings—there are two of them—are up in Fort Williams, Ont. Designed on more or less the same principle as the proven suspension bridge, the storehouses will serve only a temporary term, which fact brings the less permanent wire rope feature into the picture. The idea is patented by a Minneapolis firm, Fegles Construction Co.



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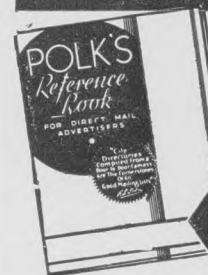
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## Directing Sales Campaigns at the Wealth Belt

New sales and advertising campaigns now are being directed at the more favorable trade centers throughout the nation instead of being spread thinly over a large area. Is yours?

Scattered efforts are giving way to direct drives at the brighter areas promising quick returns.

Far-seeing advertisers are focusing their first attention on the real purchasing-power people and territories.

The Commercial West Wealth Belt, being the brightest spot in the nation, is ready for concentrated cultivation right now!

## Trust Men Review Problems

(Continued from page 10)

custom the beneficiaries of our trusts to think in terms of less annual income."

Mr. Scully outlined what he considers to be a properly balanced investment portfolio for a discretionary trust fund:

"1. United States government bonds. I would like to put at least 10 per cent of the fund in government bonds, due in 15 years or less, and as much more as the trust will stand, depending on the size of the trust.

"High-grade medium-term corporate obligations yielding 2¾ per cent to 3¼ per cent and due in not more than 20 years—my own preference would be at least 40 per cent of the fund. Some would say 50 per cent.

"Of preferred stocks yielding 4 per cent or 4½ per cent, 10 per cent or 15 per cent is about right, up to 25 per cent.

"Common stocks—there is room for the widest diversity of opinion here. In states which have the 'prudent investor' rule an original commitment of 50 per cent is not excessive. In certain other states some of the more conservative institutions either do not buy common stocks at all or upon being strongly urged will buy sparingly, perhaps 5 per cent or 10 per cent. Somewhere between 25 per cent and 33 per cent under present conditions, would be my own judgment . . .

"There is no perfect or ideal program and there is room for wide variation in the percentages. A sound program should be one of proper balance inclining to liquidity and short-term investments as much as the circumstances will permit."

Along an entirely different line than investments was the address of L. E. Birdzell, vice president and senior trust officer Bank of America, San Francisco, who declared that although all trust services performed by banks and trust companies are in the public welfare, many of these institutions perform custodial services that are of direct aid to the public without receiving or expecting compensation.

"In the broadest sense," he asserted, "all trust service is in the public welfare since in the performance of its primary function the corporate trustee normally supplies safeguards against the dangers which lie in the path of inherited wealth. Trust companies have for many years fulfilled this primary function most effectively in the handling of many billions of wealth placed in their care. Many of the trust accounts which we administer

(Continued on page 34)



# 25 YEARS AGO

From Commercial West, August 26, 1916

The First National Bank, St. Paul, has elected as vice president, Mark Skinner, vice president Commercial National Bank, Great Falls, Mont. He takes up his new duties Oct. 1, succeeding Edward O. Rice who resigned several weeks ago to become vice president of the Highland Park State Bank, Detroit. His election makes the second officer added to the First National during the past week, M. R. Brown, former secretary to James J. Hill, entering the bank as an assistant to the chairman.

The Federal Reserve Bank of Minneapolis has on hand the largest number of applications for loans from country banks of any time since it was organized. This is due, Governor Theodore Wold said, to the crop loss situation and making of arrangements to carry over the farmers.

Bankers in the East, disappointed by reports that the wheat crop failure is a calamity, wired the Twin Cities a few days ago in connection with the new \$250,000,000 British loan secured by collateral. The reply was "the wheat crop failure was a blessing in disguise. The Northwest will have a healthier financial position thereby. The Twin Cities will take as much of the loan as can be allotted to the Northwest."

The Marquette State Bank, Minneapolis, which reserved its title some months ago is expected to open for business about the end of the year. R. W. Manuel, M. H. Manuel, George Morrissey, Jesse Van Valkenburg, Joseph Lunger, and F. R. Chase are among the organizers.

Several Northwest country banks are planning, seeking bids, or actually working on new buildings. Some are: State Bank, Dundee, Minn.; First National Bank, Winnebago, Minn.; State Bank, Belle Plaine, Minn.; First National Bank, Cambridge, Minn.; Bank of Fairview, Fairview, N. D.; First State Bank, Summit, S. D.; Adams County State Bank, Adams, Wis.

The city directory of Bismarck, N. D., just completed, places the population of that city at 7,025, in comparison with 6,157 two years ago. This is the greatest building year Bismarck has ever witnessed.

The annual convention of the Montana Bankers Association met at Miles City, Aug. 25-26. Feature of the convention was an address on "What Has the Federal Reserve Bank Accomplished?" by Theodore Wold, governor Minneapolis Federal Reserve Bank. A full account of the convention will appear in an early issue of Commercial West. (P. S.—It did.)

An increase of \$14,099,789 in operating revenue of the Great Northern Railroad is shown for the year ending June 30. This increase brought gross to \$81,233,092 for the year 1916. Passenger traffic to the Panama-Pacific exposition brought the passenger receipts of last year nearly up to those of this year.

Minnesota now has one automobile for each 19 of population. At the beginning of the year the ratio was one to each 25. That figure makes Minnesota 20th in population and eighth in number of cars owned in comparison with other states.

Insurance companies doing business in North Dakota are alarmed at political developments under the Non-Partisan League which have resulted in the nomination of S. A. Olsness as a candidate for insurance commissioner of North Dakota on the Republican ticket, because he is said to believe that all that is necessary to get service at actual cost is to have the business in the hands of state officials, an opinion that is universally held incorrect.

That Minneapolis will put up a strong fight for the proposed Federal Land Bank is disclosed by the announcement of a strong committee of businessmen who are in charge of gathering data to be used in presentation of this city's case. The Farm Loan board will hear the arguments of the Minneapolis and St. Paul advocates at the capitol Aug. 31.

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Want position as assistant cashier in a city or village with population of not less than 800. Fifteen years experience in banking. Employed and bonded. Best references. Address Box 810, care Commercial West.

Position wanted in country bank by intelligent young lady. Experienced sten-bookkeeper; 12 years general banking, 3½ years law. Now in real estate, insurance. Address Box 811, care Commercial West.

Position wanted as assistant cashier or teller in good bank. Twelve years experience in both city and country banks. Past draft age. Furnish best of references. Address Box 809, care Commercial West.

Capable bank Executive, ten years' management experience, seeks Independent bank connection. Qualifications, references upon request. Address Box 807, care Commercial West.

Experienced bank executive, employed but desires change. Correspondence is invited and will be held strictly confidential. Address Box 805, care Commercial West.

Need additional help? Banks, financial institutions, and insurance offices requiring additional help can secure well-qualified employees through our service. Let us know your requirements. W. R. Olson Company, Fergus Falls, Minn.

Experienced banker, employed, not subject to draft, desires position in country bank. Good references. Address Box 803, care Commercial West.

Capable bank executive, employed, experienced, all departments, seeks management, official position, with or without investment. Prefer Minnesota, Iowa, southeast South Dakota. References. Address Box 793, care Commercial West.

Permanent position by married man with 12 years' banking and insurance experience; capable of handling official position in bank, farm loan and insurance agency, credit or collection manager. Address Box 801, care Commercial West.

### HELP WANTED

Wanted: Assistant cashier for bank in town of over 1,500 population. Good opportunity for banker with excellent experience. No investment required. W. R. Olson Company, Fergus Falls, Minn.

Wanted: Chief executive officer for fine county seat bank with resources of over \$1,000,000. An exceptional opportunity for the right party. Will require minimum cash investment of around \$25,000. Only high-grade banker will be considered. Strictly confidential. W. R. Olson Company, Fergus Falls, Minn.

WANTED: Experienced posting machine operator and assistant cashier, new posting machine to operate, country bank experience required. Need immediately. Address Box 806, care Commercial West.

Wanted: A lady stenographer familiar with posting machines and teller work in a county seat bank in north central Minnesota. Address Box 802, care Commercial West.

Bank Insurance and Financial positions. Desirable openings available with banks, insurance agencies, financial institutions in northwestern states for cashiers, tellers, bookkeepers, stenographers, etc. Applications from qualified men and women solicited. Confidential service. W. R. Olson Company, Fergus Falls, Minn.

Manager installment loans. Correspondence is invited from well-trained men who have a thorough knowledge of all phases of personal, automobile, and installment loans, and are capable of managing such a department for a bank. Strictly confidential. W. R. Olson Company, Fergus Falls, Minn.

Many attractive positions now open in the Ninth Federal Reserve District, Middle Western and Pacific Coast states for experienced posting machine operators, stenographers, tellers and assistant cashiers. Country bank experience preferred. Write for application blank.

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### BANKING OPPORTUNITY

Southern Minnesota Bank. Controlling interest is available in a well-established and profitable bank located in a splendid southern Minnesota town of over 1,000 population. An exceptional opportunity. Substantial investment required. Inquiries by letter from qualified bankers invited. W. R. Olson Company, Fergus Falls, Minn.

### MISCELLANEOUS

Warren—a County Seat City—wants a general store, shoe store, young men's store, jewelry store, and furniture store. Will build suitable accommodations. W. A. Knapp, Warren, Minnesota.

For Sale: Steel filing equipment—32 vertical boxes, book shelving below, 6'x5½'x1½' overall. Gefke-Dalton Co., 107 South Main Ave., Sioux Falls, S. D.

For Sale: One Diebold vault door with 1½" jiggered steel front. Complete with inner gate and frame. Price \$300. Edwards & Peterson, Canby, Minn.

## Trust Men Review

(Continued from page 32)

are for the benefit of immature or untrained persons, or of classes of persons in circumstances which suggest the urgency or desirability of benefaction."

Mr. Birdzell described the results of a survey of 125 charitable trusts handled by a group of banks in the Pacific Coast area.

"Roughly 5 per cent were for children—needy children, crippled children, orphans, Boy Scouts, Y. M. C. A. and agencies for the prevention of tuberculosis. Another 20 per cent were designed in one way or another to provide educational opportunities for children through students' loans, scholarships and gifts. The balance of trusts ran the entire range of charitable purposes . . .

"The many fine jobs which trust companies everywhere are doing confirm in my mind the fact that trust service is by no means confined to the wealthy. Time and time again this great public service of ours is made available, frequently without cost, to helpless, needy people meeting one of life's great crises."

## Schwoeffermans Up North

Into the Commercial West office Wednesday afternoon walked B. J. Schwoeffermann, president Citizens National Bank of Chicago Heights, the picture of health and much enthused over their annual vacation spent in Northern Minnesota along the general lines suggested recently by The Sharpshooter in his Bull's-Eye column. It seems that the Schwoeffermans were just debating where to go this summer when that particular issue of Commercial West reached them. Forthwith, they decided to hit the Arrowhead trails, and had a wonderful trip, caught a lot of fish, etc. "Schwoef," you'll remember, is a former Minneapolis banker who is making good in a big way at Chicago Heights and in Illinois banking circles. Now they are visiting Mrs. Schwoeffermann's relatives in Southern Minnesota.

## Bond Club Luncheon

Members of the Twin City Bond Club, at luncheon at Nicollet Hotel Wednesday noon, heard a colorful description of Minnesota's defense program by Ernest L. Olrich, president Munsingwear, Inc., and federal industries coordinator for the state. He made it clear (1) that Minnesota is well along in its organization work and (2) that it's high time people of this country began to take the war seriously. R. C. Mees presided, also intimated that the Bond Club may hold a "limited field day" at Midland golf club early next month.

### ADVERTISING RATES IN THIS DEPARTMENT:

**Four (4) cents per word, each insertion. Words displayed in capital letters, 8 cents each. Initials, name, address, location, abbreviations count as one word each. Copy paragraphed, 28 cents per line. "Blind" address counts as four additional words. Check or postage stamps must accompany all orders. All answers to advertisements under key numbers must be accompanied by a 3-cent stamp.**

# Dear Mom:



Well, here it is another week end and I'm not a General yet. But give me time.

Matter of fact, I have too much time on my hands--on evenings and weekends.

The nearest village is 5 miles away. All you find there is a general store, a garage and a canning factory--nowhere to go for any good clean fun, unless you drop in at a smoke-filled juke joint on the way.

Well, Mom, there's a big favor you can do me. The U. S. O. is trying to raise \$10,765,000 to run clubs for us, outside of camp. Places with lounge rooms, dance floors, games, writing rooms. Places you can get a bite to eat without paying a king's ransom.

I know you don't have an idle million lying around, but if you could get the family interested and some of the neighbors, and if that happened all over the country, the U. S. O. could raise \$10,765,000 overnight.

I'd appreciate it a lot, Mom, and so would every other mother's son in the U. S. Army and Navy.

Love,  
Bill

*They're doing their bit for you. Will you do your bit for them? Send your contribution to your local U. S. O. Committee or to U. S. O., Empire State Building, New York, N. Y.*

## UNITED SERVICE ORGANIZATIONS

These organizations have joined forces to form the U.S.O.: the Y.M.C.A., National Catholic Community Service, Salvation Army, Y.W.C.A., Jewish Welfare Board, National Travelers Aid Association.

**OPEN YOUR HEART  
OPEN YOUR PURSE  
GIVE TO THE**

**U \* S \* O \***

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# Plugging the Holes

**M**OST banks these days are finding it no easy matter to maintain service to customers at a level in which they can take their usual pride. Induction of young men into military service, absorption of available replacements into defense industry, a high rate of turnover among young women who very properly abandon banking for home-making, all contribute to the difficulty of keeping service up to a high standard.

Here at the First National we're having our share of problems, but we have managed so far to do a pretty creditable job of plugging the holes. Officers, department heads and their seasoned assistants have shouldered a heavier-than-usual load of training, supervising and checking. Additional employees have been added to the staff. An increasing number of beginners in the bank are being given technical training to speed their absorption into responsible positions. Members of the staff, both old and new, are quick to sense the extra responsibility which the times impose upon them and to respond to the challenge.

In the First National there are now 761 employees. Their job is to serve you fast and accurately—and they like their job!

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