

This Week:

COVERING THE FEDERAL RESERVE BANK CONFERENCE

Commercial West

NINTH DISTRICT BANKER • MINNESOTA BANKER • MONTANA BANKER

MAY 3, 1947



Music Hath Charms—So Have They . . . See Page 9



Transportation

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Four great states, Minnesota, South Dakota, Iowa and Illinois, comprise the heart of the rich agricultural and industrial empire that is the Midwest.

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The Financial Weekly of the West

Commercial West

NINTH DISTRICT BANKER • MINNESOTA BANKER • MONTANA BANKER

Volume 93, No. 18

May 3, 1947

This Week

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

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

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

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American Way Service

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The American National Bank of St. Paul

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COMING EVENTS

Next Week

GROUP VI, MONTANA BANKERS Twin Bridges	May 5
GROUP VII, MONTANA BANKERS Columbus	May 6
SPRING SHRINE CEREMONIAL, audi- torium, St. Paul	May 6
CENTRAL MINNESOTA CLEARING- ASSOCIATION, 6 p.m., St. Cloud Hotel, St. Cloud	May 8
NORTHWEST SALESMENS ASSN., Fashion Week, Radisson and Dyckman Hotels, Minneapolis	May 10-14

Later

BANKING

GROUP V, IOWA BANKERS ASSOCIA- TION, Atlanta	May 13
GROUP VI, IOWA BANKERS ASSOCIA- TION, Newton	May 14
NATIONAL ASSOCIATION OF BANK AUDITORS AND COMPTROLLERS, 2nd western states regional conference, San Francisco	May 14-16
GROUP X, IOWA BANKERS ASSOCIA- TION, Chariton	May 15
GROUP VII, IOWA BANKERS ASSOCIA- TION, Iowa City	May 16
GROUP ONE, MICHIGAN BANKERS ASSOCIATION, annual meeting, Hotel Northland, Marquette	May 17
ILLINOIS BANKERS ASSOCIATION, 56th annual convention, Palmer House, Chicago	May 19-21
GROUP II, IOWA BANKERS ASSOCIA- TION, Storm Lake	May 20
GROUP III, IOWA BANKERS ASSOCIA- TION, Eldora	May 21
GROUP IV, IOWA BANKERS ASSOCIA- TION, Manchester	May 22
GROUP VIII, IOWA BANKERS ASSO- CIATION, Anamosa	May 23
INDEPENDENT BANKERS ASSOCIA- TION, Jefferson Hotel, St. Louis	May 23-24
AMERICAN INSTITUTE OF BANKING, annual convention, Book-Cadillac and Statler Hotels, Detroit	June 2-6
CENTRAL STATES SCHOOL OF BANK- ING, University of Wisconsin, at Mad- ison	June 2-14
OREGON BANKERS ASSOCIATION, 42nd annual convention, Hotel Gearhart, Gearhart	June 9-10
AMERICAN INDUSTRIAL BANKERS ASSN., convention and Institute of In- dustrial Banking, Denver	June 9-12
MINNESOTA BANKERS ASSOCIATION, Annual Convention, St. Paul Hotel, St. Paul	June 11-12
GRADUATE SCHOOL OF BANKING, 13th Resident Session, Rutgers University, New Brunswick, N. J.	June 15-23
NORTH DAKOTA BANKERS ASSOCIA- TION, annual convention, Bismarck	June 16-17
IOWA BANKERS ASSOCIATION'S AG- RICULTURAL SHORT COURSE, first session, Iowa State College, Ames	June 16-23
MICHIGAN BANKERS ASSOCIATION, annual convention, Hotel Statler, De- troit	June 19-21
SOUTH DAKOTA BANKERS ASSOCIA- TION, annual convention, Sioux Falls	June 20-21
WISCONSIN BANKERS ASSOCIATION, 51st annual convention, Schroeder Hotel, Milwaukee	June 23-25
MONTANA BANKERS ASSOCIATION, annual convention, Great Falls	June 27-28

IOWA BANKERS ASSOCIATION'S AG- RICULTURAL SHORT COURSE, second session, Iowa State College, Ames	July 7-19
NEBRASKA BANKERS ASSOCIATION'S BANKERS CLINIC, Doane College, Crete, Neb.	July 8-10
AMERICAN BANKERS ASSOCIATION, 73rd annual convention, Atlantic City, N. J.	Sept. 29-Oct. 1
MORTGAGE BANKERS ASSOCIATION, 34th annual convention, Hotel Statler, Cleveland	Oct. 2-4
IOWA BANKERS ASSOCIATION, 61st annual convention, Hotel Fort Des Moines, Des Moines	Oct. 6-8
PACIFIC COAST AND ROCKY MOUN- TAIN STATES TRUST CONFERENCE, (A.B.A.) St. Francis hotel, San Fran- cisco	Oct. 22-24
NATIONAL ASSOCIATION OF BANK AUDITORS AND COMPTROLLERS, national convention, Baltimore	Oct. 22-25
MID-CONTINENT TRUST CONFER- ENCE (A.B.A.), Drake hotel, Chicago	Nov. 6-7

OTHER

ASSOCIATION OF CASUALTY & SUR- ETY EXECUTIVES, annual meeting, Waldorf-Astoria Hotel, New York	May 13
MINNESOTA HOSPITAL ASSOCIATION at Radisson hotel, Minneapolis	May 16-17
REGIONAL CONFERENCE CERTIFIED PUBLIC ACCOUNTANTS at Hotel Nic- ollet, Minneapolis	May 19-20
NATIONAL ASSOCIATION OF PER- SONNEL DIRECTORS at Radisson ho- tel, Minneapolis	May 19-21
NATIONAL STATIONERS ASSOCIA- TION, seventh district, at Hotel Nicollet	May 23-24
AMERICAN FARMERS MUTUAL AUTO INSURANCE COMPANY, Lowry Hotel, St. Paul	May 20-21
HEALTH & ACCIDENT UNDERWRIT- ERS CONFERENCE, 46th annual meet- ing, Hotel Paxton, Omaha	May 26-29
MINNEAPOLIS ASSOCIATION OF CREDIT MEN, annual golf tournament at Minneapolis Golf Club	June 6
NORTH DAKOTA STOCKMEN, conven- tion, Williston	June 9-10
NAT'L ASSN. OF INSURANCE WOMEN, Annual Convention, Hotel Commodore, New York	June 18-20
MINNESOTA ASSOCIATION OF LIFE UNDERWRITERS, annual convention, Golden Valley Club, Minneapolis	June 30
MINNEAPOLIS AQUATENNIAL, Eighth Annual	July 19-27
SUMMER INSTITUTE OF CREDIT, Na- tional Institute of Credit, National Assn. of Credit Men, University of Wisconsin, Madison	Aug. 17-29
MICHIGAN ASSN. OF INSURANCE AGENTS, annual convention, Grand Ho- tel, Mackinac Island	Sept. 1-4
NATIONAL ASSOCIATION OF LIFE UNDERWRITERS, 58th annual conven- tion, Boston	Sept. 8-12
IOWA ASSN. OF INSURANCE AGENTS, annual convention, Hotel Fort Des Moines, Des Moines	Sept. 9-11
U. S. SAVINGS AND LOAN LEAGUE, 56th national convention, San Fran- cisco	Sept. 15-22
NATIONAL ASSN. OF CASUALTY & SURETY AGENTS and INTERNA- TIONAL ASSN. OF CASUALTY & SURETY UNDERWRITERS, joint con- vention, New Ocean House, Swampscott, Mass.	Sept. 22-25
FINANCIAL ADVERTISERS ASSOCIA- TION, 32nd annual convention, New York City	Oct. 6-9
NATIONAL ASSN. OF INSURANCE AGENTS, annual meeting, Haddon Ho- tel, Atlantic City	Oct. 13-17
WISCONSIN ASSN. OF INSURANCE AGENTS, annual convention, Hotel Pfister, Milwaukee	Oct. 27-28
INVESTMENT BANKERS ASSOCIA- TION, annual convention, Hollywood Beach Hotel, Hollywood Beach, Fla.	Nov. 30-Dec. 5



GEORGE A. STARRING, Huron, former long-time secretary South Dakota Bankers Association and now chairman and treasurer Greater South Dakota Association, was honored with a distinguished service award for business leaders given last week for the first time by the University of South Dakota school of business administration. Mr. Starring's son, GEORGE M., is the incumbent S. D. B. A. secretary.

Parking's No Problem For First, St. Paul's Correspondents

Repeating their gesture of last year, the First in St. Paul has sent courtesy parking cards to their correspondent bankers. These cards entitle the holders to drive right into the adjoining First Parking Garage, even if the "Sorry, No Room" sign is up.

In addition to the "free parking" card, the First in St. Paul has sent its correspondents a new two-map folder designed to show them the best routes to St. Paul and location of main streets and points of interest in the city.

The bank even offers to provide car and driver for the convenience of their correspondents who are in the Twin Cities without a car, and if hotel accommodations are desired, they believe they can help with that too. All in all, they are making it most inviting to visit them in St. Paul.

A. C. McEVENUE, president Canada Life, and GRAHAM WALTER, his Toronto general agent who spoke at the Minnesota Life Sales Congress (C. W., April 5), were recent visitors at the Minneapolis office.

CONTINENTAL ILLINOIS
NATIONAL BANK AND TRUST COMPANY
OF CHICAGO

COMMERCIAL BANKING
CORPORATE AND PERSONAL
TRUST SERVICES
FOREIGN BANKING FACILITIES
UNITED STATES GOVERNMENT
AND MUNICIPAL SECURITIES
SAVINGS DEPARTMENT

Member Federal Deposit Insurance Corporation

EDITORIAL

It's the Customer Who Counts

Many organizations for years have had nailed up somewhere in their corridors a suggestion box, a receptacle for employees' suggestions and, if they were brave, criticisms.

Northwestern National Life Insurance Co. recently carried this idea a big step further. It, in effect, sent the suggestion box around to its policyholders in the form of a questionnaire inviting any and all candid comment.

President O. J. Arnold summarized the results in a speech to a group of his agents. Less than five out of every 100 policyholders admitted dissatisfaction in their relationship with NwNL and its representatives. One out of every six made favorable comments, mostly beamed at the agent.

That less than one-twentieth of an institution's customers have any complaint is remarkable, but that is not the point. Even the fact that the complaints are cleared up in jig time is secondary.

What matters is that a large business organization, at a time when selling its product is comparatively easy, is sincere enough to realize that the customer is the man who counts. Satisfied customers are the biggest asset on any financial statement.

We salute the Northwestern National Life Insurance Co. In times like these its actions are refreshing.

The Future of Advertising

"Tomorrow's Advertising" is the title of a study to be released soon in book form by Samuel C. Gale, vice president in charge of advertising and public services for General Mills, Inc., Minneapolis.

As the subject of an address delivered in recent months before advertising clubs and selling organizations in some of the nation's larger markets, including Minneapolis, Mr. Gale's study has attracted a great deal of attention coupled with demand for it in printed form.

Few men active in advertising are as well qualified as Mr. Gale to author such a work, based, as it is, on 27 years of practical experience in the advertising field. He began his career with General Mills in 1921 in the advertising and sales development department, was named director of advertising in 1928 and elected a vice president in 1943. He was graduated from the University of Minnesota with honors in 1917, saw overseas service in World War I as an officer with the 16th Field Artillery and was wounded in action.

Frankly stating that he is an optimist, Mr. Gale assumes that the future of America will be bigger and better, and broader in its benefits, than anything we have seen in the past. In comprehension of this progress, Mr. Gale says:

"Tomorrow's advertising can meet its obligations and possibilities by becoming more completely truthful, informative and educational, so that people pay it more attention and follow it more fully as a guide; by having constantly as a goal the expansion of our markets rather than merely the defeat of a com-

petitor; by adding to its basic techniques of repetition and emotional appeal, a greater measure of news-worthiness and, above all, of service.

"We must always think of our public—their needs and wants, and how we can best serve them. Insofar as possible we should compete for the honor of contributing most to a fuller and better life for the people of America.

"Service seems to be the note upon which to end this look into the future, because advertising is an economic service. And in order to merit its present position in our economy, it must render service, more service, and still more service."

We feel that Mr. Gale has contributed a very substantial and worthwhile work on advertising which it will well repay those on the way up in the business to study. The book will be available on request soon, we understand, through the public services department of General Mills.

Five-Day Week Too Short

Trying to fit a five-day week into the various ramifications of business and industry, an objective of union labor, in many instances is like trying to fit square pegs into round holes. It won't work.

That again is strikingly emphasized in the five-day week inaugurated by shippers which the American Trucking Association, at its convention May 7-9 in Washington, will try to have changed back to the six-day week.

Shipper observance of a five-day week, say the truckers, overlooks the fact that freight knows no short week but, rather moves on a seven-day schedule.

Because of this continuous freight movement, the truckers point out, freight must be handled at receiving platforms on at least a six-day schedule, else it will pile up, jams will result and delivery will be delayed.

Application of the five-day week where and when it adversely affects service to the public isn't a sound practice and should not be placed in effect.

More About Service Charges

Service charges of banks vary in areas and under conditions and they are an essential factor of the banking business, but do they average high enough considering the country as a whole?

Raymond Rogers, professor of banking at the New York School of Commerce, Accounts and Finances, does not think so. He made that point plain in a statement April 24 to the 12th Eastern regional conference of the National Association of Bank Auditors and Comptrollers.

"You are," he said, "going to have to increase some of your prices. In sharp contrast to industry, where prices clearly are too high, banking prices for many indispensable services are at the lowest point in history. I urge you to do something about this before the regulator authorities are forced to intervene."

While not anticipating anything serious in the talk-

ed of business leveling off, Mr. Rogers intimated that the situation calls for certain remedial action by banks, an increase in service charges being a move in that direction.

Two-Fisted Logic

What Emil Schram, president of the New York Stock Exchange, had to say a few days ago about the Federal Reserve Board's continued grip on stock market trading by refusal to lower the margin bars below the 75 per cent of cash requirements on listed stocks must have had repercussions of no mean consequence among investors.

While he didn't say so it was evident that Mr. Schram laid no small part of the doldrums in the stock market to, as he pointed out, the 75 per cent rule as a deterrent to trading in the listed stocks of the country.

In other words, the stocks in which patrons of the market invest and trade are handcuffed in the matter of credit transactions which, naturally, curtails trading in them.

The credit curb was placed on margins for the purpose, of course, of putting a brake on inflation but, as market commentators have pointed out, it is questionable how much effect it has had on inflation in comprehension of the picture as a whole.

In any event, the inflation spectre is pretty well laid now by the buyers' strike and we agree with Mr. Schram that it is high time to give listed stocks a better break in the market.

The Lower Price Level Problem

Of what portent is the lower price trend that is flaring up in various areas of the U. S.?

On its face it would appear to envision the reaching for a stabilized lower price level but, as we have pointed out heretofore, if attained it undoubtedly still will be higher than the prewar range.

That being the case production will continue to be heavy with demand shaping itself to fit in with the higher scale of living which definitely the people are loath to relinquish.

Like any man on the street we welcome lower prices but at the same time we must count the consequences. We must be prepared for a certain amount of unemployment, profit margins cut, a shrinkage in farm income, and so on. What we must do is keep our feet on the ground and, by our willingness to work longer hours and more productively, turn this postwar leveling off phase into the broad approach to a long stretch of high normal prosperity.

In passing it is economically unsound to blame the retailer for the high prices that have prevailed or to feel that he can lower them at will. His prices are based on those he pays the manufacturer for merchandise and right now in lowering them he is taking it on the chin. He can't do that very long and stay in business.

The lower price level formula must be made by the manufacturer and in order to bring it about he must have greater productivity from his employes and he must be able to obtain his raw materials at lower prices. That is inevitable.

The BULL'S-EYE

By The Sharpshooter



I have just been through the life insurance mill and it was quite an experience.

Right after this underwriter first called on me I figured it would be just as easy to brush him off as it had been others in the past simply by telling him I had all the insurance I could carry and all that I needed.

But not this young fellow. Evidently that was old stuff to him. He was nice about it—so nice I couldn't refuse—as he finally got me pinned down on just how much life insurance I was carrying and of what it consisted.

Now while I had used the "I have all the insurance I can carry" as a brush-off, at the same time I pretty fully believed that was the case. This young man really began to work from that point on.

Said he, "Now that I know how much insurance you have and the kind it is, what your income prospects are, the size of your family and what you have in mind doing for the children, I am going to work up a program for you. Maybe it won't click the first time but we'll keep working on it."

You see that "we'll keep working on it" thing already had me in the picture big as life. I was helping me sell myself some insurance for the affable young man who was the underwriter. And I rather liked the idea. Anyhow I was willing to go along with the program presentation. What harm could it do?

I did wonder for a bit, however, on how he had been able to get so much information about the family and my income. I didn't recollect him asking any such direct questions. But anyhow, he had the dope all right—and it was right.

Well, to make a long story short he called up in a couple of days and asked if he could come over to the house that evening, said he wanted the missus to be in on the deal.

He sure took us both off our feet when he unrolled that program. It meant that for the next 20 years I couldn't do much else with loose ends of my income but turn it into his company as premiums. But, boy, that was a pretty picture at the end of the 20 years—a tidy sum in cash or a comfortable monthly income. He didn't call it insurance. He called it an estate, said it was budgeted saving, showed how the family would get a substantial sum in case I shuffled off, how dividends would help pay premiums and a lot of other things that made the going look not too hard.

We didn't sign up that evening. The wife said, "Let's talk it over." And he said, "By all means."

We did and next day I signed on the dotted line and blew over to the doc.'s office; came through that o. k. and now we have that attractive goal right in front of us.

And we're going to make the grade. That's for sure.

Complete Service

for your loaning transactions

1★
**Commercial
Loans**

2
**Installment
Loans**

3
**Agricultural
Loans**

Rising costs have recently made it necessary for most businessmen to increase both their inventory investment and operating expenses. This has often required additional borrowings larger than their local banks could legally handle.

Many of our correspondent banks have submitted commercial overline loans — and we have handled them in a way that has been advantageous to both bank and borrower. The specialized experience of our loaning officers has been found valuable to the local bank in analyzing credit requests. We have learned that these loans can be made quickly and with less risk when the following information is supplied:

1. History of the business and principals.
2. Comparative balance sheet and profit-and-loss statement of the borrower — preferably an independent audit.
3. Prospects for the business.
4. Purpose of loan.
5. Type of loan: open line, endorsed, or collateral.
6. Term of loan and repayment program proposed.

Consult us for assistance on your overlines or for credit analysis service. We are as near you as your typewriter, telephone or telegraph.

**This is the first in a series of advertisements about the loaning services of Northwestern Bank.*

JOSEPH F. RINGLAND, *President*

Department of Banks and Bankers

D. E. CROULEY
Vice President

L. P. GISVOLD
Asst. Vice President

CARL F. WIESEKE
Asst. Cashier

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Representative

Northwestern



National Bank of Minneapolis

Marquette Avenue — Sixth to Seventh Streets

*Member Federal Deposit Insurance Corporation
Affiliated with Northwest Bancorporation*

Spot News Report (Pictures on Pages 18, 19 and 33)

FEDERAL RESERVE CONFERENCEBiggest Ever Draws 1083 From
Six Ninth District States

It has been said axiomatically before—and Commercial West has said it—that when you want to mingle with Minnesota bankers, you go to their Minnesota convention, when you want to nudge North Dakota bankers you attend their convention, likewise with South Dakotans, Montanans and the rest of the Ninth District. But . . . when you want to rub shoulders in the same ring with the cream of the banking fraternity from Sault Ste. Marie to Missoula, the smart thing to do is climb through the ropes of the annual Federal Reserve Bank Conference in Minneapolis.

For in answer to the Fed Conference call, like kids to a circus callopie, they come to Minneapolis each year in four-figured numbers and with increased enthusiasm. They come in all shapes and sizes, from big city banks and small, from a desire to renew acquaintances and perk an ear to fact-dripping talks or to just relax at the glamorous Ice Follies.

This year the magnet of magnanimity was pulling them in again for the seventh time—a whopping 1,083 total attendance. That figure included representatives of the six Ninth Federal Reserve states, plus Iowa, District of Columbia and Canada, and was the largest ever. It included 900 member and non-member banks. In addition to the free ticket to the Ice Follies that every registrant received, some 850 bankers hustled additional ducats for wives and families to swell the total attendance at the colorful skating spectacle to nearly 2,000. The breakdown of attendance by states was: Michigan, 43; Minnesota, 692; Montana, 30; North Dakota, 101; South Dakota, 133; and Wisconsin, 81.

Where did space-tight Minneapolis put them all? In 21 Twin City hotels, plus 600 rooms at the Minneapolis Club, Athletic Club and Calhoun Beach Club. Even the good old Y. M. C. A. was pressed into service, and many a relative put on clean sheets and hung out the guest towels.

From the time they were greeted familiarly at the top of the Fed's curved stairs (more often than not by first name) till they boarded buses back from the Arena, Fed hospitality was everywhere in evidence; hearty handshaking of officers and directors to smiles of its prettiest stenographers and clerks who acted as enchanting guides through registration lines. Saturday is usually a day for skeleton crews in the Fed, but this was no usual Saturday as Fed men popped up in almost every group and gathering.

Most of the morning was taken up with getting acquainted and reacquainted. More than a thousand bankers can find lots to talk about, particularly when scads of them are seeing each other for the first time in a year or more. But by

By **TOM BORIGHT, JR.**

Associate Publisher

close to noontime the Fed was clearing as they drifted down to the Nicollet hotel for luncheon and the afternoon session on the mezzanine.

How were they feeling and talking about banking in the Upper Midwest in general and their own institutions in particular? Full they were to their four-in-hands of optimism that business is good and their farmers are sitting sweeter financially than ever before in their knowledge. From George Hellickson, Minneapolis Tribune business editor, came written words next day that aptly tell the story. "Money," wrote he, "can't be said to have become a drug on the market, but bankers of the Ninth District

have so much money on their hands that use of it is about the cheapest thing you can buy today."

President John Peyton, logically opened the conference and introduced Lawrence Clayton, member Federal Reserve board of governors from Washington, a special guest who told the assemblage that banks are in a highly liquid condition today due to large holdings of government securities and are not retracing the inflationary spiral that followed in the wake of World War I.

Subject of much comment was the "short course" in current agricultural economics by Dr. Austin A. Dowell of the University of Minnesota college of agriculture. So informative were the words of Dr. Dowell that Commercial West next week will report his remarks as a separate, special feature. But there is space enough in this issue to report that he urged that agricultural communities use surplus cash to cull herds, pay off debts and play providently for that possible "rainy day."

Oliver S. Powell, first vice president of the Minneapolis Federal Reserve, led an intensely interesting panel discussion. That included four other Fed experts—Sigurd Ueland, Frank Parsons, Paul McCracken and Harold McConnell.

Leonard W. Brockington, K. C., Canadian barrister and wartime advisor to the Governor General of Canada, came down to deliver another of the kind of talks that have established him as one of the continent's top-flight public speakers. First heard by Northwest bankers at the A. B. A. in Chicago last fall, Mr. Brockington again discussed U. S.-Canadian relations in a masterful manner that made all marvel. A man of many accomplishments, he was and always is a crowd-stopper.

Also on the program was Vernon S. Peterson, manager Central West District for E. I. duPont de Nemours Co., who explained, and very interestingly, "How Research Helps the Farmer."

Milling around reached its peak at the 4:55 p. m. reception when doors to all the small rooms rimming the mezzanine were thrown open and the interrupted conversation of the a. m. were continued and new ones begun.

The reception persisted until the big banquet was called right on time (as was every other item on the day's agenda) at 6:30. Fillet mignons then persisted until dessert and the traditional Federal Reserve float took over (see On-the-Cover explanation on this page).

Buses to the arena, three hours of lavish entertainment, return bus rides, and the 1947 edition of the Fed Conference was closing shop for another year.

On the Cover

Float is usually a much-discussed subject at any conference of bankers. At the Federal Reserve Conference in Minneapolis it always stimulates more-than-average discussion. And why not, when the "float" in question has a Miss Minnesota atop it and is powered by a brace of comparable beauties.

This year's float was no exception as Arlene Anderson, who was first in the 1945 talent contest at Atlantic City, expertly played the vibes, and blonde Florence Aldernich and brunette Mary Jane Robinson "legged it" behind. From the applause Miss Anderson could easily have been voted Miss Ninth District on the spot, and Miss Commercial West for that matter.

Federal Reserve floats! (This one was constructed by Ed Jones of the Auditorium Display Co.). May they, like Ole Man River, keep on rollin' along at every Fed banquet.



BANKERS ARE BUILDERS

If you were to analyze the functions and duties of your bank, you'd discover that their basic purpose is to help *build* your community. Your city customers and farmers depend on you for the funds they need to carry on their daily work, as well as for long-term support. And they depend on you for counsel. Yes, in a financial sense, you are architect-and-builder—not just of specific structures, but of the community as a whole.

On the wider basis of its relation to the entire Upper Midwest community, Marquette's position is similar to yours. Marquette is *your* bank. Come to Marquette for help in handling loans . . . for credit information, for trust service, for foreign remittance-and-collection service, and to deposit your securities. Marquette will act as your agent in the purchase and sale of government securities.

Marquette is ready to serve you, to help you build!

It is an elementary fact that the use of money is essential to an efficient exchange of goods and services. Money-and-credit is your commodity—the means by which your neighbors buy and sell and build. Whenever you need help to serve your community better, call on Marquette . . . to share in many of the projects that are *building* your community.

MARQUETTE

National **BANK**

OF MINNEAPOLIS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

THE STRONG FRIEND OF THE INDEPENDENT BANKER

Current Trends in INSTALMENT BANKING

Address Delivered Before the
South Dakota Group Meetings

By **CHARLES E. HARMON**

Assistant Vice President
Northwestern National Bank, Minneapolis

These comments and observations are my own, inasmuch as they have not been reviewed with other officers or directors of Northwestern National Bank of Minneapolis.

We are going to approach this subject by making more or less brief comments on certain designated classifications:

SMALL LOAN COMPANIES

These companies are expanding in their policies, their operations and numerically. It is estimated that they are striving to be in every fair-sized community, and, like credit unions, will unquestionably be in much smaller towns than was the case prewar unless banks halt the trend.

One out of every seven families in the U. S. is a borrower from a small loan company. It is our belief you would be surprised if you knew the number of borrowers in your home town who get their accommodation from small loan companies. Based upon experience, we think you would find many such borrowers in your community make loans from small loan companies located in other cities. Psychologically, they do not want local people, including local banks, to know they are borrowers.

In Minnesota, small loan companies increased from 63 at the end of 1945 to 71 by the end of 1946.

These 71 companies in 1946 made a total of 127,002 loans for more than \$19,500,000. These loans were made at an "actual monthly rate collected" of 2.84 per cent.

I submit there is not a business insti-

tution in this country that could survive if they paid better than 34 per cent per annum simple interest for their funds. If business institutions could not survive under that kind of a charge, how can we expect individuals to be any more successful?

These small loan companies in Minnesota in 1946 increased their outstandings from \$7,000,000 to more than \$9,000,000—an increase of 23 per cent. Their "charges collected" were \$2,668,578.45.

Had these loans been made by Minnesota banks at a rate of only ½ per cent

per month, the 127,002 borrowers would have saved \$1,779,052 in interest charges in 1946 alone. On that same volume of loans, but at bank small loan rates of ½ of 1 per cent per month, it is estimated Minnesota banks would have earned a gross revenue of \$889,526.

Taking into consideration the difference in population between South Dakota and Minnesota, we would estimate that your small loan volume by small loan companies in competition with South Dakota banks for 1946 would shape up about as follows:

☐ Number of loans probably made, 21,167.

☐ Probable revenue for South Dakota banks at a rate of ½ of 1 per cent per month, \$148,254.

The gains to borrowers in fair rates, fair treatment, in working them out of debt instead of an organized effort to keep them in debt and the benefits of having an instalment banking connection are even greater than the approximate saving to this number of borrowers, which amounts to \$296,509.

As a result of a courageous battle on an organized basis in Minnesota during 1946 by commercial banks in three communities, small loan companies were unsuccessful in obtaining licenses which they very much desired in order to operate in those communities.

Too much credit cannot be given to those bankers who simply refused to sit idly by and have their legitimate small loan volumes raided by competitive small loan companies offering a service at approximately six times the rate which the same borrowers could get in their local banks.

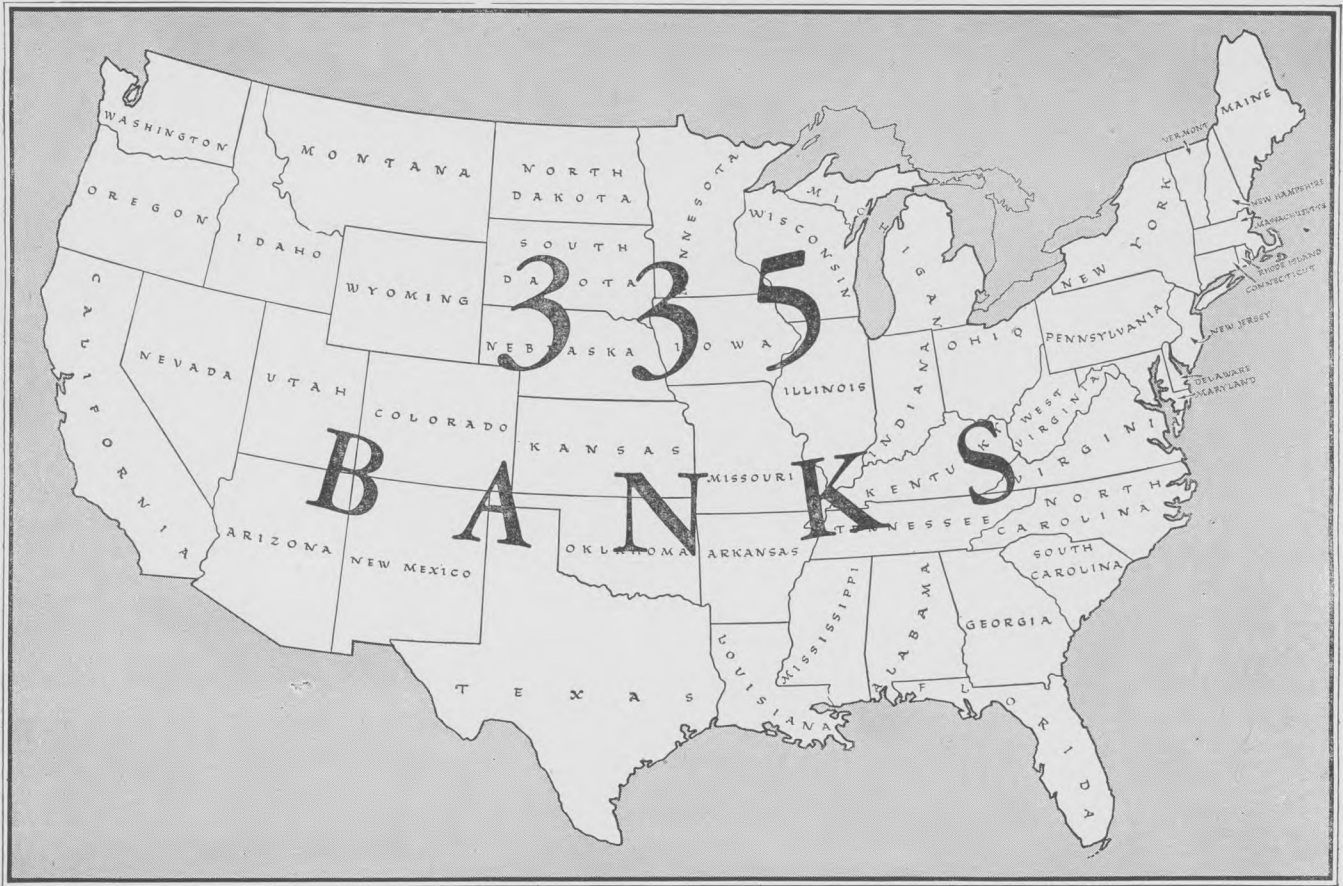
GI LOANS

Banks throughout the Ninth Federal Reserve District have done a magnificent job in assistance to veterans under the

(Continued on page 28)



CHARLES E. HARMON



335 banking institutions—in all parts of the country
 —have been Central Hanover correspondents
 continuously for 50 years or more.



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BANKS and BANKERS . . .

No. Dakotans Discuss Exchange Again at Conference in Fargo

FARGO—Some 75 to 80 state bankers, many of them on their way home from the Federal Reserve Bank conference in Minneapolis last Saturday, took part in a lively discussion here Monday forenoon of the many phases of the complicated and confused situation that has developed in North Dakota over exchange charges et al. The attendance included, in some instances, more than one representative from the same bank.

It was the recommendation of the North Dakota Bankers Association's bank management committee which has been carrying on an exhaustive study of the situation, and as reported by committee chairman, Martin Aas of New Rockford, that exchange charges be voluntarily abandoned and adequate service charges substituted therefor.

Chairman Aas reported the committee as being convinced that fair and adequate service charges would produce as much, if not more, revenue and income than exchange charges, also that substitution of service charge for exchange charges would be in the best interests of all concerned.

Opposition to the abandonment of exchange charges was led by Franklin Page of Hamilton and W. S. Davidson of Williston. They urged continuation of the fight to retain exchange. They did not think the legislation proposed by the Par Clearance Committee to prohibit exchange had a chance of passing the legislature.

A standing vote showed 53 in favor of continuing efforts for retention of exchange. Eleven were counted in favor of voluntary abandonment.

National bank co-operation, it was pointed out, as well as the full co-operation of all state banks, would be essential if exchange charges were to be maintained. To that end a resolution was adopted, copy of which is to be forwarded to every N. D. B. A. member bank, requesting co-operation by the handling of state bank checks the same as they have done before, as opposed to forwarding them for collection through the Bank of North Dakota.

Continued charging of exchange, it was

pointed out, meant returning all checks clearing through the Bank of North Dakota. This procedure, it was felt by many present, would lead to ill will on the part of some depositors. But some 30 voted to do so. That is understood to have led to the question of how to do the returning. One banker reported returning such

checks marked, "Refused to handle without charge for collection service."

In an effort to determine just what every state bank proposes to do it was decided to send out a questionnaire. What the next move will be when definite information has been compiled by this new survey remains to be seen.

Independents Pick Headliners for May 23-24 Convention

Ben DuBois, president of First State Bank, Sauk Centre, Minn., and secretary Independent Bankers Association, advises Commercial West this week of tentative program arranged for the association's annual convention May 23-24 in St. Louis.

Association matters will be up for discussion at the luncheon and short program May 23.

Saturday morning, May 24, W. L. Gregory, president Easton-Taylor Trust Co., St. Louis, will deliver the president's annual address. He is expected to cover the year's work and make suggestions for the future. Other morning speaker will be William G. F. Price, vice president American National Bank & Trust Co., Chicago. His topic: "Banking's Job Today."

President Gregory will preside at the afternoon session. Chester C. Davis, president Federal Reserve Bank, St. Louis, will discuss "Looking Ahead With Banking." Also scheduled is Wendell Berge, assistant attorney general, anti-trust division Department of Justice, on "Independent Business and Monopolies Are Not Compatible." Committee reports and election of officers will follow.

With President Gregory as toastmaster, the evening session will be highlighted by the address of William Jennings Bryan, vice president Third National Bank, Nashville, Tenn., council member. Charles W. Tobey, chairman Senate banking and currency committee,

will speak on "Some Common Denominators in American Citizenship."

C. C. Rieger, vice president Marquette National Bank, Minneapolis, and chairman transportation committee, has made arrangements for a special section consisting of Pullman, lounge and dining cars on the Chicago, Rock Island & Pacific train leaving Minneapolis, May 22, at 5:05 p. m. It will leave St. Paul at 5:35, arriving in St. Louis at 9:05, May 23.

The train will leave St. Louis on the return trip May 25 at 6 p. m., arriving in St. Paul, May 26, at 9:30 and in Minneapolis at 10 a. m.

Campbell County Bank, Herreid, S. D., Shows Nice Three-Year Growth

Some pretty fancy growth has been recorded by the Campbell County Bank, Herreid, S. D., in the short span of almost three years that it has been in operation. Opened for business with \$30,000 capital, \$5,000 surplus and \$5,000 undivided profits, it rolled into April of 1947 with surplus and undivided profits now \$28,244, deposits of \$1,565,495, government and municipal bonds totaling \$1,565,445 and loans of \$138,000.

President, though inactive, is Joe Wolf. Active officers are William Block, cashier and manager; H. P. Ochsner, vice president, and Assistant Cashier Betty Jahraus.

Montanans Promote Heinecke

His Election to A. B. A. National Bank Division Held Due State

Montana bankers attending the recent A. B. A. spring council meeting at French Lick, Ind.—A. W. Heidel of Broadus and B. M. Harris of Laurel and Columbus—are reported to have received beaucoup official nods from surprised members of the official family on their suggestion of a Montana representative on the executive committee of the National Bank division.

No one could remember when, if ever, Montana had had such recognition and representation. Consensus was never, hence the ready recognition now of the fairness of the proposal and request.

These facts established, it is said, thoughts immediately turned to the question of the right man for the job, a quali-



FRED HEINECKE

fied and outstanding Montana national banker to fill the vacancy that will occur this fall when T. N. Hayter, vice president First National Bank & Trust Co., Sioux Falls, completes his term as the Ninth Federal Reserve District's representative.

Man decided upon, Commercial West learns, is Helena's well known Fred Heinecke, president First National Bank & Trust Co., a past president of the Montana Bankers Association and long active in Montana and Ninth District banking circles.

LOUIS C. BARTA was elected assistant cashier Live Stock National Bank, Omaha. He entered the bank in 1928 and has been employed in various departments, most recently in charge of new accounts. Mr. Barta has been very active in the Omaha Chapter, A. I. B., having served as president, and at present is a member of the National A. I. B. public speaking committee.

Citizens State Bank, Winsted, Minn., was authorized April 28 to increase its capital stock from \$15,000 to \$30,000.

TO GO TO WASHINGTON

R. C. Woodworth, assistant to the president Cargill, Inc., Minneapolis, and chairman National Grain Trade Council, will represent grain interests May 6 in Washington at a hearing before the Rep. Clifford Hope House committee on agriculture of Congress.

Deposits Up, Earnings Down But Marine Banco Pays as Usual

SEATTLE—Directors of Marine Bancorporation, whose principal subsidiary is the National Bank of Commerce of Seattle, announces declaration of the regular quarterly dividend of 30 cents a share on its capital stock, the 78th consecutive quarterly dividend since formation of the corporation in 1927. It is payable May 1 to stockholders of record April 19.

Net earnings of Marine Bancorporation and subsidiaries totaled \$529,878 during the quarter ended March 31 compared with \$830,111 in the first three months of last year and \$530,338 in the first quarter of 1945. Figures for all three periods are after provision for usual reserves and estimated taxes.

The National Bank of Commerce, ranking 39th in size among the 15,000 banks in the United States, has 27 offices serving 23 communities in the state of Washington. The First National Bank of Mount Vernon also is a subsidiary of Marine Bancorporation.

The general trend of banking throughout the country is reflected in the Marine figures. Deposits have decreased materially in the last year mainly because of the United States Treasury's withdrawal of its special wartime balances to reduce the government debt. The decrease in banks' earnings from investments as a result of their reduced holdings of government bonds was partly offset, however, by increased earnings on loans. The volume of loans, to assist both business and individuals, remains at a high level, far above a year ago.

V. W. PETERSON, cashier Kanabec State Bank, Mora, Minn., has gone to California for two weeks' vacation.

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Stephen R. Kirby..Chairman Executive Com.
Lewis C. Castle.....President
Wilbur F. McLean.....First Vice President
Percy R. Pascoe.....Vice President
George Ostrom.....Vice President and Inv.
Stephen R. Kirby, Jr.....Vice President
Jorice E. Brown..Vice President and Cashier
John C. Buckley.....Assistant Cashier

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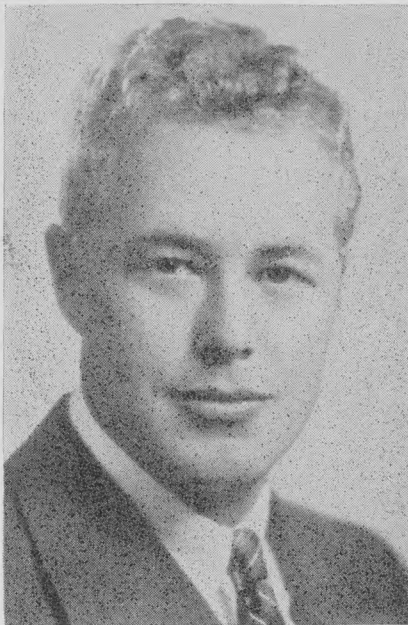
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MP 114



RICHARD H. STEBBINS, recently named to advertising dept., Northwestern National Bank, Minneapolis. Born and brought up in Minneapolis, he was likewise schooled in the state, graduated from Gustavus Adolphus in '41 in time for naval air forces duty during the war. Discharged in '45, he has been with Associated Press at the State Capitol until Northwestern National beckoned.

Grandparents

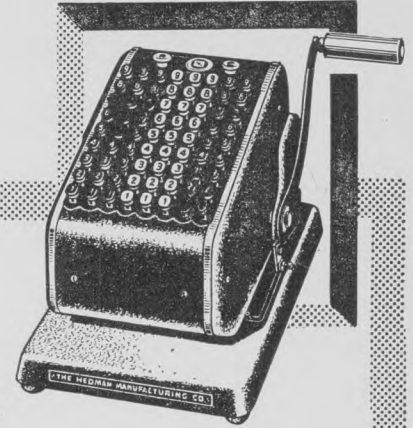
The George J. Johnsons—he is senior vice president American National Bank, St. Paul—joined the ranks of proud grandparents April 22 when their daughter Marian, wife of J. F. Gruenwald, cashier Farmers State Bank, Marion, Iowa, gave birth to Carol Ann, six pounds plus. Mr. Johnson, back this week from Marion, reported everyone doing fine, Mrs. Johnson remaining another 10 days or two weeks.

★

To T. Stanley Jackson, St. Paul Terminal Warehouse Co., last week, as it must to all warehousemen whose sons have more sons, came pardonable pride. It came in the form of news that his son, Don Jackson, with Northwestern National Bank, Minneapolis, before service and Allied Building Credit Corp. in Tampa, Fla., now, is father of a new Jackson.

Doubled its capital stock—\$15,000 to \$30,000—was what the Citizens State Bank, Lafayette, Minn., did.

President Lincoln was the only president of the United States for whom a special railroad car was built.



President Paskudnik

Let no rugged citizen who loves thee, America, emit a loud guffaw at the sound of the good Bohemian name PASKUDNIK. Let no polite Peterson, or MacTavish, or Cheesebrough, or Van Cleve, or Mulrooney who loves "thy rocks and rills, thy woods and templed hills," America, lift an eyebrow at the name PASKUDNIK. Let MacTavish and Cheesebrough and Mulrooney and those loyal Americans of other racial strains be assured that to a first generation PASKUDNIK their names sound as strange as Paskudnik's does to them.

Old Paskudnik was of sturdy peasant stock. On his native heath in Bohemia old Paskudnik was his village elder statesman—trusted, esteemed, revered by young and old alike for his integrity, his indomitable courage, his wise counsel, his sense of fair play, his great love of freedom, his humaneness, his patience and forbearance, and his inexhaustible fund of good humor. Paskudnik was of the stuff that good fathers and good husbands, good neighbors and good citizens are made of.

It is not surprising, therefore, that one of his eight sturdy sons, now grown to full manhood, having inherited most, if not all, of his father's characteristics, should have found the borders of little Bohemia too confining for his expanding aspirations. Bolder than the rest, dreaming of a land of broad acres and broad horizons, broad freedoms and broad opportunities, he bundled up his progeny and departed for America. It is true that adventurer Paskudnik missed the Mayflower, but so did a number of Cheesebroughs. In the illimitable Universe, in the immensity of Time and Space, the three centuries that flitted by since the moment of the arrival of the Mayflower to the moment of the arrival of the vessel that brought stout-hearted Paskudnik are as the three consecutive ticks of the kitchen clock.

The first generation of Paskudniks has already produced a football star of universal acclaim and a doctor of medicine, and has sacrificed a third son upon the altar of freedom. In the second, third, fourth and fifth generations the Paskudniks may—perhaps, will—give to the world distinguished scientists, jurists, sociologists, statesmen, diplomats, humanitarians, college presidents; yes, even a few socialites. In the sixth generation, perhaps, a President of the United States. In the first generation it seems a bit awkward to say, President Paskudnik. In the sixth generation "President Paskudnik" will roll off the tongue like peas off a knifeblade. Let the Cheesebroughs, therefore, practice pronouncing PASKUDNIK with a certain reverence. There is a **PRESIDENT PASKUDNIK** on the way.

The foregoing has nothing to do with the F & E Check Protector—perish the thought! However, it may be said truthfully that the F & E is a good check protector, and the man who sells and services the F & E, somewhat tongue-tied to be sure, reticent, modest, retiring, is a good man to know.

**Tongue-Tied Peddler
of Check Protectors
He Tells the Truth
Most of the Time**



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Midwest Bank Women Meet in Chicago

Members of the Lake and Midwest Divisions of the Association of Bank Women (many of them from Twin Cities and Northwest) were in Chicago this weekend for a joint meeting similar to the one held in Minneapolis a year ago.

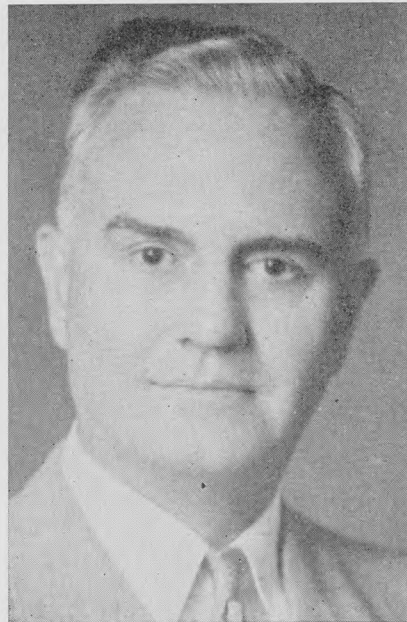
They were to hear Swayne Good-enough, president Financial Advertisers Association, and their own president, Willa A. Riley, on "Opportunities for Women in Banks and Their Problems."

Marion E. Mattson, assistant cashier Northwestern National Bank, Minneapolis, was to be in charge of the Saturday morning session, and Nellie M. Bendsend, personnel assistant Midland National Bank, Minneapolis, slated to speak on "Employment of Personnel."

The other Midwest speaker was to be Anna T. Olsson, manager savings department Live Stock National Bank, Omaha, on "Thrift From the Standpoint of Savings."

Report your bank news to Commercial West. Your banker friends throughout the Ninth District will be interested in it.

N. W. Banco Directors Elect



HARRY A. BULLIS



E. LEE TALMAN

Directors of Northwest Bancorporation, Minneapolis, meeting last week: Elected Harry A. Bullis, president of General Mills, a director;

Elected E. Lee Talman, formerly vice president Transcontinental & Western Airlines, Kansas City, vice president and comptroller;

Declared a dividend of 40 cents per share on 1,547,767 shares outstanding, payable May 25 to stockholders of record May 10.

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Under the direction of officials with years of service in this field, assuring a knowledge of requirements and valuable assistance.

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Winona Minn. Clearinghouse Elects Chappell, Kryzsko

At its annual meeting last week the Winona (Minn.) Clearinghouse Association elected J. R. Chappell, president Merchants National Bank, president for the ensuing year.

S. J. Kryzsko, vice president and trust officer Winona National & Savings Bank, was elected first vice president, and C. W. Britts, vice president Merchants Bank,

second vice president. In as secretary-treasurer at the same meeting went John Ambrosen, cashier Winona National & Savings Bank.

WALTER BRUTSCH, first vice president First National Bank & Trust Co., Helena, Mont., left April 26 for Switzerland to visit his mother who is 94 years old.

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S. D. Group Meeting Notes

By ROBERT C. WIHREN

No trip through South Dakota, we have been told, is complete without visiting the Bad Lands and the Black Hills. This Commercial West representative, new to the state and South Dakota bankers' hospitality, planned to visit both and toss in a few views of every other part of the Sunshine State on the side.

★

Harking back to that old adage about well-laid plans, etc., that's just what happened. The Bad Lands got a thorough glancing over; the Black Hills, by necessity, had to be surveyed from the comforts of Rapid City's Alex Johnson hotel when transportation, fast as it was, failed to traverse the sprawling state in time for some admiration and picture taking of Rushmore, Crystal Caverns, and other sights.

★

It was in Rapid City that the South Dakota group meeting swing started. It was there that we sidled up to Secretary George Starring with our thanks for taking care of hotel reservations, etc., for the next 10 days. Through those next 10 days, we did a lot of sidling up to bankers from every corner of the state—for a handshake and hello.

★

President of the group, W. E. Dickey, vice president and manager Spearfish branch, First National Bank of the Black Hills, was absent. Subbing for him was C. O. Fogelberg, vice president and manager Newell Branch, First National Bank of the Black Hills. He'll be in the driver's seat again next year, too.

★

"Music" was on the Mobridge Group Six program, and music it was, provided by Mrs. Fred Grosz, wife of the group president, and singing, too, led by J. Dale Leshner, cashier Citizens Bank of Mobridge.

★

It was at Mobridge that Commercial West, like Superintendent of Banks Verne Abeel, first learned about Mr. Abeel's transition to grandfather.

★

It was reunion time in Mobridge, too, for Mr. Abeel, Steve Anderson, state auditor, and John Hirning, formerly

state auditor and superintendent of banks, now president Miners & Merchants Savings Bank, Lead. Messrs. Abeel and Anderson, who at one time worked under Mr. Hirning, now fill official shoes he once wore.

★

Take a jug, partially fill it with water, add a talented "blower," and you've got the kind of music Group Four members heard at Aberdeen along with a piano solo or two and some harmonica harmonizing.

★

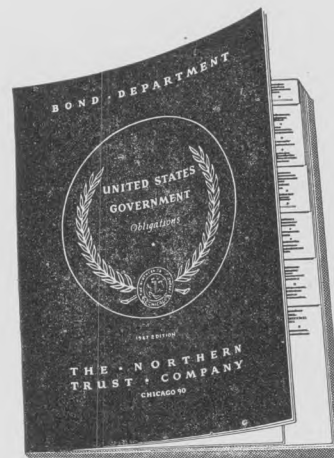
Beneath his bright and humorous ex-

terior, Tom Collins, one of the two featured speakers at the seven meetings, brought out an excellent point in his talk on "Mental Reconversion." "It is time," he declared, "for bankers to quit acting like buyers, which they aren't, and begin acting like sellers, which they are."

★

Rank-pulling was an especial curse of the army. It has its counterparts in civilian life but slightly reversed. Midway between Rapid City and Mobridge, the car carrying Al Junge assistant cashier, and Charles E. Harmon, assistant vice president Northwestern National Bank, Minneapolis, bogged down with generator trouble. Said the assistant cashier to the assistant vice president: "It has to be

(Continued on page 23)



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The 1947 edition of The Northern Trust Company's informative book on U. S. Government Securities is now ready for you. Like previous editions which have proved useful to banks, this new book contains charts, tables and complete facts on all current issues. A request will bring you a copy.

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OUTFIELDER
AND FRIEND



(1) The bank floor lobby. Inset: Spring Valley met Spring Valley—to provide an Oz Black touch—when John Graslie (Wisconsin) met George C. Gullickson (Minnesota).

(2) Greeted by bank officers at the head of the stairs, guests were assigned hostesses, registered, had their wraps checked.

(3) Early bird was Bill Rempfer, Parkston, S. D. (left), who had to be registered by Pat Pelland at 7:45.

(4) Ben DuBois, Sauk Centre, secretary Independent Bankers Association, with Robert Beery, Browns Valley. Audrey Eckland and Dorothy Rockland were their hostesses.

(5) Watching Frances Finney operate an IBM card punch are Ray Brundage, Lansing, executive manager Michigan Bankers Association; Lawrence

Clayton, new Federal Reserve System governor; Horace Conklin, Michigan Bankers' second vice president.

(6) This trio wanted a hostess in the picture. Margaret Piersak, home town Detroit, discovered Fred Marin of Lansing (middle), Michigan president in the group. Others are A. E. Dahl, Rapid City, S. D., vice president, and Charlie Wattam, Fargo, N. D., secretary.

(7) Closeup of the packed lobby.

(8) At the head table during the luncheon.

(9) President Peyton presided over the business meeting.

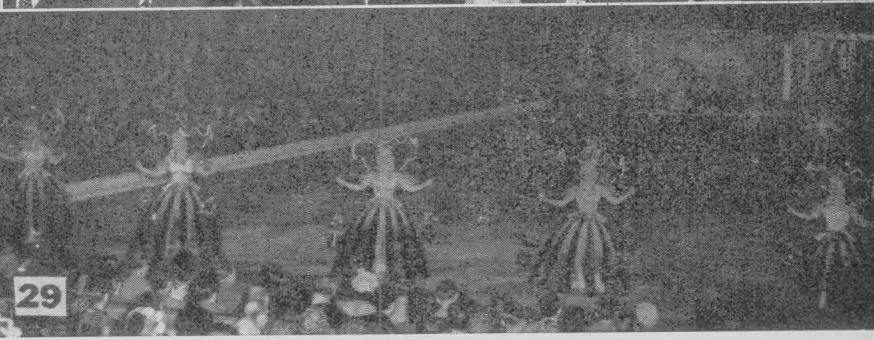
(10) The speakers (seated): Vernon Peterson, Ames, Iowa.; Leonard W. Brockington, K. C., Ottawa; Dr. Austin A. Dowell, University of Minnesota. Behind them, Governor Clayton and Roger

Shepard, FRB board chairman.

(11) A Wisconsin group: Harry Cole, Rhineland, checking the book of registrants; W. B. A. President W. S. Goode, Menomonee Falls, and Wall G. Coapman, Milwaukee, secretary; John Extrom, Tomahawk.

(12) Besides Hugo Aronson, Shelby, Montana Bankers Association president (middle), this group contained D. B. Caughren, Sauk Centre; Tony, Schneiderhan, Alexandria; J. P. Kearns, Townsend, "dean of Montana bankers"; Walter H. Schulke, Helena.

(13) Lois Lohmar, hostess. Others, Gust Schiefelbein, Durand, Wis.; Harry Moors, Rice Lake; Arnie Vogtsberger, Menomonie; A. J. Quinn, Cumberland, state banking commissioner; Fred Goetz, Cadott.



(14) Helena branch director Theodore Jacobs, Missoula, with Mrs. Jacobs. At left is A. R. McDermott, Billings; at right, B. M. Harris, Columbus, also a branch director.

(15) Leaving the bank are D. R. Green, Bozeman, Mont.; Larry Durand, Jamestown, N. D.; Ray Stevens, Vermillion, S. D.

(16) This group started with Montanans, but a few "outsiders" trickled in. Seated are G. P. Drowley, Miles City; R. M. Waters, Billings; Errol F. Galt, Great Falls; O. R. Rubie, Havre. Standing: A. W. Johnson, Lewistown; Rex Chappell, Winona, Minn., and Herb Woodward, Columbia Heights former Montanans; Lee Sauer, First National, St. Paul; Claude Jones, Miles City.

(17) The FRB panel: H. G. McConnell, Paul W. McCracken, Oliver S. Powell (leader), Frank Parsons, Sigurd Ueland.

(18) At the hotel Charles Pieger (Marquette National, Minneapolis) and FRB director (vice president and treasurer) received their "credentials" from Betty Lou Sisson and Ruby Lindblad.

(19) Paul S. Gillespie points out Missoula to Walter Leiser, Ontonagon, Mich.; Jeff Smith, River Falls, Wis.; D. W. Westbee, Grand Forks, N. D.; Ed Olson, Starbuck.

(20) Clarence E. Hill, Northwestern National (Minneapolis) and FRB director (second from left) with three from Sault Ste. Marie: Otto B. McNaughton, Fred K. Shafer, Carl Lindstrom.

(21) During the social hour, Kathy Kohls entertained Herb Clarkson, Buffalo, S. D.; Harold Walter, Sturgis, S. D.; A. L. Miller and Herman Klein, LaCrosse, Wis.

(22) Some Minnesotans at dinner: Walter Orr, Baudette; Wilbur McLean, Duluth; Halbert Shirley, Breckenridge; Meredith Anderson, Madison; Joe Peterson, Battle Lake.

(23) Arlene Anderson, 1945 Miss Minnesota and talent contest winner at Atlantic City that year.

(24) In a bus, Ice Follies-bound.

(25) One section of the sea of faces watching the Follies.

(26) FRB director J. E. O'Connell, Helena, and son Jim (at left) during Follies intermission, with John Burke, Butte, and Errol Galt, Great Falls.

(27) Boarding a bus to the Follies.

(28) Another intermission shot: John Knaus, Jr., Trenary, Mich.; E. D. MacHaffie, Helena director; Bill Warmington, Escanaba, Mich.

(29) A Follies highlight, the "plastics" number.

Here's New Slate For Minnesota Bankers



JOHN CARLANDER

The constitution and by-laws of the Minnesota Bankers Association provide that its nominating committee shall be composed of the presidents of its 23 clearinghouse associations, plus representatives from Minneapolis, St. Paul and Duluth clearinghouses. Also, that said nominating committee shall meet not later than one month before the state convention; this year it's June 11-12 in St. Paul.

Pulling that large committee into Minneapolis from so many scattered parts of Minnesota was simplified to an appreciable degree this year by tying the meet-



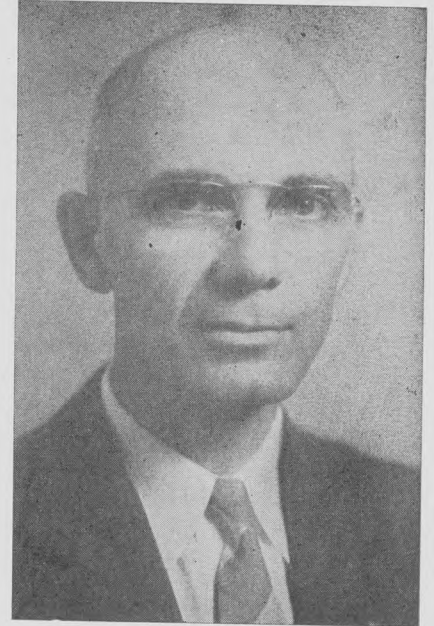
M. O. GRANGAARD

ing in with the Federal Reserve Bank conference. And so, fairly early next day after an enjoyable evening at the Ice Follies the nominee pickers tackled their more serious task, Sunday notwithstanding.

Serious work it was, but not arduous, apparently, since the slate was completed in short order and with nary a contest. Here's the slate as it will be presented to the 57th annual convention in St. Paul:

For President—John Carlander, president State Bank of Faribault, now vice president.

For Vice President—M. O. Grangaard,



C. E. CADWELL

vice president First National Bank, Minneapolis.

For Re-election as Treasurer—C. E. Cadwell, president First National Bank, Farmington.

FOR THE COUNCIL

First District—G. N. Reppe, president and cashier First State Bank, Grand Meadow.

Second District—G. A. Redding, president Windom State Bank.

Third District—D. Fay Case, president Security State Bank, Cannon Falls (re-election for a full term).

Fifth District—William A. Kramer, treasurer Farmers & Mechanics Savings Bank, Minneapolis.

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. . . in our temporary quarters at 828 West Roosevelt Road . . . thanks to our many friends, and to the ability and loyalty of our employees. Having won our trial by fire, we plan to share with you the many valuable things we have learned in the process.

CENTRAL NATIONAL BANK

IN CHICAGO

C. F. KUEHNLE, *President*

Senior Vice-Presidents

Gus L. Nelson

Correspondent Bank Division

Vice-Presidents

Arthur A. Eller

J. Ross Humphreys

Alfred O. Clave

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Harold H. Stout

Earl H. Sollenbarger

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Iowa Mutual Promotes, Switches and Advances

Some recent changes at the Minneapolis office of Iowa Mutual Liability Insurance Co. include a promotion, change of jobs, and new man on the job.

The promotion to residential vice president goes to hard-working Howard Pracht, who has been calling on bankers in the Northwest for quite a few years. Pulled out of the office onto the road as a special representative is Arthur Hitze-mann. He will cover Southern Minnesota. Ray Kyser comes with the Iowa Mutual office as payroll auditor.



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Deposits in North Dakota's state banks jumped more than \$30 million in the first quarter of 1947, according to figures released this week by John Graham, state examiner, following a state bank call. Deposits Dec. 31 totaled \$288,492,938 as against \$318,815,841 March 31.

For
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Minnesota Council Hikes Dues and Sets Convention Fees

Members of Minnesota Bankers Association's governing body, the council of administration, like members of the M. B. A. nominating committee, combined business with pleasure on their trip to Minneapolis for the Federal Reserve Bank conference. The business: a special meeting on Sunday to discuss plans for the 57th state convention in St. Paul, June 11-12, and the proposed upping of membership dues in the higher brackets.

Most important phase of this important convention business was wrestling with substantially increased costs of staging the annual convention, the most largely attended state meeting in the Upper Midwest.

Accordingly, the council decided to make a registration fee this year of \$3 per person, charge \$3.50 for banquet tickets and \$2 for golf tickets. The golf ticket will cover green fees, locker room service and lunch at Keller course June 11.

The registration fee will include tickets to the ladies' luncheon and the men's smoker. No extra registration fee will be required for delegate's wife.

Extra tickets for the ladies' luncheon and the men's smoker will be \$2 apiece.

*

The association's higher bracket dues which have remained unchanged for years, the council decided, should start at \$150 a year for \$10,000,000 banks then by successive steps advance to \$750 for banks of \$250,000,000 and over. Hithertofore the top was \$250 for banks of \$30,000,000 or over.

The special dues committee, which has been working on the proposed new schedule for some time, also made a survey of dues of other associations in this territory. It found, for instance, that other state associations' top dues ranged from \$550 to Wisconsin's \$1,000 and Illinois' \$1,500.

Larger banks of the state which are affected by the new schedule, are said to have agreed to go along on the increase. There are some 26 of them.

Lumber Output Up

Production of lumber in 1946 increased 14 per cent to 30 billion board feet. Improving supplies of labor and machinery may enable producers to expand output as much as 10 per cent this year. Hardwood flooring and millwork will continue in short supply, but most needs of the building industry will be met.

Reflecting active production, retail stocks of lumber rose substantially last year, but still are some 30 per cent below the 1942 year end. Until inventories are considerably higher, prices probably

will hold reasonably close to recent peaks, states Standard & Poor's Industry Surveys.

S. D. GROUP NOTES

(Continued from page 17)

fixed." Up-shot of it all was Mr. Harmon's egress from the comforts of the Chrysler to the discomforts of South Dakota rain and mud, armed only with a rusty pair of pliers, to discover and correct the trouble. Success of a sort was achieved and they reached Mobridge.

★

Elmer Volkenant, assistant vice president First National Bank, St. Paul, who had to leave the meetings in Aberdeen, and who, as reported last week in Commercial West, had a blood transfusion, is still in a St. Paul hospital but is improved and is expected to be released and sent home (698 Arlington avenue East) about Monday. He'll be away from his desk for another week, at least.

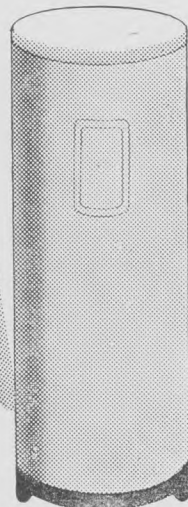
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INVESTMENTS . . .

AHEAD OF THE MARKET

With **WALL STREETER**



Last week an announcement by the National Petroleum Council flatly expressed the fear that there may be a severe oil shortage by next fall. This group said "a shortage of petroleum products may become so severe next fall and winter that some navy vessels will be immobilized by lack of fuel." One member of the council predicted that by autumn there will not be enough gasoline to go around.

This report further advised that "the reasons are record consumption of oil—now 5,650,000 barrels a day compared with the 1945 wartime high of 5,358,000 barrels—coupled with shortages of tank cars, tankers and steel for pipe lines and equipment."

It must be realized that the un-

precedented demand has developed despite the fact that there are about 4.5 million fewer cars being driven now than there were in 1941. Nevertheless, with what cars there are available, the American people have taken to the road at a much greater pace than ever before, and the consumption of gasoline per car has more than compensated for the lack in total number of units.

With prospects of an increase of 8 million cars and trucks in use by 1950, the possibilities for any let down in gasoline requirements would appear to be remote. The use of oil as a fuel has also been expanding. Recurring coal strikes have hastened a long time trend in the conversion of both industrial and residential heating to the use of oil. An even greater market is expected as a result of new construction.

Coal burning locomotives are being replaced by the diesel engines on a continuing larger scale. Almost all of the new orders placed by the railroads are for diesels with strong indications that this market for oil will show an expansion of as much as 100 per cent within the next few years.

Aviation will require a greater amount of gasoline as the long term outlook for growth in the numbers of commercial and private planes is impressive.

Add to these favorable factors a most promising chemical business based on petroleum and petroleum by-products, and it is not difficult to understand why oil production and transportation facilities are strained to the utmost to meet the demand.

It should be recalled that this is a resumption of a trend in the rise of petroleum products that has been under way for many years. During the period from 1929 to 1941 consumption increased each year with the exception of 1932. The drop in that year amounted to only 7 per cent, which provides some idea of the inherent earning power that exists in the oil industry.

The price of crude oil has increased about 63 per cent in the past year. New production entails the highest cost in the industry's history, since not only has it been more difficult to locate new pools but the labor and material costs of exploration and drilling have shown a sharp advance.

These factors, coupled with a tight supply and demand situation, will go a long way in sustaining prices at close to a \$1.95 per barrel level. This places a considerably greater valuation on the proven reserves of the leading oil producers. Thus far this has not been reflected in the market prices of the common stocks of these companies, but over a period of time this boost in asset value should exercise a powerful pull on market valuation.

On several occasions in the past Union Oil of California has been recommended as an investment. The common, currently priced at \$20 per share and paying \$1 in dividends, provides a yield of 5 per cent. Thirty-two years of uninterrupted dividends demonstrates the unusual stability behind this yield.

This company is a completely integrated unit producing 74 per cent of its refinery requirements. An extensive and well established retail marketing organization is spread out along the Pacific Coast. From all indications the growth in population in this area is continuing a trend that has been underway in recent years. Union Oil's civilian sales of gasoline reached a prewar peak of slightly under 300 million gallons in 1941. Last year these sales exceeded 450 million gallons.

The book value per share of common is \$33.21 but this can hardly be considered a generous valuation. Oil lands, wells and facilities are carried



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25 Offices Coast to Coast

on the books at a net figure of \$86.8 million, yet at the same time the company estimates its proved reserves of crude oil at 410,000 barrels. On this basis each barrel of underground reserves is valued on the books at about 21 cents per barrel, while crude oil on the Pacific Coast market will bring a price of \$1.85 per barrel.

In the past 12 months this reserve of crude oil has appreciated sharply in value, but the price of the common stock dropped 20 per cent. A similar situation holds true for many of the leading oil producing companies. Union Oil common represents a most attractive value in relation to assets, earnings, financial strength and yield.

Venezuelan Petroleum currently trading on the New York Curb at about \$6 per share is a speculation possessing unusual long term possibilities for capital appreciation. Sinclair Oil owns 85 per cent of the 4,000,000 shares of common outstanding and purchases all of the crude oil output. Venezuelan Petroleum owns directly or through royalty interest, valuable oil producing and undeveloped lands in Venezuela. Through a subsidiary, the company also owns a half interest in over a million acres of undeveloped land located in Panama.

Available records show that from the period 1931 through 1943 the income received from a royalty interest was equivalent to earnings of only a few cents per share on the common. As a result of a substantial increase in newly developed production, earnings have shown an exceptional gain:

	Earnings Per Share
1946.....	\$0.93
1945.....	.87
1944.....	1.33
1943.....	.03

Sinclair Oil needs all of the crude production that can be developed because its reserves are small. This assures a strong support of Venezuelan Petroleum to continue its program of enlarging production in an area that is far from fully exploited. Crude oil reserves are estimated at over 120 million barrels.

Earnings for the last three years of approximately \$12 million have been retained to offset part of the huge development expenditures made in recent years. However, the expansion has been at such a fast pace that additional borrowings have increased the long term debt to \$20 million.

Current assets of \$13 million include \$9.6 in cash as compared to current liabilities of \$2 million. The book value per share of common is \$6.24.

There is ample evidence that this

Madland to Sacramento Bank

Minnesotan Moves Up From San Jose to Larger Capital National

SACRAMENTO, CALIF.—Directors of the Capital National Bank announce the election of Leland L. Madland of San Jose, a native of Minnesota, as president succeeding the late George E. Zoller. George C. Bassett, acting president since Mr. Zoller's death in March, becomes chairman.

Mr. Madland has been president of the First National Bank of San Jose for eight years and previously had been a vice president Seattle-First National Bank at Seattle. Capital National directors said he was chosen "because we feel he is the best qualified man" for the post.

Mr. Madland was born at Glenwood, Minn., Dec. 16, 1892, began his business career in 1912 in the Minneapolis office American Surety Co. of New York, in 1913 he became assistant cashier First State Bank of Expansion, N. D., in 1916 organized the First National Bank of Pompeys Pillar, Mont., and was president until 1919 when it was sold.

He then was appointed an assistant national bank examiner with headquarters in Dallas, Texas, in 1920 was appointed a national bank examiner and transferred to the Ninth Federal Reserve District with headquarters in Billings. In 1922 he

company is being molded into a strong oil producing organization with prospects of even greater production and earnings. At its current price of \$6 the common is less than half of last year's high and gives little recognition to the excellent prospects.



L. L. MADLAND

was transferred to Minneapolis and served as examiner at large, until he was moved to Seattle in 1926.

In 1930 was returned to Minneapolis as chief national bank examiner for the Ninth Federal Reserve District, in 1932 became chief national bank examiner for the Twelfth Federal Reserve District with headquarters in San Francisco, went with Seattle-First National in 1936.

Out after home and improvement loans, the National Bank of Commerce, Seattle, has hit on the theme, "For You, Your Family, Your Home," in all its bus and outdoor advertising. Distributed with their April 1 statements were copies of a novel blueprint folder aimed at the same home loan target.

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135 S. LaSalle St. Chicago

Municipal Financing

By **STANLEY R. MANSKE**

Secretary-Treasurer Northwestern Municipal Association



Twin City municipal dealers were chiefly concerned this week with the \$300 million Illinois bonus bond sale which followed the pattern of the Michigan offering. As expected, one bid was submitted by a large syndicate including practically all local dealers active in tax exempt issues on the basis of 100.06, equal to a 1.676 per cent net interest cost for 1½'s from 1949 to 1960 and 1¾'s for the balance to 1972. Reoffering prices ranged from a .75 per cent yield for 1949 to a dollar price of 99 for the 1972 maturity.

Most of the maturities were heavily oversubscribed, reports say, with particularly good demand for bonds due up to 10 or 12 years. Local dealers report many country banks in this area placed large orders for short and intermediate maturities. In many instances dealers were unable to fill all orders received, necessitating partial allocation. City banks in this territory, as well as in most sections of the country, showed considerable interest in the issue for portfolio investment.

Within a few hours after the sale most of the maturities were bid up one-quarter of a point over the original offering scale and the last four maturities, which were well received by institutions and individual investors, were bid up three-quarters of a point. Local municipal spe-

cialists advised their syndicate commitments were sold out a short time after the sale as every indication pointed to a successful placement of this huge offering.

The next bonus issue will come up for sale May 13 when the STATE OF CALIFORNIA asks for bids on \$10,000,000 bonds out of an authorized \$100,000,000. The issue will mature serially 1949 through 1968.

CONNECTICUT has scheduled a sale of \$50,000,000 bonus bonds May 27. It will consist of short serial bonds running from 1948 to 1957 and should make good bank investment material. At the same time the state will sell \$2,000,000 University of Connecticut building bonds due \$100,000 each year 1948 through 1967 and \$200,000 dormitory bonds due serially to 1967.

The local calendar for May promises to keep local investment dealers exceedingly busy. CONSOLIDATED SCHOOL DISTRICT No. 41 OF OLMSTED AND DODGE COUNTIES, MINN., at Byron will offer \$104,000 school building bonds May 15 at 1 p. m. due serially May 1, 1950 through 1967, with bonds maturing 1964 and subsequent callable in 1962. Byron is located in a fertile farm area in Southern Minnesota approximately five miles west of Rochester. The district has an enrollment of 227 pupils and employs 12 teachers. The purpose of this issue is to provide additional building space for increased enrollment.

BROWNTON SCHOOL DISTRICT IN McLEOD COUNTY, MINN., will offer May 13 at 1 p. m. \$80,000 construction bonds due serially 1950 through 1967 with bonds due 1963 and subsequent thereto being callable on May 1, 1962, or any interest date thereafter. The purpose of this issue is to provide funds for construction of a new school building. Brownton is located approximately 15 miles west of Glencoe.

FAIRMONT, MINN., has scheduled a sale of \$50,000 airport bonds at 8:30 p. m. on May 15. The issue will mature \$5,000 each year May 1, 1948 through 1957.

QUEEN TOWNSHIP, located in Polk county near Crookston, offers May 16 at 2 p. m. \$25,000 road and bridge bonds due May 1, 1950 through 1961, without option of prior payment. Additional information on the four sales listed above may be obtained from T. G. Evensen & Associates, Inc., First National-Soo Line building, Minneapolis.

WADENA, MINN., will receive sealed bids May 2 at 8 p. m. for \$350,000 public utility revenue bonds. The purpose of the issue is to provide funds for construction, improvement and extension of the village public utilities. Each bidder is requested to submit with his bid a detailed plan of financing and a schedule of maturities for the issue. Bids are to be filed with John M. Ehlen, village clerk.

KANABEC COUNTY, MINN., INDEPENDENT SCHOOL DISTRICT No. 1 at Mora advertises for bids May 9 at 7:30 p. m. on \$119,000 school building bonds due Aug. 1, 1948 to 1967, without option of prior payment. This district includes the village of Mora and approximately 4,000 acres adjacent thereto. Comprising the total area of 6,500 acres the present estimated population of this school district is 2,300 and this issue was authorized at the election held April 9.

There were six bids submitted at the CITY OF WEST ST. PAUL, MINN.,

Information on Following Bond Sales Can Be Had From:

**T. G. EVENSEN
and ASSOCIATES, INC.**

723 Soo Line Bldg. Minneapolis

- ★ \$125,000 Kasson, Minn., School Bonds on May 9.
- ★ \$80,000 Brownton, Minn., School Bonds on May 13.
- ★ \$104,000 Byron, Minn., School Bonds on May 15.
- ★ \$50,000 Fairmont, Minn., Airport Bonds on May 15.
- ★ \$25,000 Queen Township (Polk County), Minn., on May 16.

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Jamieson & Co. offices in Minneapolis had a bigger crowd of board watchers than usual Tuesday morning of this week. Reason: 50 Minneapolis Business College students crammed the layout to hear "Professor" Einer Berg, Jamieson partner, expound on the practical, everyday side of the brokerage business. Above shot catches the rapt class as Mr. Berg explained the tape procedure.

—Commercial West Camera

sealed bid sale with Paine, Webber, Jackson & Curtis getting the award on a bid of \$228 premium for a 1.40 per cent coupon for both issues. The \$50,000 permanent improvement revolving fund bonds due July 1, 1948 through 1957, were reoffered on a scale ranging from a .70 per cent to a 1.35 per cent basis, and the \$30,000 fire equipment bonds due July 1, 1949 through 1958, offered to yield from a .80 per cent to a 1.40 per cent.

TOWN OF OAK, STEARNS COUNTY, MINN., sold \$30,500 road and bridge bonds due serially July 1, 1948 to 1958, to the Stearns County State Bank of Albany, Minn., on a bid of \$32.50 for 1½'s.

Close bidding occurred at the sealed bid sale of \$30,000 building bonds of GROVELAND SCHOOL DISTRICT No. 53 OF HENNEPIN COUNTY, MINN., April 28, when three bids were submitted on a 1.40 per cent coupon and four on a 1½ interest rate. J. M. Dain was awarded the issue on a \$59 premium with Piper-Jaffray a close second on their bid of \$36. The issue matures 1949 through 1958 and was reoffered to yield .80 per cent to 1.40 per cent.

First National Bank and Security State Bank, both of Glencoe, purchased \$80,000 GLENCOE, MINN., hospital bonds due 1949 through 1962 and callable any interest payment date on a premium of \$100 for a 1¼ per cent interest coupon.

PARK RAPIDS, MINN., rejected the four bids submitted April 28 for \$64,000 water main certificates of indebtedness due 1948 to 1967. The village plans to re-advertise this issue and may make some changes in the maturity schedule. On the new basis the issue may have a maturity not to exceed 15 years and be callable either five or 10 years from date of issue.

MINNEAPOLIS — Directors of Investors Stock Fund, Inc. (an affiliate of Investors Syndicate) open-end investment company, have declared a dividend of 12 cents a share for the second quarter of the fiscal year. This compares with 5½ cents a share for the same quarter of last year. The new dividend, derived exclusively from interest and dividend income, is payable May 21 to shareholders of record April 30.

Northwest Stocks

Minneapolis-St. Paul Stock Exchange

April 30, 1947

	April 30, 1947		Previous Week's
	Bid	Asked	Bid
First Bank Stock.....	17½	17¾	17¾
N W Banco.....	22¼	23	22¼
Mpls Brewing.....	16	16½	16½
Minn Min & Mfg.....	.....	.....	.....
W H Barber com.....	26	29	26½
Diamond Iron Works....	.....	.....	.....

★

These bid and asked quotations represent prices at which one or more dealers, members of the National Association of Securities Dealers, Inc., would trade with the general public at the time the quotations were gathered, at the close April 30, 1947.

April 30, 1947

	April 30, 1947		Previous Week's
	Bid	Asked	Bid
Bank Shares "A".....	16	.....	16
Bank Shares "B".....	5	.....	5
Champion Motors	2	.....	2
Filbert Corporation	20	24	24
Flour City Orna Iron com.....	3¾	4½	4
Franklin Coop Cry com.....	42	.....	42
Gamble Skogmo new com.....	14	15½	14½
Griggs Cooper Co 5% pfd.....	102½	.....	102½
Kahler Corporation com.....	38	.....	38
Lavoris Co com.....	65	.....	65
McQuay	6½	7¼	6½
Mankato Brewing Co com.....	3½	.....	3½
Marshall Wells Co 6% pfd.....	104½	.....	104½
Mid-Continent Air Lines.....	7¼	8	7¼
Mpls Gas Light Co 6% pfd.....	105	.....	105
Mpls Gas Light Co 5½% pfd..	108½	.....	108½
Mpls Gas Light Co 5.10% pfd	107	.....	107
Mpls Gas Light Co 5% pfd.....	104	.....	104
Minn & Ontario Paper com....	15¾	16¾	15½
Minn Power & Light 7% pfd	104½	107½	104½
Minn Valley Canning Co com	19	21	19
Minn Valley Can Co 5% pfd..	107	.....	107
Minn Valley Can Trust Cfts..	5½	.....	5½
Mont Dak Utilities Co 5% pfd	95½	98½	96
Nicollet Hotel com.....	7½	.....	7½
Nicollet Hotel 1st pfd.....	60	.....	60
Nicollet Hotel 2nd pfd.....	12½	.....	12½
Nor Sts Pr Co (Del) 6% pfd	98	100½	97
Nor Sts Pr Co (Del) 7% pfd	105½	108	104½
North Greyhound 3¾% pfd....	97	100	97
North Greyhound com.....	60	.....	60
N W Fire & Marine com.....	23½	.....	23½
N W Natl Life com.....	18	.....	18
Ottertail Power 3.60% pfd.....	98	101	98
Ottertail Power com.....	49	.....	49
Pioneer Eng Works pfd.....	49	.....	49
Pioneer Eng Works com.....	3	.....	3
Red Owl	10	11	10
Russell Miller Milling pfd.....	105	.....	105
Russell Miller Milling com.....	40½	43	40XD
St Paul Stockyards com.....	15	.....	15
Title Insurance Co com.....	75	.....	75
Toro Manufacturing Corp.....	14½	16½	14½
Twin City Fire Ins Co com....	18	18
Weyerhaeuser Timber Co com	58½	60	58

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GREAT FALLS

FORD BUILDING

INSTALMENT BANKING

(Continued from page 11)

GI act. Most banks have been more than considerate in listening to GI applications and working successfully through the maze of red tape and customary government procedure involved in each individual application and loan.

Experience on many GI business loans has been unhappy and only the government guaranty saved us from some bad losses. Judging from the tone of recent Veteran Administration bulletins on the subject, this experience is recognized and seems to be general throughout the country.

We join the Veterans Administration in advocating caution, obtaining adequate down payments and being of sincere help in urging a veteran to refrain from a business venture for which he is ill-equipped.

We do not believe that an otherwise marginal loan should be made simply because of the fact that we have a government guaranty for a portion of the money which we are asked to lend.

We find the GI loan procedure still to be very slow because of our policy of getting veterans' administration approval on each and every loan in advance. In our own institution, we think it would be unsound to proceed with the loan first and in advance of V. A. approval.

On GI realty loans where the full 25 years are taken for the repayment schedule, we believe banks have an exposure that is probably going to develop trouble in a number of loans.

We are now asking a 10 per cent to 15 per cent down payment and restrict the terms where possible. We are also vigorously pushing for FHA real estate loans for veterans wherever possible.

MOTOR VEHICLES

The American Bankers Association has failed to keep pace with major finance companies in affecting arrangements whereby motor vehicles are financed at the factory and prior to shipment for the benefit and convenience of the dealer and the lien holder simultaneously.

Such a procedure would be simple for banks just as it is for major finance companies who, in all honesty, have stolen a march on us in completing such arrangements with motor vehicle manufacturers.

As the matter now stands, commercial banks do not have the same privileges for floor plan financing as enjoyed by major finance companies.

It should not be difficult for the A. B. A. to at least accomplish as much for its nationwide membership of commercial banks as a mere handful of finance companies have accomplished for themselves.

Since retail motor vehicles time sales paper invariably follows the floor plan, we are off-balance by comparison with major finance companies. In our best performance we are seriously handicapped because major finance companies pay for motor vehicles at the factory prior to shipment and before dealers even know the descriptions of vehicles coming to them.

It, therefore, becomes entirely natural for banks, in self defense, to think about motor vehicle financing in terms of going to the public direct.

Make no mistake about it. Commercial banks throughout the U. S. are doing an

excellent job in this respect. They are getting stronger every day. From information recently obtained from the Federal Reserve Bank, we have this information as of Jan. 31:

Total motor vehicle retail paper outstanding, \$927,000,000; sales finance companies' retail motor vehicle time sales paper, \$363,000,000; commercial banks motor vehicle retail time sales paper outstanding, \$564,000,000.

It is disturbing to find a customer of the bank who has not understood that they can finance motor vehicles with their bank and invariably at a substantial saving in finance costs as compared to that same financing with loan companies or finance companies.

Most finance companies were badly out-guessed in 1941. Many of them demanded liquidation of floor plan stocks, purchased practically no retail paper, closed their branches throughout the country and prepared for the worst. Apparently they expected a terrific mortality among dealers. They have been proven wrong.

This created the most unexpected and heaven-sent opportunity for commercial banks to capture what is rightfully theirs. The banking industry has made unbelievable strides in this field during the past two years.

It is my belief we are doing something along these lines. Analyze these facts:

1. Never in the history of American banking has there been as many banks, both small and large, with separate instalment banking departments manned by experienced instalment banking personnel and with complete instalment banking facilities.

2. For the first time we now have the benefit of more than 75,000 insurance agents throughout the country working on an organized basis to divert instalment banking volume to commercial banks in local communities and away from major finance companies.

3. For the first time, and as a result

of alertness and aggressiveness of commercial banks throughout the country, we observe major finance companies so alarmed at our progress that they are spending thousands of dollars in advertising belittling the ability of commercial banks to handle instalment banking on motor vehicles.

4. Today there are approximately 12,000 commercial banks throughout the country sincerely interested in rendering complete and competent instalment banking service both to dealers and the buying public. Just prewar there were less than 900 commercial banks in that category.

5. Finally, banks hold the trump cards in this titanic struggle. Here they are:

A—Fair rates; B—honest refunds in event of prepayment; C—prepayment privileges without penalty; D—no hidden charges; E—no dealer pack; F—a nationwide complete coverage in every state numbering approximately 12,000 commercial banks.

It is estimated that all major and regional finance companies combined do not have over 1,200 fully operated branches. If this estimate is correct, it would seem apparent that commercial banks are already in a position to out-service established branches, as of this date, of major finance companies by a ratio of approximately 10 to 1.

Prevailing rates are \$6 per \$100 per year. This paper is dealer-guaranteed and it usually is unnecessary to agree to return the merchandise to the dealer in event of serious default.

We urge caution in floor planning appliances and appliance dealers who are under capitalized, who are dealing with unknown brands, or both.

The mortality rate among appliance dealers will be high within the next two years. We suggest that floor plan should not be in excess of 80 per cent of the dealer's invoice cost.

Within our experience, we can get a much better rate for appliance floor planning than for motor vehicle floor planning. As a general thing, we have no difficulty in getting 6 per cent per annum simple interest.

It has been reported that there have been over 600,000 new businesses established during the past two years. A great many of this number are appliance dealers.

FURNITURE

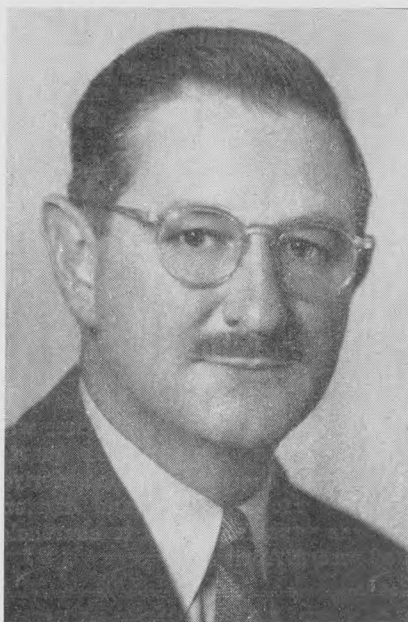
Floor plan to furniture dealers with a rate of 6 per cent simple interest is feasible and, in our experience, is profitable. We do not believe that furniture should be floor planned in excess of 80 per cent of the dealer's invoice cost.

Retail furniture paper has proven to be desirable and profitable. The customary rate for retail furniture paper is 1/2 of 1 per cent per month or \$6 per \$100 per annum. We have been financing furniture for 16 years and have never yet had a repossession.

FARM MACHINERY

The recent action of International Harvester Co. in turning to banks as an outlet for dealer paper is both an encouragement and a challenge. It offers new finance horizons for every bank in the country, both small and large.

Major finance companies in certain areas are floor planning farm machinery (Continued on page 31)



ROD MACLEAN, who has been appointed assistant cashier Union Bank & Trust Co., Los Angeles, and will continue in charge of the advertising and banks and bankers departments.

INSURANCE . . .

Life Official Sees Trend Toward Merchandising

Illness marred the presentation slightly and cut the length of his speech considerably, but even his discomfort could not rob W. Rankin Furey's few remarks of their penetrating and pertinent qualities.

Appearing before the Minneapolis Life Underwriters last week in spite of his indisposition, Mr. Furey, vice president and director of agencies Berkshire Life, stated that while people now value the insurance they own more than ever before, the insurance man hasn't been appreciated as much as his commodity.

That is the problem of the "Career Underwriter—1947," Mr. Furey continued, the merchandising of insurance and the building up of agents' standards.

Characterizing the two main functions of the insurance company home office as

"merchandising and banking," he showed how present low interest rates have forced a switch from prime dependence on the "banking" to greater emphasis on "merchandising."

Merchandising calls for a better trained salesman, he said, pointing out four methods of selling:

☑ The 1907 method—"Buy another \$2,000 to round out \$10,000."

☑ The "package" sale of the early thirties.

☑ The simple program.

☑ Estate analysis.

Companies try to train agents through estate analysis provided there is the capacity to learn it.

"There are no secrets in life insurance," Mr. Furey told the group of more than 50 new life underwriters being honored at the meeting. "We exchange our information and our methods freely. The one thing you cannot do without in this business is the goodwill of your competitors."

Seated at the head table during the meeting were the five leading first-year producers in Minneapolis. They are Sheldon Beise, Bankers Life of Des Moines; Neil Croonquist, National Life

of Vermont; Clinton Erickson, Minnesota Mutual Life; Truman Anderson, Union Central Life; and George J. Pratt, Berkshire Life. Average production for these five in their first year of underwriting was over \$400,000.

NwNL Report Cites Progress, Changes

The Northwestern National Life, Minneapolis, annual report, presented last week by President O. J. Arnold, gives a more detailed analysis of the company's condition and the year's record than was given in the 62nd annual financial statement issued Jan. 1. It highlights significant phases of the company's progress during the past year and takes note of challenges which face not only NwNL but the industry as a whole, particularly with respect to investment of policyholders' funds and the continued battle against leading causes of death.

Noting that the company's program for returning servicemen has worked to excellent effect in the happy re-establishment in civilian status of the great majority of NwNL men who left to serve in the armed forces, the report goes on to stress the need for life insurance as a whole to continue discharging its extra "degree of social responsibility which is perhaps unique in the whole field of business enterprise."

The report concludes by recommending a vigorous, sustained attack on monetary causes of inflation if the public—includ-

Election Meeting Committees Named

Annual election meeting of the Insurance Club of Minneapolis will be held May 12, and President Allan C. Halgren has appointed nominating and auditing committees to report at that time.

On the nominating committee are Art Angvick, Aetna Casualty & Surety; Carl Johnson, Don Miller Co.; and George van Wagenen, G. D. van Wagenen Co.

Charged with auditing the club's books are William Kling, American Automobile Insurance Co.; George Stevenson, Fred L. Gray Co.; and A. L. Phillips, National Union.

A colored film on "Automobile Fires" was shown at the April 14 meeting, showing how difficult it is to burn a car completely. When the film sound equipment broke down, Eb Harkness, special agent Automobile Protective and Information Bureau filled in with explanations of the action. The meeting was sponsored by Walter E. Nordell, state agent New York Underwriters.

State Insurance Agency

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100 expert employees
to serve YOU

FRED L. GRAY COMPANY*"The House of Insurance"*

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Minneapolis

Full Coverage Automobile — Workmen's Compensation
General Public Liability Insurance

IOWA MUTUAL LIABILITY INSURANCE CO.

Home Office

A Full Legal Reserve Non-Assessable Company

Cedar Rapids, Iowa

"THE AGENCY MUTUAL SINCE 1909"

ing America's 73,000,000 policyholders—is to be spared not only painful inflation of prices but a decrease in the value of all savings. A rapidly climbing output of consumer goods is already attacking high prices from one end. An attack from the other end to minimize the inflationary influence of the approximately \$79 billion of the national debt monetized through the commercial banks will spread the return of our economic system to financial health, Mr. Arnold asserts.

Fitzgerald is President Northwestern Mutual Life

New president of Northwestern Mutual Life, Milwaukee, elected last week at a meeting of the board of trustees, is Edmund Fitzgerald, former vice president and trustee. Mr. Fitzgerald succeeds the late M. J. Cleary.

Elected vice president was Philip K. Robinson, former director of municipal bond research. March 31 figures show the company topped the \$5 billion mark for insurance in force, with first quarter new business up approximately 70 per cent over 1946. Company assets now total more than \$2 billion.

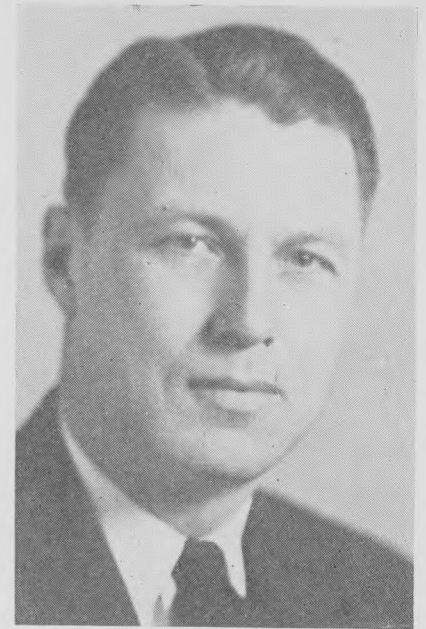
Twin City A & H Group to Invite 1948 National Convention

In order to concentrate on making a successful bid to hold the National Association of Accident and Health Underwriters 1948 convention in Minneapolis, the Twin City Accident & Health Underwriters Association has decided to forego its regular spring sales congress this year, James Robb, Jr., Mutual Benefit H & A, announced this week.

The Twin City association has been undergoing extensive changes in organization and policy this spring, which President Robb pointed out as additional reason for the sales congress cancellation.

Among the changes designed to make the association a more functional organization have been appointment of legislative and other committees. Begun as the Twin City Accident & Health Club, a managers' group, the association now has become primarily a producers' club, Mr. Robb said.

Minnesota produces annually more than 500,000 tons of paper products.



ROY CARLSTROM, Minneapolis, who was Eastern Minnesota special agent for the American Group the past year, May 1, became engineering and production specialist with the Anchor Insurance Agency, Inc., St. Paul, Anchor Casualty Co. home office agency. A graduate fire protection engineer, he joined the Indiana Inspection Bureau in 1933, became associated with American in 1937 and served as special agent in Wisconsin and the Upper Michigan Peninsula. He saw Navy service during World War II.



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in a nutshell*

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ANCHOR CASUALTY CO.
ST. PAUL 1, MINN.

Minnesota Mutual Companies Hear Legislative Report

President Hjalmar Hjernstad, Red Wing, gave a review of the 1947 Minnesota Legislative session to highlight a special meeting of the Minnesota Association of Mutual Insurance Companies held in Minneapolis, Monday.

Nearly 30 members were present and heard, in addition to the president's report, a talk by a member of the Neighbors for Stassen organization.

Agency mutual company members remained after the meeting proper for a short session of their own.

Insurance Riders

GEORGE S. SHAW has joined Hartford Accident & Indemnity as special agent working from the St. Paul office, BEN F. GATES, manager, announced. Mr. Shaw, who succeeds JAMES H. DEEMS, JR., returned this spring from the company school in Hartford where he had gone following discharge from the parachute infantry.

★
DEWEY NEWCOMBE, Minneapolis appraiser, has been appointed to the city

loan staff of Northwestern National Life. With Prudential's mortgage loan department for 11 years in Kansas City and Minnesota, he recently lectured on appraising at the University of Minnesota. He is a member of the Minneapolis Board of Realtors, the Mortgage Bankers Association, and Society of Residential Appraisers.

★
VERNON G. PEIRSON, Fidelity & Deposit Co. Pacific coast manager since 1929, has been elected vice president of that company and its affiliate, American Bonding Co.

★
Two speakers have been added to the program of the Health & Accident Underwriters Conference annual meeting in Omaha, May 26-29. They are DR. REUBEN G. GUSTAVSON, University of Nebraska chancellor and recognized health authority, whose topic will be, "Recent Progress in Maintenance of Physical Fitness"; and HARLAND L. KNIGHT, agency vice president Union Mutual Life, Portland, Maine, on the topic, "Agents Training in the Field."

★
WALTER S. STAMY, 47, assistant secretary Western Life, Helena, died April 13 following an extended illness. Funeral services were April 15. Mr. Stamy had been in banking at Raynesford, Mont., and had been associated with the Helena Branch, Federal Reserve Bank. He joined Western Life in 1924.

★
Association president GEORGE I. JENKINS and his Sioux City Life Underwriters set up counseling desks at the Security National Bank, Live Stock National Bank, First National Bank, Toy National Bank, and Woodbury County Savings Bank last week to advise veterans on retaining and reinstating their GI insurance.

★
In Sioux Falls, GEORGE J. LUCAS was named chairman insurance agents' committee for GI Insurance Week. Also on the committee were DEANE G. DAVIS, H. B. SAURE, LES WESTERLUND, DON J. BLUMER, and HOWARD WOOD, JR.

★
Minneapolis Insurance Women's Association held its April meeting Monday. A quiz contest took the place of a speaker on the program. Incidentally, The Firefly, association publication, has blossomed out with a brand new printed cover.

INSTALMENT BANKING

(Continued from page 28)

at a rate of 3 per cent per annum simple interest, plus a schedule of flat charges in order to provide insurance protection.

A number of banks within our acquaintance have met these rates on an effective basis. On the other hand, we know of a number of very active instalment banking institutions that have been successful in obtaining a much better return for floor plan accommodation because of the attitude of their dealers who believe the local bank is entitled to a fair return for accommodation of that kind and who believe 3 per cent per annum simple interest is too low for such accommodation.

FLOOR PLAN—FLOOR PLAN RATES

The second greatest blunder, in my judgment, by our major finance company competition, was when they reduced a long established motor vehicle floor plan rate of 4 per cent per annum simple interest to 3 per cent. Doubtless they expected to recapture dealer loyalty at the expense of commercial banks at one stroke.

It is improbable that they expected commercial banks would follow suit on the rate. They were further out-guessed in their beliefs as to the length of time required for national reconversion.

First of all, banks where necessary have gone down to 3 per cent simple interest for floor plan accommodation without hesitation.

The reconversion hasn't been accomplished in its entirety as yet and with regulation "W" still in effect, there has been nowhere near as many retail time sales as major finance companies contemplated.

We think it highly significant that a number of major finance companies have either shown substantial outright losses for 1946 operations or have shown decided reductions in their net earnings per share or both.

In order to out-maneuver banks, some finance companies have reopened offices throughout the country only to find themselves now with too little volume to justify an expansion. We would again remind you that commercial banks are estimated to be in a position numerically and otherwise where they can out-service existing branches of major finance companies on a basis of at least 10 to 1.

CREDIT LOSSES

In public advertising by major finance companies against commercial banks, one of the points frequently stressed is that commercial banks know so little about instalment banking that they are going to jeopardize their own position by running into heavy credit losses as a result of inability and inexperience. By infer-

positors' money is being unwisely risked. Hence, they seem to imply that the de-

Let's examine the facts based on the instalment banking experience of Northwestern National Bank throughout the past 16 years, dating back to 1930. In that span of time, we have had depressions, recessions, drought, grasshoppers, epidemic, financial difficulties, anxieties, heartache, sorrow and the greatest war in history. If instalment banking in any institution within our history ever has received the acid test, we believe that it has been ours because of the peculiar historical sequence of events which have taken place.

Let's examine our losses on a dollars and cents basis and not in the terms of evasion, implication, insinuation, or generalities.

☐ Gross volume, \$100,000,000.

☐ Gross charge-offs, \$83,017.19.

☐ Principal recovered, \$39,183.55, or 47.2 per cent of the entire amount charged off.

☐ Interest recovered, \$2,651.11.

☐ Outstandings on loans still being actively worked on for collection, \$37,829.87, representing 45.5 per cent of gross amount charged off.

☐ Written off as worthless, \$6,003.77, representing only 7.23 per cent of the total of \$83,017.19.

Banks are learning that instalment banking is not only volume and safe, but also the most profitable phase of their operations.

Major finance companies are out in the open in their fight against commercial banks.

They want industrial financing of every character in the smallest towns as well as the larger cities throughout the country. They need volume of this character to assist them in maintaining branch offices already established and otherwise proposed to open, because motor vehicle time sales paper has failed to materialize in the volume anticipated.

In your respective banks when you have loans developing in your area which are larger than your limit permits you to make, we urge you to call in a representative of a major bank to team up with you so you can keep your local banking business in your local community.

CON KELLEHER, Western Life agent, was named president of the Montana Quarter Million Dollar Round Table at a meeting in Butte held in conjunction with the Life Underwriters meeting (C. W., April 12).

FIRE - LIFE - CASUALTY - BONDS - ACCIDENT - HEALTH

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Joe Rogers

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H. P. Skoglund, President

Minneapolis

Minnesota

LIFE-ACCIDENT-HEALTH-HOSPITALIZATION

SAVINGS and LOAN . . .

District Leaders Vote F.H.L.B. Meeting Fitting Finale to Fine Year

DES MOINES—Nearly 300 stockholders of the Federal Home Loan Bank of Des Moines learned Tuesday evening that a stockholders meeting need not be a tiresome discussion of facts and figures.

Sparked by genial president Robert J. Richardson, the 14th annual meeting here covered the pertinent data in a light and airy manner that went down like a chocolate milk shake yet stuck to the ribs like the corn fed steak that graced the dinner table.

Proceedings started with a "get acquainted" gathering at 5, followed by the dinner at 6:15. Robert E. Lee Hill, Columbia, Mo., chairman of the Des Moines bank board, opened the meeting, when dessert was out of the way, by introducing President Richardson, who continued on as toastmaster.

First came introduction of the directors and former directors, and also the visiting firemen (including John Graham, North Dakota state bank examiner, and Commercial West). Then came the president's report, hitting only the high spots for time's sake, and promising that the full report would be on members' desks soon after they return home.

The Des Moines bank condition as of Dec. 31, 1946:

☐ Assets of \$36,768,000 — increased \$11,000,000 over 1945 or a gain of 30 per cent.

☐ Gross income \$524,500.

☐ Net income \$302,000.

☐ Dividends \$201,000.

☐ Operating expenses equaled 11.3 per cent of income.

Since its establishment in 1932 the bank has loaned \$150,557,000 to its members, and has paid them \$2,000,000 in dividends, President Richardson stated. Reserves of \$1,666,000 have been set aside, equal to 4½ per cent of the assets.

"The bank is in splendid shape," he said. "Never better in 15 years."

Highlight of the session was the "facts on the table" speech of Col. Harold Lee, governor Federal Home Loan Bank Administration, as he explained the relationship that should exist between the

By **WALLY LOSK**

Assistant Editor

member associations, the district banks, and the administration.

"You are on the firing line," he told the assembly. "The job of the Federal Home Loan Bank is to stand behind you and pass the ammunition. Function of the FHLB system is to furnish leadership and guidance."

He called on member associations to avail themselves of the Des Moines bank lending facilities rather than to turn to commercial banks. The FHLB system has been set up to safeguard members in times of economic stress by operating as a credit reservoir. "That credit reservoir is as strong as you make it," he emphasized.

Very existence of the Des Moines bank underwrites the lower rates sometimes available at commercial banks, he declared, pointing out also that profits of the FHL banks are returned to members in form of dividends. He recommended that one-third of an association's cash (2 per cent of assets) be deposited with the Des Moines bank, even though there are no regulations requiring this and none are anticipated.

Warning the assembly not to interpret his remarks as an attack on commercial banks, Mr. Lee went on to say that all banking institutions have their proper place and that there is "business enough and room enough for all."

On FHLB System plans, Governor Lee spoke of the higher standards required of new members, and dwelt at some length on the still-pending project by which the banks will buy G.I. mortgages (discussed in Commercial West last fall). The Taft-Ellender-Wagner bill now in Congress came in for a boost, as did the activity of member associations in making one-third of the nation's home loans in 1946.

The G.I. loan program received enlarged discussion in a paper by Walter Robinson, VA loan guarantee office for Iowa, titled "Straws in the Wind." Cit-

ing the job already done—\$3½ billion in G.I. loans throughout the U. S., 1,052 G.I. loans in Iowa during the past month—Mr. Robinson called on savings and loan organizations to stay behind the program in spite of increasing difficulties, lest a program of public housing be substituted.

The evening's final speech proved once again the wisdom of the old saw, "many a truth is spoken in jest." Renowned and widely publicized (Commercial West fell for it, too), former director of Barclays Bank and one-time director British Building Assn., Sir Harold Cunningham Greene, London, harrangued American radio, saluted American production, warned against Russia, castigated Henry Wallace, confused the American habit of whittling with that of chiseling, advised meetings of this very sort to "sharpen up the blade of the mind," all the while carrying on a running stream of very subtle, very British-sounding jokes.

Then he took out "naturalization papers" by trading his pince nez for a pair of horn rims and ripping off his false moustache, and became humorist Art Briese of Hot Springs, Ark. Said one savings and loan executive to Mr. Briese after the metamorphosis, "While you were speaking I took everything you said for gospel, and even now I can't forget it."

Minnesota savings and loan men were out in force for the meeting with approximately 20 putting in their appearance. The Dakotas each provided a scattered delegation, while Iowa and Missouri also were well represented. At the end of the meeting the vote was unanimous—it was the best stockholders meeting the Des Moines district had ever held.

S & L Briefs

Charles J. Moos, St. Paul, vice president Joyce Insurance Co. and once St. Paul postmaster, was named to the board of the Ben Franklin Federal Savings & Loan Association succeeding the late Paul F. Schlick. Mr. Moos, one of the association's founders, was president of the organization from its establishment in 1924 until 1933.

★

Resources of the 12 North Dakota building and loan associations increased more than \$3 million—a gain of over 18 per cent—during 1946, according to the report of John Graham, state bank examiner.

CHARLES H. PRESTON & CO.

ACCOUNTANTS AND AUDITORS

MEMBER AMERICAN INSTITUTE OF ACCOUNTANTS

ACCOUNTING SYSTEMS AUDITS INCOME TAX SERVICE
INVESTIGATIONS

610 PLYMOUTH BUILDING AT. 3388 MINNEAPOLIS, MINN.

25 YEARS AGO

From Commercial West, May 6, 1922

J. J. Wade, vice president, has been elected vice president and cashier Merchants National Bank, Detroit Lakes, Minn., succeeding R. B. Rathbun, who became state superintendent of banks.

Application has been filed for a charter for the Shakopee (Minn.) State Bank with a capital of \$25,000. J. W. Black, Wirt Wilson and A. H. Nieter, all of Minneapolis, are the incorporators. Hearing on the application is scheduled for May 16.

Application has been filed for a charter for Maryland Street State Bank, St. Paul, with a capital of \$25,000. Maurice E. Johnson, Bernard P. Rosenstein and Henry M. Kalscheur, all of St. Paul, are the incorporators.

Elizabeth Greene has been elected president Farmers State Bank, Sheldon, N. D. She formerly was assistant cashier.

A. W. Canary has been elected cashier Footville (Wis.) State Bank.

Reorganization of First State Bank, Livingston, Mont., has been completed with a capital of \$150,000. James E. Murray of Butte will be president.

Dwight Coe has been elected cashier Bank of Palmyra, Wis. He formerly was interested in the Citizens State Bank, Whitewater.

William Driscoll has been promoted from vice president to president West Side State Bank, Green Bay, Wis. John E. Shaughnessy has been elected vice president.

A. C. Guarder, cashier Footville State Bank, has been elected cashier Farmers & Merchants Bank, Orfordville, Wis.

Paul P. Pullen will resign as vice president Merchants & Savings Bank, Janesville, Wis., about June 1. He will return to the Bank of Evansville of which he is vice president.

Paul Miller has been advanced from cashier to vice president Commercial State Savings Bank, Sioux City, Iowa, and M. R. Dawson has been elected cashier.

E. A. Allanson has resigned as cashier First National Bank, Waukon, Iowa, to become a federal bank examiner.

First National Bank, Poplar, Mont., is expected to re-open soon. O. E. Lee is interested in the reorganization.



1—Fred K. Shafer, Sault Ste. Marie, Mich.; Ross Hudson, deputy banking commissioner for Michigan; Donald K. Kehrer, Norwood, Minn., and Willis Schroeder, Mt. Lake, Minn.
 2—Not a barbershop; just banquet napkins around the necks of Joseph J. Doll, Richmond, Minn.; Guy Dailey and Joe Cavitzel, American National Bank, St. Paul; Ben DuBois, Sauk Centre, Minn., and R. O. Bishop, FDIC Supervisor.
 3—C. C. Wattam, North Dakota secretary; N. J. Thomson, Platte, S. D.; Franklin Page, Hamilton, N. D.; C. W. Burges, Edgeley, N. D., (Also president N.D.B.A.); and O. D. Hansen, Elk Point, S. D.

4—Ed Erickson, New Auburn, Wis.; M. L. Lindeblad, Rolla, N. D.; F. L. Durand, Jamestown, N. D., and O. F. Grangaard, Willmar, Minn.
 5—Four South Dakotans . . . O. A. Hodson, Martin; H. B. Lovald, Philip; L. A. Pier, Belvidere, and Charles Coyne, Alexandria.
 6—E. J. LaFave, Morris, Minn.; E. O. Lund, Bricelyn, Minn.; and Lloyd C. Ribstein, Bryce, S. D.
 7—Charles Spaulding, Waseca, Minn.; Art Cahalan, Miller, S. D.; Erle Fouks, Valley City, N. D., and Fred G. Oehlke, Enderlin, N. D.

BUSINESS WANTS

**Let This Department
Do The Job For You**

BANKS WANTED

Would like to buy bank, with \$25,000 capital, in northern or western Minnesota. Confidential. Address Box 50, care of Commercial West.

Lutheran, hard worker, will buy interest with position in country bank in central or northern Minnesota. Can handle all phases of banking, insurance or real estate. Address Box 729, care of Commercial West.

HELP WANTED

GIRLS! GIRLS! GIRLS!

A Southwestern Minnesota bank with resources of \$2,000,000 is desperately in need of two girls for posting and general bank work. Salaries up to \$160 plus profit sharing, vacation and sick leave with pay. Will also consider competent inexperienced girl. Write, THE CHARLES E. WALTERS COMPANY 1313 First National Bank Bldg., Omaha, Neb.

Experienced man, 25 to 35 for Assistant Cashier position. Bank located in a fine little town in Northwestern Wisconsin. Good beginning salary and an excellent opportunity for additional income selling insurance. Address Box 725, care of Commercial West.

Young single man experienced in teller work and operating posting machine wanted in a Central Minnesota Bank. State salary and give references. Address Box 728, care of Commercial West.

Experienced Assistant Cashier. Complete charge mechanics of bank. No posting. \$175.00 per month, plus bonus, plus other income. Call or write for interview. Jack B. Seibert, President, Pine River State Bank, Pine River, Minnesota.

SITUATIONS WANTED

Experienced man, 36, desires cashiership or assistant cashiership if there is opportunity of advancement and investment. South Dakota location preferred. Address Box 730, care of Commercial West.

MISCELLANEOUS

Assistant editor of Commercial West desires two room or larger apartment in Minneapolis, furnished or unfurnished. References. No drinking. Wife works. Atlantic 5591. Ask for Mr. Wihren.

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Crop Report Postscripts

With the flood of crop reports carried in the last two issues of Commercial West have come other reports from Ninth District bankers, giving, in a different way, an insight into what is on their minds.

L. M. STENEHJEM, assistant cashier First International Bank, Watford City, in his spring seeding report to Commercial West, adds the note that on March 31 the bank footings scooted over the \$3,000,000 mark. The surplus account was raised another \$5,000 bringing the total to \$40,000.

C. O. PETERSON, cashier Bank of Lemmon, S. D., and Republican county chairman, sends with his spring crop report an invitation to the Republican Picnic and Fish Derby to be held in Lemmon, June 15. National Chairman Carroll Reece will be present, and five governors, including Minnesota's Governor Youngdahl, have been invited to attend. The committee is expecting a crowd of 15-20,000 people.

E. H. MEVIS, cashier Farmers-Merchants National Bank, Princeton, Wis., writes a little note which indicates clearly the reason Farmer-Merchants was able to nearly double its loan account in a year. Says he: "Government competition or other lending agencies do not seem to give us much competition. I have always felt that an individual would rather do business with a local bank, if he is given courteous consideration."

C. W. V. PETERSON, president Farmers State Bank, Frederic, Wis., boosts his local dairy industry by noting the interest in the Veterans-on-the-Farm training program in that territory. Two agricultural teachers have been employed to supervise dairy instruction and testing in the Frederic high school.

E. E. MANUEL, president George (Iowa) State Bank, added to his crop report a footnote concerning consumer credit financing. Says he: "We are experiencing considerable demand for consumer credit from our merchants, but find the financing of autos under our expectations. It seems as though the finance companies are making a strong bid for this business through their dealers, and believe the finance companies are using . . . auto companies to press the dealers for this business. It is our opinion (they) are shipping more cars to those dealers

who are going along with their finance affiliates."

JOHN N. THOMSON, vice president and cashier Bank of Centerville, S. D., sends along a pamphlet with a lucid and logical explanation of the new service charge plan his bank put into operation this month after two years of intensive study. Reason for the plan:

"The ideal arrangement between bank and depositors is one in which the customer receives banking service without paying a charge and the bank provides the service without loss. However, when the account is not able to produce sufficient earnings to offset the costs it is being carried at a loss to the bank. The most logical solution appears to be a service charge plan based on knowledge of operating costs."

Allowance under the plan: "Every account will earn a service allowance of 10 cents a month for each \$100 of minimum monthly balance. This is at the rate of 1.2 per cent and represents a liberal credit for investment of demand deposits at current rates."

Costs: "Ledger entries include checks paid, transfers and deposits made, 5 cents each. Deposited items include only out-of-town items, 5 cents each. Maintenance cost, 50 cents per month. This includes the basic costs of handling all accounts irrespective of size or activity. Such costs have been likened to those of a utility company and provide 'readiness-to-serve.'

"Float charges to depositors are eliminated but if an exchange charge is deducted by an out-of-town bank, your account will be separately charged with the deduction of the out-of-town bank."

PAUL S. GILLESPIE, president Western Montana National Bank, Missoula, writing of the large numbers of purebred dairy calves being imported, says, "Missoula banks assisted in financing purchase of calves until they could be sold to 4-H Club members. An unusually large number of beef calves are being fattened by 4-H Club boys and girls. The Missoula banks purchased calves at their sale last fall in order to help their market."



It won't be long now!

The medicine men say June 29th will see an exciting addition to the famous HIAWATHA fleet. The new Coast trains will greatly extend the service of Milwaukee Road Speedliners.



Olympian Hiawathas

Faster schedule . . . new features . . . no extra fare

**CHICAGO
YELLOWSTONE
PACIFIC
NORTHWEST**

SPEEDLINERS NOW ON THE TRAIL

*TWIN CITIES
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