

DECEMBER 3, 1949

# Commercial West

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MINNESOTA BANKER

MONTANA BANKER



*And still going strong! . . . Page 15*



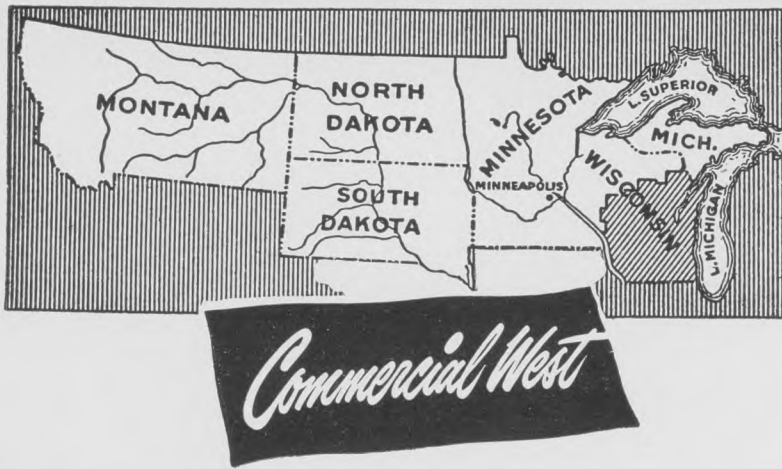
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401 2nd Ave. So., Minneapolis, Minn.

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## Special Articles

An Analysis of Savings . . . by Henry S. Kingman	7
Chamber President Outlines "Monopolies" . . . . .	8
Is Welfare State in Nation's Interest? . . . . .	8
Instalment Credit Clinic in Milwaukee . . . . .	9
Year-end Dividends of Minnesota Banks . . . . .	10
More Reports on Bank Deposits, Loans . . . . .	10
Two Minnesota Divisions Meet . . . . .	10
Bank of Montreal Resources Hit Year-end High	11
Teach Students Money Management, says A.B.A.	12
Ninth District Examiners Meet at Fed . . . . .	15
Banco Advisory Council Meets . . . . .	16
School of Banking Limits Attendance . . . . .	16
Little Things Add Up to Public Relations . . . . .	19
St. Paul Insurance Women Plan Party . . . . .	21
Gopher 1752 Club to Meet Dec. 5 . . . . .	22
Investment Bankers Want Better Advertising . . . . .	31
Directors of New Midwest Stock Exchange . . . . .	31
Junior Achievement, Inc. . . . .	34

## Regular Features

Coming Events . . . . .	4
Banks and Bankers . . . . .	10
Insurance . . . . .	19
Investments . . . . .	24
Ahead of the Market with Wall Streeter . . . . .	24
Municipal Financing . . . . . by Stanley R. Manske	26
Savings and Loan . . . . .	32
Twenty-Five Years Ago in Commercial West . . . . .	33
Want Ads . . . . .	34

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A Salute to -

## Lake Benton MINNESOTA

This week we salute the FARMERS STATE BANK of LAKE BENTON for its fine record as a public service institution. Established forty-three years ago, the Farmers State Bank has been closely identified with the development and welfare of the community it serves.

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National  
Bank**

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# Coming Events

## Next Week

- GOPHER 1752 CLUB, annual meeting and election, Francis Drake Hotel, Minneapolis ..... Dec. 5
- INSURANCE AGENTS ASSOCIATION OF MINNEAPOLIS, Leamington Hotel, 12:15 p. m. .... Dec. 5
- MINNESOTA ASSOCIATION OF FIRE CHIEFS, Nicollet Hotel, Minneapolis ..... Dec. 5
- MINNESOTA STATE NURSERYMEN'S ASSOCIATION, Lowry Hotel, St. Paul ..... Dec. 5-6
- MINNESOTA COUNTY AGENTS ASSOCIATION, Lowry Hotel, St. Paul ..... Dec. 5-6
- MINNESOTA BEER WHOLESALERS ASSOCIATION, St. Paul Hotel ..... Dec. 5-6
- PARK REGION AGENTS ASSOCIATION, Regular annual meeting and election of officers, Moorhead ..... Dec. 6
- INSURANCE AGENTS ASSOCIATION OF ST. PAUL, quarterly meeting, Ryan Hotel ..... Dec. 7
- COMMITTEE ON CREDITS, Minnesota Bankers Association, Dyckman Hotel, Minneapolis ..... Dec. 7
- FALL CONFERENCE, Minnesota Association of Insurance Agents' officers, committee chairmen and regional heads, Minneapolis ..... Dec. 7-8
- MINNESOTA CANNERS ASSOCIATION, St. Paul Hotel ..... Dec. 8
- MICHIGAN BANKERS ASSOCIATION STUDY CONFERENCE, University of Michigan Union, Ann Arbor ..... Dec. 8-9
- TWIN CITY BOND CLUB, Christmas party, University Club, St. Paul, 12 noon ..... Dec. 10

## Later

### BANKING

- WISCONSIN BANKERS ASSOCIATION, Mid-Winter meeting, Schroeder Hotel, Milwaukee ..... Jan. 19-20
- NORTH DAKOTA BEGINNERS' SCHOOL OF BANKING, North Dakota Agricultural College, Fargo Feb., 1950
- FINANCIAL PUBLIC RELATIONS ASSOCIATION, Mid-year meeting, Hotel Statler, Buffalo, N. Y. .... Feb. 18-22
- MICHIGAN BANKERS ASSOCIATION BANK OPERATIONS CLINIC, Hotel Olds, Lansing ..... Mar 9

### INSURANCE

- INSURANCE CLUB OF MINNEAPOLIS, Athletic Club, 12:15 ..... Dec. 12
- GOPHER 1752 CLUB, mutual insurance clinic, Burton Hotel, Mankato ..... Feb. 16
- MINNESOTA ASSOCIATION OF AGENTS, midyear meeting, Hotel St. Paul, St. Paul ..... Mar 16-17
- MIDWEST TERRITORIAL CONFERENCE, of National Association of Insurance Agents, Statler Hotel, St. Louis ..... Mar 27-30

- NATIONAL ASSOCIATION OF BANK AUDITORS & COMPTROLLERS, 15th Eastern Regional conference, Miami ..... April 18-21
- NORTH DAKOTA BANKERS ASSOCIATION Convention, Grand Forks ..... May 18-19
- NATIONAL ASSOCIATION OF BANK AUDITORS & COMPTROLLERS 5th Western Regional conference, Seattle ..... May 18-20
- SOUTH DAKOTA BANKERS ASSOCIATION, annual convention, Alex Johnson Hotel, Rapid City ..... May 26-27
- ILLINOIS BANKERS ASSOCIATION convention, Hotel Sherman, Chicago June 5-7
- MINNESOTA BANKERS ASSOCIATION CONVENTION, Duluth ..... June 7-8
- AMERICAN INSTITUTE OF BANKING, Annual Convention, Minneapolis June 11-16
- WISCONSIN BANKERS ASSOCIATION, 54th annual convention, Schroeder Hotel, Milwaukee ..... June 19-21
- MONTANA BANKERS ASSOCIATION, 47th annual convention, Many Glacier Hotel, Glacier National Park ..... June 22-24
- SCHOOL OF FINANCIAL PUBLIC RELATIONS, Third school, Chicago ..... July 31-Aug. 12
- FINANCIAL PUBLIC RELATIONS ASSOCIATION, 35th annual convention, Hotel Statler, Boston, ..... Sept. 18-21
- AMERICAN BANKERS ASSOCIATION, 75th anniversary convention, New York City ..... Sept. 24-27
- IOWA BANKERS ASSOCIATION, 1950 convention, Des Moines ..... Oct. 22-25
- NATIONAL ASSOCIATION OF BANK AUDITORS & COMPTROLLERS 26th annual convention, Kansas City, Mo. .... Oct. 23-26

- MONTANA FIRE UNDERWRITERS ASSOCIATION, annual meeting, Missoula April 7
- GOPHER 1752 CLUB, mutual insurance clinic, Rochester ..... April 20
- GOPHER 1752 CLUB, mutual insurance clinic, St. Cloud Hotel, St. Cloud ..... May 9
- GOPHER 1752 CLUB, mutual insurance clinic, Grayston Hotel, Detroit Lakes May 11
- BLUE GOOSE, Duluth Puddle at the Holland Hotel, Duluth ..... Dec. 13

## OTHER

- SAINT PAUL INDUSTRIAL SAFETY FORUM, St. Paul Hotel ..... Jan. 5
- NATIONAL TURKEY FEDERATION, Auditorium, Hotel Headquarters—Radisson, Minneapolis ..... Jan. 5-7
- MINNESOTA IMPLEMENT DEALERS ASSOCIATION, Nicollet Hotel, Minneapolis ..... Jan. 10-12
- NORTHWEST PETROLEUM ASSOCIATION, St. Paul Hotel ..... Jan. 11-12
- LAND O'LAKES CREAMERIES, Get-together Conference, Land O'Lakes Creameries, Minneapolis ..... Jan. 12-13
- MINNESOTA FEDERATION OF COUNTY FAIRS AND STATE AGRICULTURAL SOCIETIES, Radisson Hotel, Minneapolis ..... Jan. 12-14
- UPPER MIDWEST CANVAS GOODS MANUFACTURERS, St. Paul Hotel ..... Jan. 13-14
- MINNESOTA FARM BUREAU FEDERATION, Lowry Hotel, St. Paul ..... Jan. 15-18
- NORTHWESTERN LUMBERMEN'S ASSOCIATION, Auditorium, Hotel Headquarters—Radisson, Minneapolis Jan. 17-19
- NATIONAL THRIFT WEEK ..... Jan. 17 to 23
- PAINTING & DECORATING CONTRACTORS OF MINNESOTA, Radisson Hotel, Minneapolis ..... Jan. 19-20
- MINNESOTA EDITORIAL ASSOCIATION, St. Paul Hotel ..... Jan. 20-21
- NORTHWEST SALESMEN'S ASSOCIATION, FASHION WEEK, Radisson and Dyckman Hotels, Minneapolis ..... Jan. 21-25
- MINNESOTA RETAIL HARDWARE ASSOCIATION, St. Paul Hotel and Auditorium ..... Jan. 22-27
- NORTHWEST RETAIL FEED ASSOCIATION, Nicollet Hotel, Minneapolis Jan. 23-24
- CREDIT POLICY COMMISSION, second National Credit Conference, Hotel Sherman, Chicago ..... Jan. 23-25
- MIDWEST BARLEY IMPROVEMENT ASSOCIATION, Nicollet Hotel, Minneapolis ..... Jan. 24
- ASSOCIATED GENERAL CONTRACTORS OF MINNESOTA, Radisson Hotel, Minneapolis ..... Jan. 26-28
- MINNESOTA FARM MANAGERS ASSOCIATION, Lowry Hotel, St. Paul ..... Jan. 30-31
- MINNESOTA TELEPHONE ASSOCIATION, St. Paul Hotel ..... Jan. 30-Feb. 1
- FARM & HOME WEEK SHORT COURSE, University Farm ..... Jan. 31-Feb. 1-3

#1

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DECEMBER 3, 1949

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COMMERCIAL WEST

# AN ANALYSIS of SAVINGS

A speech given before national convention of the United States Savings & Loan League.

by *Henry S. Kingman*

President National Association of Mutual Savings Banks and President Farmers & Mechanics Savings Bank of Minneapolis.



HENRY S. KINGMAN

AS MANAGERS of savings institutions, we all devote far too much of our time and effort to competing against each other and we devote far too little of our time and effort to combatting the real competitors in the savings field. It seems to me that we are too conscious of the positions and progress of our own institutions within the savings industry and are not conscious enough of the factors which constantly threaten to limit the boundaries of thrift and to discredit the very arguments for the existence of thrift among our people. In view of my very firm belief on this subject, I would like to define and discuss with you this morning our very real competitors in the savings field.

In the first place I believe that the biggest factor facing savings institutions in the United States is the competition for the consumer's dollar. The American citizen is beset on all sides by countless glittering opportunities for spending his money and he seems psychologically receptive to these appeals either by reason of his nature or as the result of the constant hammering for decades by high pressure advertising and promotion. To put it simply, it is difficult for some to save and far simpler to yield to the alluring suggestions to spend money now and pay for it afterwards. The rapid increase of consumer credit since the war tells this story as well as anything.

Of course, it may seem like a dull subject to try to persuade people to save their money rather than to spend it. There is not much romance in urging people to desist from present wants in favor of future needs. It is more natural for everyone to want a higher standard of living now rather than later.

A recent survey by the Division of Research and Statistics of the Federal Reserve Board recorded that only 47 per cent of all families in the United States have savings accounts. This and many other statistics from other sources testify to the fact that the American people do not have as many savings accounts and do not save as regularly as people in some European countries.

This fact has been brought home very clearly to me on two trips which I have made to Western European countries, one made in the

summer of 1947, and the other made this last summer of 1949 with John W. Sandstedt, who is executive secretary of our National Association of Mutual Savings Banks.

Inasmuch as I had made a visit to nearly all of the same Western European countries on both of these trips, it was easy to see that great progress and recovery had been made in the economic situation during the intervening two years as far as the Continent was concerned. Many forces contributed to that improvement, but fundamentally I believe it is the strong desire of people to work hard and to improve their situation, which, of course, was one of great despair immediately following the war.

In our travels this summer we were deeply impressed with the continued growth of savings in these countries, and this is particularly true of the four Scandinavian countries and Holland. Let me make one illustration. In these five countries alone there exists a population of 27 million people and in these same countries there are some 2,000 mutual savings banks, with an equal number of branches, and they have some 15 million depositors. Each of these countries has many other forms of savings institutions such as exist in our own country: commercial banks, savings and loan associations, government bonds and postal savings (which play a much more important part than in the United States). The magnitude of the savings program in these countries is most impressive and I believe it far exceeds the coverage which we have attained in the United States. Why this difference?

Perhaps it is that the Western European countries are older, life is harder, and thrift is more necessary. Thrift habits seem to have been more deeply instilled in the minds of their people over a period of many generations. Whatever the reason, the difference is noticeable and it points more than ever to the necessity of more concerted thrift education by the savings institutions here in the United States. Once more I repeat that the biggest competition in the savings field here in the United States is not the petty competition between savings institutions, but rather is the great competition and the great struggle for the consumer's dollar.

We should all combine our efforts against this common competitor.

Secondly, there is another competitor that has a most far reaching influence on the savings of the people, and that is what we might call the economic "climate" of a country by which savings are either encouraged or discouraged. Surely the savings habit is almost a primitive instinct of man by which he prepares himself to meet the vicissitudes of life which he knows will come to him at some time or another. The possession of a savings back-log enables him to live in decency, enhances his self-respect, and provides for him individual freedom of action when such times arrive.

The growth of savings in the Western European countries over the years shows how man clings to this fundamental principle in spite of repeated wars, occupations and inflated currencies. Where confidence has been lost from time to time in the fiscal policy of their governments we see that it has had a marked effect upon the savings of the people. Witness today that savings in England are showing a net decrease in contrast to increases in practically every other Western European country. We find savings increasing where a sound economic environment exists, and we find it decreasing where government intervenes and produces an environment that discourages savings.

What are some of the characteristics of an economic climate which discourage savings? One is excessive taxation leaving the individual with less to save. A second is unsound fiscal policy on the part of the Government which gradually undermines the confidence of the people in their currencies. Another is the

(Continued on Page 23)

# Chamber president outlines ways to judge "monopolistic" businesses

Congress received a new criterion for measuring monopolistic powers from Herman W. Steinkraus, president Chamber of Commerce of the United States.

Appearing before the Celler Monopoly Subcommittee of the House Judiciary Committee, Steinkraus summed up the Chamber's attitude on antitrust law revision by describing as monopolistic any business having these characteristics:

1. Has no interest in new and better processes and products;
2. Shows no disposition to work for lower costs and selling prices;
3. Can maintain profits without fighting to maintain volume;
4. Does not bring unused capacity into use whenever sales revenue can be increased enough to cover the cost of doing so.

"If and when such cases can be brought to light," Steinkraus said, "the Chamber of Commerce of the United States stands ready to support any properly corrective changes."

He said that despite constantly growing size of business units the national trend is definitely in the direction of increasing competition and that expanding business has created more competitive markets and thereby has given the customer an ever-widening choice of supply.

"Widening the customer's choice does not give sellers greater freedom from competition," Steinkraus said. "Freedom from competition is the essence of monopoly power. Technological advance alone has brought ever keener and keener competition.

"To hold monopoly power you must have customers who cannot escape you. Today we have wider and wider choice in the selection of goods. This means development of a more competitive economy.

"Bigness in itself does not necessarily mean power concentration. In fact there is general agreement that size alone is not a measure of monopoly. The multiplication of large business establishments has been ac-

companied by an unrivaled gain in public wellbeing.

"Business hesitates to expand because of the attitude of government which sees in size alone a threat of monopoly power.

"I can assure you that although laboratories are constantly working out new processes and products, and although management sees the possibilities of doing a bigger and better job at lower costs and selling prices, many businessmen pause before expanding in the face of government hostility towards size.

"Expanding enterprise is essen-

## Is Welfare State in best interests of nation's welfare, Heimann asks

The present trend in government is definitely a break with the past, declares Henry H. Heimann, executive manager National Association of Credit Men, in his Monthly Business Review.

Deviating from his usual custom of discussing business economics in his Monthly Review, Mr. Heimann devotes most of his current review to direct quotations by former presidents from Washington through Roosevelt.

"Our early leaders had a great appreciation of the homely virtues of thrift and humility and of the doctrine that the government is best which governs least," Mr. Heimann says in giving the reasons why he devoted the Monthly Review almost entirely to these quotations.

"While it is natural that in this day and age after two wars our government should assume more of the social responsibility, it is very questionable whether the measure it is now assuming is in the best interest of the nation's welfare. Certainly as one analyzes the historical utterances of those who built this nation in its formative and later years, we cannot escape the conviction

that the trend in government in these days is far removed from the representative type of government our forefathers planned for our people.

"The young and middle aged groups in our nation have lived in an era of a paternalistic government. It would not be accurate to say they knew of no other type of government but it is a factual statement that during their lifetime they have had a government that more or less feels it must provide for all the wants of the people. Unfortunately, too, the study of American history in the past has emphasized our military struggles. In more recent years, a good effort has been made to teach the social and economic history.

"In the western countries there is not the respect for ancestry that there is among the oriental races where it is almost a part of their religion. A socialistic or paternalistic type of government in our country in itself is a break with the past. It is important to know what those who have gone before have thought of the type of government we should have. They must be credited with having built the strongest government in the shortest space of time in history. Surely, therefore, whatever they thought and did is well worthwhile for us to consider."

Returning from the A. B. A. convention in San Francisco, Mr. and Mrs. R. M. Watson, (he's president Northwest Security National Bank, Sioux Falls) drove through Texas and Louisiana, and "had a fine trip all the way," says Mr. Watson.

Pointing out that at one time competition was limited largely to units within an industry, whereas now there is competition between entirely different kinds of goods, Steinkraus said.

"Competition between different modes of transportation and competition between long established products and newer materials, such as plastics are examples of this.

"Even if business has relatively little competition in its own industry, it still faces competition from sources crossing commodity lines.

"One way to keep the economy competitive is to assure all possible freedom for entry into business."

Mr. Steinkraus will be principal speaker at a luncheon Dec. 8 at Minneapolis' Nicollet Hotel.



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# Instalment Credit Clinic in Milwaukee big success

## Wisconsin Bankers' first such meeting draws 160, produces lively discussion

**M**ORE than 150,000 home owners in Wisconsin have taken advantage of the FHA plan of financing home improvements, Kenneth R. Wells, vice president American National Bank & Trust Co. of Chicago, told some 160 delegates at the Instalment Credit Clinic conducted in Milwaukee Tuesday by the Wisconsin Bankers Association.

Mr. Wells said more than 200 lending institutions in Wisconsin are presently extending this type of financing service to their customers, and the experience on the transactions handled shows that Wisconsin people are better credit risks than the national average, because the record of delinquent accounts for Wisconsin has been 1.97 per cent since 1934 compared with the national average of 2.35 per cent.

FHA loans may be made for periods up to three years and in amounts up to \$2,500 for any single family dwelling, and for multiple family structures loans for repairs or improvement of the property may be made in amounts up to \$10,000 and terms may run as long as seven years. No down-payment is required under any of these plans; the rate is \$5 a hundred per year, except on those transactions over

\$2,500 where the rate drops to \$4. The lending institution reports the transaction to Washington and is insured against credit loss, for which insurance it pays a premium to the FHA.

It was pointed out by Mr. Wells that most of this business is created by contractors in the heating, siding and roofing fields and that it is important for the lending institution to be sure that the dealer is qualified and has a record for good workmanship.

Frank P. Powers, president Kanabec State Bank, Mora, Minn., speaking on "Instalment Financing of Durable Goods," declared, in part:

"Ours is a typical country bank situated in a county seat town, with a population of about 1,800. Our experience with instalment paper dates back to 1924. It is not necessary, in a small-sized bank, to set up a special department such as they have in metropolitan institutions, but some one must assume the responsibility of watching delinquents closely.

"I believe it is highly important that all banks be in a position to properly finance all types of loans—large and small. In order to maintain our loan volume, we believe it is necessary to continually advertise, thereby keeping the public informed of our willingness to service all the legitimate banking needs of our community.

"We have had a tremendous demand for loans on the instalment plan during the postwar period. People have become educated to this type of financing. During the past four years we have loaned returning veterans approximately \$350,000. About \$100,000 was loaned on farm real estate, \$150,000 on residential property, and \$100,000 on business loans—approximately 50 per cent to farmers on chattel mortgages and the balance to veterans for business purposes. Our experience with these loans has been entirely satisfactory.

"Since our bank entered this field of financing in 1924 the volume of instalment paper has totaled over \$4,000,000. The total net losses for that period, i. e., charge-offs less recoveries, have been less than \$400, or about one-hundredth of one per

cent. Although this is better than the national average of instalment lending losses, nevertheless instalment credit for the nation as a whole was a safer investment in 1933 than cash in banks.

"There is not a department in the bank that serves to create more goodwill than the consumer credit department, and remember, it brings many additional customers into the lobby each day. We cannot expect to continue in the banking business unless we are equipped and willing to render the customers of our respective communities complete service.

"Consumer credit has become an important part of our economy. It is an important means of assisting a large segment of our public to acquire a higher standard of living. I am satisfied from our experience it is probably the most important department of a country bank.

"Many people do not seem to have the ability to save money in advance to purchase items—particularly of the luxury variety. They have been taught, however, that automobiles, refrigerators, fur coats, furniture, farm equipment and other types of merchandise can be purchased on the instalment plan, giving them the opportunity to possess the property while paying for it. This method of consumer purchases is an established part of the American economy.

"Banking, like all other types of business, has undergone many changes in recent years, and certainly it behooves us to be alert and cognizant of these changes. Never let it be said that we are not as progressive minded as those who are engaged in other lines of business.

"It is my belief that no one can be very successful who keeps on  
(Continued on Page 28)



FRANK P. POWERS



KENNETH R. WELLS

DECEMBER 3, 1949

# Banks & Bankers

## Minnesota banks plan dividends but don't forget capital account

Stockholders of Minnesota's state banks may expect their 1949 dividend checks to at least equal and perhaps in some few cases exceed those received last year.

So states Minnesota's bank commissioner, K. O. Sattre, to Commercial West and Commissioner Sattre knows whereof he speaks because he has to okay all such dividends paid by Minnesota's state banks.

"Many banks are well able to pay more than they did last year," he points out, "but instead are using their earnings to bolster capital accounts in a most cooperative manner."

Naturally, the Banking Department has had a veritable flood lately of requests to pay year-end dividends, each and every one of which, says Commissioner Sattre, has been carefully processed by Deputy Commissioner C. M. Wenzel.

Last year 409 banks out of 499 paid dividends. Only 2 banks have been added so far to the list of new dividend payers this year. One bank has decided to pass its dividend.

"Because of the general increase in deposits since 1941, says Commissioner Sattre, most banks have been hard put to keep up their capital ratio by withholding earnings for capital accounts, the June 30 reports showing capital ratio of 6.5 per cent against a national average of 7.3 per cent.

In this connection it is interesting to note, adds Commissioner Sattre, that in 1941, 487 banks showed

total assets of \$281,937,000, whereas now 499 banks have total assets of \$887,725,000.

## Iowa and S. D. banks show gain in deposits

Received too late for last week's round-up picture of bank deposits and loans and discounts in key cities of the area from June 30 to Nov. 1 were figures from Sioux City and Sioux Falls.

Deposits of the four national banks in Sioux City showed a gain of \$924,286, from \$94,909,256 on June 30 to \$95,033,542 Nov. 1.

Loans and discounts dropped \$4,371,944, from \$28,720,978 on June 30 to the Nov. 1 total of \$24,349,034.

"This decrease in loans is accounted for by the fact that on June 30 the banks were carrying commodity loans in the amount of \$8,813,479," explains John Graning, cashier First National in Sioux City, "while on Nov. 1 commodity loans were reduced down to \$344,547.

"Actually," he continues, "there was an increase in other loans from a net of \$19,907,499 to \$24,004,487, approximately \$4,100,000."

From Sioux Falls, Ralph M. Watson, president Northwest Security National Bank, answered Commercial West's call for help by sending June 30 and Nov. 1 figures for three national banks and one state bank.

Deposits in Sioux Falls showed an increase during the period of \$1,904,559, from \$88,388,885 to \$90,293,444.

Loans and discounts decreased \$1,454,404, from \$26,690,793 to \$25,236,389.

## First of Mabel, Minn., names new president

New president of First National Bank, Mabel, Minn., is Mrs. Amy T. White, who succeeds her brother, the late A. L. Tollefson.

Mrs. White, for many years a director, is the bank's fourth president since its founding in 1893 by Ellef L. Tollefson. In 1908 the bank was incorporated as a national

bank and the present title assumed. Upon the death of E. L. Tollefson in 1911, his wife, Betsey, became president.

## Two Minnesota groups meet

Two divisions of the Minnesota Bankers Association held meetings recently—St. Croix Valley at Stillwater Nov. 22 and Central at Melrose Nov. 17.

The meeting of St. Croix Valley Bankers was the annual meeting with election of officers. They are: President—C. E. Bostrom, Security State Bank, Lindstrom.

Vice Pres.—Donald H. Elwell, Forest Lake State Bank.

Sec.-Treas.—H. E. Krog, Farmers & Merchants State Bank, Stillwater.

Directors are Myles K. Giese, First State Bank, Wyoming, Chisago county; F. J. Taylor, First State Bank, White Bear, rural Ramsey county, and E. A. Beutel, State Bank of Lake Elmo, Washington county.

Main speaker was K. O. Sattre, commissioner of banks.

Eighty-five members and guests were on hand for the Central Division's meeting. The group endorsed S. J. Kryzsko, vice president and trust officer Winona National & Savings Bank, for the office of vice president of the Minnesota Bankers Association.

V. E. Mikkelsen, Harris, Upham & Co., Minneapolis, as main speaker, explained the influence of the 1929 stock market crash on our present economy.

Students of Melrose high school entertained the group during dinner with musical selections.

General property taxes accounted for 57.3 per cent of the 1947 revenue of Minnesota cities and villages, departmental fees and service charges 12.6 per cent, utilities 9 per cent, grants and aids 6 per cent, special assessments 5.6 per cent, licenses 4.9 per cent, fines and forfeits 1.8 per cent, interest and other minor sources 2.8 per cent.

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## A. B. A. suggests more rigid control of operations

The A. B. A. Insurance and Protective committee is urging that banks insist on a more rigid control of operations, periodic audits of assets, including verification of loans, and periodic verification of deposits, says Chairman George C. Bennett, assistant comptroller Bankers Trust Co., New York.

Coverage against loss through misplacement and mysterious, unexplainable disappearance should be made a component part of standard coverage in Insuring Clauses B & C of Form 24 without any premium loading, rather than offered as an optional coverage at additional charge as at present, suggests the committee.

Substantial reductions in rates charged for Securities Insuring Clause E (forgery) also were urged by the committee.

## Bank of Montreal resources at new all-time high

Bank of Montreal resources have surpassed \$2 billion for the first yearend in the bank's history, while commercial loans and investments are at record levels, according to the bank's 132nd annual report for the year ended Oct. 31.

Deposits of \$2,019,142,698 constitute a yearend record and show an increase of \$142,000,000 over the previous year. The greatest increase was recorded in savings deposits, which have reached an all-time high.

Total resources now stand at \$2,139,688,263 compared with \$1,991,380,648 last year. Quick assets, including cash assets, investments and call loans, total \$1,602,090,910, equal to 78 per cent of all public liabilities.

Commercial and other loans increased \$31,000,000 during the year, to reach \$487,352,653, the highest yearend figure in the history of the bank. Call loans increased from \$31,177,918 to \$48,174,653.

The investment portfolio of the bank increased to \$1,168,000,000 from the previous year's figure of \$1,133,000,000.

Net earnings, after taxes, amounted to \$5,816,000, an increase of \$357,000 over 1948.

\$4,000,000 was transferred from the profit and loss account to bring the total reserve fund up to \$48,000,000, compared with paid-up capital of \$36,000,000.

## Football windows like this really did a job



Ranking high among the crowd-stoppers in Minneapolis this fall was a "football window" decorated by Northwestern National Bank. The colorful display, complete with pennants, photographs and even an occasional cluster of balloons, had been a permanent fixture in one of the bank's street level windows since September.

Every week, Minneapolis Star sportswriter Bernie Swanson assembled interesting data and pictures on the Minnesota football

team's opponent for the following week, and by Monday morning the window was ready.

Swanson's write-ups included information on individual opposing players and brief historical sketches of the various schools. Incidental decorations consisted of football uniforms in the colors of the two teams, and a football field background effect complete with goal posts.

Minneapolis, one of the most football-conscious towns in the country, found the window hard to pass up, and Northwestern National probably will continue the timely public service next year. The windows have been designed and decorated by Stephens Display.

## Goodhue County bankers elect new officers

Goodhue County (Minn.) Bankers Association held its annual meeting at Red Wing recently and elected new officers. They are:

President—O. E. Naeseth, assistant cashier Security State Bank of Wanamingo.

Vice Pres.—L. L. Otterson, assistant cashier Goodhue County National Bank, Red Wing.

Sec.-Treas.—Eldridge L. Peters, cashier First National Bank, Cannon Falls.

Mr. Naeseth succeeds H. H. Billings, president Security State Bank of Pine Island, who presided at the meeting.

Beginning Jan. 1, and until further notice, savings deposits with all offices of Anglo California National Bank, San Francisco, will earn interest at the rate of 1½ per cent per annum, announces Allard A. Calkins, president.



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# Teach money management and banking practices, says A. B. A.

The banker should work with his local schools to make sure that the oncoming generation understands money management and practical banking matters, says J. Lewell Lafferty, chairman Public Relations Council of American Bankers Association, and vice president Republic National Bank, Dallas, in announcing publication of the fifth in a series of A. B. A. public relations manuals for use by banks. Title of the booklet is "Your Bank's Relations With Schools."

"All students in our schools should understand money management and practical banking matters. This applies to all students, not just those taking commercial courses," Mr. Lafferty asserts. "The forward-looking banker sees that the real opportunity to build public understanding of banking is through education. By so doing, the banker will perform a true public service and help students have a better chance for security and success."

The new booklet summarizes information received from more than two thousand banks which have been carrying on successful activities in cooperation with schools for many years.

Banks can help their schools in two ways—by personal participation and by applying teaching aids, the booklet points out. It urges that some member of the bank staff be available to answer requests from schools for classroom talks on banking and economic subjects, for assembly speeches, and to provide help for the teacher in preparing classroom material when it is needed.

Another effective opportunity for personal participation by a banker is in teacher forums and institutes and vocational guidance programs. In supplying teaching aids, banks can provide sample checks, book-keeping forms and other demonstration materials; moving pictures on banking subjects and various dis-

plays. Among many projects discussed in the manual to inform students about banking services are suggestions for visual education aids and for student field trips through the bank.

The new booklet does not attempt to cover specialized school activities (such as school savings banking) carried on by special working groups within the association; neither does it attempt to cover bank participation in the program of vocational agricultural groups, which will be the subject of a new bank manual in the public relations series.

## Meyer completes 33 years as bank head



**BEN R. MEYER**

Ben R. Meyer is celebrating his 33rd anniversary as president of Union Bank & Trust Co., Los Angeles. Named vice president and director of the bank at its inception in 1914, he was elevated to the presidency Nov. 27, 1916.

In addition to his bank duties Meyer is treasurer Southern California Symphony Association; member board of trustees and of finance and executive committees of Cali-

fornia Institute of Technology; and president and board member of trustees of Cedars of Lebanon Hospital.

He also is vice president Los Angeles Clearing House Association, a director of Pacific Lighting Corp., Pacific Indemnity Co. and Southern California Gas Co.

## "Full" of banking



Dave Skrien, captain elect of the U. of M. 1950 football team is shown with Clifford Sommer, vice president Midland National Bank of Minneapolis. Inasmuch as Sommer is president of the University's "M" Club, the two find the subject of athletics an enjoyable topic. Although the 1949 football season has just been completed, they are enthusiastically looking forward toward the coming year.

Dave is working at Midland Bank, where he has worked part time each year since he was a freshman. His father is Albert Skrien, cashier Morris State Bank.

## New ad and sales manager at Mosler

Langdon R. Littlehale has been appointed director of advertising and assistant director of sales of Mosler Safe Co., Edwin H. Mosler, Sr., president, announces.

Littlehale, who was an account executive and member of the Plans Board of Albert Frank-Guenther Law, Inc., advertising agency, until he joined Mosler, will make his headquarters at the company's main office in New York.



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A. G. REITER

## Eleven terms as mayor of Howard Lake is enough for Banker A. G. Reiter

A. G. "Al" Reiter, Security State Bank of Howard Lake, Minn., who has been president of his city's council for the past 11 years, has declined to run this year.

Says the Howard Lake Herald about its leading citizen:

"He was first elected in 1936, took office Jan. 1st, 1937, and held the office through 1938. Fred Westphal was mayor in 1939. Reiter served during 1940. Fred Brandes was elected in December, 1940, for a two-year term 1941-42, but resigned in 1942 and Reiter was appointed to fill his unexpired term. He was reelected that fall and has served continually since then, including 1949. Thus he has been mayor of the village for 11 years, a total of seven terms, having been elected to that office for six terms and appointed once.

"During the 11 years that Mr. Reiter has been head of the council, he has done more for the advancement of the village than any other mayor. He has been criticized, "bawled out," and blamed for many things, but regardless of this, he went ahead and did what he thought

was for the betterment of the village. He was the main instigator for the establishment of the municipal store, and this one project has proved to be a big asset financially to the village. He also planned, promoted and got the sewer and the disposal plant put through. He was the main instigator in getting the Western Condensing Co. to locate here. He and his associates in the Security State Bank built the new modern bank building and he also built a modern new store building. Credit can be given to him for the new cement walks, curbing and gutter which are planned on George street for the coming spring.

"The Memorial Park improvements, digging of the city well and changing over from lake to well water are other improvements, also oiling of the streets, and there are many more projects that are not mentioned. And it must be said that he was backed up by most of the members of the council, who in the past years, have done wonderful things for the advancement of Howard Lake. Let's give credit where credit is due."

## U. S. Check Book opens new office supply store

In a completely remodeled five story building in downtown Omaha, the United States Check Book Co. opened the doors to its new office supplies and equipment store Nov. 9-10.

Manager John Ford, Jr., visited new office supply stores in the Midwest for ideas for the new building, adapting and adding to them to fit the needs in Omaha.

Display windows nearly two-stories high feature the entrance and indirect cove lighting and directional spots illuminate the display area. The office supplies section became a separate department of U. S. Check Book in 1930.

Seven salesmen cover 10 Midwestern states, also handling lithographed supplies, while a staff of four city salesmen, two store salesmen and stenographic and book-keeping help serve in Omaha.

More than 2,000 people inspected the new store during the opening.

Joseph A. McFadden, formerly assistant vice president, has been appointed vice president of Chemical Bank & Trust Co., New York, president.

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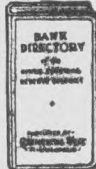
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**MICHIGAN**

**STAMBAUGH**—Commercial Bank—Victor D. Laing elected president; F. J. Dawson, vice president and cashier, now vice president; R. L. Cross elected cashier.

**STEPHENSON**—Bank of Stephenson—Mrs. Jeanne Bastien, assistant cashier, resigned.

**MINNESOTA**

**BOVEY**—First National Bank—Miss Alva C. Johnson, assistant cashier, resigned.

**CROOKSTON**—Crookston National Bank—Carl V. Lind, assistant cashier, elected cashier.

**GENEVA**—Geneva State Bank—New setup: Philip C. Johnson, cashier, has sold his interest in the bank to go to the Security Bank & Trust Co., Owatonna, Minn. Merrill O. Nelson elected cashier, executive officer; Chris J. Wayne, president; Arthur R. Wayne, vice president.

**LAKEFIELD**—Farmers State Bank—L. P. Peterson, vice president and cashier, resigned to go to the Montana National Bank, Havre, as vice president; Thornton Getting will succeed Mr. Peterson as executive officer.

**MINNEAPOLIS**—Federal Reserve Bank—Harry I. Ziemer, vice president, deceased.

**MINNEAPOLIS**—Bank Supervisors—Russell E. Mooney, national bank examiner, resigned.

**MINNEAPOLIS**—Northwest Bancorporation—Robert F. Mactavish, vice president and secretary, retired; R. L. Federman, comptroller, elected comptroller and secretary.

**NORWOOD**—Citizens State Bank—Christ Efertz, vice president, resigned.

**ROGERS**—State Bank of Rogers—A. J.

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Dean, president, should be A. J. Dehn.

**ROSE CREEK**—State Bank of Rose Creek—A. H. Temanson, cashier, resigned; F. M. Heaton elected cashier.

**ST. PAUL**—American National Bank—C. P. Ries, vice president, should be Reis.

**ST. PETER**—First National Bank—R. W. Maltby, vice president, deceased.

**SANBORN**—Sanborn State Bank—E. J. Yaeger elected president.

**WADENA**—First National Bank—Thayer C. Davis, president, deceased.

**MONTANA**

**GLASGOW**—First National Bank—J. W. Wedum, vice president, deceased.

**HAVRE**—Montana National Bank—L. P. Peterson elected vice president.

**NORTH DAKOTA**

**DICKINSON**—Liberty National Bank—J. G. Fisher, cashier, resigned; H. A. Lefor, assistant cashier, elected cashier.

**ENDERLIN**—Peoples & Enderlin State Bank—Louise Kellerman, assistant cashier, resigned.

**HUNTER**—Security State Bank—Kenneth V. Flom, assistant cashier.

**LANGDON**—Northwestern Bank—Gus Hartman, cashier, resigned; Myles L. Johnson, assistant cashier, elected cashier.

**TOLNA**—Farmers & Merchants State Bank—Capital stock increased to \$50,000.

**SOUTH DAKOTA**

**CRESBARD**—Bank of Cresbard—Helen Bisbee, assistant cashier, now Mrs. Helen Bisbee Raethz; Vera Roth, assistant cashier.

**ELKTON**—Corn Exchange Bank—L. C. Foreman, president, deceased.

**FAITH**—Farmers State Bank—A. L. Naslund, president, deceased.

**FLANDREAU**—Farmers State Bank—Leo Pottratz, cashier, executive officer.

**LEAD**—Branch, First National Bank of the Black Hills, Rapid City—John M. Ryan, vice president and manager, transferred to the head office at Rapid City; William J. Schoen, vice president, now vice president and manager.

**ONIDA**—Onida Bank—Robert D. Clausen, assistant cashier; Walter L. Voigt, assistant cashier, resigned; Edwin E. Johnson, assistant cashier, resigned.

**WISCONSIN**

**CADOTT**—Citizens State Bank—Ben Diet-

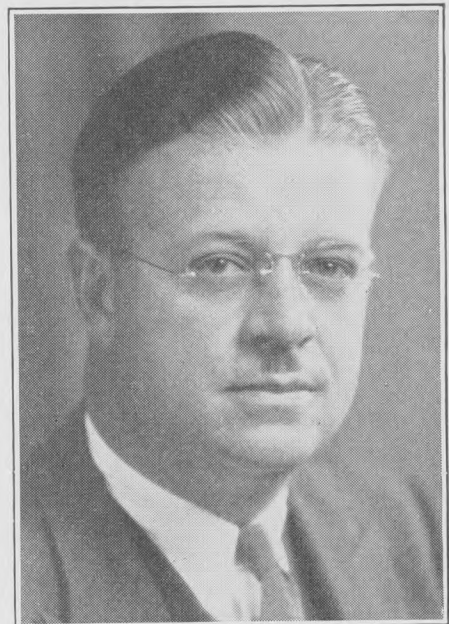
## Johnson buys control at North Branch

A. F. Johnson, president Merchants State Bank of North Branch, Minn., has purchased the stock interests of H. J. Anderson and Elias Nordgren in the bank, thereby obtaining controlling interest.

Mr. Nordgren has resigned from the board after 54 years of service and Mr. Anderson has resigned after serving on the board 34 years.

New officers are as follows: Mr. Johnson, president; August Nordstrom, vice president; and C. T. Braff, cashier. They also make up the board of directors together with John A. Holt and Howard F. Johnson, the president's son.

Howard is county attorney for Chisago county.



**A. F. JOHNSON**

rich, vice president, deceased.

**WOODVILLE**—Citizens State Bank—R. J. Mulvaney, cashier, deceased.

## at the Head of the Lakes

**Officers**

Richard L. Griggs . . . . . Chairman of Board  
Stephen R. Kirby, Chairman Exec. Com.  
Lewis G. Castle . . . . . President  
Wilbur F. McLean . . . . . First Vice President  
Percy R. Pascoe . . . . . Vice President

George Ostrom . . . . . Vice President  
Stephen R. Kirby, Jr. . . . . Vice President  
Jorice E. Brown . . . . . Vice President  
John C. Buckley . . . . . Asst. Vice President  
Sigfred J. Nelson . . . . . Cashier

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# Ninth District bank examiners meet at Federal Reserve



Largest attendance in the six years of Examiners conferences was registered this year. The photo above was taken before the afternoon session.

In the front row with Clayton Tillander, FRB chief examiner, are speakers A. J. O'Hara, vice president in charge of investment research Northern Trust Co., Chicago; K. O. Sattre, Minnesota commissioner of banks; S.

A. Torgerson, president First National Bank, Hawley, Minn.; R. J. Eggert, associate director department of marketing, American Meat Institute, Chicago; and H. B. Arthur, economist Swift & Co., Chicago.

Other speakers were J. N. Peyton, president Federal Reserve Bank; Frank Parsons, Fed's associate director of research; C. S. Ashmun, Minneapolis; J. Marvin Peterson,

the Fed's director of research, and W. B. Childsen, editor of The Herald, Merrill, Wis.

In the second row, next to wall at right, is John Graham, North Dakota state examiner. Charles E. Alden, Ninth District FDIC supervising examiner, is in the third row behind Graham. In the fourth row, second from the aisle, right, is C. B. Upham, Chief National Bank examiner of the Ninth District.

If any Minnesota state bankers were worrying last week over the possible untimely arrival of examiners to upset the equilibrium of or mar plans for a quiet Thanksgiving week-end, their fears were entirely ungrounded.

Minnesota's 24 state bank examiners and assistant examiners spent Nov. 25 in the Banking Department in St. Paul getting acquainted with Minnesota's new commissioner of banks, K. O. Sattre. Then Nov. 26, along with other bank supervisory officials of the Ninth District (state, national and FDIC) they spent at the Federal Reserve Bank's annual supervisors' conference in Minneapolis.

Almost the same thing could be said about FDIC examiners because most of them spent Nov. 25 with Supervising Examiner Charles E. Alden in the corporation's St. Paul offices. A few were not present because they had examinations to finish up that day. But they all got in for Saturday's district-wide conference at the Fed.

What did Commissioner Sattre think of his crew of 24 examiners? And what did they think of their new chief? Well, from all Commercial West has heard it was a case of mutual admiration.

"I think very highly of them," declared Commissioner Sattre in no uncertain terms. "No changes are

contemplated. But there will have to be some temporary switching around between now and the end of the year in order to catch up on necessary examinations. Increased volume of bank loans has slowed down examination work this year until now we find ourselves slightly behind schedule but we hope to be caught up by the end of the year."

Supervising Examiner Alden, feeling fine again after an attack of the flu picked up at the supervisors' national convention in Reno, had humorously commented that "we are sorry we had to deny bankers the pleasure of our company," said their FDIC conference was devoted entirely to "operational problems—details."

This is the only conference the FDIC will hold this year. Usually, and like the chief national examiner, the FDIC holds an annual conference of all its examiners. None was held this year. Chief National

Bank Examiner Cy Upham held his earlier in the year.

## On the Cover . . .

Ninety-three accumulated years of service at Midland National Bank, Minneapolis, were represented at the surprise birthday party for Agnes Seaquist, Aurella Rolph and Margaret Stotz (reading left to right). About 30 of the bank girls participated in the party, which was held Saturday noon, Nov. 26, at the Hotel Nicollet Minnesota Terrace room. We'll keep mum about the ages, if you don't mind.

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# 16 members of Banco Advisory Council hold Minneapolis meeting

Arnulf Ueland, president Midland National Bank of Minneapolis, was presiding officer at the opening of the fall meeting of the Advisory Council of Northwest Bancorporation held Dec. 1-2 in Minneapolis.

The Advisory Council was established in 1946 by the board of directors of Northwest Bancorporation "to obtain the benefit of the advice and counsel of management of affiliated banks and to promote the sound development of general banking and operating policies and in turn the welfare of the affiliated institutions."

Program for the two-day session was arranged by Clarence R. Chaney, vice chairman of the board of Northwestern National, as chairman of the program committee. Current reports of Bancorporation officers were presented, as well as economic trends and banking problems.

Attending the meeting for the first time, having been elected for three year terms expiring in 1952, were:

Douglas J. Dundas, president Great Falls National Bank; Orlo B. Silvey, president Billings State Bank; Al R. Weinhandl, president First National Bank, Minot; P. J. Schirber, president James River National Bank, Jamestown.

Others in attendance were:

Herbert L. Horton, president Iowa Des Moines National Bank, Des Moines; Willis D. Wyard, president First & American National Bank, Duluth; Ellsworth Moser, president

United States National Bank, Omaha; Harold D. Crosby, president First National Bank & Trust Co., Fargo; R. Lloyd Smith, president Stock Yards National Bank, South St. Paul.

Ralph M. Watson, president Northwest Security National Bank, Sioux Falls; George M. Robertson, president First National Bank of Winona; Fred C. Heneman, president First National Bank of Mason City; Orval U. Habberstad, president Union National Bank, Rochester; E. O. Peterson, president Union State Bank, Thief River Falls; C. O. Bennett, president Union State Bank of Montevideo, and O. B. Rusness, president First National Bank in Moorhead.

## School of Banking now must limit attendance

Because of the popularity of the School of Banking at Madison, the board of trustees has now found it necessary to limit attendance, beginning with the 1950 freshman class, to 175 enrollees, says Bob Pye, secretary Minnesota Bankers Association.

"A formula for allotting quotas to each state sponsoring the school has been adopted as follows: There are approximately 90,000 active bank officers in the territory comprising the Central States organization. By using the pro rata figure for the number of active officers in each

state, Minnesota is allotted a quota of 15 enrollees for the freshman class of the 1950 school, which will be held two weeks prior to Labor Day.

"Those desiring to attend the school should advise this office immediately as the deadline is Feb. 1. If other states should not happen to fill their quotas, then those in excess of 15 allotted to Minnesota will be considered in the order in which their applications are received."

## Letters to the Editor

Editor:

I read with a good deal of interest the account in the Nov. 19 issue of Commercial West which reported the appointment for the first time by A. B. A. of a Forestry Committee.

This appointment gives recognition to the primary importance of our forest resources in the economy of the nation.

In our own state of Minnesota we are signally blessed with these forest resources. Much, however, remains to be done if the citizens of the state are to know of these resources, to evaluate them properly and to manage them intelligently.

It is to be hoped that, our forest resources being of such primary importance here in Minnesota, local banking and financial organizations will see fit to follow the lead of the A. B. A. and devote a part of their energies and influence to intelligent consideration of these problems confronting the citizens of the state and the forest products industry.

Our staff of trained forest management personnel is informed on these problems and if at any time you feel they can be of assistance in discussions with any qualified individuals, or groups of individuals, you can be assured we will be more than pleased to make them available for such a purpose.

Sincerely,

Donald D. Davis

President Minnesota & Ontario Paper Co.

★

Editor:

I want to thank you for the insurance information you have in your issue of the Commercial West of Nov. 26. You are doing a good job in keeping the public informed as to the activities of the Minnesota Association of Insurance Agents.

Cordially yours,

C. R. Hewitt

President Minnesota Association of Insurance Agents.

COMMERCIAL WEST



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# Bank Notes



Secretary Bob Pye this week gave his Minnesota members some stimulating food for thought above and beyond the field of banking when he sent them a reprint of the address of Laurence M. Gould, president Carlton College, at the centennial banquet of the Minnesota Historical Society and dealing with this country's rapid drift away from fundamental beliefs that made it great and toward a welfare state. "When I was a lad," said President Gould, "the world owes me a living" was the credo of the hobo. Today it pretty accurately reflects the mores of the times. . . . When you free men from all the risks of hunger, health and any others that might plague him, you free him from the things that have made him great." Accompanying the address as it appeared in the Minneapolis Star and Tribune was a cartoon by Justus, labeled "False Notions About Security" and depicting a bunch of apparently greedy individuals pulling at Uncle Sam's legs, coattails, hair and whiskers. Over the cartoon was this appropriate caption: "But Where will Uncle Sam get HIS Security?"

**Beaver Creek (Minn.) State Bank has been authorized to increase capital stock from \$15,000 to \$25,000.**

Bank of America announces organization of a new corporation to engage in international banking and financial activities abroad. The foreign unit, with home office in New York City, will operate under the name, Bank of America. It is a wholly-owned subsidiary.

N. V. Torgerson, president First National Bank, Adams, Minn., and his well-known movie camera, were in action again the evening of Dec. 1, this time down at Grand Meadow where he entertained members of the Farm Bureau Federation with views of East coast, Florida to New England. When he was chairman of the Minnesota Bankers Association's agriculture committee "Torge" pepped up many banker's meetings with his movies, spread much

valuable information, factual and visual, regarding soil erosion in which fight bankers all over the country are taking such a keen interest and active part.

Gen. Lucius D. Clay has been elected a director of Lehman Corp. General Clay retired from the army last May, when he relinquished his posts as U. S. military governor in Germany and commander-in-chief of all United States Forces in Europe. He now makes his home in Asheville, N. C. He is president of Ecusta Paper Corp. and a director of Marine Midland Trust Co. of New York.

The Credit Committee of the Minnesota Bankers Association will hold an all-day session in Minneapolis Dec. 7. Chairman is M. E. Mortenson, vice president Marquette National Bank. Plan of procedure this year is to have sub-committees hold individual sessions in the forenoon then all get together for luncheon and full committee conference.

Arizona's statewide Valley National Bank, largest banking institution in the eight Rocky Mountain states, is celebrating its 50th anniversary. It was founded Nov. 4, 1899, in Solomonville, with capital of only \$25,000 to serve a handful of cattlemen and miners and has grown into a network of 29 offices located in 11 of Arizona's 14 counties, serving more than 250,000 customers, about one-third of the state's entire population.

**James H. Kennedy, vice president and cashier Philadelphia National Bank, has been appointed chairman Bank Management Commission of the A. B. A., by F. Raymond Peterson, president of the association.**

Despite the great advances which have been made in construction and financing of housing for minority groups in this country, a great market still awaits the builder and lender in this field, declares Franklin D. Richards, commissioner Federal

Housing Administration in an article, "The Mortgage Market Lenders Forgot," in the forthcoming issue of the Mortgage Banker, published by Mortgage Bankers Association of America.

N. Baxter Jackson, chairman Chemical Bank & Trust Co., New York, was host Nov. 22 at a dinner of Quarter Century Club of the bank which has a membership of 215, of which 168 are actively employed and 47 retired. At an election which preceded the meeting, Ralph G. Peterson succeeded Miss Edith Adams as president. Highlight of the evening was announcement of the winners of the essay contest titled "My Bank—My Job" just held under the sponsorship of the club.

**Herman R. Lavrence, cashier First National Bank of Fairmont, Minn., has been hospitalized for the past two weeks following a heart attack. He is in a Fairmont hospital.**

Bill Schoening, advertising man with Standard Oil Co. in Minneapolis, relates the gag about the fellow whose brother is cashier of a bank. He's five feet tall and \$6,000 short.

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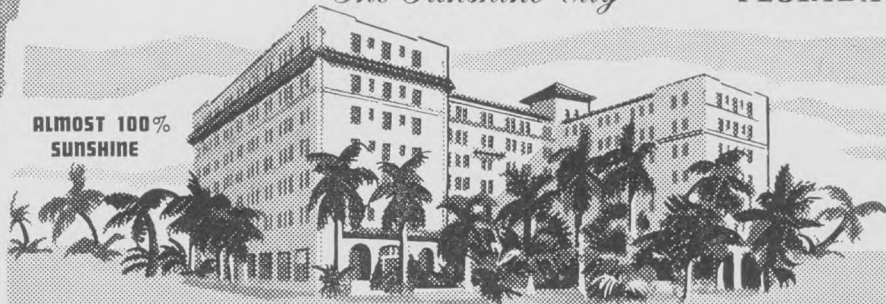
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# Insurance

## Little things add up to good public relations

*Making surveys, sending out progress reports and "sincerity" spell success*

*by Salem Hyde*

Hyde & Pegues Agency,  
Cleveland, Tenn.

**EDITOR'S NOTE:** Commercial West read this article in Casualty & Surety Journal last month, felt it so worthwhile that permission to reprint it was asked for and received by Author Hyde, a local agent. In it, the problem of public relations is reduced to simple, every-day acts by which an agent or agency can increase its value and service to customers. We feel it is **MUST** reading!

WHEN I DECIDED to open an insurance agency in Cleveland, Tenn., a couple of years ago, I didn't know a single person in that town. So I decided it would be a good idea to let people know I was around by making some dignified noise.

I invested in a neon sign and a supply of coffee.

The sign could be seen for blocks; in fact, if you were anywhere on the street, you could hardly help noticing it. I listed the \$200 the sign cost me as my first public relations expenditure, and every time I saw anybody glancing at the words, "Hyde Insurance Agency," I felt more certain that this was a worth-while investment.

The coffee cost much less—but it also paid off. Every person who entered my office—whether to deliver mail, to ask how to get to the dentist's or to buy insurance—got a steaming cup of it. The local paper naturally was interested in using a story based on the fact that I did my insurance business over a cup of coffee, just as the early insurance men had back in the 1600's in London.

Those were just two of the steps I took to let people know there was a man named Hyde in town and that he sold insurance. I also

ran a series of advertisements, consisting of nothing but a heavy black outline cut in the shape of a hide, with a question mark in the center. A surprising number of people were curious enough to wonder what it meant. After 10 days, I told them. Then I ran an announcement of the opening of my agency, with that same hide outline.

I've been up to similar tricks in the two years since, and a few months ago I hit on something which particularly pleased me. I put up a solid bronze sign near the entrance of the building where I have my office. I suppose it could have been taken care of in an hour or so by a couple of professional sign-hangers.

But my little job took three whole days—struggling with that sign, pounding on it, figuring and refiguring how to get it to hang there. During those three days, I think every sidewalk superintendent in Cleveland came by to offer a bit of sage advice. A few people just stood across the street and stared while I wrestled with the thing, but most of them hollered out a few instructions on the finer points of sign-hanging.

Those three days were more valuable to me than the same amount of time would have been if spent in practicing a sales talk. In fact, every time I hear anybody using the phrase "public relations," I want to tell them about that sign, and about the question mark in my early ads; and about the gallons of coffee I've shared with callers in my office.

Too many people still think of public relations as something high-powered and expensive, designed for the exclusive use of such giant enterprises as Pennsylvania Railroad, U. S. Steel or the telephone company.

I'm convinced that this is a mistaken idea.

Every small businessman has a public relations problem, whether he attaches that name to it or not.

It isn't enough for people just to know you're around. People must think of your name every time they think of insurance.

One way to bring about this pleasant state of affairs is to do a very thorough job on every risk you handle. This will attract much favorable attention, especially if other agents in your area have gotten into something of a rut and are inclined to take things easy.

Shortly after I opened my office in Cleveland, I was given an opportunity to check the insurance needs of the Episcopal Church, of which I am a member.

I didn't simply go into a huddle with myself and decide how much insurance I would like them to buy from me. I made a survey—a real one, with photographs and all. Shortly after I finished it, I discovered that the local newspaper wasn't sure whether it had adequate insurance coverage, so I made another survey.

This was something new in the way of insurance service in Cleveland.

A few months later, the local Baptist Church trustees began to wonder whether they needed more coverage, and remembered how thoroughly I had tackled the previous jobs. I did a survey for them, and discovered that the church had only a fourth as much coverage as it should have. My recommendations were accepted, and I was allotted a generous portion of the added premium.

I didn't push too hard for bus-

<b>Use Our Office To Place UNUSUAL LINES</b>	
<b>Dornberger Insurance Agency</b>	BUS
	BUTANE
	PROPANE
	CARGO
	COMBINES
<b>315 S. First Ave. Phone 663 Sioux Falls, S. D.</b>	LONG-HAUL TRUCK
	TAXI

iness, but when I did sell a policy, it was delivered with all the care and attention of a new-born babe. I felt it was a valuable document, and presented it in such a way as to make the assured feel the same thing.

A lot of people seemed to like that bit of special attention.

After my first six months, I wrote a progress report and sent it to customers and prospects. I told them how I liked Cleveland, how many policies I had sold, and just reminded them that professional insurance service was always available at the Hyde Insurance Agency.

I now send out progress reports every six months, mentioning such things as the fact that I had bought my new teeth in Cleveland. I also pointed out in one report that my accounting system is supervised by a certified public accountant. Now, I don't pay a CPA just because I want him to have some of my money; the reason I use his services is that it makes clear to my clients that my business is strictly on the up and up.

I also put the company money in one bank account, and my own personal funds in another—and I tell my clients about that, too, so they will understand that I handle my financial affairs with care. After all, I am more or less their trustee.

During Fire Prevention Week, I spoke to the Rotary Club, the Lions and the Kiwanis Club, and spent five nights on the radio interviewing different people on fire prevention. I arranged for "Crimes of Carelessness" to be shown in every school. But I didn't confine my activities to the fire prevention and accident prevention campaigns, although naturally I did everything I could to make sure those particular ones were successful.

I also tried to become a part of every worthwhile civic enterprise, including community fund drives and Red Cross work. There must never be any ulterior motive of profiting by these undertakings.

Sincerity cannot be imitated, and if there is one essential characteristic in successful public relations it is just plain, old-fashioned sincerity—sincerity in selling and advising our clients, and in participating in community activities.

Good public relations also means little things, such as paying our local bills on time, and paying return premiums immediately without trying to finagle some way to keep them.

It means a constant, conscientious effort to provide full and complete insurance coverage, and careful, painstaking, time-consuming surveys of each client's insurance problems.

We should remember that the threats to and the pressures on the insurance business are manifold—federal regulation, inept state regulation, lack of underwriting capacity, low profits and inability to attract new capital in competition with other industries, increased costs without increased rates, continued heavy loss ratios and, perhaps above all, lack of public understanding of the insurance business. That is where we agents come in.

We are the people in daily contact with the public, and we are the ones who influence the public's attitude toward the insurance business. It is our job, for self-preservation if nothing else, to see that our fellow townsmen learn about our problems and know some of its problems.

After all, most of us are serving the public pretty well. But the public doesn't know it. It is time to take advantage of public relations programs.

Insurance agents can no longer afford to be complacent. We are important cogs in the machinery of the American system of private enterprise, and it's time for us to justify our commission income in the public eye.

We must also keep constantly in mind the type of grassroots public relations activities I have mentioned. Now that I have told of some

of my own activities in this field, there is naturally one important question left to answer: Has it paid off?

I think so. My activities have cost me money, and if I drew up a balance sheet for public relations I might not show a cash profit. But I have been deliberately laying a foundation for a real future in Cleveland, and for this I consider every penny I've invested in public relations well spent.

I have always tried to keep in mind a simple statement made by Benjamin Rush. He said, "The whole insurance machine exists for the protection of . . . and service to . . . the policyholder."

I don't think anyone has ever stated the basic idea behind any good public relations program more briefly or more correctly.

## John Hancock to increase dividend payments 14%

The John Hancock Mutual Life Insurance Co. will set aside for dividends to policyholders \$4,800,000 more in 1950 than in 1949, an increase of 14 per cent. Total amount to be set aside for all dividend payments in 1950 will be approximately \$39,000,000, according to an announcement made by President Paul F. Clark.

"These increases have resulted from a continuing favorable mortality experience, together with the prospect of economies in operation due to the efficiencies of the company's new home office building, despite the fact that there has been little or no improvement in the net rate of interest earned on investments," states President Clark.

With few exceptions these dividend increases will apply in varying amounts to practically all ordinary policies issued subsequent to April 1, 1935. Under ordinary policies issued upon the 3½ per cent reserve basis prior to April 1, 1935, the dividend scale now in effect will be continued in 1950.

Dividend increases on weekly premium industrial policies will generally affect policies issued subsequent to Jan. 1, 1937. The new weekly premium dividend schedule inaugurates the practice of paying a dividend one year earlier than has been the case with respect to policies issued prior to September, 1947. Monthly premium industrial policies will also receive a dividend at the end of three years.

Present general formula for dividends on group life and group accident and health policies, revised and announced in 1949, will be used for 1950 with adjustments resulting from experience shown.

Rate of interest payable during 1950 on various policyholders' funds held on deposit by John Hancock

## BANKER'S BLANKET BONDS

### SAINT PAUL - MERCURY INDEMNITY COMPANY

111 WEST FIFTH STREET • SAINT PAUL 1, MINNESOTA, U. S. A.

*Insurance Counsellors to Banks*

will continue to be 3 per cent or higher in accordance with any more liberal guarantees.

In this area, John Hancock has the Minnesota Bankers Association's life and A & H group, South Dakota's life, A & H and pension plan, and Independent Banker's life and A & H.

### St. Paul insurance women plan Christmas party

The St. Paul Association of Insurance Women will hold its annual Christmas Party Dec. 6 in the Ship Room of Minnesota Federal Savings & Loan Association, 335 Minnesota street. Virginia Stewart, entertainment chairman, is in charge of the party.

Cash donations and toys for the Toy Loan Library will be collected by Bessie Long, vice president of that organization. Ralph Mather, who operates the Mather Travel Bureau, will show several travel films. Santa Claus also will be there to distribute gifts to each member.

Venita Salt, of W. A. Lang, Inc., and Elizabeth Hilgert, Marsh & McLennan, Inc., have been appointed by the club to replace Jeanette Widell and Dolores Rauen, as corresponding secretary and ways and means chairman, respectively.

### Dosdall, vice president of St. Paul companies, dies

Chester Arthur Dosdall, vice president and director St. Paul Fire & Marine Insurance Co., Mercury Insurance Co. and St. Paul-Mercury Indemnity Co., died suddenly Nov. 22, at his residence in St. Paul. He had spent the entire day at the office and was stricken while preparing for dinner.

Mr. Dosdall started his insurance career of over 46 years with the St. Paul on June 1, 1903, as a clerk in the home office, in 1919 was elected assistant secretary, in 1924 was elevated to secretary, and in 1930 became a director. On July 17, 1943, he was made vice president of all the St. Paul companies.

Recognized as an authority on all phases of fire and hail insurance, he was active in many insurance organizations, on the governing committee of Western Underwriters Association for several terms and was a director of Western Adjustment Co. He had served as chairman of the executive committee of Insurance Federation of Minnesota.

He was a 32nd Degree Mason, a

Shriner, a member Minnesota Club, St. Paul Athletic Club and White Bear Yacht Club, was active in St. Paul civic affairs, had been a director St. Paul Association of Commerce and Goodwill Industries of St. Paul.

Mr. Dosdall is survived by his widow, two sons and a daughter.

### Two local agencies honor firemen

Powered by Frank P. Powers, president of the Kanabec State Bank of Mora, Minn., which has been outstanding for years and the recipient of much national publicity for its energetic program of public relations parties and related activities, the Mora Insurance Agency and the Ogilvie Insurance Agency joined last week in honoring the Mora and Ogilvie Volunteer Fire departments. It turned out to be one of the most successful, too, reports President Powers.

Some forty firemen were present, many of whom were called upon for impromptu remarks. Oldest fireman present was Jay Goldsmith, charter member of the Mora department since 1904. Next in line of long service were Victor Peterson and Walter Edgar, both on the Mora force since 1905.

It was brought out, also, that quite by coincidence both present fire chiefs, K. E. McIlhargy in Mora and J. E. Holmgren in Ogilvie, also are mayors of their respective towns.

Frank Tibbetts, publisher Kanabec County Times, also spoke. Mr. Powers was master of ceremonies.

### Contest to be staged for rural fire departments

"Farm fire protection is of major importance to the nation's economy," Harry Cooper, Jr., secretary National Association of Mutual Insurance Companies, told the agricultural committee of National Fire Waste Council at Edgewater Beach Hotel, Chicago, Nov. 22.

Recognition of the role of the rural fire department should be forthcoming to encourage their expansion and improvement, he continued.

The council's final approval of the proposed farm fire department contest is a significant step in that direction, he said.

A Chamber of Commerce man,

Harry Perlet, assistant manager of its insurance department, said local chambers should have a real interest in the contest since more than a third of the nation's total fire loss is rural and since farmers spend their incomes largely in their rural centers. Chambers will distribute entry blanks.

Selections of winners will be made by representatives of National Board of Fire Underwriters, National Association of Mutual Insurance Co.'s National Association of Farm Editors, editors of Fireman and Fire Engineering magazines and the Department of Agriculture.

### New field supervisor for Sioux Falls agency

Dean Dornberger has been appointed field supervisor for Dornberger Insurance Agency, Sioux Falls. His appointment became effective Dec. 1.

The agency, which, as reported two weeks ago, moved into enlarged quarters at 315 South First ave., has had to delay its formal opening because matched mahogany furnishings, ordered for two private offices, have not arrived.

"The furniture factory went on strike two days after we ordered," laments Wayne Dornberger.

Insurance Co. of North America announces appointment of N. W. Ayer & Son, Inc., as its advertising counsel. The change satisfies a need for a national agency offering complete service with offices throughout the country.

*It's*

**TRADITIONAL--**

That our policyholders receive prompt service from Automobile Insurance Specialists.

**OUR POLICY PROVIDES PROTECTION**

*Underwriters of Loyds of Minneapolis*

**AUTOMOBILE INSURANCE UNDERWRITERS**

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Mc Knight Building  
Minneapolis Minnesota**

**FIRE LIFE CASUALTY BONDS ACCIDENT HEALTH**

**FRANK S. ROGERS AGENCY, INC.**

General Agents

414-415 HAMM BLDG., ST. PAUL 2, MINN.

Tom Marron

Joe Rogers

Carl Ludwig

## Gopher 1752 Club plans annual meeting Dec. 5

Mutual field men, who are members of the Gopher 1752 Club, will attend the Club's second annual meeting Dec. 5. The meeting will be held at the Hotel Francis Drake, will begin at 6 p. m.

Main business will be election of new officers and board members. The Club's constitution and by-laws provide that officers cannot be re-elected to succeed themselves. Nominations can be made from the floor to supplement those to be made by the nominating committee.

Also probably on the agenda: discussion of this year's series of Clinics, two of which have been held so far.

## 80 Blue Goose men hear about Mpls. lakers

Members of Minnesota Pond of the Blue Goose proved again Nov. 28 that to get big crowds, get a program everyone will like. The program everybody seemed to like: appearance of John Kundla, Minneapolis Laker coach, and player Paul Walther.

This successful meeting followed last month's equally as successful featuring Cliff Sommer, Midland Bank vice president and "M" Club president.

Kundla discussed the league, the Lakers' chances in the league and answered questions from the floor. Approximately 80 members were present.

## New Reliance company licensed in Minnesota

Minnesota this week OK'd the entrance into the state of the new Reliance Insurance Co. of Philadelphia.

This company will be "running mate" of the new Fire Association company, formed when a merger between Lumbermen's, The Reliance and Philadelphia National was approved to be effective Jan. 1.

The new Reliance is a wholly owned subsidiary company, whereas the old The Reliance had 30 per cent outside ownership. The company has total admitted assets of \$4,995,953, with capital of \$2 million and surplus of \$2,995,953.

## Riders

Election of a new director of National Fire Insurance Co. of Hartford and a number of changes in the official staffs of the five companies in the Group are announced by Chairman F. D. Layton and President H. B. Collamore. New director is Morgan W. Taylor. T. A. Long, vice president United National Indemnity, is now a vice president of the Group's four fire companies. All vice presidents and two secretaries, R. A. Dwyer and O. A. Ogden, of the fire companies, were named officers of United National. H. W. Stevenson is now secretary-treasurer of all companies while A. F. Davies, Jr., has been named assistant treasurer of the companies.

C. G. Lindblom, cashier Minneapolis agency of Mutual Life Insurance Co. of New York is participating in a series of special business seminars at New York home office designed to provide "increasingly effective service to policyholders through continuing improvement of coordinated team effort by agency office personnel, field underwriters and home office personnel."

**Milo G. Gray, claim manager at South Bend for American Mutual Liability, has been promoted to district manager of the company's Minneapolis branch. New district manager at Des Moines is James T. Lanigan, Easton, Pa., claim manager.**

Stockholders of Insurance Co. of North America have approved two proposals recommended by the board: to increase the authorized capital stock from \$15,000,000 to \$30,000,000, and to adopt a stock purchase plan under which eligible employes can acquire stock at 20 per cent less than market price.

Copies of an 80-page commemorative book dedicated to the memory of O. J. Arnold, late president and board chairman of Northwestern National Life of Minneapolis, were distributed by the company during the past week to leading members of NwNL's field force and to members of the home office Old Guard, as well as to a substantial number of his long time acquaintances out-

side the company. The blue-and-gold covered book has the handwritten initials OJA as its title. It is dedicated to remembrance of the many noteworthy projects in and out of the life insurance world which were initiated over those initials.

Wisconsin Commissioner Lange has approved a 5.6 per cent reduction in fire, theft and collision premiums in Wisconsin. National Automobile Underwriters Association had asked for a 3.5 per cent increase.

A newly developed bleaching process which is being used by flour manufacturers and fat rendering companies and may be used by the soap industry, sugar refiners and many other industries, has introduced new fire and explosion hazards which are discussed in a report issued by research division of National Board of Fire Underwriters, offering detailed recommendations for use of chlorine dioxide, which is spontaneously explosive in concentrations over 10 per cent, and for safe handling and storage of sodium chlorite.

Blue Goose members will gather at Duluth's Holland Hotel Dec. 13 for a meeting of the Duluth Puddle.

George S. Uglow has been appointed superintendent of the claim department for Western department of United National Indemnity Co., casualty affiliate of National Fire Group, announces Chicago's Resident Manager F. Frank Leali.

F. J. Anderson and E. A. Palk have been appointed agency assistants at the home office of Great-West Life Assurance Co., Winnipeg.

David P. Jones & Co. has been appointed mortgage loan correspondent for Hennepin county for Massachusetts Mutual Life Insurance Co. of Springfield, Mass., reports Allan P. Born if Minneapolis, assistant manager of mortgage loans and real estate of the firm's Chicago region. Massachusetts Mutual formerly had handled such loans directly.

Funeral services for Carl A. Merritt, 72, who died in Los Angeles Nov. 25, were held in Minneapolis Dec. 3. He had been Minnesota

## St. Paul Mutual Insurance Company

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**POLICYHOLDER'S  
National Life Insurance Company**

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SOUTH DAKOTA

state agent for Connecticut Fire until about eight years ago, when he retired. One of the state's oldtime field men, he was a member of the Blue Goose and Pee-quackosh-toy-gwon.

## Stafford King to address Insurance Club Dec. 12

State Auditor Stafford King will be the next speaker to address the Insurance Club of Minneapolis.

He'll be on the rostrum Dec. 12 at the Club's usual monthly meeting, to be held at the Minneapolis Athletic Club. His appearance is sponsored by Cameron Insurance Agency.

His topic: "Trends in Government and Where Do We Go from Here?"

## Recent Deaths

A. L. NASLUND, president Farmers State Bank, Faith, S. D., last week of a heart attack. Funeral services were held in Faith Nov. 25. He had been in the Faith bank for many years, serving as cashier until this spring when he assumed the presidency. He is survived by his widow and two daughters.

## Savings

(Continued from Page 7)

cheapening of the monetary unit whether by outright devaluation or by deficit financing. Whether or not the legal price of gold is changed makes little difference, because the currency of a country can be diluted in purchasing power by continual Government extravagance and easy spending leading eventually to chronic deficits. As a corollary to all of this comes increasing cost of living to take a large bite out of the income dollar and leave less to be set aside for the future.

Underlying all of these characteristics and perhaps as fundamental as any of them, is the growing tendency of the individual to expect someone else to do things for him which he formerly would have been proud to do for himself. This tendency is, of course, fostered by Government policies becoming ever more paternalistic. Many people instead of protecting their future by their own

savings are glad to shift the entire burden to some variety of pension provided by their employers or by the Government. In some degree, we are confronted with a vicious circle. The economic climate, unfriendly to personal saving, rests on a philosophy which discourages individual responsibility and enterprise. When those traits have become unpopular or on the verge of being lost, the personal savings habit also loses much of its significance.

Witness the huge increase in the debt of the United States during the war years, and the subsequent value of the dollar in terms of purchasing power. Today we have a 47 cent dollar in relation to 1934, and a 59 cent dollar in relation to 1939. Savings have increased in total dollars, but they are far from being the same dollars. Wouldn't we all feel better if savings in this country had increased but 50 per cent in the last decade instead of nearly three times, if we could assure our customers that their dollars had the same purchasing power, and if we could return to them the same dollar that they entrusted to us?

I believe the most potent competitors which we face in the savings field today are those who would continuously create an unsound economic climate. The contributors are many. It is no use to single out any particular segment of our society as more guilty than another. Nearly everyone has some part in it.

It is nothing new to see a government living beyond its means, promising benefits that it cannot pay for. It has happened many times before. The same is just as true of a family, a corporation, and municipality or a state, but unfortunately modern times have provided central governments with monetary systems which can be used much more effectively to delude their people as to the dilution of their savings. I do not believe that any country can exist long that thinks it can permanently afford the luxury of an extravagant government. Yet, how many of us in business today lean at some time or another upon a Federal crutch! In fact, we are inclined to employ the crutch as a basis to enlarge our business.

Yes, the Federal government both directly and indirectly is one of our foremost competitors. We are inclined to encourage it. We heart-

ily approve and endorse one branch of the government which is our direct competitor in the sale of savings bonds to the people. This is right and a proper activity, and it serves a definite place in the savings program of our country. But it is an unfortunate paradox that other branches of this same government, and some of their policies, contribute directly to the dilution of the purchasing power of what the first branch of the government has asked their people to lay aside.

The glittering promises of politicians are nothing new in this world, and the promise of a better life for everyone is always a tempting morsel to swallow. Higher incomes, social benefits of all kinds, and shorter hours, are always sweet music to most of mankind, but with them inevitably come high taxation, directly and indirectly, a higher cost of living and a cheapening of the value of the currency. Such schemes come dressed up in new clothing from time to time. They are referred to by various names such as the welfare state, state-ism, the new deal, or fair deal, but sooner or later the people of a nation find out that these promises must be paid for, and it is usually accomplished and accompanied by the devaluation of their savings. Then and only then do they realize it was nothing more than a raw deal.

With higher taxation comes a higher cost of living and the inevitable loss of the incentive to work and produce. It is obvious that only work and production can provide the promised benefits. If anyone doesn't believe these things, go to England for a short time and see what high taxation is doing to the incentive to work. See the effect that it has had upon the savings of the people. Go to other foreign countries where the currency has been inflated from 60 to 100 times in the last 35 years, and study what effect it had upon the thrift habits of the people and their incentive to save.

And so I believe that the safety of the funds of our customers involves a two-fold responsibility. First, of course, we should maintain the sums intact without shrinkage in the number of dollars. That is self-evident. Equally important, we should try to maintain the pur-

(Continued on Page 30)

12 fine companies

100 expert employes  
to serve YOU

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Agency Openings in  
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South Dakota.

MODERN LIFE  
Insurance Company

St. Paul

Minn.

# Investment

## AHEAD OF THE MARKET

With **WALL STREETER**



**T**HE WIDE range of stock prices throughout a period of years is evidence of the risk in the stock market. Apparently this risk is uppermost in the investor's mind despite the many long established records of dividend stability and the hundreds of growth situations that have successfully weathered the economic storms of years past.

It is this changing price trend and particularly the collapse of 1929 which has accelerated the flow of investment funds into the so-called riskless type of investments. Fixed income and ready conversion to a fixed amount of dollars has become the primary concern for a high percentage of conservative investors in attempting to conserve their accumulated savings or wealth.

This trend has continued despite

the fact that lower interest rates have reduced the income or return on this type of investment to the lowest level in history.

But the problem of avoiding risk is not quite so simple. Stability of dollar amount of principal and income may produce the desired security on paper but when these dollars depreciate in terms of what they will buy the loss is a real one. For example, take the actual case of an ultraconservative investor who died almost 20 years ago. The terms of the trust set up for the wife's benefit stipulated that funds be invested only in legally qualified bonds of the state. Sufficient money was involved to provide what should have been an adequate income for the widow.

However, the combination of lower interest rates on bonds of this high quality and a generally higher price structure for everything consumed and purchased has stripped a large part of the value from this income. In recent years it has been necessary for the widow to seek some means of augmenting this income while attorneys attempt to find a loop hole in the rigid and restrictive investment provisions.

There are undoubtedly many other similar situations in which an overly cautious and short-sighted investment policy has failed to make allowances for a changing purchasing power value of the dollar.

The purchasing power of the consumer's dollar rarely remains the same from one year to the next, various studies showing wide swings during the last 35 years. From the period before the start of World War I to the year after the end of that war the dollar lost approximately 50 per cent of its purchasing power. In subsequent years the dollar gained in buying value until, in the depression years of the early 30's, it was up to about 75 per cent of its pre-World War I status. The downward spiral of value has been underway again for the past 10 years until today the purchasing power is less than half of what it was 35 years ago.

On the assumption that war-created scarcities and inflated prices are responsible for much of this fluctuating value it would be reasonable to expect a repetition of the

pattern following World War I. In other words, the price structure would lower and the dollar would become more valuable in what it would buy. Such may be the case to a limited extent and on a temporary basis but the fiscal problem created by the war and the new brand of economic thinking on the part of the nation's administrators should pretty well preclude any great increase in value.

The general price level should remain substantially higher than that of the late 30's and there is good reason for believing that eventually the dollar will resume its downward curve of value.

The national debt of a quarter trillion dollars and the amazing increase in government operating expenses are potent arguments for a cheap and easy dollar. Debt and expenses of the current magnitude can be managed and paid only with a plentiful supply of low value currency. Government supports and economic benefits, much higher

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## Investors Mutual

Prospectus on request from Principal Underwriter

INVESTORS DIVERSIFIED SERVICES

ESTABLISHED 1894 (as Investors Syndicate)

Minneapolis, Minnesota



wage scales, big profits for business and a stabilized farm income provide the basis not only for an adequate government tax income but a high price level for the consumer.

The value of the dollar can no longer be checked by its convertibility into gold and now is on a politically managed basis. With elections to be won and the prestige of administrations upheld there is usually much more to be gained by increasing the supply and not the quality of the currency.

A key to the future trend of events may lie in the government's ready recourse to deficit financing in a peacetime period of favorable economic conditions.

It would be a mistake to contend that common stocks are practically a guaranteed hedge against a loss in the purchasing power of the dollar. In some respects the stock market has failed to come up to expectations in this capacity. The statement made about two years ago by one financial authority that the stock market was the least inflated segment in our economy probably holds true today.

Compared to levels of 1941 and 1942 the Dow-Jones industrial averages show a gain of approximately 80 points but in relation to 1945 prices this same average shows very little change. However, considering the major upheaval that has taken place in our economy during the past 10 years it would seem reasonable to allow ample time for the completion of adjustments in which the market should fully prove its worth as an offset to a depreciated currency.

In respect to income to compensate for the increased cost of living the market's record is good and get-

ting better. During the past months the substantial number of extra or special dividend declarations has contributed much to market stability and strength.

Last week in this column we stressed the fact that these increased distributions could easily lift total corporate dividend payments to an \$8 billion total or higher than the record of 1948. And at that the payments would represent only about half of estimated corporate profits. For the investor the liberalized dividend payments on common stocks have gone a long way towards making up for the smaller returns on other types of investments and meeting a need for more dollars to keep up with a higher price level.

U. S. Steel common is selling at 24½, paying at the rate of \$2 annually to yield slightly over 8 per cent. Despite the rather lengthy interruption in operations due to the strike there are good prospects for a year's profit equivalent to \$5 a share. Nine months' reported earnings of \$4.38 a share should help to substantiate this estimate. Purchase of this stock again is recommended for longterm investment on the assumption that the nation has years of a relatively high level of prosperity ahead. Near-completion of an expansion and modernization program at a cost of almost a billion dollars could result in the distribution of a higher percentage of future earnings.

Further, it should be realized that conservative accounting procedures have minimized earnings in recent years. Large tax paid special depreciative deductions have been made prior to reported net income.

## Northwest Stocks

November 30, 1949

	Previous Week's		
	Bid	Asked	Bid
First Bank Stock	19¼	19½	19¾
N. W. Banco	26¼	27½	26¾
Mpls. Brewing	17½	18	17

The following bid and asked prices are obtained from the National Association of Securities Dealers, Inc., and other sources. They do not represent actual transactions; they are intended as a guide to the approximate range within which these securities could have been sold (indicated by the "bid") or bought (indicated by the "asked") at the time of compilation.

November 30, 1949

	Previous Week's		
	Bid	Asked	Bid
Alden Wonderall	1%		
Bank Shares "A"	14½		14½
Bank Shares "B"	7		7
Filbert Corporation		10	
Flour City Orna Iron com.	3%		3%
Forman Ford	1¼		1¼
Franklin Coop Cry com	45		45
Griggs Cooper 5% pfd		95	
Kahler Corp. com.	34		34
Lavoris Co. com	70		68
Mc Quay, Inc., com	2	2%	2
Mankato Brewing Co. com	1		1
Marshall Wells com.	180	190	181
Marshall Wells Co. 6% pfd.	105		105
Mpls. Gas com	15	16¼	15
Mpls. Gas Light Co. 6% pfd.	105		105
Mpls. Gas Light Co. 5½% pfd	106		106
Mpls. Gas Light 5.10% pfd	105		105
Mpls. Gas Light Co. 5% pfd	104		104
Minn. & Ont. Paper com	14¼	15½	14¼
Minn. Power & Light com	27¾	29¾	26
Minn. Power & Light 5% pfd.	102	106	102
Minn. Valley Canning Co. com	18	19½	18
Minn. Valley Can Co. 5% pfd.	103		103
Mont.-Dak. Util. Co. 5% pfd	78½	82½	78½
Murphy, A. A. & Co., 5%	47	50	47
North Greyhound 3¼% pfd	84		84
North Greyhound com.		60	
N W Fire & Marine com	21		21
N W Nat. Life com	17¾	19¼	17¾
Ottertail Power 3.60% pfd	85		85
Ottertail Power com	19¼	20¾	19½
Pioneer Eng. Works pfd	52		52
Pioneer Eng. Works com	5¼		5¼
Red Owl	10½	11½	10½
Red Owl pfd	92		92
Russell Miller Milling pfd	90		90
Russell Miller Milling com	19½	21½	20
St. Paul Fire & Marine	100		100
St. Paul Stockyards com	15	16½	15
Title Insurance Co. com	63		63
Toro Manufacturing Corp.	12¾		12¾
Twin City Fire Ins. Co. com	17		17
Weyerhaeuser Timber Co com	69½	73	68½

## First Bank Stock Corporation

### Capital Stock

Our Trading Department is initiating trading in these shares as of this date. Quotations furnished on request.

We have available for distribution copies of an address, reviewing the operations and Capital Stock record of First Bank Stock Corporation, by its President.

Copies of the address may be obtained upon request.

## Blyth & Co., Inc.

Northwestern Bank Bldg. Minneapolis 2, Minn.  
Telephone Atlantic 2527

December 1, 1949

## J.M. DAIN & COMPANY

RAND TOWER

MINNEAPOLIS 2

Specialists in Local Corporation  
and Municipal Securities

MEMBERS  
MINNEAPOLIS - ST. PAUL STOCK EXCHANGE

# Municipal Financing

HERE IS always something new in municipals.

On Monday of this week some dozen Twin City municipal men rode over the greater part of Richfield, Minn., School District in one of the school busses as guests of the School Board and T. G. Evensen, well-known fiscal agent who is handling the forthcoming \$1,600,000 school construction issue slated for offering right after the start of the new year. The survey afforded firsthand knowledge of the physical make-up of the District, the type of homes located therein, and an examination of the building plans in addition to an inspection of present school facilities.

At the same time, members of the school board together with the school's superintendent were available for questioning about school finances, effect of the issue on future tax rates, potential development of business areas and amount of mortgages on typical or average homes in the District. Members of the party were shown residences of the School Board members and given an idea of the taxes paid on these homes.

As a suburb lying directly south of Minneapolis, the village of Richfield has shown a fast population growth. Estimated population now is around 14,000 with a possible figure of 25,000 in 10 years according to information available. Full and true valuation as estimated by the County Auditor of \$15,992,679 shows quite a wide spread from the assessed valuation of \$4,723,668. The present bonded debt of the District is \$806,000.

The District must now send all its high school students to Minneapolis schools and, as a result, Hennepin county levies \$36,000 to \$37,000 per year on the District's tax rolls to defray the expense of teaching such pupils. There probably will not be any increase in tax rates due to maintenance and operation of the new high school building because this county levy will be cancelled when the new high school opens, and in addition the District will obtain benefit of state aids not heretofore received for these high school pupils according to the fiscal agent.

Taxes to meet debt service on the bonds issued as part of this vast construction program will, of course, necessitate an increased tax rate.

The new modern high school building will be ready for occupancy next fall and it is expected some 750 to 800 students will comprise the initial enrollment.

The bond men who made the survey trip expressed satisfaction over the three hours spent in obtaining firsthand knowledge of the District's background; and as a result the bond fraternity may expect more excursions of this type, especially since other Minneapolis suburbs are expected to be in the market early in 1950 with some fairly large sized issues.

Suggestion is made that on future trips the invitation should not be limited to one or two in the municipal buying departments of an investment house or bank but might well include a salesman or two from each concern since the latter has the final distribution problem and



by Stanley R. Manske

Secretary - Treasurer Northwestern Municipal Association

must be able to answer the type of question which only a firsthand personal survey can accomplish.

In the last analysis the astute buyer for a large institution generally prefers to make a firsthand inspection of a situation; therefore,

## LEGAL NOTICE

### NOTICE OF BOND SALE SIBLEY COUNTY, MINNESOTA

NOTICE is hereby given that the Board of County Commissioners of Sibley County, Minnesota, will meet at the Commissioners' Room in the Court House at Gaylord, Minnesota, on Wednesday, the 14th day of December, 1949, at 10:00 o'clock A. M., for the purpose of opening, receiving and considering sealed bids for the purchase of Drainage Bonds of the county in the amount of \$170,000, said bonds to be dated January 1, 1950, to be 170 in number and in the denomination of \$1,000 each, to bear interest payable December 1, 1950 and semi-annually thereafter at the rate designated by the successful bidder, and to mature serially on June 1 in the amount of \$5,000 in 1952 and 1953 and \$10,000 in each of the years 1954 to 1969, both inclusive, all of said bonds maturing in 1967, 1968 and 1969 being subject to redemption on June 1, 1953 and any interest payment date thereafter and all of said bonds maturing in 1962 to 1966, both inclusive, being subject to redemption on June 1, 1955 and any interest payment date thereafter, and all of said bonds maturing in 1961 being subject to redemption on June 1, 1960 and any interest payment date thereafter at par and accrued interest in inverse numerical order.

Said bonds will be made payable at any suitable bank or trust company designated by the successful bidder and the county will furnish the printed bonds and approving legal opinion of Faegre & Benson, 1260 Northwestern Bank Building, Minneapolis, Minnesota, without expense to the purchaser. All bids must be unconditional, state a single interest rate in some multiple of  $\frac{1}{8}$  or  $\frac{1}{10}$  of 1% and enclosed in a sealed envelope, accompanied by a certified check, cashier's check or bank draft in the amount of at least \$3,500 to be forfeited as liquidated damages in the event the bid is accepted and the bidder shall fail to comply therewith. The bid will be accepted which states the lowest net interest cost to date of maturity, the premium, if any, being deducted from the total amount of interest. The county will deliver the said bonds to the purchaser at its office in Minneapolis or Saint Paul, Minnesota, without expense, or elsewhere at the bidder's expense, within forty days after the date of sale. The county reserves the right to reject any and all bids and to adjourn the sale if deemed necessary.

Dated 1949.

BY ORDER OF THE BOARD OF COUNTY COMMISSIONERS.

County Auditor,  
Sibley County, Minnesota.  
Gaylord, Minnesota.

Please note that the notice of sale calls for sealed bids only and a single rate of interest expressed in a multiple of  $\frac{1}{8}$  or  $\frac{1}{10}$  of 1%.

The above information has been taken from Sibley County records and sources that are believed to be reliable. For further information, please write to the County's fiscal agent.

E. J. Prescott & Company,  
1309 Northwestern Bank Bldg.  
Minneapolis, Minnesota.  
Main 8825.

Published in Commercial West Dec. 3, 1949.

## KENNEWICK, WASHINGTON

### Water Revenue Bonds

Due 1973-1976

Callable—1959

Yield 2.90% to call date

The income from municipal bonds is exempt from Federal Income Taxes. A 2.90% return from these bonds is equal to a 4.95% return on a taxable investment for an investor in the \$14,000 taxable income bracket.

Write or call for descriptive circulars

## JURAN & MOODY

Municipal Securities Exclusively

Minnesota Mutual Life Bldg.  
St. Paul 1, Minnesota

Cedar 8407  
NEstor 6886

the salesman should be given the benefit of a survey trip of this kind to become better acquainted with the merchandise at hand.

★

The first offering of a residential section adjoining Minneapolis comes on Dec. 13 at 7:30 p. m. when Columbia Heights School District will receive sealed bids for \$850,000 school building bonds due serially Jan. 1, 1953 through 1976.

Huron, S. D., has scheduled a sale of \$175,000 waterworks bonds for Dec. 12 at 7:30 p. m. to mature serially Dec. 1, 1952 through 1959, without option of prior payment, to hold definite attraction for commercial banks in this area.

The coming week features the sale Dec. 8 of \$260,000 school building bonds of Comfrey, Minn., School District maturing Dec. 1, 1952 through 1971. This district is located in two of Southern Minnesota's best agricultural counties about 120 miles southwest of the Twin Cities.

★

**Municipal prices continue on a firm, stable level with good demand for all maturities, especially in the one to 10 year bank range. Long term governments appear to be off slightly from a high for the year around a 2.25 per cent yield, going to a 2.27 per cent yield; but more significant was the latest issue of 90 day Treasury bills selling early this week at a 1.108 per cent average return compared with the average yield of 1.052 per cent for the previous week.**

The slight tendency for governments in the longer maturities to ease to a slight degree was attributed to statements

expressed before a Congressional subcommittee that the federal reserve system should unload some of its government bond holdings in the open market to reduce prices and increase interest yields.

★

Feature sale of the week in this area is the offering of \$400,000 Helena, Mont., water revenue bonds awarded on a 2.014 net interest cost after a two hour oral auction sale with eight bidders competing in sharp competition. A local account managed by Piper, Jaffray & Hopwood won the award and offered the 1951-55 maturities as 2's to yield .90 to 1.30 per cent; 1¾'s for 1956-61 to yield 1.40-1.80 per cent; 2's due 1962-65 to yield 1.85-2.00 per cent and 2.20's to yield 2.05-2.15 per cent, all figured to maturity since the 1956-60 bonds are callable Jan. 1, 1955 and the 1961-70 bonds are optional in 1960.

Bristol, S. D., sold \$60,000 sewer bonds due Dec. 1, 1950 through 1965, on a premium of \$162 for 2.40's and Dakota County, Minn., Independent School District No. 100 (Lakefield) received a premium of \$75 on an interest coupon of 2.20 per cent.

★

Six sealed bids submitted for \$75,000 Rice Lake, Wis., school bonds maturing May 1, 1951 through 1955, in the amount of \$15,000 each year, brought some close competition with Northwestern National Bank of Minneapolis receiving the award by the slight difference in actual interest cost of only \$12.75 over the second place bid of First & American National of Duluth and First National Bank of Rice Lake.

The successful bid named a 1¼

per cent coupon plus a \$444 premium compared to a premium of \$37.50 for 1.10 per cent coupon rate as submitted by the second

#### LEGAL NOTICE

#### NOTICE OF SALE OF \$850,000 SCHOOL BUILDING BONDS INDEPENDENT SCHOOL DISTRICT NO. 65 OF ANOKA COUNTY (COLUMBIA HEIGHTS) MINNESOTA

NOTICE IS HEREBY GIVEN that the School Board of Independent School District No. 65 of Anoka County, Minnesota, will meet at the High School Building, 41st Avenue and Jackson Street Northeast, Columbia Heights, Minnesota, on Tuesday, December 13, 1949, at 7:30 o'clock P. M., for the purpose of receiving, opening and considering sealed bids for and awarding the sale of \$850,000 principal amount of negotiable coupon general obligation bonds of said School District to be issued for the purpose of acquisition and betterment of school houses in and for said District. Said bonds will be dated January 1, 1950, in denomination of \$1000 each, numbered serially from 1 to 850, and will bear interest payable on each January 1 and July 1, at a rate or rates specified by the successful bidder. Said bonds will mature in numerical order of serial numbers on January 1 in the years and amounts as follows: \$20,000 in 1953; \$25,000 in each of the years 1954 through 1956; \$30,000 in each of the years 1957 through 1960; \$35,000 in each of the years 1961 through 1966; \$40,000 in each of the years 1967 through 1970; \$45,000 in each of the years 1971 through 1975; and \$40,000 in 1976. Bonds numbered 1 through 390 will be payable as aforesaid without option of prior payment, and bonds numbered 391 through 850 will each be subject to redemption and prepayment, in inverse order of serial numbers, at par and accrued interest, at the option of the School District, on January 1, 1965 and on any interest payment date thereafter. Principal and interest will be made payable at any suitable banking institution in the United States designated by the successful bidder. The bonds will be issued payable to bearer, but will be registerable, as to principal only, on books to be maintained under the direction of the District Clerk.

The School District will furnish, without cost to the purchaser, the printed and executed bonds and the approving legal opinion of Messrs. Dorsey, Colman, Barker, Scott & Barber, of Minneapolis, Minnesota, and delivery thereof will be made within forty days after acceptance of bid. Such delivery will be made in Minneapolis or St. Paul, Minnesota, or in Chicago, Illinois, without cost to the purchaser, or elsewhere at the purchaser's expense.

Sealed bids marked "Bid for School Bonds" may be mailed or otherwise delivered prior to the time of said meeting to the undersigned. Each bid must be unconditional except as to the bonds being issued and delivered in conformity with this notice, and must be accompanied by a certified check or cashier's check on a responsible bank, payable to the order of "The Treasurer of Independent School District No. 65 of Anoka County, Minnesota," in the amount of \$17,000, to be forfeited as liquidated damages in case the bid is accepted and the bidder shall fail to comply therewith. Bidders must specify the desired interest rate, or not to exceed three rates, each in an integral multiple of ¼ or 1/10 of one per cent per annum, the rate to be uniform for all bonds of a common maturity. The bid offering the lowest net interest cost (total interest to maturities less any premium offered) will be deemed the most favorable. No bid of less than par plus interest accrued from January 1, 1950, to the date of bond delivery will be considered. The right to reject any and all bids is reserved.

Dated at Columbia Heights, Minnesota, November 28, 1949.

FLOYD LAWSON, School District Clerk  
(Postal Address) 41st Ave. and Jackson Street NE

Minneapolis 21, Minnesota

Published in Commercial West Dec. 3, 1949.

## \$175,000 Waterworks Bonds City of Huron, South Dakota

Sealed bids only for the above bonds will be accepted by Wm. H. Olson, City Auditor, until Dec. 12, 1949 at 7:30 P. M. Bids to be accompanied by a good faith check in the amount of at least \$3,500. The bonds to be dated Dec. 1, 1949 with interest payable semi-annually on June 1 and December 1. Bonds will mature serially on Dec. 1 as follows:

\$10,000 in each of the years 1952 through 1956

40,000 in each of the years 1957 and 1958

45,000 in the year 1959, all without option of prior payment.

Bidders may specify one or two interest rates and the average annual net interest cost shall not exceed 2%.

The approving legal opinion of Messrs. Dorsey, Colman, Barker, Scott and Barber of Minneapolis will be furnished without cost.

Delivery within 40 days from sale without cost if made at Huron, S. D. or St. Paul or Minneapolis, Minn.

Board of City Commissioners reserves the right to reject any and all bids.

Further information and copies of the official sale notice and financial data may be obtained from Fred A. Gefke, 105 South Main Avenue, Sioux Falls, South Dakota.

## SOUTH DAKOTA Municipal Bonds

A. B. CAHALAN  
Miller So. Dakota

best bidder.

Expressed in percentage of net interest cost, the winning bid amounted to 1.0808 per cent. The sale well illustrates the current strong demand for high grade bank maturities in this area as commercial banks comprised the members of the top three accounts out of a field of six competitors.

★

Nine accounts submitted bids for \$325,000 Watertown, S. D., school construction bonds due Dec. 1, 1951-60. A Chicago dealer purchased the issue paying a \$152.75 premium for a 1¼ per cent coupon for bonds due 1951-57 and a 1½ per cent rate for 1958-60 maturities equal to a net interest cost of 1.361 per cent. The second place account bid a 1.41 per cent interest cost.

★

**At mid-week the Treasury announced the refunding of \$4,894,230,150 governments due Dec. 15 with a new 4¼ year note carrying a coupon of 1¾ per cent. There was no change on the one year certificate rate of 1½ per cent.**

★

According to Eastern municipal sources, the State of Pennsylvania is expected to enter the market on or about the middle of February with a \$400 million soldiers bonus issue. This is expected to be one of the largest offerings to come out in 1950.

## CALENDAR OF COMING NORTHWEST BOND SALES

Dec. 5—7:30 p. m., **Nashwauk, Minn.**, \$80,000 general obligation sewer and street improvement bonds dated Nov. 1, 1949, due Feb. 1, 1952-59.

Dec. 6—8 p. m., **Hopkins, Minn.**, \$50,000 permanent improvement revolving fund bonds dated Dec. 1, 1949, due \$5,000 each year Dec. 1, 1951 through 1960, without option of prior payment.

Dec. 8—2 p. m., **Independent School District No. 49 of Brown**

**and Cottonwood Counties, Minn.** (Comfrey), \$260,000 school building bonds dated Dec. 1, 1949, due Dec. 1, 1952 through 1971 with bonds due Dec. 1, 1969 and subsequent callable in 1964 or any interest date thereafter.

Dec. 12—7:30 p. m., **Huron, S. D.**, \$175,000 waterworks bonds dated Dec. 1, 1949, due \$10,000 on Dec. 1, 1952-1956; \$40,000 on Dec. 1, 1957 and 1958; and \$45,000 on Dec. 1, 1959, without option of prior payment.

Dec. 13—7:30 p. m., **Independent School District No. 65 of Anoka County, Minn.** (Columbia Heights) \$850,000 school building bonds dated Jan. 1, 1950, due Jan. 1, 1953 through 1976.

Dec. 14—10 a. m., **Sibley County, Minn.** (Gaylord), \$170,000 drainage bonds dated Jan. 1, 1950 due June 1, 1952 through 1969 with various option dates for different maturities.

Dec. 14—10 a. m., **Duluth, Minn.**, \$150,000 certificates of indebtedness dated Feb. 1, 1950, due \$30,000 Feb. 1, 1952, and \$40,000 Feb. 1, 1953, 1954 and 1955.

Jan. 5—2 p. m., **State of South Dakota** (Pierre) \$11,000,000 veterans' bonus bonds dated Jan. 15, 1950, due \$5,000,000 on Jan. 15, 1951, and \$3,000,000 in 1952 and 1953.

## Credit Clinic

(Continued from Page 9)

doing things in accordance with old established customs. The public wants the best there is in banking service. They want to see banks in the smaller towns and cities continue to operate. A complete knowledge of instalment financing will make it possible for us to render the type of service the public expects."

Evrett D. Reese, president the Park National Bank, Newark, Ohio, talking on "Instalment Loans to Small Business," said in part:

"The private banking industry of the United States comprising approximately 15,000 banks has been serving small business throughout the history of this county. Many authorities feel that this system has contributed greatly to the development of this nation.

"Bankers are conscious of the needs of small business and are anxious to extend their services even further. It is the feeling that

banks can serve as counsellors or advisors to small business in addition to providing credit for constructive purposes. There would seem to be no need for the extension of the government into the lending of money to small business. It would seem wise that the federal government first put its own house in order financially rather than take on the burden of more groups, including small business.

"Banks in the country are well organized and competent to do this work and help preserve the American way of life. The small businessmen of this country don't want subsidies but want a sound economy in which to carry on their enterprises.

"Further tax burdens would only accentuate the problems of small business in meeting present competitive situations. It is to be hoped that the federal government will handle its affairs in such a way that there will be no need of further tax burden and that the small businessman will continue to solve his own problems. The banking system of this country is able and willing to serve small business in a competent and friendly manner."

Other programmed speakers were Williams F. Kelly, vice president Pennsylvania Co., Philadelphia, on "Current Outlook for Instalment Financing"; T. J. Gallivan, vice president Mercantile Bank & Trust Co., St. Louis, on "Automobile Wholesale and Retail Financing"; Richard H. Stout, executive vice president Bank of Louisville, on "What Does Instalment Credit Cost Us?"

Discussion periods forenoon and afternoon proved intensely interesting, says Wall G. Coapman, W. B. A. secretary. All in all, he adds, "the affair was a big success."

W. B. A. President G. A. MacLachlan, president National Bank of La Crosse, extended the official welcome, and Carl M. Flora, vice president First Wisconsin National, Milwaukee, presided.

William R. Chapman, vice president Midland National Bank, Minneapolis, will speak on "Loans to Small Business" at the Michigan Bankers Association's Bank Study Conference at the University of Michigan, Ann Arbor, Dec. 8. He also will attend the Midwest Regional Conference of Robert Morris Associates Friday, Dec. 9, at Hotel Sherman, Chicago. He is vice president of the Minnesota Chapter.

WELLINGTON  
WF FUND

### 80th Consecutive Quarterly Dividend Distribution

This distribution of 40 cents per share (approximately 18 cents from ordinary net income and 22 cents from net realized securities profits) is payable on December 28, 1949, to stockholders of record December 9, 1949.

WALTER L. MORGAN  
Philadelphia President

Established 1885

## H. C. SPEER & SONS CO. MUNICIPAL, COUNTY AND SCHOOL BONDS

135 S. LaSalle St.

Chicago

**LEGAL NOTICE**

**NOTICE**

**NOTICE INVITING BIDS FOR THE PURCHASE FROM THE CITY OF DULUTH, MINNESOTA, OF \$150,000 NEGOTIABLE CERTIFICATES OF INDEBTEDNESS, DATED FEBRUARY 1, 1950.**

Office of the City Clerk of the City of Duluth, Minnesota, November 23, 1949.

I, C. D. Jeronimus, Clerk of the City of Duluth, Minnesota, pursuant to and in accordance with a resolution of the City Council of said City, duly adopted for such purpose, which resolution is hereafter set out in full, hereby give notice that the City Council will receive, open and consider proposals from bidders for the purchase of \$150,000 Negotiable Certificates of Indebtedness, dated February 1, 1950, from the City of Duluth, as described in such resolution, in the manner and at the time set forth in such resolution, as follows:

**ISSUE OF \$150,000 NEGOTIABLE CERTIFICATES OF INDEBTEDNESS OF THE CITY OF DULUTH, ST. LOUIS COUNTY, MINNESOTA, DATED FEBRUARY 1, 1950.**

By Commissioner Lund:

**I.**

RESOLVED, that the City Clerk of the City of Duluth and the Commissioner of Finance of the City of Duluth are hereby directed to cause notice to be given not less than ten (10) days before December 14, 1949, by the publication of this resolution once in the Duluth News-Tribune, a legal newspaper published daily in the City of Duluth, and once in the Commercial West, a periodical published weekly in Minneapolis, that the City Council will receive, open and consider sealed proposals for the purchase of the certificates of indebtedness proposed to be issued and sold pursuant to the provisions of this resolution at ten o'clock a. m. on Wednesday, December 14, 1949, in the council chambers in the City Hall Building in the City of Duluth, the sale thereof to be at not less than par, with interest to the date of delivery, and the right to reject any and all bids to be reserved by the City of Duluth.

In the event that the City Council of the City of Duluth rejects bids, as aforesaid, the City Council hereby expressly reserves the further right then and there to sell such certificates of indebtedness to a lower bidder, if any, or to invite other proposals for the purchase of such certificates of indebtedness upon like terms and conditions as set forth in this resolution.

Such certificates are proposed to be issued pursuant to Session Laws of Minnesota for the year 1921, Chapter 299, and Section 55 of the 1912 Home Rule Charter of the City of Duluth.

**II.**

Certificate forms will be furnished by the City of Duluth, at its own expense, and no allowance will be made to any bidder who may prefer to furnish his own certificate forms.

**III.**

All bids for such certificates of indebtedness shall be made without condition or qualification, and must be sealed, with the name and address of the bidder on the outside of the envelope. No bid for any of said certificates of indebtedness shall be considered by the City Council unless the bidder making the same shall have deposited as a guarantee of good faith with the City Clerk, a certified check on, or certificate of deposit of a national bank or a bank authorized to do business under the laws of the State of Minnesota, payable to the order of the City of Duluth, without condition, for an amount equal to two (2%) per cent of the par value of said certificates of indebtedness. In all cases of bids received and not accepted, the check or certificate of deposit received therewith shall be returned. In case said certificates of indebtedness are awarded to any bidder, and said bidder refuses to accept and pay for said certificates of indebtedness within ten days after notice that said certificates of indebtedness are ready for delivery, the said amount of certificate of deposit or check furnished to the City shall be retained by the City of Duluth as its own, and for liquidated damages for the breach of contract on the part of said bidder. In case the bidder furnishing said certificate of deposit or check shall take the said certificates of indebtedness, said sum shall be credited to him on account of the payment thereof. Delivery of such certificates of indebtedness shall be made at the First and American National Bank of Duluth, at Duluth, Minnesota. If the successful bidder shall, at least five (5) days prior to the date of delivery, notify the said City Treasurer that such certificates of indebtedness are to be delivered at a place other than at

said bank, then the said City Treasurer shall make delivery in accordance with the written request of said successful bidder, if and when the said successful bidder has made all suitable and necessary arrangements, at his own expense, for such delivery.

**IV.**

Such certificates of indebtedness shall be dated February 1, 1950, and shall be only for the sum of \$150,000.00, and shall draw interest at a rate of not to exceed four (4%) per cent per annum, payable semi-annually on the 1st day of February and August of each year, such interest to be evidenced by interest coupons attached to said certificates of indebtedness. Such certificates of indebtedness shall be payable in four (4) yearly installments, as follows:

- \$30,000 payable February 1, 1952
- \$40,000 payable February 1, 1953
- \$40,000 payable February 1, 1954
- \$40,000 payable February 1, 1955.

**V.**

That said negotiable certificates of indebtedness, and the interest coupons thereto attached, shall be in substantially the following form:

(Form of Certificate)  
 UNITED STATES OF AMERICA  
 STATE OF MINNESOTA  
 COUNTY OF SAINT LOUIS  
 CITY OF DULUTH  
 NEGOTIABLE CERTIFICATE OF INDEBTEDNESS  
 No. .... \$1,000.00

Know All Men By These Presents, That the City of Duluth, in the State of Minnesota, acknowledges itself to be indebted and hereby promises to pay to the bearer the sum of One Thousand (\$1,000.00) Dollars, in such funds as are then legal tender for the payment of debts due the United States of America, at the office of the City Treasurer in the City of Duluth, on the .. day of .., A. D., 19 .., with interest at the rate of .. per cent per annum, payable semi-annually on the 1st day of February and August in each year, on the presentation and surrender of the interest coupons hereto attached as they severally become due.

That this certificate of indebtedness is issued pursuant to the authority contained in Session Laws of Minnesota for the year 1921, Chapter 299, and Section 55 of the 1912 Home Rule Charter of the City of Duluth; and it is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this certificate have been properly done, happened and performed in regular and due time, form and manner as required by law. The full faith and credit of the City of Duluth are hereby pledged for the prompt payment of the principal and interest of this certificate.

In Witness Whereof, the City of Duluth has caused this certificate to be signed by its Mayor, attested by its City Clerk, countersigned by its Auditor, and sealed with its seal, and the coupons to be signed by the lithographed signature of the Mayor, this .. day of .., A. D. 19 ..

CITY OF DULUTH  
 By .. Mayor

Countersigned:

City Auditor

Attest: .. Clerk  
 (Form of Coupon)

No. ....  
 On the .. day of .., 19 .., the City of Duluth, Minnesota, will pay to the Bearer .. (\$ ..) Dollars, at the office of the City Treasurer, in the City of Duluth, Minnesota, for semi-annual interest on its certificate of indebtedness, dated .., 19 ..  
 No. ....  
 Mayor

**VI.**

Each of such certificates of indebtedness shall pass by delivery, unless registered, but each certificate of indebtedness may be registered as to principal in the name of the owner, on the registry books of the City Treasurer in the City of Duluth, Minnesota, such registration being noted on the certificate of indebtedness by the Treasurer of

said City, after which only such registered owner, or the legal representative of such owner shall be entitled to receive the principal thereof; and no transfer thereof shall be valid unless made on said registry books by the registered owner in person or by the duly authorized attorney of such owner, and similarly recorded on the certificate of indebtedness; but such certificate of indebtedness may be discharged from registration by being transferred to bearer, after which it shall be transferrable by delivery, but may be registered again as above. Such registration, however, shall not restrain the negotiability of the interest coupon by delivery merely. The form for such registration shall be as follows:

Name of Registered Owner	Date of Registration	Signature of City Treasurer
.....	.....	.....
.....	.....	.....
.....	.....	.....

**VII.**

That the written opinion of Chapman & Cutler, Attorneys-at-Law, of Chicago, Illinois, will be furnished by the City of Duluth, at its own expense, to the successful bidder.

C. D. Jeronimus, City Clerk

Published in Commercial West Nov. 26 and Dec. 3, 1949.

Bill Scott of J. M. Dain & Co. is a father (as of Friday, Nov. 18) of a baby girl.



**HELMUTH KURTH**, president Citizens Bank, Hutchinson, Minn., who is one of 12 lieutenant governors of the Minnesota-Dakotas district of Kiwanis International installed last week.

*Alvin L. Weidt & Associates*  
 80 S. Seventh St. Li. 0749  
 designers  
 EXECUTIVE OFFICE PLANNING

**NORTH DAKOTA**  
 State and Municipal Bonds  
**H. E. MUELLER**  
 Hazen North Dakota

## Al Swanson joins Fadell Agency



AL E. SWANSON

Algot "Al" E. Swanson, advertising executive and longtime resident of Minneapolis, has returned from the West Coast to accept a position as account executive with The Fadell Co., Minneapolis advertising and public relations agency, it is announced by Michael J. Fadell, owner and general manager.

Swanson has been in California for a year serving as advertising supervisor for the Pasadena, Glendale and Studio City editions of the Los Angeles Independent.

His 27 years in advertising dates back to the Minneapolis Journal in 1922 during which time he was retail advertising manager, after which he joined the staff of Minneapolis Star as retail sales promotion manager. He spent almost two years in the advertising department of New York Sun, later was with Batten, Barton, Durstine & Osborn and McCann-Erickson agencies.

In 1942 he was campaign manager for Dr. Walter Judd in his election to Congress.

### Savings

(Continued from Page 23)

chasing power of those sums. It is going to be a hollow mockery to repay a man \$1,000 when those dollars will buy only one-half or one-quarter as much as when his money was entrusted to us.

In other words, I do not believe we should remain silent and stand idly by while the value of our customers' dollars dwindles to a fraction of their former worth. Of course those who espouse the Keynesian brand of economics and the philosophy of spending will call me

an old-fashioned alarmist, but I am willing to risk that because it is time that every American should ask himself, "How long can a government go on borrowing and spending, protecting this and that, subsidizing this and that, without people sooner or later losing faith in that government's credit?" Isn't it time that, as custodians of the sums of millions of savers, we devoted some of our thoughts towards the education of our customers as to the importance of economy in government?

Thirdly, I wish to speak of one more important competitor in the savings field, and this competitor is one that we set up against ourselves. We probably devote more thinking time to it than to any other part of our business, and I believe we far over-estimate its importance. It is the rate of interest or dividend paid on savings. Its importance in our minds deludes us into all kinds of unsound practices at one time or another, believing that this fellow or that fellow around the corner or up the street will get the jump on us if we do not maintain a higher rate of interest or dividend. The rate of return to a savings customer, whether it be in a commercial bank, a savings bank, a savings and loan association, an investment trust, a bond or a stock, can only be a transitory thing over the years; and mind you, there is always someone who can make a more attractive offer just around the corner. It may be an entirely different kind of an investment, but if we insist on emphasizing return as the most important attraction in the savings program, we only encourage the saver to seek out the highest bidder. There always have been and there always will be those who can devise some form of investment to attract those seeking a higher return, and they can always dress it up to appear safe and attractive.

Thrift institutions of all kinds must first gain the support and trust of the communities in which they operate. This can be done only by a long period of careful and conscientious service during which the public gradually acquires a feeling of confidence. They must educate their patrons or prospects as to just what kind of an investment institution they are. There is altogether too much ignorance and confusion in the minds of the public as to the different kinds of savings institutions and different kinds of investments that are available to them. It is our job to educate them in that as well as in the habits of thrift. If we can inculcate in a man the habit of saving regularly, say \$25 per month, I am sure at the end of a year the important thing to him is the \$300 that he has saved and not the infinitesimal amount of interest that was added to his savings. Yet, so many of us spend our

advertising thought and money on that transitory rate of return as our most important attraction!

If there was any one thought I brought back with me from Western Europe this summer that stood out above all else, it was this matter of interest rate. We saw in different countries rates of interest paid by savings banks varying from as low as 1 per cent to as high as 6¼ per cent, but it did not make any difference. People were saving money in all these countries. What influenced their savings much more was the economic climate in which they lived, such things as taxation, cost of living and confidence in their future.

In conclusion, I am convinced that our real competitors are such forces as I have mentioned, human resistance to self-denial, lack of foresight, the lure of present indulgence, the burden of high taxes, the high cost of living, the teaching of spending rather than saving philosophy. All of us are in the same business which has for its aim the advancement of human welfare through the encouragement and promotion of thrift. Billions of dollars will continue to pour into our institutions in the next decade. Your institutions have more than tripled in dollars in the last decade. Those which I represent have about doubled. Unfortunately, if the same trends in our economic climate continue our growth will be somewhat illusory as to the value of those billions of dollars entrusted to us.

Let us keep our eyes on the ball and concentrate our energies against those forces that would discourage thrift and discount the benefits of savings. It seems to me that on such a basis the savings banks and the savings and loan associations ought to be able to gather around the table and present a united front.

Thrift and savings are just as important today as in the early days when our institutions were founded. Under our private enterprise system the thrift institutions of the nation have played an outstanding part in the development of our high standard of living. Millions of Americans have attained financial independence, better jobs and better business opportunities through consistent programs of savings. You and I know the importance and value of thrift and of adopting a regular program of savings, but we cannot assume that our 150 million fellow citizens know it too. There's a big job ahead for all of us to do.

**BANKS BOUGHT and SOLD**  
*All Negotiations Confidential*  
 25 Years Experience  
 HENRY H. BYERS, PRESIDENT  
**BANKERS SERVICE Co.**  
 DES MOINES 9, IOWA

COMMERCIAL WEST

# Twin Cities Governors of Midwest Stock Exchange



**MERRILL M. COHEN**

Effective with the official opening of the new Midwest Stock Exchange on Dec. 1 these well known investment men of the Twin Cities assumed office as governors. Mr. Cohen is treasurer of J. M. Dain & Co., Minneapolis; Mr. Phillips is a partner in the St. Paul firm of Caldwell Phillips Co.; Mr. Rice who for several years headed his own firm of R. M. Rice & Co. in Minneapolis is the only Twin Citian to become an active floor broker on the



**G. M. PHILLIPS**

new Midwest Exchange in Chicago. All three were on hand in Chicago Thursday morning for the opening also for a meeting of the board of governors.

There were no special ceremonies in connection with the opening but a lot of notable in Chicago's banking and investment world were present. There were lots of flowers and picture taking. First trade of 100 shares of Central and Southwestern was made by Homer P.



**R. M. RICE**

Hargrave of Merrill Lynch, Pierce, Fenner and Beane, also chairman of the new exchange and M. D. Cahn who has been a member of the Chicago Stock Exchange since 1901.

Sales for the first hour aggregated 12,000 shares or about double the volume that the Chicago Exchange handled in its first hour of its last day Wednesday. Number of stocks now listed is about one third larger than formally listed on the Chicago Exchange.

## Investment bankers support drive for more and better advertising

Investment bankers are responding with enthusiasm to the campaign for more and better securities industry advertising which is being sponsored by Public Education committee of Investment Bankers Association of America, according to President Hal H. Dewar of Dewar, Robertson & Pancoast, San Antonio.

The increased interest on the part of the industry is reflected in "Reproductions of I. B. A. Member Firm Advertisements," bulletin No. 2, which is substantially larger than the predecessor number distributed in September, says Association President Dewar.

Business departments of newspapers and trade magazines and the new business divisions of advertising agencies are alert to the potentialities, according to the bulletin, which states that "the space sellers may well prove to be the spinnaker

sail on the I. B. A. craft in its race toward more and livelier copy." Typical comments by member firms are reproduced in the bulletin.

Joseph T. Johnson, of The Milwaukee Company, chairman of the Public Education committee, points out that much progress has been made since the Forum on Merchandising Securities, which was held in connection with the spring meeting of the I. B. A. board of governors last May.

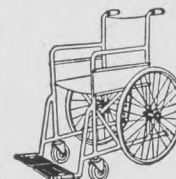
For a day and a half preceding next week's I. B. A. convention at Hollywood, Florida, more than sixty investment bankers, representing the association's 18 geographic groups, will attend a Public Education Forum, sponsored by the Public Education Committee under chairmanship of Mr. Johnson.

The convention proper, Dec. 4-9, and the 38th annual, will be devoted

to consideration of financial and economic problems of the moment, including cooperation within the securities industry and blue sky laws as well as other questions directly pertinent to the investment banking industry.

Another interesting feature on the program will be a forum on blue sky laws under the direction of George F. Noyes, The Illinois Company, Chicago, and chairman, State Legislation Committee.

### Ray Trautman & Son



Wheelchairs  
and invalid  
Walkers for  
sale or rent.

RENTAL  
\$5.00  
Per Month

Listen to KEYD Radio Station, 1440 on your dial, every Monday at 7:15 A. M. to Mender of Men Breakfast Program.

410 PORTLAND AVE. MA. 2339  
After Hours WA. 0045

# Savings & Loan

## Minnesotans get governing jobs in U. S. League and FHLB

THE 57th annual convention of United States Savings & Loan League last week in Chicago brought together a record number of representatives of savings and loan associations and cooperative banks, their wives and guests, Nov. 18-22.

A registration of more than 2,100 was recorded by the time the meeting opened Nov. 20. At least half of those attending were in the convention city for the two days of preliminary meetings including opening sessions of all of the League's standing committees as well as meetings of the governing bodies.

Two Minnesota savings and loan leaders, Emil C. Lundquist of Willmar and Henning B. Borg of Duluth, were honored with election offices in the League's national set-up; Mr. Lundquist to be a member of the executive committee from District VIII (comprising Minnesota, North Dakota, South Dakota, Wisconsin, Iowa and Nebraska) and Mr. Borg a two-year term director from Minnesota.

The new U. S. League president, 56th to hold that office since the start of the organization, is Henry A. Bubb, president for the past eight years of Capital Federal Savings & Loan Association, Topeka, an institution which was started coincidentally just one year after the United States League came into existence. He has been connected with it for 24 years, serving as League vice president this past year. Succeeding him as vice president is Walter J. L. Ray, president Standard Savings & Loan Association, Detroit, one of the country's best-known Kiwanians.

Outgoing President M. K. M. Murphy, able presiding officer and a forceful speaker, made one of the most memorable addresses which oldtimers at League conventions



EMIL C. LUNDQUIST

could recall. His message also was circulated in printed form, so he was able to summarize portions, especially those relating to the affairs of the national organization, when he was presenting it from the platform. Thus the emphasis which his address gave to perils of the hour in our political and social structure as a nation was brought into sharp focus. Mr. Murphy believed the hour is late for this nation to save itself from going down the path which most of the other nations of the world have followed in accepting the police state as their way out. He said that only by diligence in alerting the ordinary citizens to the dangers, the issues, and the crisis can this salvation of the nation from socialism be wrought.

Chairman of the League's Executive Committee, Morton Bodfish, gave the title of "Top Management's Role" to his thoughtful, helpful address in this 20th year of his service to the nationwide organization. His theme was the need for reappraisal by the principal executive of every savings and loan association; of how he spends his time, and of what changes in that pattern the new challenges of the day required.

Another principal speaker was

Henry S. Kingman, president National Association of Mutual Savings Banks and president Farmers & Mechanics Savings Bank of Minneapolis, whose address is printed in full elsewhere in this issue of Commercial West.

## Miller new FHLB Des Moines director



HARRY MILLER

Harry Miller, executive vice president First Federal Savings & Loan Association of St. Paul, has been elected a Class A director of Federal Home Loan Bank of Des Moines, according to announcement by Robert L. Richardson, bank president. He will take office Jan. 1, 1950, for a two-year term.

The two-year term of Class C director Edward H. Murphy, Security Federal Savings & Loan Association of St. Cloud, expires Dec. 31, and the other Minnesotan presently serving as a Class C director, Stanton R. Dahlen, Thief River Falls Federal Savings & Loan Association, has another year to run on his two-year term.

A  
**FARWELL** Good Banker  
**OZMUN** Helps  
**KIRK** His Customers  
**CO** SO DO WE  
WHOLESALE: Heating,  
Butcher Supplies, Furniture,  
Sport Goods, Paints, Etc.

**FLOWERS . . .**  
FOR EVERY OCCASION  
**HOLM & OLSON**  
20-24 W. FIFTH STREET  
CE. 7335  
St. Paul, Minnesota



# 25 Years Ago

**From Commercial West December 6, 1924**

James A. Power, president of the bank at Leonard, N. D., and former president North Dakota Bankers Association, died Nov. 26 at Fargo. A native of St. Paul, Mr. Power acted as adviser on farming problems to President Coolidge during his recent investigations of farm economy.

The Omaha National Bank has purchased the Corn Exchange National Bank and the business of both is being conducted from the quarters of the former.

**Report of Federal Agent John R. Mitchell to the Federal Reserve board at Washington, made public Nov. 28, says: "Banking conditions in the Ninth Federal Reserve District continued to be affected during October by the rapid reduction in loans and accumulation of deposits at country banks. Loans at the Federal Reserve Bank of Minneapolis were reduced materially, and deposits from correspondent banks continued to pile up in the large Twin City member banks."**

For the first time in the history of Minnesota transportation business, a railroad company has added motor busses to its rolling stock for year-round service on five routes leading from Lake Lillian into South Dakota to meet special non-stop trains running from Minneapolis to Lake Lillian.

The following announcement will be of special interest to country bankers in this district: On and after Dec. 1, 1924, banks and trust companies, members of, or which use the facilities of, the Clearinghouse Association of Minneapolis or St. Paul, shall absorb no exchange or collection charge on any checks, drafts, notes or collection items of any character received from their bank depositors, but they shall charge such depositors with the actual cost of collection.

Charles Dale of Osceola, Wis., has been elected cashier State Bank of Montrose, Minn., to succeed D. R. Johnson, resigned.

John Thompson has been elected president First National Bank, Blair, Wis., to replace A. B. Peterson, resigned.

The American Bank of Laurel, Mont., has been reorganized with O. M. Wold as president, succeeding Elroy H. Westbrook.

Capital of First State Bank, Storden, Minn., has been increased from \$15,000 to \$25,000.

The War Finance Corp.'s Minneapolis bureau ceased to function as a relief agency in the Northwest Nov. 30, that being the final date specified in the law for making new loans, and has become merely a collection organization for outstanding loans.

N. W. Irwin, who has been connected with the state banking department for a number of years, has been elected cashier First National Bank, Hamburg, Iowa, to succeed E. D. Kiddo, resigned.

Total savings deposits in the United States in the last 12 years have increased from \$8,425,275,000 to \$20,873,562,000, an increase of \$12,448,287,000 or nearly 148 per cent. This is brought out in an exhaustive study just completed by the savings bank division of the American Bankers Association showing the "progress of the great savings movement so evident in the United States in the last 10 years."

New York Stock Exchange membership of William J. Shea has been sold to Elliott C. R. Laidlow for \$96,000; that of Henry L. D. Lewis to Eugene M. Buchanan for \$95,000, and that of Louis Sternberger to George U. Harris for \$95,000.

**The First National Bank of St. Paul purchased the championship short horn "Red Superb" steer at the recent Junior Live Stock Show at South St. Paul. After the show the bank set up a pen in its lobby and displayed the 997 pound steer, which cost the bank 80 cents a pound. During the two-day exhibit crowds flocked to the bank to see the steer and its raiser, 10-year old George Teller of Farmington, Minn.**

Announcement from Washington that the excess of exports over imports in the 10 months ending with October of the current year was \$672,000,000, and that of the closing month of the period, October, \$217,000,000, suggests that the excess of exports of "favorable trade balance," as the excess sometimes is called, may again approach the billion dollar line in the calendar year 1924.

**NEW LOAN AND THRIFT CO.**

A new industrial loan and thrift company was authorized Monday by Minnesota Commerce Commission. It has capital of \$75,000 and surplus of \$7,500 as required by Minnesota law. Its name is the American Loan & Thrift Co. and it will be located at 2397 University avenue, St. Paul. Officers are Harold J. Slawik, president; Richard E. Kyle, vice president; Donald F. Shaughnessy, secretary; Marie O'Brien Slawik, treasurer.

**WANT ADS**

RATES IN THIS DEPARTMENT are ten (10) cents per word, fifteen (15) cents in capital letters or bold face type.

**FOR SALE**

Burroughs Bank Poster, five years old. Box 923, Commercial West.

**HELP WANTED**

Male Assistant Cashier, state qualifications. State Bank of Kenneth, Kenneth, Minn.

**POSITIONS WANTED**

Position as teller, or assistant cashier. Have had 10 years banking experience. Write C. R. Zvorak, 415 E. Fourth Street, Redwood Falls, Minnesota. 12-24

Girl teller— Four years high school teaching experience. Four years bank experience. Desire position in city of 5,000 to 25,000 population. Box 925 Commercial West.

**BANKS Bought and Sold**  
 Confidentially and with becoming dignity  
**BANK EMPLOYEES PLACED**  
 45 Years of Satisfactory Service  
**CHARLES E. WALTERS CO.**  
 OMAHA, NEBRASKA

**BANKS WANTED**

We have several clients who are interested in purchasing minority or controlling interests in banks in Minnesota and surrounding states. If you are interested in selling your bank, we will appreciate hearing from you. All correspondence is treated in a strictly confidential manner.

**W. R. OLSON COMPANY**  
 Fergus Falls, Minn.

**BANKS BOUGHT and SOLD**  
*All Negotiations Confidential*  
 25 Years Experience  
 HENRY H. BYERS, PRESIDENT  
**BANKERS SERVICE Co.**  
 DES MOINES 9, IOWA



The Junior Achievement Lamp Co.'s treasurer, Elizabeth Lynn Rosso, points out some of the features of the "firm's" attractive new lamp to H. C. Luick, the group's chief advisor.

Every Monday night, the officers and directors of an energetic young corporation meet in North Minneapolis to discuss problems of production and sales and any other business a new company might have.

"The Junior Achievement Lamp Company" is the title of the organization and the officials mentioned are junior and senior high school students learning how the American system functions by operating a segment of it in the form of a real live business.

Junior Achievement, Inc. is a national organization "developing and expanding a spare-time educational program to give teen-age youth experience in ownership, management, and in working for something with a definite purpose and plan." Organized in 1926, Junior Achievement last year had 963 companies in operation serving over 100,000 individuals in all parts of

the country.

When a Junior Achievement group is organized—and there are 75 already organized or in the process in the Twin Cities—each is sponsored by a local business and advised by members of that company's staff.

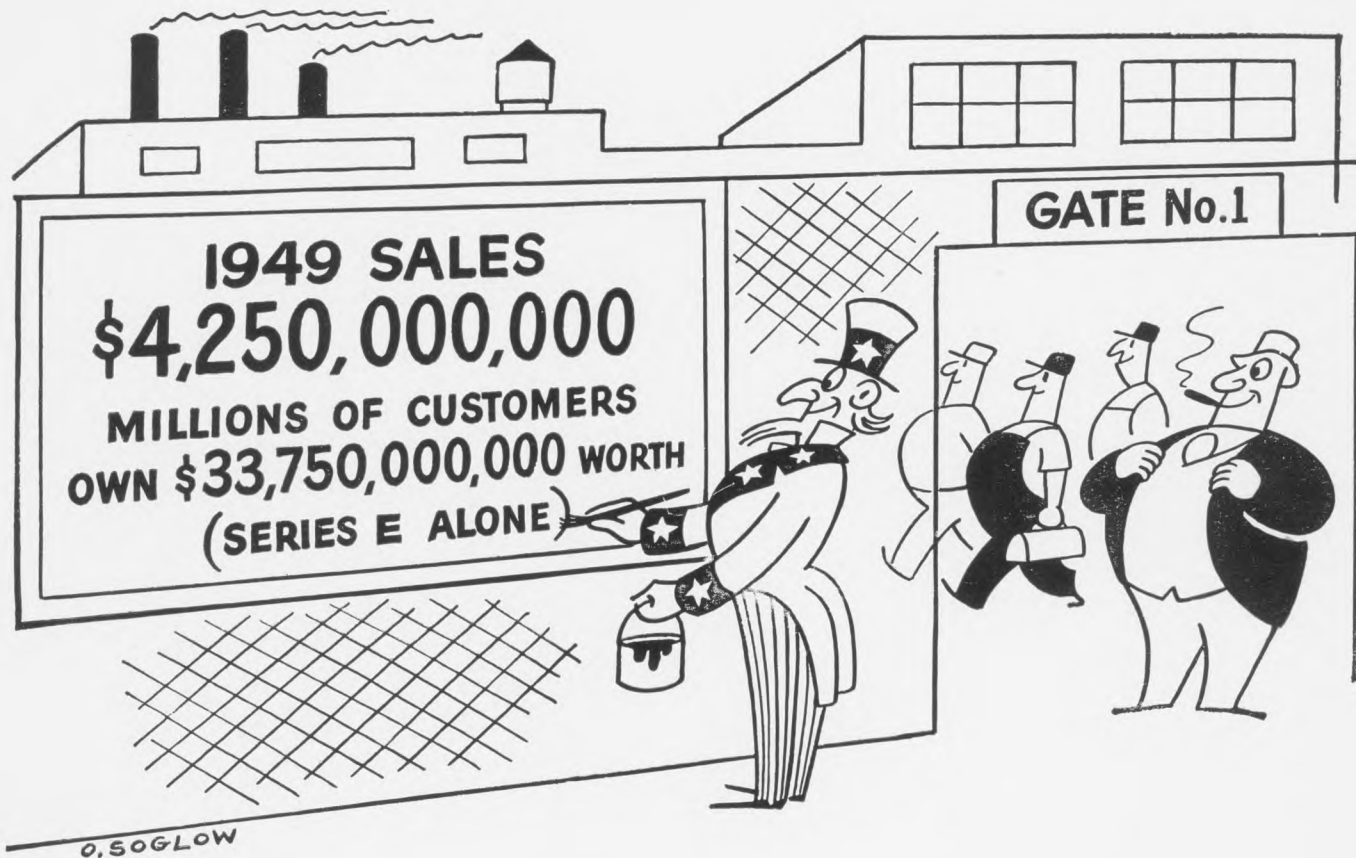
The North Minneapolis group, the Junior Achievement Lamp Company, is sponsored by Northwestern National Bank of Minneapolis. The students began by selling shares at 50 cents each with a limit of five shares to an individual. With this money, the group will produce and sell lamps until May, at which time they will liquidate and pay off the stockholders. The Northwestern Bank supervises the corporation through three advisors: H. C. Luick, bank credit manager, is chief advisor, Arnold J. Ryden, Jr. is production advisor, and William Rich, sales advisor.

**Is Your Town Big Enough?**

. . . to support a good Swedish masseur, we mean. Probably not, but you can enjoy a rejuvenating steam bath and expert massage as often as you are in Minneapolis. Just stop in and see Fritz at

**Moe Health Studio**

Builders Exchange 609 Second Ave. So.



## SAVINGS BONDS BUSINESS IS GOOD

and is good for business!

Your company benefits both directly and indirectly as you boost sales of U. S. Savings Bonds through the Payroll Savings Plan.

Direct benefits include decreases in absenteeism, labor turnover, and accidents—with a corresponding increase in production. How come? It's an intangible process *but one that has been demonstrated in more than 20,000 companies operating the plan.* Workers who invest regularly in Savings Bonds—the easy, automatic Payroll Savings way—become better workers. They feel more secure . . . are steadier and more careful in their work.

Indirect benefits accrue from the effect of Bond sales on the national economy—

on which, of course, the future of all companies depends. That future becomes more secure because Bond dollars add up to a tremendous backlog of purchasing power—money that will buy *your* products or services in the years to come. What's more, Bond sales improve the equilibrium of our economy by spreading the national debt.

The experience of companies throughout the nation indicates that at least half of your employees can be persuaded to join Payroll Savings—without high-pressure selling. (The nation's biggest advertising program—built with *donated* space, time and services—is creating universal awareness that Savings Bonds pay \$4 for \$3 when they mature.)

### HELP BUILD SECURITY— TAKE THESE STEPS IN YOUR COMPANY

1. See that top management sponsors the Plan.
2. Secure the help of the employee organizations in promoting it.
3. Adequately use posters and leaflets and run stories and editorials in company publications to inform employees of the Plan's benefits to them.
4. Make a person-to-person canvass once a year, to sign up participants.
5. Urge each new employee, at the time he is hired, to sign up.

For all the help you need, get in touch with your State Director, U. S. Treasury Department, Savings Bonds Division—or write the Savings Bonds Division, Treasury Department, Washington, D. C.

*The Treasury Department acknowledges with appreciation the publication of this message by*

## Commercial West

*This is an official U. S. Treasury advertisement prepared under the auspices of the Treasury Department and the Advertising Council*



Why  
does  
she  
pick  
these  
brands  
?



• She may have picked them the first time because her mother or some friend told her they were the ones to buy. Or she may first have learned about them from magazine ads, the Fred Waring radio show, or her own grocer's ads.

But the interesting thing is that she and many thousands of her sister shoppers do pick up Green Giant Brand peas and Niblets Brand Corn every time they go shopping. And they pick up a bigger volume of them each year.

We believe the reasons for this fast-growing de-

*Minnesota Valley Canning Company, headquarters, Le Sueur, Minnesota; Fine Foods of Canada, Ltd., Tecumseh, Ontario.*

mand are two: *good products; consistent advertising.*

*Good products* are no accident. They are the result of year round work by top-notch research experts.

The *consistent advertising* is planned to tell America's housewives that the smiling Green Giant is a fellow they can trust, and that his products warrant their confidence.

Quality and advertising combined bring a natural result—more and more shoppers buying brands identified with the Green Giant.

**GREEN  
GIANT  
BRAND  
PEAS**



**NIBLETS  
BRAND  
whole  
kernel  
CORN**

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