

COMMERCIAL WEST

REPRESENTING

BANKING, WESTERN INVESTMENTS, MILLING AND GRAIN.
THE NORTHWEST. THE CENTRAL-PACIFIC WEST. THE SOUTHWEST.

VOL. XX

SATURDAY, SEPTEMBER 30, 1911

No. 14

THE NORTHERN TRUST COMPANY

N.W. COR. LA SALLE AND MONROE STS. CHICAGO.
CAPITAL \$1,500,000.—SURPLUS \$1,500,000.

DIRECTORS

A. C. BARTLETT, PRES. HIBBARD, SPENCER, BARTLETT & CO.
WILLIAM A. FULLER, RETIRED MANUFACTURER
ERNEST A. HAMIL, PRES. CORN EXCHANGE NATIONAL BANK.
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BYRON L. SMITH, PRES. THE NORTHERN TRUST CO.



WE INVITE THE BUSINESS OF COMPANIES AND INDIVIDUALS WHO APPRECIATE CONSERVATIVE BANKING.
Banking, Bond, Savings and Trust Departments.

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Investment Bonds

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New York, Boston, Philadelphia and Chicago
Stock Exchanges

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Our list of Investment Securities sent on application

ALL BRANCHES OF BANKING



Capital, Surplus and Undivided Profits
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LEON L. LOEHR, Secretary and Trust Officer
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H. G. P. DEANS, Manager Foreign Department

Accounts of Banks, Firms, Corporations and
Individuals solicited on terms consistent with

SOUND BANKING METHODS

Wm. A. Read & Co.

BANKERS

INVESTMENT SECURITIES

234 South La Salle Street,
CHICAGO

NEW YORK BOSTON LONDON

The First National Bank of Chicago welcomes and appreciates the accounts of Banks and Bankers, believing that its extensive clientele, developed during forty-seven years of consistent, considerate service, is splendid endorsement of the agreeable and satisfactory accommodations afforded to correspondents.

Capital and Surplus
\$20,000,000

James B. Forgan, President
Charles N. Gillett, Vice President and Cashier

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Negotiate and Issue Loans for Railroads and Established Corporations.

Buy and sell Bonds suitable for Investment.

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Commercial Paper.

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ST. LOUIS OFFICE - - 408 Olive Street
PHILADELPHIA OFFICE 421 Chestnut Street

The CAPITAL NATIONAL BANK OF ST. PAUL, MINN.

Capital **\$500,000.00**
Surplus **\$100,000.00**

Our friends and patrons in the Northwest are constantly increasing. We shall be pleased to have bankers call upon or write us. Reserve accounts solicited.

JOHN R. MITCHELL, President
WILLIAM B. GEERY, Vice-President
EDWARD H. MILLER, Ass't Cashier
JAMES L. MITCHELL, Cashier
GEORGE M. BRACK, Ass't Cashier

The National Park Bank of New York

ORGANIZED 1856

Capital \$5,000,000.00 Surplus and Profits \$12,947,463.12 Deposits Sept. 1, 1911, \$105,550,902.43

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JOHN C. McKEON, Vice Pres't
JOHN C. NAN CLEAF, Vice Pres't
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GEO. H. KRETZ, Mgr. Foreign Dept.

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¶ Our new "Catalog Number II" ready to mail September 15.

¶ New goods, new engravings, new set up, new ideas for the office man. Best Catalog ever issued anywhere.

¶ Shows modern office devices, Standard and Derby Desks, Yawman & Erbe and All-Steel Filing Devices, Office Furniture, Appliances and Requisites and the largest and best lines of Blank Books and Loose Leaf Devices.

¶ Mailed to business houses on request.

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CERTIFIED PUBLIC ACCOUNTANTS
SAINT PAUL MINNEAPOLIS
GERMANIA LIFE BUILDING LUMBER EXCHANGE

Members American Association of Public Accountants
Members Minnesota Society of Public Accountants
Members of the Institute of Accountants and Actuaries in Glasgow
Certified Public Accountants of Minnesota

J. GORDON STEELE & CO.

CHARTERED ACCOUNTANTS

AUDITING—OFFICE AND COST SYSTEMS—INVESTIGATIONS
FARMERS & MECHANICS SAVINGS BANK BLDG.,
MINNEAPOLIS, MINN.

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WM. A. FRAME, C. A., C. P. A.
RICHARD DOUGHERTY, C. A., C. P. A.

BOTH PHONES 234

Business Men

¶ Receive special attention in this bank with respect to their accounts and accommodations.

¶ We extend to our customers every courtesy consistent with safe and prudent banking.

We assure prompt service to country bankers.

Colonial Trust & Savings Bank

Resources Over Six Million Dollars
LaSalle St., northeast corner Adams, CHICAGO

STEVENS, CHAPMAN & CO.

COMMERCIAL PAPER

MUNICIPAL, CORPORATION AND RAILROAD
BONDS

Farmers & Mechanics Savings Bank Bldg., Minneapolis

STATE SAVINGS BANK BLDG., ST. PAUL

ILLINOIS TRUST AND SAVINGS BANK

CHICAGO

CAPITAL and SURPLUS
\$14,000,000.00

Interest Allowed on Savings and Checking Accounts

Investment Securities Company

6%—FARM MORTGAGES—7%

We have some selected First Mortgages drawing 7% on improved farms in the Musselshell Valley, Montana, based on 20% to 25% of value of farm.

Call at our office or write us at
205 Palace Building, Minneapolis, Minnesota

CREOSOTED WOOD BLOCK—

THE ULTIMATE PAVEMENT

Not "new" nor an "experiment," but used extensively in eastern United States and Europe.

It is noiseless, dustless, easier on horses' feet and more desirable than any other pavement.

MANUFACTURED BY

THE KETTLE RIVER COMPANY

MINNEAPOLIS



NEW RIVERSIDE STEAM TURBINE ELECTRIC STATION—Completed September 1, 1911.

Our capacity of Electric Power in Minneapolis now consists of:

The St. Croix Falls Hydro-Electric plant of	20,000 horse power
The Main Street Hydro-Electric plant of	3,000 horse power
The New Riverside Steam Turbine Electric plant of.....	16,000 horse power
Total Capacity.....	39,000 horse power

With the completion of the new Riverside Steam Turbine Electric Station, Minneapolis is provided with the best Electric service known.

Our regular service is furnished by Water Power from the St. Croix Falls and the Main Street stations. This power is delivered to Minneapolis over two transmission lines each having a capacity to deliver the entire power, thus providing duplicate transmission and feeder systems.

The new Riverside Steam Turbine Station is provided with a separate system of feeders and emergency switching devices to the various distributing stations, thus providing duplicate Power Capacity to the distribution system.

In addition to the duplicate Power Capacity and feeder systems we have installed in the two largest distributing stations large storage batteries for emergency service and for the purpose of obtaining the best possible regulation of the pressure on the System.

We are, therefore, in a position to furnish the best service at the lowest cost.

If you will put your power problems up to us our engineers will work them out without cost to you.

The Minneapolis General Electric Co.

THE JOHN LESLIE PAPER CO.

Minneapolis

Wrapping Paper of all kinds.

Paper Bags of all kinds.

Unexcelled facilities for printing Wrapping Paper and Bags.

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ICE CREAM PAILS

PIE PLATES

CLOTHES LINES, etc.

Complete line of school supplies.

Have you our catalog? Quotations and information cheerfully submitted.

THE JOHN LESLIE PAPER CO.

Minneapolis

"Wouldn't Think of Being Without One"

IS AN EXPRESSION EVER HEARD IN HOMES EQUIPPED WITH

The "MINNEAPOLIS" HEAT REGULATOR

with Time Attachment

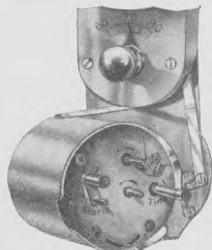
Applied to Hot Water, Hot Air, Steam and Natural Gas Heating

Controls the INSIDE temperature regardless of OUTSIDE conditions and variations. Makes no difference whether the thermometer registers 10 below or 40 above, an even desired warmth can be had in all rooms, meaning health, comfort and economy of fuel.

The time attachment allows you to designate the pre-determined hour for any desired change of temperature. The regulator is sold with or without TIME ATTACHMENT.

OUR LATEST MODEL—CLOCK IMPROVEMENTS

Clock swings in complete circle—also detachable—all windings with same key—Receiving Socket for holding key.



The "Minneapolis" has been the standard for 28 years. Sold by the wholesale and retail heating trade everywhere under positive guarantee of satisfaction. Send for our booklet.

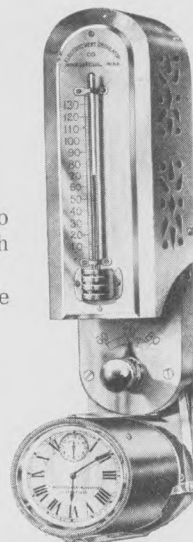
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144 High Street, Boston

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MINNEAPOLIS, MINN.



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*Wholesale
Millinery*

AND MANUFACTURERS OF

**STRAW and FELT
HATS**

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Washington Avenue North
MINNEAPOLIS, MINNESOTA



Wyman, Partridge & Co.

*Wholesale
Dry Goods*

IMPORTERS and MANUFACTURERS

Minneapolis

Established thirty-six years



St. Anthony Falls Bank

MINNEAPOLIS

CAPITAL ----- \$200,000.00
 SURPLUS AND PROFITS ----- 95,000.00
 DEPOSITS ----- 1,700,000.00

The Bank that has grown up and kept pace with the growth of East Minneapolis

DIRECTORS

AARON CARLSON, Manufacturer	A. M. HUNTER, Investment Securities	W. F. DECKER, Investment Securities	H. R. CHASE, Merchant
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ISAAC HAZLETT, Vice President	C. L. CAMPBELL, Assistant Cashier

East Side State Bank

301 CENTRAL AVENUE,
MINNEAPOLIS

Capital and Surplus
\$ 112,000.00

—DIRECTORS—

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D. L. Case	Isaac Hazlett	Robert Jamison
W. C. Johnson	Jno. Schmidler	

There are Larger Banks in Minneapolis than

THE GERMAN - AMERICAN BANK

But none are stronger or better equipped to serve the people.

The German-American Bank
 Plymouth and Washington Aves. No., Minneapolis

Has been in business for twenty-five years, and since its organization it has regularly paid dividends on its capital stock. It is the largest of the non-centrally located banks in Minneapolis.

CAPITAL \$200,000.00
 SURPLUS \$100,000.00
 DEPOSITS over \$2,000,000.00

ITS MANAGEMENT.

FRANCIS A. GROSS, President
 CHARLES GLUEK, Vice President
 HENRY DOERR, Vice President
 GEORGE E. STEGNER, Cashier
 GEORGE P. HUHN, Assistant Cashier

DIRECTORS.

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J. M. GRIFFITH	WM. J. VON DER WEY- ER
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W. P. DEVEREUX, President W. P. Dev- erux Co., Grain	W. P. CLEATOR, Sawyer-Cleator Lumber Co.

Merchants & Manufacturers State Bank

242 20th Avenue North, MINNEAPOLIS, MINN.

Capital \$100,000.00

Surplus \$25,000.00

OFFICERS.

A. M. HOVLAND, President	O. N. NELSON, Vice President	C. L. STROM, Cashier
H. A. LEIGHTON, Ass't Cashier	A. L. WITTE, Ass't Cashier	

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We Sell Foreign Exchange, Steamship Tickets and Travelers' Cheques.

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Vice President



C. E. COTTON,
Vice President
C. L. GRANDIN,
Cashier
E. V. BLOOMQUIST,
Ass't Cashier

Statement at close of business Sept. 1, 1911

RESOURCES.	
Loans and discounts.....	\$2,110,201.92
Overdrafts	556.87
Stocks, securities and claims.....	14,000.00
Furniture and fixtures.....	5,424.00
U. S. bonds to secure circulation.....	50,000.00
5% redemption fund.....	2,500.00
Cash on hand and due from banks.....	877,220.40
Total	\$3,059,903.19

LIABILITIES.	
Capital stock	\$500,000.00
Surplus and undivided profits.....	88,418.86
Reserved for taxes.....	3,876.25
Circulation	50,000.00
Deposits	2,417,608.08
Total	\$3,059,903.19

DIRECTORS.

Hon. John Lind,	Theodore Wold,	A. M. Dyste,	P. C. Frazee,	A. Ueland,	E. V. Bloomquist,
Eugene Tetzlaff,	Aaron Carlson,	Ed. Pierce,	G. B. Gunderson,	Frank G. Brooberg,	C. E. Cotton,
Geo. J. Sherer,	Eric Jacobson,	C. J. Swanson,	C. L. Grandin,	C. J. Hedwall,	Aug. Sandberg,

AMERICAN NATIONAL BANK

ST. PAUL, MINN.

Statement of condition Sept. 1, 1911.

RESOURCES.	
Loans and discounts	\$1,363,929.87
Overdrafts	1,001.14
U. S. Bonds (at par).....	100,000.00
Bonds to secure postal savings deposits.....	7,000.00
Other bonds	33,700.00
Furniture and Fixtures.....	9,168.78
Cash and due from banks.....	714,443.30
Total	\$2,229,243.09

LIABILITIES.	
Capital stock	\$200,000.00
Surplus and undivided profits.....	79,884.39
Reserved for taxes	2,100.00
Circulation outstanding	96,500.00
Deposits	1,850,758.70
Total	\$2,229,243.09

OFFICERS.

BEN BAER, President
L. H. ICKLER, Cashier
C. J. PEEPLES, Vice President
H. B. HUMASON, Ass't Cashier

DIRECTORS.

OTTO BREMER, Jac. Schmidt Brewing Co.
CHAS. H. F. SMITH, Capitalist
HAROLD THORSON, Banker and Capitalist
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B. L. GOODKIND, of Mannheimer Bros.
C. C. EMERSON, Wholesale Fruit and Commission
J. H. WEED, Weed, Parker & Co., Insurance
BEN BAER, President
L. H. ICKLER, Cashier
C. J. PEEPLES, Vice President

The NORTHERN SAVINGS BANK with deposits of \$577,000 is under the same management as the American National. The combined resources of the two banks are \$2,815,000.

The State Savings Bank

ST. PAUL, MINNESOTA

Statement at the close of business July 1, 1911

RESOURCES.	
First mortgages on real estate.....	\$2,081,319.90
Bonds	2,164,945.19
Bills receivable	21,509.02
Real estate, furniture and fixtures.....	18,299.43
Cash on hand and in banks.....	339,027.17
Total	\$4,625,100.71

LIABILITIES.	
Due 17,677 depositors.....	\$4,483,680.17
Surplus fund	120,000.00
Undivided profits	21,420.54
Total	\$4,625,100.71

COMPARATIVE STATEMENT.

Deposits January 1, 1891.....	\$21,000.00
Deposits January 1, 1895.....	548,000.00
Deposits January 1, 1900.....	1,050,000.00
Deposits January 1, 1905.....	2,138,000.00
Deposits July 1, 1909.....	3,439,234.46
Deposits July 1, 1910.....	4,062,610.87
Deposits July 1, 1911.....	4,483,000.00

OFFICERS.

CHARLES P. NOYES, President
KENNETH CLARK, Vice President
LOUIS BETZ, Treasurer
F. O. WILLIUS, Assistant Treasurer
JOHN C. ENGEN, Assistant Treasurer

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Charles P. Noyes,	Ferdinand Willius,
Kenneth Clark,	Gustav Willius,
John D. O'Brien,	Frank Schlick,
William Constans,	James H. Skinner,
Jule M. Hannaford,	Harris Richardson,
Wm. B. Dean,	Louiz Betz.

SECOND NATIONAL BANK OF ST. PAUL

Capital, Surplus and Profits \$900,000

Deposits \$3,500,000

UNITED STATES DEPOSITORY

BUSINESS ESTABLISHED IN 1854

OFFICERS.

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WM. B. DEAN, Vice President

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EDWIN MOTT, Assistant Cashier

DIRECTORS.

WILLIAM B. DEAN, Nicols, Dean & Gregg, Heavy Hardware
JOSEPH McKIBBIN, McKibbin, Driscoll & Dorsey, Wholesale Hats, Caps and Gloves
GEORGE C. POWER, President
FRANK SCHLICK, JR., Field, Schlick & Co., Dry Goods and Carpets

F. G. INGERSOLL, Attorney at Law
CHARLES SCHUNEMAN, Schuneman & Evans, Department Store
GEORGE A. ARCHER, Archer-Daniels Linseed Co.
AUGUSTUS M. P. COWLEY, Capitalist
CHARLES H. BUCKLEY, Cashier

POPULATION OF WINNIPEG

1902	48,411
1904	67,262
1906	101,057
1908	128,000
1910	151,450
1911 (estimated)	175,000

**Manufacture
in
Winnipeg
and**

**TOTAL ASSESSMENT
Winnipeg Realty Values**

1900	\$25,077,400
1902	28,615,810
1905	62,727,680
1906	80,511,727
1909	131,402,800
1911	172,677,250

1911 Tax Rate, 13¼ Mills.

MAKE MORE MONEY

Western Canada is the world's greatest growing market for manufactured goods of all kinds.

The city of Winnipeg offers manufacturers in all lines greater combined advantages than any city in Canada.

YOUR OPPORTUNITY IS NOW!

Winnipeg wants manufacturers and offers Cheap Municipal Power, Cheap Sites, Low Taxation, Varied Raw Materials, the best of labor conditions and unexcelled railway facilities.

Special reports prepared and mailed free of charge on the manufacturing possibilities of any line of industry. Free illustrated and statistical books picturing positive proof of the actual development mailed upon request.

BUSINESS GROWTH

Winnipeg Bank Clearings

1902	\$188,370,003
1904	394,601,437
1906	504,585,914
1908	614,111,801
1910	953,415,281
1911 (First seven months)	575,636,305

Address

CHAS. F. ROLAND,
Commissioner of Industries,
WINNIPEG - - CANADA

BUILDING GROWTH

Winnipeg Building Permits

1903-4-5	\$26,264,500
1906-7-8	24,444,300
1909	9,226,325
1910	15,116,450
1911 (Seven months)	11,368,650

**That Old Sweetheart
of Yours—**

who is now your wife—and who is now more entitled to your considerate care than in old days—have you taken every precaution to see that her future as well as her present welfare is secure? Have you for instance made provision for her against the possible loss of your support, against the possible humiliation which will be hers if left alone without funds for running expenses and the necessities of life? And what of the children? Are they assured of an education and a home until such time as they can become self-supporting? An Equitable Policy will guard against all these contingencies. And especially a Life Income Policy which will absolutely insure your insurance. Why not let us tell you more about how this contract can be made to fit your case? No charge for counsel and advice.

The
Equitable Life Assurance Society

OF THE UNITED STATES

WILLIAM A. DAY, President
WILLIAM J. KEATING, Manager

120 Broadway, *Andrus Building,*
NEW YORK CITY MINNEAPOLIS, MINN.

**MINNESOTA SCHOOL
LAND SALES**

November, 1911

Great Opportunities to Secure Homes

AT THE FOLLOWING TIMES AND PLACES I WILL HOLD SALES OF SCHOOL AND OTHER STATE LANDS:

	Acres Offered
Monday, Nov. 6, 2 P. M.— Wadena, Wadena County.....	7,600
Tuesday, Nov. 7, 10 A. M.— Park Rapids, Hubbard County.....	28,000
Wednesday, Nov. 8, 10 A. M.— Bemidji, Beltrami County.....	27,000
Friday, Nov. 10, 10 A. M.— Walker, Cass County.....	40,000
Monday, Nov. 13, 10 A. M.— International Falls, Koochiching County...	17,000
Wednesday, Nov. 15, 10 A. M.— Duluth, St. Louis County.....	36,000
Thursday, Nov. 16, 2 P. M.— Pine City, Pine County.....	3,200
Friday, Nov. 17, 10 A. M.— Aitkin, Aitkin County.....	40,000
Monday, Nov. 20, 10 A. M.— Grand Rapids, Itasca County.....	33,000
Tuesday, Nov. 21, 10 A. M.— Crookston, Polk County.....	4,000
Wednesday, Nov. 22, 10 A. M.— Moorhead, Clay County.....	760
Thursday, Nov. 23, 1 P. M.— Bagley, Clearwater County.....	8,200
Friday, Nov. 24, 11 A. M.— Hallock, Kittson County.....	23,000
Saturday, Nov. 25, 10 A. M.— Warren, Marshall County.....	33,000
Monday, Nov. 27, 2 P. M.— Roseau, Roseau County.....	18,000

TERMS OF SALE:

These lands will be sold at public auction to the highest bidder. Fifteen per cent. of the purchase price must be paid at the time of sale. The balance may run 40 years at 4 per cent. annual interest if desired. The title to all state land is perfect. Valuable illustrated book on Minnesota lands free; also list of lands offered.

SAMUEL G. IVERSON,
State Auditor.

SAINT PAUL,

MINNESOTA

THE COMMERCIAL WEST is read by an unusually intelligent and capable class of business men. Many of the readers are consulted in regard to the placing of Life Insurance, and all of them are vitally interested in the subject of Life Insurance because of the importance to all mankind of a proper adjustment and selection of their individual Life Insurance policies.

The owners and publishers of the Commercial West, in conjunction with the majority of men of prominence in Minneapolis, are familiar with my record in handling Life Insurance transactions, both large and small, covering a period of the last eighteen years. It is especially important to those buying Life Insurance, or acting as agents, that during seventeen years of that time I have been in the employ and remained constantly in the service of The Provident Life and Trust Company of Philadelphia, the ninth in size of the Old Line Legal Reserve companies, and one which has always steadfastly adhered to conservative principles, consistent with the fiduciary nature of the business.

In years past, when all companies were not as economically and conservatively managed as under present conditions, I refused to be won from the ranks of the Provident by extravagant offers from competing companies. My present position was acquired after ten years' service as a soliciting agent in Minneapolis. I have a large corps of high-class men, who are thoroughly trained along these same lines. We are doing everything in our power to give modern, up-to-date service in the business of Life Insurance. That our progressive methods are meeting favor is best exemplified by the fact that the Agency is writing more Life Insurance monthly than any one individual office in the Northwest.

Financial Security, Premium Rates and Net Cost of Insurance, together with efficient service, are the vital points of interest to readers of the Commercial West, and in these matters, this office, backed by the Provident Life and Trust Company of Philadelphia, is absolutely unexcelled.

WARREN M. HORNER,
General Agent for Minnesota and Iowa,
1038-42 Security Bank Building,
Minneapolis, Minnesota.

The SPEAR SAFETY ENVELOPE

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ESPECIALLY ADAPTED TO THE NEEDS OF
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Will net 5% to 6% Interest

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Capital One Million Dollars

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Just Fifty "Effective" Words.

The gates of Opportunity can be made to open wide with the use of only fifty words in our

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The readers of the Commercial West are appreciative, and they rely with confidence on its rigid rules excluding all misleading and doubtful advertising.

¶ One "Effective" advertisement may solve the problem, though if the position sought is unusual, it may take two or even three insertions. In any event, the satisfaction is there of having reached the reliable and responsible employers with a strong application through a paper of character.

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Rents collected; buildings improved and reconstructed to produce increased income. Satisfactory references to local and eastern parties.

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We make a specialty of grain drafts.

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Rest and Undivided Profits \$3,350,000

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Alberta.—Airdie, Alix, Bashaw, Blackie, Barons, Bassano, Blaimore, Bowden, Brooks, Buffalo Lake, Calgary, Carbon, Cardston, Carlstadt, Carstairs, Claresholm, Cochrane, Cowley, Didsbury, Edmonton, Ft. Saskatchewan, Frank, Grassy Lake, High River, Innisfail, Irvine, Lacombe, Langdon, Lethbridge, Lethbridge (North Ward), Macleod, Medicine Hat, Okotoks, Passburg, Pincher Creek, Seven Persons, Stirling, Strathmore, Three Hills, Wainwright.

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Agents and correspondents at all important centers in Great Britain and the United States.

WESTERN MUNICIPAL BONDS.

FUTURE BOND ELECTIONS.

September 30.—Jackson County, Ore. (P. O. Jacksonville), \$1,500,000 road bonds.

October 2.—Grandview, Wash., \$19,000 waterworks bonds.

October 2.—Medford, Ore., \$1,500,000 county improvement bonds.

October 7.—Salmon City, Idaho, \$60,000 waterworks bonds.

October 10.—Mason City, Iowa, School District, \$175,000 building bonds.

October 14.—Butte, Mont., School District, \$50,000 building bonds.

October 21.—Leavenworth, Wash., \$50,000 waterworks bonds.

November 7.—Omaha, Neb., \$50,000 park bonds.

November 7.—Dubuque, Iowa, School District, \$115,000 building bonds.

December 19.—Columbus, Neb., \$150,000 courthouse bonds.

FUTURE BOND SALES.

September 30.—Baker City, Ore., \$54,000 improvement bonds, denomination not to exceed \$500; 6 per cent.; 10 years; certified check 5 per cent. A. B. Stearns, city clerk.

September 30.—Douglas County, Neb. (P. O. Omaha), \$200,000 courthouse equipment bonds, denomination \$1,000; 4½ per cent.; certified check 1 per cent. D. M. Haverly, county clerk.

October 1.—Douglas, N. D., \$3,000 refunding bonds, denomination \$500; 6 per cent.; 10 years; certified check \$50. H. S. Schrimpt, village clerk.

October 2.—Nyssa, Ore., \$10,000 bridge bonds; 6 per cent.; 10-20 year optional; certified check 5 per cent. G. D. Goshert, recorder.

October 2.—Deadwood, S. D., \$38,000 refunding sewer bonds; 5 per cent.; 10-20 year optional; certified check 2 per cent. K. W. Trimble, city auditor.

October 2.—Flathead County, Mont., School District No. 23 (P. O. Polson), \$9,000 building bonds; 6 per cent.; 10-20 year optional. S. C. Bibee, clerk.

October 2.—Lincoln, Neb., \$11,770,000 paving bonds, denominations as desired; not to exceed 5 per cent.; 10 years; certified check \$200. Roscoe C. Ozman, city clerk.

October 2.—Payette, Idaho, \$6,000 sewer, \$7,000 bridge and \$14,000 municipal building bonds; 6 per cent.; 10-20 year optional; certified check \$1,000. Martin O. Luther, city clerk.

October 2.—Teton County, Mont., School District No. 17 (P. O. Sweet Grass), \$7,500 building bonds, denomination \$100; 6 per cent.; 10-15 year optional; certified check 10 per cent. G. H. McMillan, clerk.

October 3.—Bottineau County, N. D. (P. O. Bottineau), \$105,428.75 drainage bonds, denomination \$1,000; 6½ year average; certified check \$1,000. J. P. Simon, county auditor.

October 5.—Golden Valley, Roseau county, Minn., \$2,000 road bonds; not to exceed 6 per cent.; 20 years. Paul Wallin, town clerk.

October 5.—Portland, Ore., \$50,000 dock bonds, denomination \$1,000; 4½ per cent.; 30-50 year optional; certified check 5 per cent. F. W. Mulkey, chairman public docks.

October 6.—Custer County, Mont. (P. O. Miles City), \$50,000 refunding bonds, denomination \$1,000; 4½ per cent.; 10 year optional; certified check 5 per cent. O. G. Haynes, county clerk and recorder.

October 7.—Cottonwood, Idaho, School District No. 8, \$20,000 building bonds, denomination \$1,000; 6 per cent.; 20 years.

October 7.—Choteau County, Mont., School District No. 57 (P. O. Gildford), \$4,000 building bonds, denomination \$100; 6 per cent.; 10-20 year optional; certified check 10 per cent. J. A. Rose, clerk.

October 9.—Platte, S. D., \$14,000 refunding bonds; 5 per cent.; 20 years; certified check \$700. W. F. Vander Voort, city recorder.

October 9.—Dassel, Minn., \$7,500 village hall and jail bonds, denomination \$500; 5 per cent.; 20 years; certified check 2 per cent. William Belin, village recorder.

October 10.—The Dalles, Ore., \$10,910 sewer bonds; 6 per

cent.; 10-15 year optional; certified check 5 per cent. George F. Ross, city recorder.

October 10.—Choteau County, Mont., School District No. 30 (P. O. Wagner), \$2,000 building bonds, denomination \$500; 6 per cent.; 10-20 year optional; certified check \$500. Mrs. John Airheart, clerk.

October 11.—Spokane, Wash., \$1,200,000 refunding bonds, denomination \$1,000; 5 per cent.; 20 years; certified check 2 per cent. James McGougan, city auditor.

October 11.—Hermiston, Ore., \$25,000 waterworks bonds, denomination \$500; 5 per cent.; 20-30 year optional; certified check 5 per cent. F. C. McKenzie, city recorder.

October 14.—Dawson County, Mont., School District No. 7 (P. O. Savage), \$4,000 building bonds; not to exceed 6 per cent.; 10 years. George P. Rich, clerk.

October 14.—Flathead County, Mont., School District No. 38 (P. O. Dayton), \$1,490 building bonds; not to exceed 6 per cent.; 15-20 year optional. Lillian C. Steere, clerk.

October 16.—Cascade County, Mont., School District No. 30 (P. O. Geyser), \$4,000 building bonds, denomination \$500; 6 per cent.; 3-10 year optional; certified check \$200. John Kernaghan, clerk.

October 16.—Moberly, S. D., \$7,000 waterworks bonds; 6 per cent.; 17 year average; \$3,000 city hall bonds, 5 per cent.; 7 2-3 year average and \$7,000 sewer bonds; 5 per cent.; 17 2-5 year average; certified check \$200 each bid. M. T. Woods, city auditor.

October 30.—Wagner, Mont., School District, \$2,000 building bonds.

At Any Time.

Wayne, Neb., \$9,000 city hall bonds, denomination \$1,000; 5 per cent.; 10-20 year optional. Forrest L. Hughs, city clerk.

Mott, N. D., \$10,000 village bonds, denomination \$500; 5½ per cent.; 20 years; certified check 10 per cent. W. Irysh, village clerk.

BOND NOTES.

Oskaloosa, Iowa.—City hall bonds have been voted.

Haigler, Neb.—An issue of waterworks bonds has been sold.

Quinn, S. D.—A recent election authorized \$1,500 road bonds.

Lebanon, Ore.—An issue of \$70,000 sewer bonds is soon to be sold.

Gettysburg, S. D.—All bids for the \$5,000 city building bonds were rejected.

Goldendale, Wash.—Camas drainage bonds to the amount of \$71,000 have been sold.

Leavenworth, Wash.—The State has been awarded an issue of \$35,000 county bonds.

Van Horne, Iowa.—Electric light bonds to the amount of \$10,000 have been voted.

Hill City, Minn.—An election is to be held to vote on issuing \$15,000 improvement bonds.

Oseeola, Neb., School District.—Building bonds to the amount of \$33,000 have been voted.

Casey, Iowa.—A recent election authorized \$1,400 waterworks bonds by a vote of 157 to 14.

Sutton, Neb., School District.—The State was the purchaser of an issue of building bonds.

Chelan County, Wash., School District (P. O. Wenatchee).—

Established 1885

H. C. SPEER & SONS CO.

MUNICIPAL,
COUNTY AND SCHOOL BONDS

First National Bank Building, - CHICAGO

THE FIRST NATIONAL BANK ST. PAUL, MINN.

Capital \$1,000,000.00

Surplus \$1,000,000.00

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Directors: James J. Hill, Howard Elliot, D. C. Shepard, H. E. Thompson, E. N. Saunders, Louis W. Hill, F. P. Shepard, E. H. Cutler,
 Chas. W. Ames, E. H. Bailey, Theo. A. Schulze, Chas. W. Gordon, W. A. Miller, Haydn S. Cole, W. P. Davidson

The State was awarded an issue of \$35,000 building bonds at par.

Center Point, Iowa.—The proposition of issuing \$10,000 waterworks bonds is being considered.

Thief River Falls, Minn.—The recent election carried the proposition to issue power bonds.

Monmouth, Ore., School District.—The building bonds were recently sold at a premium of \$200.

Clarion, Iowa.—Bonds to the amount of \$5,000 for the building of a city hall are to be issued.

Boone, Iowa, School District.—The proposition of issuing building bonds is being considered.

Davenport, Iowa.—N. W. Halsey & Co. of Chicago have purchased \$75,000 improvement bonds.

Redfield, Iowa.—Electric light and waterworks bonds to the amount of \$15,000 have been voted.

Stephen, Minn.—Kane & Co. of Minneapolis were awarded the fire hall bonds at a premium of \$56.

Grand Forks, N. D.—An ordinance has been passed providing for the issuing of \$20,000 park bonds.

Sumas, Wash.—William D. Perkins & Co. of Seattle were awarded the \$7,000 electric light bonds.

Ellensburg, Wash.—A recent election authorized \$110,000 electric light and \$100,000 waterworks bonds.

Knoxville, Iowa.—It is proposed to hold an election to vote on issuing \$30,000 infirmary building bonds.

Kootenai County, Idaho (P. O. Coeur d'Alene).—The commissioners have authorized \$135,000 funding bonds.

Genesee, Idaho, School District.—An election was held September 16 to vote on issuing \$20,000 building bonds.

Forsyth, Mont.—Wells & Dickey Co. have been awarded the \$125,000 court house bonds at a premium of \$3,000.

Clearbrook, Minn., School District.—An election was held September 23 to vote on issuing \$2,500 building bonds.

New Richmond, Wis.—The council has voted down the proposition to issue \$15,000 bonds for purchasing water power.

Redfield, Iowa.—An election held recently authorized \$15,000 waterworks and electric light bonds by a small majority.

Charles City, Iowa.—The Western Electric Telephone Co. has appropriated \$42,000 for local improvements to its system.

Lincoln County, Mont. (P. O. Libby).—The commissioners have been petitioned to issue \$150,000 road and bridge bonds.

Nez Perce County, Idaho, School District No. 54 (P. O. Lewiston).—No bids were received for the \$1,200 building bonds.

Carbon County, Mont., School District No. 3 (P. O. Red Lodge).—All bids received for the \$2,000 bonds were rejected.

Big Buffalo, S. D. (P. O. Cottonwood).—A petition is being circulated proposing an issue of \$3,500 road improvement bonds.

West Concord, Minn.—The Union Investment Co. of Minneapolis was the successful bidder for the \$5,000 village bonds at par.

North Yakima, Wash.—The council has passed an ordinance providing for an appropriation of \$10,000 street improvement bonds.

Belfield, N. D.—A mass meeting authorized the issuing of \$10,000 improvement bonds. The matter will be acted upon by the council.

Manhattan, Mont.—The sale of the \$30,000 waterworks bonds which was to have been held on September 11 was postponed to September 23.

Hudson, Wis.—The Bank of Hudson and the First National bank were awarded the \$20,000 city bonds at 100.50, a basis of 4.44 per cent.

Duluth, Minn.—N. J. Upham & Co. of Duluth been awarded the \$50,000 park bonds at a premium of \$626—101.252, a basis of 4.424 per cent.

Clallam County, Wash., School District No. 3 (P. O. Port Angeles).—An issue of \$6,000 building bonds was awarded to the State at par.

Port of Nehalem, Ore.—Cutter, May & Co. of Chicago have been awarded the \$25,000 improvement bonds at 101.20, a basis of 5.875 per cent.

Yakima County, Wash., School District No. 6 (P. O. North Yakima).—The State was the successful bidder for the \$5,000 building bonds at par.

Umatilla County, Ore., School District No. 6 (P. O. Pendleton).—Cutter, May & Co. of Chicago were awarded the \$15,000 building bonds at par.

Spokane, Wash.—A syndicate headed by Blodgett & Co. of Boston were the purchasers of the \$1,200,000 refunding bonds at 100.57, a basis of 4.456 per cent.

Tecumseh, Neb.—The election held in July to vote on issuing \$15,000 waterworks bonds and \$7,000 sewer bonds has been declared illegal and another election is to be held late in October to again vote on the question.

NEW \$10 COUNTERFEIT.

New York.—Ticket sellers on the subway and elevated lines have been warned against a new \$10 counterfeit that has just come under the notice of the treasury department.

Like the other dangerous counterfeit \$10 note that made its appearance about this time last year, the note is evidently the work of expert photo-etchers. Despite the fitness of the geometric lathe work which comprises the borders of the United States paper money it has been demonstrated that it can be successfully reproduced by photo-etching on relief printing blocks, although it has remained a stumbling block for hand engravers who could otherwise make steel engraved counterfeits which are always crisper than the photo-etched reproductions.

The new counterfeit is thus described in the warning issued by W. H. Moran, active chief of the secret service:

"On the Anglo and London-Paris National Bank of San Francisco, Cal. Series of 1902-1908; check letter "B;" W. T. Vernon, Register of the Treasury; Charles H. Treat, Treasurer of the United States; Charter Number 9,174; Bank Number 22,644; Treasury Number E259620; portrait of William McKinley.

"This counterfeit is evidently the work of the person responsible for the counterfeit \$10 Pasadena National bank note which made its appearance in September, 1910, and described in our circular letter No. 312. It is printed from photo-etched plates of good workmanship on two pieces of paper between which silk threads have been distributed. The figures in the treasury and bank numbers are a trifle smaller than the genuine, and too widely separated. There are not enough parallel ruled lines in the scroll containing the bank number, lower left face of note, and the lines that do appear are broken and patched in an effort to conceal the number of the genuine note reproduced, which can be faintly discerned under the blue number. The seal is a trifle larger than the genuine. The back of the note has a bluish tint. This is a dangerous counterfeit and calculated to deceive."

Two things are the chief protection of American paper

money—the silk threads molded in the Government's paper at its making by a secret process and the geometric lathe engraving, which requires cumbersome machinery for its production. The geometric lathe has practically limited good counterfeits to those made by photo-processes. These are invariably printed from relief plates, which lack the crispness of line inherent in steel engraving. To the expert this difference in line betrays the counterfeit immediately. The main reliance of the public is on the silk threads. These were formerly three straight threads running lengthwise through the bills, but when the counterfeiters hit on the device of splitting plain white bond paper, laying in the threads, and gumming the split sheets together under pressure, the Treasury Department adopted the system of incorporating scattered silk threads in the paper during its manufacture. These threads run in parallel strips at each end of the bill, where in most denominations unprinted spaces of white paper are left, so that the threads may be easily inspected. The new type of broken threads has never been successfully counterfeited, for although when the bill is held up to the light the threads are seen, as in the genuine paper, an inspection of the surface fails to show loose ends protruding, as is always the case in genuine bills, because of the threads being incorporated in the paper itself and scattered through it from surface to surface.

CONDITION OF CANADIAN BANKS.

Ottawa, Sept. 20.—The August bank statement made by Canada's chartered banks to the minister of finance indicates the effect of the grain harvest on money movements. The total circulation is \$90,630,530, an increase of \$700,000 over July. Demand deposits are \$311,111,668, a decrease of \$5,500,000. Deposits payable after notice are \$575,740,956, an increase of \$5,000,000, and deposits elsewhere than in Canada, meaning mainly the United States, decreased more than \$1,000,000. Call loans outside of Canada, mostly in New York, were \$101,713,620, a decrease of \$2,259,000. Current loans in Canada are \$734,683,962, an increase of more than \$11,000,000.

F. H. WELLCOME, President F. E. KENASTON, Vice Pres't BERT WINTER, Sec'y & Treas.

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BANK OF COMMERCE BUILDING,
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HIGH GRADE MUNICIPAL BONDS
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Carefully Selected First Mortgages on Improved Farms
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Make arrangements with Banks and Bankers enabling them to issue, over their own signature, Checks on all Commercial points of Europe and the Orient.


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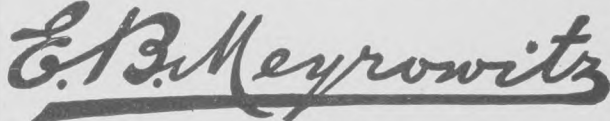
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A Slight Exaggeration.

We must take issue with President Taft on the statement in his Grand Rapids address, that "our whole business system rests upon the protective tariff basis." A very small fraction of the business of this country is based on the tariff. Many of our great industries, such as steel, iron, agricultural implements and other large manufactures have grown beyond the reach of any possible tariff protection. The many billions of business in farm products every year is not based on the tariff. The lines of manufacture that are most influenced by tariff changes are those of the cotton and woolen mills of New England, and the glass, pottery and allied wares of Pennsylvania.

It seems to us wide of the mark to say that the entire business of this country is based on tariff schedules, or any tariff policy. It is affected by them and hindered by them, but it is not based on them. If it is so based, it is on a most shaky, artificial and unstable foundation, and the quicker it can shift to the sound and enduring basis of natural trade conditions, the better it will be for business prosperity. There is only one basis for all business and there never was, nor ever will be, any other. All trade is founded on human needs, wants and desires. All the myriad lines of business enterprises are more or less busy in supplying these human wants.

If the President finds it necessary to say something for the protective policy in order to defend his veto of the wool bill, his case will not be helped by any such extravagant assertion as we have quoted. Let us stick to the facts, Mr. President, and not indulge in "poetic license" on such economic subjects as tariff revision.

Referring to the incident of the wool bill veto, at the extra session, the St. Paul Pioneer Press makes the following pertinent comment:

While defending, in Kansas, his course with respect to tariff making and emphasizing the necessity of more scientific work, such as the tariff commission is supposed to be doing in gathering data for the use of Congress, the President said that about all the committees of Congress had been in the habit of doing was to call in representatives

of some of the protected interests and ask them if any changes should be made in the schedules.

Except in at least one notable case, Mr. President—the wool bill of the last session. The protected interests were not relied upon in that case. And there was a good chance for the President to recognize an exception, and approve a bill not made by its direct beneficiaries. It was such a promising departure, from the rule that he condemns, that it is a pity that he did not give it his approval.

The Steel Corporation and the Stock Market.

Of late the United States Steel Corporation has had centered upon it the interest of the financial world. This has been because of the recent order of the Supreme Court of the United States dissolving the Standard Oil and American Tobacco companies, in conjunction with the investigation by the Bureau of Corporations and the avowedly unfriendly investigation of the "Stanley committee" appointed by Congress. The dissolving of the Standard Oil and American Tobacco companies is, for several reasons, of minor importance as compared with the disturbing of the corporate existence of the Steel corporation. The stock of the former two was not widely distributed, while that of the Steel corporation is; and, moreover, their methods were so obviously of the worst form of "trust methods," that an investigation could result but one way. But the full rottenness of the Tobacco trust was not suspected, and the report this week of the Bureau of Corporations was regarded as sensational, even though the worst that the muckrakers and politicians have been able to do in the way of "exposures" for months past has palled upon the public mind because of its lack of novelty or substantial facts.

The United States Steel Corporation, however, is not in the same class as Standard Oil and American Tobacco. It is not a monopoly in restraint of trade; it has never been shown that it controls prices, and, in fact, it is difficult to see how it could, as its output of finished steel is but little more than 40 per cent. of the total production of the country. The Steel Corporation has 120,000 stockholders—a fair percentage of them, possibly 20,000, in European countries, particularly Holland; between 35 and 50 per cent. of the stockholders are women, while 25,000 are employees of the corporation. Probably half the shareholders are owners of the preferred stock.

To digress for a moment, it may be said that Steel common is the greatest speculative stock in the world; and while this is no argument in favor of the Steel corporation, it is an argument against bear raids and prejudiced, insincere and unjust attacks upon it by the Stanley committee or any one else. While it is to be regretted that our industrial and railroad stocks are speculated in as they are; that they are permitted to be used as the gambling basis for great bull markets or bear raids regardless of real values or the public's investments—while this is deplorable from any legitimate point of view, the fact remains that a broad market for securities is necessary, particularly in a steadily-developing country where new enterprises are constantly being projected. But the New York Stock Exchange has always been a place for gambling

operations rather than a legitimate trading-place for securities where the public might come and invest its savings with some assurance of safety. For example, let us glance at the "high" and the "low" of some of the "standard" stocks in 1910—at the present time they are approximately at the low point of 1910: Atchison 124 to 91 (fractions omitted); Baltimore & Ohio, 119 to 100; St. Paul, 158 to 114; Great Northern, 144 to 118; Northern Pacific, 145 to 112; Southern Pacific, 138 to 103; Union Pacific, 204 to 152; Steel common, 91 to 61, and Steel preferred, 125 to 111.

Such fluctuations in reliable dividend-paying stocks are a disgrace to the country, as they reflect an unstable financial, commercial and economic sentiment and situation. Such fluctuations suggest the gambling atmosphere that pervaded the mining camps of early California days, but without the excuse or the romance. The plain truth is that the New York stock market is in the hands of speculators—to put it mildly; and there must be a reform before the public can feel secure in going there to invest its savings or its surplus income.

On Monday of this week "Financial America," one of the two great daily financial papers of New York, published an article on the Steel Corporation, with the avowed purpose of encouraging stockholders, who, of course, can hardly understand the great decline in prices. That paper said:

"The outside liquidation which has helped to bring prices to their present level was provoked only after a long and unscrupulous campaign by one of the biggest bear combinations ever formed in Wall Street."

A combination for depressing the price of securities! Is anything being done about it by the proper committee or officials of the Stock Exchange?

In 1910 Steel common sold at 91. Last week it broke below 52, though it is paying 5 per cent. and yields stockholders 9 per cent. at 55.

And yet Wall Street wonders why the public no longer comes to the stock market with its savings and surplus income.

The Stock Exchange needs, and must have, a drastic cleaning out before the public can be expected to again have confidence in it as a place in which to buy securities. That the greatest securities market in the world should be permitted to fall into the hands of scalpers and traders who look upon the public as legitimate prey, is a public disgrace.

It hardly needs to be said, we think, that the foregoing is in no way intended to reflect upon the many substantial commission houses having a membership in the Stock Exchange. Everyone familiar with conditions knows where the evil lies—how it has grown and how great it is. When and how the remedy may be applied is problematical, but there will surely be an accounting some day. It may come in the way of the fable—killing the goose that laid the golden eggs!

Now, returning to the Steel corporation, there are two or three points of criticism that we feel

impelled to touch upon. One is that the Steel corporation, it has been discovered, has for several years been selling some of its products for export at materially lower prices than at which they were sold in this country. This fact has been used by the bears in the stock market as an argument toward a big reduction in the tariff on such commodities.

This argument is entirely illogical. There is probably not an exporting manufacturer in the United States that does not at times sell its surplus production for export at or near cost. This is good business, for it enables manufacturers to keep their plants in operation when domestic trade alone is insufficient to do so. The cost of production is thus cheapened, and labor is given steadier employment.

Several months ago Commissioner Smith of the Bureau of Corporations, in a report, said that the Steel corporation is monopolistic because of its great ore holdings—a large percentage of which is on leases. This is trivial. There is not the shadow of possibility that the Steel corporation can be dissolved, or even given any trouble that would reflect upon the stockholders because of its ore holdings. They could be transferred, but we don't exactly see how that would help competitors. Even the Supreme Court of the United States could not dictate to whom the ore lands should be transferred.

The only point of importance raised against the Steel corporation up to the present time, is that its railroads (the corporation owns 3,000 miles of roads) maintain unreasonable freight rates on ore. As a result of the high rates, it is asserted, independent steel companies are placed at a great disadvantage. If the railroads were sold, and rates on ore reduced, the Steel corporation would suffer to the extent of perhaps \$10,000,000 or more a year in net earnings, it is said. On the other hand the independents would gain.

This point is yet to be tested, however. It may be that restraint of trade in this particular will be shown; but up to the present time the Commercial West has seen no argument advanced that seems even to suggest the possibility of the dissolution of the Steel corporation. Furthermore, the continuance of the 7 per cent. dividend on Steel preferred seems certain, and holders of that stock have no reason to worry as to its ultimate price when the business of the country again becomes normal. Steel common is, as has already been said, a speculative favorite and for that reason its price fluctuations are wide. However, it has an intrinsic value, it is believed by good authorities, considerably higher than the present price.

Since the foregoing was written, the following statement has been issued by J. Pierpont Morgan and Elbert H. Gary, committee of the board of directors of the Steel corporation:

Pursuant to the unanimous vote of the board of directors of the United States Steel corporation, at a meeting held this afternoon (Sept. 26) at which there were present J. Pierpont Morgan, H. C. Frick, Norman B. Ream, P. A. B. Widener, Robert Winsor, Elbert H. Gary, George W. Perkins, John F. Dryden, Samuel Mather, Daniel G. Reid, Henry Walters, James A. Farrell and James H. Reed, the following statement is published:

No negotiations whatever have taken place between the steel corporation and the Department of Justice, looking to the dissolution or disintegration of the corporation.

The corporation was organized for business reasons and purchased its various plants to promote such business and not to restrain trade or obtain a monopoly. In all its operations the company has scrupulously observed the law and recognized the joint rights of its competitors and the consumers of the products.

So far as its directors are aware no complaint has ever been made against it by either of these interests. The directors are advised by its counsel that its existence is not in violation of the Sherman act as interpreted in the recent decisions of the supreme court.

In view of this record and this advice, the directors feel that their duty to their stockholders, their employees and the public requires that they should set at rest all rumors to the effect that they are contemplating any voluntary dissolution or disintegration of the corporation, or have any belief that it is subject to such dissolution or disintegration.

We believe that the organization is legal and that its management is proper. Its properties are of immense intrinsic value and the corporation is of benefit to the public interest.

Courage, not Fear, the Motive Power of Progress.

The defeat of reciprocity by Canada places that country in a most inconsistent position. For half a century Canada has advocated reciprocity with the United States. Both of the political parties have had such a plank in their platforms and she has repeatedly made overtures to us for closer trade relations. Now that she has an opportunity to make a start in this direction, she allows some of her politicians to "throw a scare into her" and stam-pede the voters into defeating the measure.

The United States has no license to complain. Uncle Sam has rebuffed Canadian advances at various times in the past and now he must take some of the same bitter medicine. If the economic losses for both countries were not so heavy, as a result of this failure of reciprocity to carry, we could afford to admire Canada in playing the game of getting even. But the penalty is too great. Business expansion of both countries is checked, the extent of which can hardly be estimated.

The result of the Canadian elections is another proof that the world is still ruled by its fears in political matters. To scare the voters is still the great political stunt. Ordinary business shrewdness, based on sound economics, would have carried the election for reciprocity, but its opponents worked upon the "fears of annexation," the "fears of a breach in the British Empire," the fear that "the future of Canada as an independent nation might be endangered," and the fear that a slight reduction in tariff duties would put Canadian manufacturers out of business. This scare we are quite familiar with on this side. It has been worked by the beneficiaries of special privilege in this country for the past fifty years.

Everyone of us knows from personal experience that "our fears and doubts are traitors," and lose for us the good we might have gained. The world would still be peopled by cave-dwellers, and civilization would be a thing undreamed of, if man had always taken counsel of his fears. Courage and not fear led man to become a discoverer to know all parts of this planet, analyze the stars of the universe and pry into all the secrets of nature. Courage, not fear, brought the Puritan pilgrims to Plymouth Rock and led the missionary priests

to explore the vast territory of Canada. Courage and confidence built all the railroad and steamship lines and is now building airships for us. Courage, hope and faith established all the great industries, gave us the ocean cables, the telegraph, the electric light, the telephone and all the other wonders of modern civilization. Courage means life and progress. Fear brings about paralysis. Fear never did any great work, but takes us to the tall timber at the first "honk! honk!" of alarm. All this is as true of nations as of individuals, and is so self-evident that no argument could strengthen this plain statement of fact.

Some day we shall be free from the bondage of fear, even in political affairs. Some day, when we have gained industrial and political freedom, we shall look on these days of shackling business and wonder at our groundless fears.

When Canada gets over her fright and finds that it was only a stuffed teddy-bear after all, and not a monster dragon about to devour her, she will use her good business judgment and common sense and trade freely with us, to the mutual advantage of both countries. She will realize that, as she had the most to gain, she is the heaviest loser by rejecting reciprocity.

Business of all nations must get away from the snarl of politics that trip it up at every turn. This is the most pressing problem of the hour and nowhere is there such urgent need of prompt action as here in America.

How to Boost Your City.

There has been a change during recent years in the methods of city boosting, especially in the older and larger cities. The old style hurrah campaign is less in evidence, and more thought and study is given to making the city a comfortable place in which to carry on business and an attractive place in which to live. This does not mean that new industries are not sought nor the extension of trade territory considered. On the contrary, it is doing the very thing that will help promote trade expansion and bring in the most desirable class of home-builders, by making the best possible city in which to live. We find commercial organizations and publicity clubs giving more of their time and energy to the improvement of conditions of city life.

Many large and important reforms have already been accomplished in some cities. It is now time that attention was given to a host of smaller matters. There is a disposition sometimes to think these not worth while, that only some spectacular reform which causes much comment is worth going after. But a few dozen smaller reforms may combine to make a city distinctive, to place it in a class by itself, and this certainly is no small matter. After all, it is the small nuisances that annoy us the most, as they are the most easily abolished.

In actual everyday life we seem to understand the value of the comfortable city and the city beautiful. If we have visitors to entertain, we hustle them into a motor car and show them all the beauty-spots of our city and surroundings. We don't take them to the stock yards, important as that industry may be. We don't take them through a

noisy machine shop or factory to wonder how people can endure such a racket and still live, even if such factories mean much to the volume of the city's trade. We show our best features and attractions, albeit nature provided most of these and man has only helped a very little in conserving such natural wealth.

Suppose you could show your visitors a city where the smoke nuisance was practically abolished, including the smoky auto-car which pollutes the air for everyone else on the country road or city street. Suppose you could point out the attraction of clean streets, kept clean in all seasons, as well as during a few summer months; streets that fuel dealers are not permitted to litter up with coal from delivery wagons, which belongs in some customer's coal-bin and not on the public highway. Also sidewalks free from coal dust where the village practice is no longer allowed of dumping coal in front of a place of business and mussing up a whole block. That you could tell your visitor that the anti-noise society is active and has abolished the shrill whistle of the pop-corn wagon, the yawp of the leather-lunged peddler and newsboy at 7 o'clock on Sunday mornings; and had reduced to a minimum the noise of city street cars and railroad engines within the city limits.

This is only a small list that could be extended to include many other nuisances. They may be styled petty annoyances, but in the aggregate they combine to place a heavy tax on the health and efficiency of city folks. The city that can eliminate many of them will have an asset of tremendous pulling power. It will surely have the lead over other cities in the rivalry of the future, which is destined to be along such lines.

Minnesota's Opportunity.

The United States census returns for 1910 give the total number of farms in Minnesota as 155,759 against 154,649 in 1900—a gain of less than one per cent. The total farm acreage increased from 26,258,000 to 27,623,000 acres and the improved acreage from 18,443,000 to 19,609,000.

If we analyze the figures, we find that the small farm of 20 acres and less and also the large farm of from 175 to 500 acres, both show a larger percent-

age of increase than the medium-sized farms. The percentage in these two classes is 15 and 16 per cent. respectively. The farms of from 20 to 100 acres and also those of the 1,000-acre class both show a decrease during the past ten years.

According to the state auditor, the sale of state lands during the past ten years totals over 750,000 acres, and besides this, many thousands of acres of cut-over lands have been sold by the lumber companies, whose holdings have been, and still are, extensive.

The Minnesota state law permits the sale of only 320 acres of state lands to any one person. If everyone had bought his full quota there would have been at least 2,350 buyers during the past decade. As these lands sell for from \$7 to \$10 an acre, no doubt there were nearer 3,500 purchasers during that period. When to these we add the large number that have bought cut-over lands from lumber companies and the business of all the farm land companies selling lands in Minnesota, we cannot help wondering what has become of the increased number of farmers that these sales would lead us to expect. The extremely favorable terms on which state lands are sold,—15 per cent. down and the balance in 40 years,—explains how many buy for the future and may not yet be classified as farmers. Many have, no doubt, bought to hold for an advance in price. The value of farm lands in this state has about doubled in ten years, reaching a total in 1910 of over one billion dollars.

One thing stands out clearly and that is the urgent necessity of increasing the number of farms and farmers in Minnesota. The record of the past ten years is not at all satisfactory. It is time that business organizations, in both the cities and the smaller towns, focused their activities on this one thing,—to boost the farming business in this state. The average farm ten years from now should be 80 acres instead of 177; and there should be half a million more farmers than now. It will not do to wait for the state to work this out. Business men must get this movement started and keep it up until the state is forced to organize an agricultural department with adequate means to carry on the work of bringing settlers to the farms of Minnesota. Here is the greatest opportunity for state development and business expansion.

THE BULL'S EYE. BY THE SHARPSHOOTER.

Human interest is not only good for the soul of man; it may be made to fill the pocket of the interesting man. The tradesman who takes an interest in his customers is the one most likely to hold his trade. The only tradespeople who can profitably ignore the human side of their customers are the hired men of monopolistic corporations. Our farm village has had but one farm railway for many years. The farm folks tell us that thus far this road has been run on the "you-go-to-Jericho" principle, and yet the road has flourished; for when the farmers have wanted to go to Jerusalem by rail they have had to go via Jericho or stay at home. But it is a long worm that has no turning. The farm worm is now getting its turn. A new air line to Jerusalem is beginning to haul freight, and the farmer folks are going to have an exclusive farmers' warehouse on the air line. They don't know that the new line will not be merged into the old one, but they know that for a

while they will have a new agent to swear at them. This will be a little relief.

* * *

Yesterday we went to the State fair by rail. At the city station the ticket agent let us stand while our train pulled out ahead of schedule time. The next train would go in an hour and a half. After half an hour, when requested for further information, he told us that by going a few blocks we could get a special train every few minutes. The train that carried us fifty miles to the fair and that could have stopped close by the fair grounds, hauled us down a mile into the town, compelling us to lose a half-hour and pay an extra car fare. We estimated that if the city agent had taken an interest in his customers he could have saved us a whole hour; and if his road had taken an interest in its passengers it would have saved us ten cents each and another good hour. Ten cents on a state fair grounds will buy a long glass of pink lemonade and a bag of popcorn; and in two hours you can see more fat hogs and large pumpkins than you can eat in a lifetime. Balancing our books that night we figured that

(Continued on Page 19)

MONEY AND BUSINESS REVIEW.

Commercial West Office, Minneapolis, Sept. 28.—The feature of the local money situation at this season is of course the borrowing by grain men, and, incidentally, the shipment of currency to points throughout the Northwest. It was not until about ten days ago that there was a really active demand for money from the grain trade, and, in fact, some grain men are not yet in the market, possibly because of light crops in the territory in which they are interested. Rates on money are holding steady—have strengthened, in fact—although money is easy in the East. The rate on grain paper is 5 per cent. and commission, though money can be had at $4\frac{1}{2}$ @ $4\frac{3}{4}$ in the East, and grain paper is wanted in eastern markets. There is no unsecured demand paper being made by the grain houses, but some terminals, both demand and time, are being offered. The rate is 4 per cent. and commission on each. Commercial paper brokers report a very fair inquiry for paper, particularly from Wisconsin and the Red River Valley in North Dakota. While the movement of grain has been delayed all fall by wet weather, the grain is now coming along freely, particularly wheat and barley, and prices are very favorable from the producer's point of view—which means relatively a large amount of money to move the crop. A feature of the crop movement is the good supply of cars available; and, too, the railroads are not burdened with other

traffic, so that there is no danger of a congestion of grain, as has often occurred. This feature results in a quick turn-over of grain money and is a material help to general business.

While in business circles there is a much more cheerful feeling than existed a few weeks ago, trade is quiet, and the volume is doubtless below what is regarded as normal at this season. There seems to be rather a general feeling among heads of business enterprises that 1912 will be like most Presidential-campaign years—dull. But if the pessimism daily emanating from Wall Street were accepted as a true indication of what may be expected, one could feel moderately certain that the bottom is going to drop out of everything in the near future and that the U. S. would not bring 30 cents on the dollar at a forced sale. It should be understood, however, that an unscrupulous bear campaign is on in the stock market, and that all the news and rumors are just the reverse of what they are when a bull campaign is on and the public is being excited into buying securities at highly inflated prices. Such a situation as the latter suggests extreme caution and a trimming of business affairs to meet financial gales—just such as the country has been experiencing. Although the gale has been blowing rather steadily for months past, Wall Street is now daily running up huge storm signals—which is an indication that better weather is not far away.

Not on a "Trust-Busting" Campaign.

New York, Sept. 25.—Attorney General Wickersham tonight, in response to many inquiries regarding the possible prosecution of the United States Steel corporation, made the following statement:

"It has been the consistent policy of the department not to state in advance of actual proceedings that action against any particular party was in contemplation. There are many reasons why this is the proper position to maintain. In the first place, until investigation is complete, it is not known whether or not a case of violation of law exists; and, in the second place, the character of the proceedings cannot be determined until then, and, if the facts shall require criminal proceedings to be resorted to, ordinary prudence would demand that publicity be not given to that fact until indictments are found.

"The purpose and duty of the Department of Justice with respect to the enforcement of the Sherman law against large combinations which are formed or exist in undue restraint of interstate commerce, or which are attempting monopoly, has been declared a number of times by the president and the attorney general. The carrying out of the purpose requires a careful investigation of every one of the combinations whose size, composition and control of the particular business in which they are engaged would give rise to a presumption that it was existing in contravention of the anti-trust law.

"A conclusion on the part of the department to bring suit against a particular combination would not, of course, prevent it from disputing the government's contention and defending the suit. Or if, in anticipation of action by the government, those in control of such a combination should work out a plan of separation to avoid illegal conditions, the department would necessarily give very careful consideration to the plan so as to avoid hostile action if possible. Personally, I should much prefer that business interests should themselves so readjust their organizations as to remove all possible criticism concerning their legality than that the department of justice should have to conduct legal proceedings to compel such readjustment.

"It cannot be too positively stated that the department is not inaugurating a campaign against the business interests of the country or an indiscriminate attack on all large prosperous concerns. On the contrary, the care and caution with which the law offices of the government are proceeding to the examination of each case should be a guarantee to the country that the department is

proposing to enforce the law with care not to unnecessarily injure any interests."

THE BULL'S EYE.

(Continued from Page 18)

we had been buncoed out of a big chunk of expensive enjoyment because the carrying company and its agents didn't care for the souls of men so long as it had its fingers on their pocket books.

Once on a time we made a long railway trip through Texas, a country that might be said to be quite naked of human interest. But the trip is pleasant to remember because the conductors on the train conducted a continuous sociable all the way through the state. When unemployed between stations these officials would sit down by you and talk of the interesting things of this uninteresting country, or on any subject you liked. We felt as though we would be resigned to live in Texas if the Texas people were as courteous as these conductors. Some years ago a friend of ours who is a spontaneous jollier took a trip from St. Paul to St. Louis by steamboat. To while the hours away, or to keep from exploding, he stirred things up with his fun, till seeing that the passengers looked to him to do it, he assumed the role of personal conductor, and kept the boat in a merry mood all the way. When they landed at St. Louis, an elderly gentleman approached him and asked if it would not be possible for him to go back on the next boat, offering to pay his fare if he would go. "I haven't laughed so much in 30 years as I did on this trip," he said.

* * *

This suggests a thing. Why wouldn't such a functionary be a profitable one on every passenger-carrying line? Life is more than tips and fares. Continuous entertainment for passengers doesn't cost much. But it would pull the traffic.

ESCAPE INHERITANCE TAX.

Kansas City, Mo., Sept. 25.—An inheritance tax of \$45,000 will be collected from the estate of Sarah M. Sheidley, whose property in this city was appraised today at \$900,000. A few months before her death Miss Sheidley divided property valued at \$3,000,000 among her relatives. By doing this she probably saved the estate an inheritance tax of \$150,000.

VOTE TO RECALL MAYOR OF WICHITA.

Wichita, Kan., Sept. 25.—Early returns indicate that Mayor J. H. Graham and Commissioners E. H. Leach and R. B. Campbell have been recalled by a large majority in today's election.



FORT DEARBORN NATIONAL BANK

CHICAGO, ILLINOIS
UNITED STATES DEPOSITARY.

Capital \$ 2,000,000
Surplus and Profits 500,000
Deposits 24,000,000

Comparative Showing of Deposits
Feb. 14, 1908 \$ 9,887,954.84
Feb. 5, 1909 11,617,691.24
Mar. 29, 1910 15,041,357.21
Jan. 7, 1911 16,736,997.29
Mar. 7, 1911 21,574,956.79
June 7, 1911 23,137,746.88
Sept. 1, 1911 24,500,075.82

WM. A. TILDEN, President
NELSON N. LAMPERT, J. FLETCHER FARRELL,
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HENRY R. KENT, Cashier
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Ass't Cashier Ass't Cashier
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We particularly desire the accounts of Banks.
Our officer in charge is personally acquainted with
conditions in your section. We know your wants
and wish to serve you.

CHICAGO MONEY RATES ARE STEADY.

Chicago, Sept. 26.—Money has not been in demand in sufficient volume this week to maintain rates. Some of the smaller banks have carried their discounts to a higher level, while those who have been carrying large balances offered idle funds at 5 per cent. Commercial paper sold at 4½@5 for the best names, with the rate averaging 4¾, and 5 per cent. was difficult to obtain when a large volume of paper was salable. Counter rates were held at 5@5½ per cent., but the strong position that Chicago banks are in prevented anything like a demand for short-term funds to create a panic. With Chicago national banks able to supply the needs of the most insistent client, and the inquiry running as high as \$10,000,000 to handlers of grain, there was no danger of a tight position.

* * *

Upon his return to Chicago, George M. Reynolds, president of the Continental & Commercial National bank, said of the financial situation: "With the decline in stocks, the technical position has been greatly improved. Speculators have been selling short, while weak investors have been disposing of their holdings. There has been no change in the value of securities except that people have been going mad. The present ease of money has prevented a panic because funds are so plentiful that good collateral is in demand at low rates. The attitude of the attorney-general has scared the public, but without reason. Sentiments expressed a few years ago against corporations existing in restraint of trade have been fulfilled. What were clothed a few years ago in the expression of "new thought" are not now being ridiculed as they were at that time. Those who have been infringing upon the laws now realize that the Government is a power in legality and must be obeyed."

* * *

The 426 national banks in the state of Illinois, outside of Chicago, are shown to be in a highly prosperous condition, in a summary compiled by the comptroller of the currency, based upon their reports in response to the last bank call. These banks on September 1 showed a percentage of 16.54 of legal reserve to deposits and of 26.27 to deposits of cash on hand, redemption fund and due from reserve agents, as compared with 16.78 per cent. and 24.96 per cent., respectively, on September 1, 1910.

On September 1, last, the banks had the following resources:

Loans and discounts	\$160,298,646
Overdrafts	1,669,636
United States bonds to secure circulation	25,265,450
United States bonds to secure United States deposits	2,824,500
Bonds, securities, etc.	28,897,857
Banking houses, furniture and fixtures	6,606,484
Due from national banks not reserve agents	5,101,253
Due from state banks and bankers	2,656,940
Due from approved reserve agents	36,398,573
Bills of other national banks	1,510,487
Lawful money reserve in banks	14,443,071

Of the lawful money in reserve \$11,195,509 was in specie and \$3,253,562 in legal tender notes, the specie including \$4,414,611 in gold coin and \$3,328,960 in gold treasury notes.

The liabilities of the 426 national banks on September 1, 1911, were:

Capital stock	\$30,885,000
Surplus fund	16,380,772
Undivided profits	6,460,001
Outstanding national bank notes	25,129,487
Due to other national banks	2,904,175
Due to state banks and bankers	10,398,828
Due to trust companies and savings banks	1,598,301
Individual deposits	197,253,464
United States deposits	3,183,968

On September 1, 1910, the 421 national banks then in Illinois, outside of Chicago, had loans and discounts amounting to \$156,406,168, and held in specie \$10,647,964 and in legal tender notes \$3,362,325. Their individual deposits amounted to \$182,418,474, and their surplus fund was \$15,720,133.

* * *

The head of one of the big national banks says: "Money is easy with us. Within a short time we shall have about \$14,000,000 of loans paid off and we could lend more money if there were any demand for it." With such a money situation margins are readily put up with commission houses by speculative investors, and thus far comparatively no one has been hurt. The loss in market values compares not unfavorably in matter of shrinkage with one or two other periods in the past when there was much distress. Western banks, however, move along with an interest, but not an acute one, in the New York market situation."

* * *

A Milwaukee banker in Chicago today said that conservative bankers in agricultural districts in the West are taking precautions against the effects of political agitation upon the business outlook. A typical case of conservatism has recently been reported from one of the most prosperous sections of rural Wisconsin in which the influence of political insurgency is regarded as highly detrimental to business. This particular banker says of conditions there: "There appears to be a decline in profits all around. The harvest has turned out far below the usual average, and thus will lessen the depositing power of the rural community. We have carefully scanned the financial future in our neighborhood, and we shall make no more loans for the present, except for the legitimate needs of our local customers, and shall expand in no further line anywhere until we are over the next few years of political excesses."

* * *

John T. Arnold, manager of the foreign exchange department of the First National bank of Chicago, makes the following statement in regard to present conditions in the foreign exchange market: "Foreign exchanges have all risen quite sharply during the week, due to several causes. In the first place, money rates in all of the principal countries have advanced while interest rates in America have remained practically stationary, the slight hardening here being merely a reflection of higher rates abroad. The advance in the rates of the Bank of England from 3 to 4 per cent., the Bank of Germany from 4 to 5 per cent., the Bank of France from 3 to 3½ per cent. and the Belgium rate from 4½ to 5½ per cent., however, does not appear to have been due to a lack of reserve requirements but rather to a desire on the part of each institution to fortify itself against undefined possibilities due largely to the unsettled relations of the powers with regard to the Moroccan question, as also the labor disturbances in various parts of Europe. This same condition has caused the selling of American securities held by foreign investors, which, of course, has created an unusual demand for foreign remittances. In addition to this the cotton export movement has been retarded to some extent on account of the comparatively low price, exporters holding same for higher figures. The movement of exchange in the near future is dependent almost en-

Northwestern National Life Insurance Co.

LEONARD K. THOMPSON, President

MINNEAPOLIS, MINNESOTA

Record for 1910

Total Income	\$1,536,311.82
Income over Disbursements	158,215.51
Paid to Policyholders	988,826.12
Increase in Surplus	41,425.05



January 1, 1911

Admitted Assets	\$ 6,085,426.91
Total Paid Policyholders	9,231,597.18
Insurance in Force	26,841,937.00
Surplus	294,718.60

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tirely upon the question of the settlement of the disturbances above referred to. Should a satisfactory adjustment be arrived at the probabilities are that interest rates abroad and foreign exchange rates here would react. Unless war should result, an export movement of gold need not be looked for."

L. B. Clarke, vice president of the Hibernian bank, said that rates of discount were hardening. "We loaned up to our capacity and making new loans only to regular customers," he said. "I can look for no new improvement in business, which continues to lag. A few merchants report betterment in sales over last year, but the majority say there is little opportunity for improvement. Commercial paper was offered this morning at 5@5¼ per cent., but gilt-edged names were available at 4¼@5 per cent."

The Greenbaum Sons Bank & Trust Co. has declared its first quarterly dividend of 2½ per cent., payable on October 1, thus placing the stock on a 10 per cent. yearly dividend basis. The bank was organized last spring under a state charter and took over the business of Greenebaum & Sons. Its capital is \$1,500,000 and the bank's first official report made to the state auditor September 2, last, showed total deposits of \$2,413,615.

Recent additions to the directorate of the Kaspar State bank have strengthened the board of that institution and it is expected the business of the bank will be materially benefited by the affiliation of the new interests. V. F. Mashek, vice president of the Pilsen Lumber Co.; H. E. Otte, vice president of the National City bank; C. J. Vopicka, president of the Atlas Brewing Co., and George C. Wilce, vice president of the T. Wilce Co., are the directors who have been elected to the board since the capital of the bank was increased to \$500,000 in July. The bank is now earning more than 30 per cent. on the capitalization and is one of the most prosperous of the outlying banks in Chicago. Bids of 215 have been made for the stock, which is nominally quoted at 225, although there is none in the market.

BRITISH STOCKS STRONGER.

(Special Cable to The New York Times)
London, Sept. 24.—Lombard Street became reconciled to the change in the bank rate as the Moroccan situation assumed a more favorable aspect.

The money market was quite tranquil. There was a little more business in bills, but the rates showed a somewhat easier tendency. Money continued plentiful.

The news of the defeat of reciprocity gave strength to British securities.

Americans were dull last week, with Steel stock under heavy pressure at the end, the rest of the American market being depressed in sympathy.

BETTER OUTLOOK IN PARIS.

(Special Cable to The New York Times.)
Paris, Sept. 24.—The favorable turn to the Moroccan negotiations, and assurances given relative to the facili-

ties which will be afforded for the purposes of the approaching market settlement, together with reasonable contango rates, caused the Bourse to close firmer than it had been for several weeks.

Generally, all securities showed a tendency to improve. Rios gained several points as did other Americans.

Money is expected to be comparatively easy at the next settlement, and although business is rather slow up to the present, the hope is entertained that there will be a larger amount of transactions within the next few days.

BANK CLEARINGS.

New York, Sept. 23.—Bradstreet's bank clearings report for the week ended Sept. 21 shows an aggregate of \$2,953,397,000, as against \$2,868,835,000 last week and \$2,792,609,000 in the corresponding week last year. The following is a partial list of the cities:

		Pct. Inc.	Pct. Dec.
New York	\$1,695,545,000	9.3	...
Chicago	269,252,000	...	10.6
Boston	152,689,000	5.9	...
Philadelphia	187,109,000	...	0.8
St. Louis	76,962,000	14.6	...
Kansas City	50,222,000	...	5.0
Pittsburg	45,893,000	...	7.2
San Francisco	53,402,000	8.3	...
Baltimore	35,902,000	14.1	...
Twin Cities	33,314,000	...	...
Cincinnati	25,414,000	9.9	...
Minneapolis	22,853,000	...	7.4
Cleveland	19,597,000	5.3	...
New Orleans	18,419,000	22.4	...
Detroit	19,644,000	13.2	...
Omaha	15,534,000	...	3.9
Los Angeles	20,230,000	21.7	...
Milwaukee	13,941,000	11.3	...
Seattle	11,749,000	6.0	...
St. Paul	10,461,000	...	3.2
Portland, Ore.	11,705,000	5.0	...
Denver	9,710,000	...	13.8
St. Joseph	6,057,000	...	3.1
Salt Lake City	7,103,000	20.4	...
Tacoma	4,803,000	...	22.1
Spokane	4,514,000	...	12.8
Des Moines	3,856,000	8.6	...
Duluth	4,802,000	0.7	...
Sioux City	2,385,000	...	14.4
Lincoln	1,635,000	5.1	...
Cedar Rapids	1,122,000	...	1.9
Sioux Falls	744,000	33.8	...
Helena	1,100,000	11.8	...
Fargo	471,000	20.1	...
Canada.			
Montreal	\$42,632,000	...	4.2
Toronto	34,640,000	15.2	...
Winnipeg	21,624,000	11.6	...
Vancouver	10,875,000	6.7	...
Ottawa	4,484,000	8.1	...
Calgary	3,964,000	37.3	...
Victoria	2,522,000	15.5	...
Edmonton	2,651,000	75.7	...
London	1,279,000	9.0	...
Regina	1,348,000	49.2	...
Total	\$133,916,000	7.7	...

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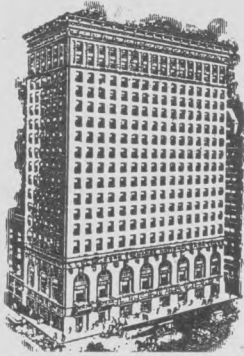
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Established 1878
Capital and Surplus \$700,000

Security Bank Building,
MINNEAPOLIS, MINN.



The Corn Exchange National Bank

OF CHICAGO

CAPITAL
\$3,000,000.00

SURPLUS
\$5,000,000.00

UNDIVIDED PROFITS
\$500,000.00

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FOREIGN EXCHANGE
LETTERS OF CREDIT
CABLE TRANSFERS

CHICAGO STOCKS REACH LOWER LEVEL.

Chicago, Sept. 25.—Chicago stocks reached a lower level last week under the influence of offerings of Sears-Roebuck, and Swifts. Their decline of 3@4 points in these issues was owing to the fact that tired holders longer objected to taking care of their investments. The Brick pool was compelled to unload at a lower level in the absence of speculative and investment inquiry, and Diamond Match was influenced by the conditions affecting the Farwell Trust Co., whose stock was offered at \$25, and the best bids were limited to \$15, although some brokerage houses were said to bid \$25 for the stock. The pressure against local issues was not affected by Wall Street, but came from the weak-kneed holders of the stocks, which at the present level of quotations look better than they did three weeks ago.

* * *

Although Street's Western Stable Car line's annual statement shows a falling off in income compared with preceding years, it is in a much stronger position under the present management as a result of the economies practiced.

At today's session of the stockholders President Reichmann said: "The income account presented, and certified to by the auditors, showing net earnings \$163,599, carries adjustment of losses in the book value of cars \$30,095, due to scrapping of 20-ton trucks replaced with new 30-ton trucks. The income account since December 31, 1909, has also been burdened with \$52,037 for reserve for accrued renewals and repairs, as shown on the balance sheet, and applying to bad order cars in shops and railroad repair bills outstanding at the close of the year. Similar items were not included in the accounts for December 31, 1909, or prior to that date, for the reason that in keeping with the general railroad practice it was not customary to deal with these items until the repairs were actually made.

"After deducting fixed charges, \$91,350, it leaves a net income of \$72,249, carried to surplus, and this amount, of course, had to be used by the company to retire its bond maturities, and was not, therefore, available for dividend disbursement. Since June 1, 1909, the company has increased its equipment of 30-ton cars by over 1,000, of which number 550 are completely new modern cars. The total amount expended since that date for replacements, betterments and maintenance is \$982,880.

"During the period from January 1, 1902, to June 1, 1909, the company acquired from released assets about \$60,000 per annum, which very largely liquidated the principal of its secured indebtedness. The indenture of June 1, 1909, also permits the company to apply the proceeds of liquidated assets to the redemption of its bonds, but the company is not in position to avail itself of this provision until the balance of \$23,000 of bonds, remaining in the hands of the trustee, have all been cancelled. The maximum indebtedness to the bank was \$150,000, and while it shows \$80,000 on the balance sheet as of June 30, 1911, it has since been reduced to \$45,000. All obligations have been promptly met and full advantage taken of cash discounts in the purchase of materials. It is the intention to eventually write off the bond discount account to which the auditors refer. It was, of course,

unfortunate that the company was committed to these heavy expenditures that had to be made during a period when the railroads throughout the country had a large surplus of idle cars. It is confidently believed that the company will continue to fill an economic position in the services to the shippers and railroads of the country, and will find employment for its cars in general traffic. The company must maintain a strong and efficient organization and must practice every economy in the purchase of materials on a strictly cash basis. It must maintain an ample working capital, as well as maintain its equipment at a high standard of efficiency. The operations for the past year have fully demonstrated to your directors that the preferred dividends could under no circumstances have been continued."

* * *

The Harris Trust & Savings bank has completed a purchase of \$4,951,000 general mortgage 4½ per cent. thirty year gold bonds of the San Francisco Gas & Electric Co. This company owns and operates gas and electric properties covering the entire city of San Francisco and serving a rapidly increasing population now more than 416,000. The bonds are part of an issue of \$9,500,000, the mortgage securing which is now closed. They are in opinion of counsel first lien on the entire property of the company subject only to \$1,661,000 underlying bonds which are secured by a first lien on a comparatively small part of the property. The physical valuation of the property is \$24,000,000; the debt thus amounts to less than 40 per cent. of the appraised valuation. Gross earnings for the year 1910 were \$5,534,592, or more than 58 per cent. of the bonded debt; and the net earnings are more than two and one-half times the annual interest charges. Ninety-eight and one-half per cent. of the stock of the company is owned by the Pacific Gas & Electric Co. and, on the basis of the purchase of this stock there is an equity back of the bonds of more than \$14,000,000. The \$951,000 bonds optional for sinking fund purposes, they are being offered at 95 and interest. The remaining \$4,000,000 are not optional and are being offered at 94 and interest.

* * *

The bear drive made on Swift's stock yesterday, which sent the price of the shares down to 97¾, had its effect upon local securities generally, coming as it did after the market in the packing stock has been supported for weeks against frequent raids calculated to force quotations under par. The principal selling of the packing concern's shares was credited to New England, where the investment holdings of the stock are large, but the sales on the Boston exchange during the session were only 1,497 shares, while on the Chicago exchange the day's dealings aggregated 2,593 shares. One local firm, identified principally with the grain trade, was the chief seller of the stock here on the early decline, and in turn proved to have been the main purchaser when the price was lifted back to 99 at the close. Brokerage firms which usually trade in Swift's shares executed only a few orders. Around 18,000 shareholders are represented in the \$75,000,000 of Swift & Co.'s capital stock outstanding. Yesterday's crash in the stock market and the conditions which led up to it seems to have furnished opportunity for a well organized raid on

Continental and Commercial National Bank

Capital, Surplus and Profits OF CHICAGO \$30,000,000.00

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JAMES R. CHAPMAN, Vice President	WILBER HATTERY, Assistant Cashier	FRANK L. SHEPARD, Assistant Cashier	
WILLIAM T. BRUCKNER, Vice President			

Continental and Commercial Trust & Savings Bank

Capital \$3,000,000 The capital stock of this bank and the capital stock of the Hibernian Banking Association (\$1,500,000.00) is owned by the stockholders of the Continental and Commercial National Bank of Chicago. Surplus \$500,000

the packing stock, but the character of the day's trading does not indicate that many investment holders of the shares were thrown into a panic.

Earnings of Diamond Match Co. for the first six months of the current year showed an increase of 13 per cent. over the same period in 1910. Last year the company showed a balance of \$1,850,482, or 11.6 per cent., available for dividends on the \$16,000,000 capital stock. The present dividend rate is 6 per cent., but next year the rate will be increased to 7 per cent., or an extra dividend of 1 per cent. paid. For several years the Diamond Match Co. paid 10 per cent. yearly on its stock, but the rate was reduced about three years ago and a more conservative policy adopted. Earnings for the past six years have averaged 12 per cent. on the stock. It is probable that the dividend disbursement will be gradually increased, beginning with the 1 per cent. additional to be paid next year.

Deposits of the bonds of the United Box Board and Paper Co., asked for by the bondholders reorganization committee under an agreement dated August 21, are understood now to be sufficient to justify the committee in going ahead with its plan. The deposit of 60 per cent. of the bonds was asked for to make the agreement effective. It is expected that a meeting of the bondholders' committee will be held shortly and the plans for readjusting the company's mortgages soon will be announced. The committee has held no formal meetings since it was appointed, but each one of its five members has been supplied with all of the data necessary to work out a plan along certain lines. It is said that the members understand each other in these matters and that no time will be lost when they get together for action.

Sears-Roebuck common stock was heavily liquidated this week on the local exchange. Slightly more than 12,000 shares were interchanged in that time and prices fell from 127 to 123 3/4 under the pressure of selling. President Julius Rosenwald, in an interview yesterday, said that the company's officials are not paying any attention to the stock market, that it is their business to buy, manufacture and sell merchandise, and there is no time left for anything else. "I do not know anything about large interests having sold out and nobody will know what has been going on in that respect until the next dividend checks are sent out. Our transfer books are kept both in Chicago and New York and comparisons are available only at that time," said Mr. Rosenwald. "What difference does it make anyhow who owns the stock."

CANNOT REVOKE STANDARD'S CHARTER.

Bismarck, N. D., Sept. 25.—Under a decision of the Supreme Court of North Dakota, the secretary of state

United States Depository

Organized 1907

The National City Bank

OF CHICAGO

Surplus and Undivided Profits 500,000.00
Resources \$29,300,000.00

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Accounts of Banks and Bankers received on the most liberal terms consistent with safe and conservative banking.

Information for Depositors

DEPOSITS

Made on or before October 10th will draw interest from October 1st.

Interest will be ready to enter in pass books after October 10th.

Interest rate 3 1/2 % compounded quarterly

Assets over \$14,000,000

Number of Depositors over 60,000

Farmers & Mechanics Savings Bank

MINNEAPOLIS, MINN.

is without power to revoke the franchise of a corporation, the law that makes provision for such course of procedure being declared unconstitutional. The decision is made in the case of the Standard Oil Co. ex rel the State of North Dakota, vs. Alfred Blaisdell, former secretary of state. The action involved a hearing ordered by the secretary of state on the question of whether or not the Standard Oil Co.'s franchise should be withdrawn for alleged unfair discrimination.

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We own and offer a wide selection of bonds meeting the Government requirements and yielding ATTRACTIVE INTEREST RATES.

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Full information on request.
H. T. HOLTZ & CO.
Municipal and Corporation Bonds

Chicago

Central Trust Company of Illinois

125 W. MONROE STREET CHICAGO

Capital and Surplus, \$2,500,000

Deposits, \$20,000,000

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CHANDLER B. BEACH
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JULIUS KRUTTSCHNITT
V. Pres't Southern & Union Pacific R R's

CHARLES G. DAWES
Ex-Comptroller of Currency

Accounts of Banks and Bankers Received Upon Favorable Terms

THE UNITED STATES STEEL CORPORATION.

New York, Sept. 25.—Financial America, in its issue of today says: A careful investigation of the situation in authoritative circles enables Financial America to put before its subscribers facts and considerations of a nature to reassure investors in United States Steel preferred and afford encouragement to the holders of the common stock. It may be stated in the first place that the controlling interest in this great industrial company, which created it and developed it to its present magnitude, has sold no substantial amount of its holdings. The outside liquidation which has helped to bring prices to their present level was provoked only after a long and unscrupulous campaign by one of the biggest bear combinations ever formed in Wall Street.

Those who have been investigating the facts credit the late John W. Gates with being the original instigator of the campaign, and it is said that his visit to Paris was in connection with the operations of the bear syndicate. An ally of the first magnitude notwithstanding his advanced years and recent interruptions to good health, was found in a well-known speculative manipulator who has for some time been sojourning in Paris. The conspiracy was extended to Europe and active working centres were established in Berlin, Paris and London, thus, with the headquarters in New York, practically belting the world in a carefully planned combination, having for its object the demoralization of investment sentiment in United States Steel securities and a cutting down of their prices to a level that would yield profit on short sales begun two years or so ago and continued on every upward movement prior to this year's relapse. The personnel of this combination is said to have contained men whose prominence only lends additional discredit to the part they took in facilitating the conspiracy, and aid and comfort in insidious measure were furnished by older steel interests. Accident, by developing the ugly diplomatic and labor situation abroad, helped along the bear movement. The attitude of the Administration toward the big corporations in general and the resourcefulness of Attorney General Wickersham in using the machinery of the Department of Justice to unsettle business sentiment were potent factors in producing the state of affairs which culminated this week in the slaughter of Steel common and preferred prices.

Campaign Founded on Stanley Investigation.

But it was not upon these elements that the bear crowd originally planned its scheme of assault. It sought to accomplish its purpose through a Congress "fishing committee," and it took for its figurehead Augustus O. Stanley, of Kentucky, a politician of obscurity until he was taken up by the plotters and his agitation for a Steel Trust investigation, begun long before the extra session of Congress was called, recognized by his Democratic colleagues. Those who have hunted down the facts in the case assert that one of the tools used in the campaign, which was put into active operation after the Stanley committee finally was created, was a notorious individual whose name is universally associated with every scheme of bear stock jobbing worked in Wall Street for many years past, and who has never failed to be in offensive

evidence in the haunts of speculators when the Street was talking of some Keene exploit in the market. This man has been used, it is declared by men who have personally been cognizant of his doings, to threaten "exposure" in an effort to win over allies in the bears' warfare, and has not hesitated to stoop to attempted blackmail on the character and reputation of dead, as well as living, capitalists. In brief, the Stanley committee, since its activities began, has been surrounded with an atmosphere fouled by the worst methods of Wall Street gamblers, until some of the reputable members of that body have revolted at the position they found themselves placed in.

It has been considered a foregone conclusion, since the leadership of this investigating committee was decided upon in Congress, that a majority report would be turned in which would attempt to put the United States Steel Corporation in the worst possible light before the world. The barrenness of the testimony elicited at the start was obvious to everyone, but not until the effort was made to present the Corporation's acquisition of the Tennessee Coal & Iron Co. as a piece of monopolistic procedure, were the doings of the committee regarded with much public interest. After John W. Gates went before Chairman Stanley, and his colleagues with testimony intended to prejudice the United States Steel Corporation as much as possible, did the Congress investigators make much progress, but even now candid men regard the testimony in its net result as failing to prove more than a business transaction which did not establish monopoly in the steel trade and which the Administration then in power sanctioned.

Anxious to Meet Government Suit.

It may be stated on excellent authority that, far from seeking to evade a suit by Attorney General Wickersham or to have it averted, the United States Steel Corporation's managers desire it and have invited it. From the start they have felt satisfied that Mr. Stanley intended, regardless of evidence, to see that a report was made to Congress, at least by the majority members, blackening the corporation as much as possible. To forestall the effect of such a proceeding, the Steel managers have solicited the Administration to test in court, and as speedily as might be, the methods, the constitution and the sovereignty of their company. To secure Mr. Wickersham's approval of any plan of so-called segregation, or dissolution and reorganization, has been as far from their thoughts as any formal confession of guilt of criminal monopolistic or trade-restraining acts could be. It has been the cabinet officer whom many business men class in a category with Victor L. Berger, the solitary Socialist member of Congress, who has been holding back on the institution of this particular anti-trust litigation.

The managers of the United States Steel Corporation, in the circumstances, would welcome a suit in which they believe that they could prove that not one infraction of the Sherman law had been committed by the corporation; and even that the company itself, a purely holding one, is operating under a state charter with sovereign protection from even the jurisdiction of the Federal Anti-Trust Act. It will be recalled that in no single state has the Steel Corporation been convicted, as was the Standard

Oil Co., of violation of state laws or of the anti-trust or the Interstate Commerce law. The recent conviction of members of a defunct wire pool did not affect the corporation itself; it was a subsidiary, the American Steel & Wire Co., that was found to have participated in this alleged illegal scheme. The corporation itself is a holding company pure and simple and the management and action of its subsidiaries are independent matters. The corporation, it is claimed, not only has not been guilty of law-breaking, but, so far as the influence of its officers has been exerted upon price or trade policies, it has been in the direction, not of restraint of trade, but for its extension and for the encouragement of profits and the building up of the business of the independent steel companies.

Value Claimed for Steel Issues.

There is the best of authority for saying that the fright of investment holders in Steel preferred is wholly unwarranted. Its 7 per cent. dividend is considered as safe as the interest on any first-class bond on the Stock Exchange. The leading interests in the corporation are satisfied that there is no possibility of corporate change which would not preserve the entire property and value back of this stock and without any subdivision of the certificates of stockholders. From careful computations made on the basis of conservative accounting and auditing methods, the intrinsic value of Steel preferred is placed at \$125 a share. The intrinsic value of the common stock on a similar basis is placed at \$75 a share. These estimates allow for no speculative value nor for the consideration of good will, merger value and other elements which are always taken into consideration in an investment estimate of any going property.

NEW OFFICERS OF NEBRASKA BANKERS' ASSOCIATION.

Omaha—Nebraska Bankers' Association officers for 1911-12 are: President, Frank McGiverin, of the Commercial National, of Fremont; treasurer, J. C. French, cashier of the Stock Yards National of South Omaha; Henry W. Yates, of Omaha, chairman executive council; William B. Hughes, secretary, Omaha.

Members of the executive council are: Charles F. McGrew, Omaha; James R. Cain, Jr., Stella; Carson Hildreth, Franklin; Henry W. Yates, Omaha; P. L. Hall, Lincoln.

The two days' convention of the Nebraska association, at Omaha, was one of the best it ever held. The "big time" was over the resolutions endorsing the National Monetary Plan. After a short, sharp conflict, carried from the resolutions committee to the floor of the convention, the association adopted a resolution indorsing the so-called central bank plan by a vote of 94 to 26.

This resolution was offered and championed by E. R. Gurney, vice-president of the First National of Fremont, who has a national name as an entertaining speaker at bankers' conventions. The opposition was led by Henry W. Yates, of Omaha, who can always be depended upon as a strong objector.

Mr. Gurney was named as a member of the national legislative committee of the association, and Carson Hildreth, a member of the educational committee. E. J. Wightman, of York, was chosen vice-president for Nebraska of the American Bankers' Association, and C. E. Burnham, of Norfolk, member for Nebraska of the nominating committee of the national association.

WASHINGTON BANKERS' ASSOCIATION OFFICERS.

At the recent convention of the Washington Bankers' Association at Wenatchee, the following officers were elected:

President, Charles A. McLean, cashier of the Traders National, of Spokane; vice president, W. J. Patterson, cashier of Hayes & Hayes bank, of Aberdeen; secretary, P. C. Kauffman, vice-president of the Fidelity Trust Co. of Tacoma; treasurer, George R. Fisher, cashier of the First National, of Wenatchee.

The executive council is composed of E. T. Wilson of Tacoma; J. A. Swalwell, of Seattle; E. M. Stevens, of

Monroe; J. J. Rouse, of Pullman, and H. C. Lucas, of North Yakima.

Delegates to the national convention of the American Bankers' Association at New Orleans will be: E. W. Andrews, N. H. Latimer, J. Grier Long, D. W. Twohy, Victor A. Roeder, N. B. Coffman and W. C. Butler. Alternates will be: D. H. Moss, P. M. Winans, Charles A. Brewer, W. J. Kommers, L. L. Work, H. T. Jones and W. H. France.

As member of the executive council of the American Bankers' Association to succeed ex-Governor Miles C. Moore, of Walla Walla, the convention named S. M. Jackson, of Tacoma. Vice-president of the same organization for this state will be E. T. Coman, of Spokane, and member of the nominating committee of the national convention, N. H. Latimer, of Seattle.

RECORD IN OMAHA BANK DEPOSITS.

Omaha banks made a new record September 1, with deposits of \$59,363,000. This is a gain of \$4,610,000 over the deposits of the same date a year ago. Last year showed an immense falling off in deposits, none of the National banks except those in South Omaha showing a gain, the latter due to heavy shipments of stock. Country banks had at that time been making heavy drafts upon their Omaha depositories. The cash and exchange items show a total of \$24,637,000, about 41½ per cent. of the deposits.

Following is a detailed report of the deposits of the clearing house banks as called for:

	Sept. 1, '11.	Sept. 1, '10.
Omaha	\$12,592,000	\$10,821,000
First	12,052,000	10,641,000
United States	11,399,000	10,991,000
Merchants	6,896,000	6,167,000
City	2,388,000	1,960,000
Corn Exchange	1,308,000	1,191,000
Nebraska	2,015,000	1,189,000
Stock Yards	7,299,000	*8,534,000
Packers	2,090,000	2,289,000
Live Stock	1,320,000	935,000
Totals	\$59,363,000	\$54,753,000

*Since the statement a year ago the Union Stock Yards and South Omaha National banks of South Omaha have merged. The figures for 1910 are those for the two banks combined.

Public Utilities

Electric Light, Power, Gas and Street Railway Companies

have the most consistent record of earnings of any class of corporations.

We are Northwestern Representatives for the securities Departments of

Stone & Webster, Boston
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(GENERAL ELECTRIC CO.)

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three of the largest and most successful operators of such properties, controlling and managing numerous companies all over the United States.

Bonds and Preferred Stock netting 5% to 7%, in proven properties, quoted on application.

STEVENS, CHAPMAN & CO.

State Savings Bank Building, ST. PAUL
 Farmers and Mechanics' Savings Bank Building, MINNEAPOLIS

REVISING OUR MONETARY SYSTEM.

Address by Arthur Reynolds, President Des Moines (Iowa) National Bank, and Member National Monetary Commission, at Omaha Convention of Nebraska Bankers Association.

One of the most important and difficult problems to which the attention of the people of the United States has ever been directed for solution is the now known deficiency and generally admitted necessity for a thorough revision of our monetary system, including the ultimate elimination of a currency system based upon the price of bonds rather than the business requirements of the country, and the establishment of a proper and adequate system for the handling of the commercial credits of the country.

We have in this country a rush in business affairs unprecedented, and dissimilar to that enjoyed by any other people. We are indeed moving so fast that we are wont to accept things as they are, even to the financial upheavals which have at times so violently upset the business equilibrium of the country, regarding them a necessity which will probably arise from time to time and which should be borne with composure and decorum, rather than trouble ourselves with the research and study necessary to demonstrate that the foundation upon which the financial system in this country rests, while very carefully thought out by courageous and patriotic public servants, and while meeting the requirements of the times, is now inadequate and ineffective.

When the national banking act was adopted in 1863, it covered very well the conditions then existing; the provisions relative to capital and reserve in the central cities were doubtless sufficient for that time; so with many other features of the measure, yet since that time the business of the country has increased immeasurably, methods have changed, new contingencies have arisen, but no effort has been made to improve the act or keep it abreast of the wonderful changes that have occurred in that eventful period.

It is not surprising, therefore, that periods of stringency and panics have occurred with increasing frequency and acuteness, and it is for this reason that bankers and business men have been appealing to congress for years to take some action which will give the financial interests of the country the power to allay or avoid them.

Our lawmakers do not seem to realize that a more scientific and less stringent law will enable that other business law, the one of "supply and demand" to operate.

In a discussion of our present situation we must not forget that when demands are made upon our banks for loans, they can only be met so long as the reserve required to be carried in our vaults is intact.

The original theory of reserve was that it should be a fund to meet unusual contingencies. In this country, however, we are forbidden by law from using our reserves to meet such conditions, and by requiring each bank to hold its legal proportion, we have induced a scramble for reserve between banks, which is one of the greatest evils of our present system.

So long as conditions are favorable and money is easy, but little difficulty is encountered by banks in maintaining their reserve, but when conditions become troubled and the financial sky darkened, every bank is seeking to place itself in a favorable position by keeping up or increasing its reserve, and the scramble for legal money then becomes most acute.

Instead of having our reserve marshalled in one large institution and being prepared through a united effort, to exert our credit through this great reservoir and thus demonstrate the strength of our financial position, under our present system at each upheaval we are forced to admit our lack of confidence in each other. We begin to reduce our loans and our reserves are scattered when they should be massed for the protection of all. We become disintegrated and disorganized. We fail absolutely to command public confidence and in fact, by our acts, encourage the very thing we desire to avoid. We present a most pitiable condition and panic reigns supreme.

Our present banking system does not provide that necessary flexibility in our currency, which can only come

through a free use of our credits. We have no proper method for contracting or expanding our money or credits. Under present conditions our ability to extend credit to our customers depends entirely upon our reserves and our ability to rediscount our paper with our correspondents.

What we need then, is a bank of discount where we can sell our paper and extend credit. To extend credit is far more important than the amount of money we have. In fact, credit is today one of the principal mediums of exchange. We all know how amazingly fast its use by means of checks has increased in our ordinary business transactions. In the aggregate business of the country very little actual money is used.

It is when we cease to extend credit that money is hoarded and the danger signal appears, indicating over-expansion, and this can be regulated only by the discount rate through a central reserve association, raising and lowering the rate to regulate the flow of money and credit. It is a never failing barometer in such splendid use in foreign countries.

One of the saddest commentaries upon our present system was the example of the Bank of England releasing one hundred and twenty-five million dollars in gold to allay our panic of 1907, though the bank only had one hundred and sixty-five millions at that time and our supply in our banks was enormous—almost seven hundred million dollars—but so widely scattered as to place us in a helpless position. Can a more striking example of the necessity of a change in our monetary system be presented? Are the English, French and German people more capable of handling this important question, or have we not awakened to the necessities and the wonderful possibilities of creating a currency system adequate to the requirements of the greatest commercial nation of the world?

In a discussion of the plan proposed by the National Monetary Commission, and the modifications suggested by the members of the currency commission of the American Bankers Association, it should be continually borne in mind that the result sought is more largely a change in the methods of business, whereby the distribution of credit will be properly utilized, rather than effort at currency reform or any general change or reorganization of the national banking act as a whole.

Our present banking system contains many desirable features which it would be unwise to abandon, and the plan contemplates such changes only as will liberalize the banking act and make more effective its present recognized benefits, and would tend to the very desirable and somewhat necessary feature of unification of the banking business of the country as a whole.

The National Monetary Commission.

To accomplish what has appeared desirable not only to financiers, but to our leading statesmen, the congress of the United States authorized the monetary commission, the members of which have presented the proposed plan for the organization of "The National Reserve Association of the United States."

The act which created the monetary commission contemplated that it should continue until its report was made, but by recent enactment this was changed so that a report will be presented at the next session of congress.

The state bankers associations of twenty states have already passed resolutions endorsing the scheme for a central reserve association as presented by the commission; at the same time the currency commission of the American Bankers Association has appeared before the commission and approved the general plan as submitted in a report to the executive council at Nashville. Hearings will be held next month by the commission as announced by its chairman, and it would seem that we are about to get the attention of congress and the administration directed toward this long neglected subject.

(Continued on Page 63)



Special Banking Services

¶ This bank makes a specialty of handling inactive reserve accounts for banks and bankers, and of supplying carefully selected bonds for investment or circulation purposes.

¶ During the past twenty-nine years its officers and directors selected and purchased, after careful investigations, over **one thousand million dollars** of bonds, which have been sold to a constantly growing list of conservative clients.

¶ In buying bonds of this institution the investor secures the benefit of the extensive experience and trained judgment gained through the selection of this large amount of safe investments.

¶ The special character of our business permits of liberal interest terms on inactive or reserve accounts of banks, bankers, corporations, firms and individuals.

Harris Trust and Savings Bank

ORGANIZED AS N. W. HARRIS & CO. 1882. INCORPORATED 1907.

Harris Trust Building,
CHICAGO



INTERIOR OF NEW HARRIS TRUST AND SAVINGS BANK, CHICAGO.

BONDS TO SECURE POSTAL DEPOSITS.

By H. D. Thrall of the Minnesota Loan and Trust Co.

The trustees of the postal savings board have evidently become encouraged with the patronage received from the Northwest, for an examination of the list of cities qualifying as depositories shows that in the last fortnight, out of a total of about 800 cities designated, over 75 have been located in Minnesota.

This increase in depositories has aroused the interest of many Northwestern bankers in the subject and many of them are seeking information on the rules governing qualification as a depository, and the financial benefits to be derived from it. So far the information on this subject reaching bankers has been comparatively limited. This is undoubtedly due to the fact that the organization necessary to carry out postal savings bank plans has absorbed much of the board's attention up to the present time.

There are certain fundamental rules governing qualification as a depository, which may undoubtedly now be presented with profit to many bankers.

After your city or village has been named by the postal savings board, the banks located there may qualify and receive their proportionate amount of such deposits as the local postoffice may take in, by first sending to the comptroller of currency a copy of the bank's last report, duly certified. After this report is accepted by the board, the bank shall then forward to the comptroller of currency, in such amounts as the Government may request, the necessary securities, which must also be passed upon and accepted by the board.

The selection of securities may be made from any of the following three classes:

First—Government bonds, including Philippine Island, Porto Rican, and District of Columbia, may be deposited and postal savings deposits to the full par value of the bonds may be received.

Second—The bonds of any state in the Union, including the territory of Hawaii, will be received at 90 per cent. of their face value.

Third—The bonds of any city, town, county, or legally constituted municipality in the United States, that has been organized ten years and has not defaulted in payment of its interest for ten years and whose net funded

indebtedness does not exceed 10 per cent. will be received at 75 per cent. of their market value, such market value not to exceed par.

There has been much speculation on the part of bankers as to the profits accruing from the carrying of Government deposits. Let us take three concrete examples, one of each of the different types of bonds. The results given are not absolutely correct, as the exact figure can be arrived at in the case of a bond purchased at a premium, only by amortization. For all general purposes, however, the figures given in the following examples are sufficiently exact:

100,000 U. S. Panama 3s at 102.50 to yield 2.90 per cent. \$102,500
Postal savings funds secured..... 100,000

Net cost of bonds..... \$2,500
Interest on bond investment at 2.90 per cent. income.... \$2,972.50
Interest paid government, 2½ per cent..... 2,500.00

Net interest earned \$472.50
Or 19 per cent. on \$2,500 invested in the bonds.

100,000 Idaho 4½s at 103.18 to yield 4.10 per cent. due
May, 1931, optional May, 1921..... \$103,180.00
Postal savings funds secured..... 90,000.00

Interest on investment at 4.10 per cent..... \$4,230.38
Interest paid government, 2½ per cent..... 2,250.00

Net interest earned..... \$1,980.38
Or over 15 per cent. on \$13,180, the net investment to banker,
—to optional period and about 22 per cent. thereafter.

100,000 Minneapolis 4s at 100 to yield 4 per cent., due
1941 \$100,000
Postal savings funds secured..... 75,000

Net cost \$25,000
Interest on investment at 4 per cent..... \$4,000
Interest paid government, 2½ per cent..... 1,875

Net interest earned \$2,125
Or 8½ per cent. on \$25,000 invested in the bonds.

In analyzing these statements it must be borne in mind that the figures given are on the basis of having postal savings deposits to the full carrying capacity of the bonds on hand, and can only be applied where this is the case. It is not to be expected that the banker will receive deposits up to his full holdings for some time to come, and experience will unquestionably prove the preference for a bond that will yield a fair rate of interest to the banker during the period of accumulation of funds.

A list of such bonds may be obtained from firms dealing in municipals and as a rule the company from whom they are purchased will be glad to forward them to Washington for approval.

Sanitary Atomizer Finger Moistener



It Disinfects the Currency

Prevents Spread of Disease

Fill reservoir with liquid disinfectant and spray packages. It disinfects and moistens currency in one movement. No need to moisten fingers.

Works on same principle as spray pump and spreads thin film of spray over fingers or paper.

Fingers Never Touch Moistener No Dirty Hands
No Sponge or Dampening Cloth

Three Parts—Reservoir, Sprayer and Cylinder or Force Pump; Nickel Plated finish. Mounted on solid oak base.

Sanitary Moistener; Size of base 3 $\frac{3}{4}$ x6 inches, reservoir 2 $\frac{1}{4}$ x1 $\frac{3}{4}$ x3 in., cylinder 2 $\frac{1}{4}$ x $\frac{1}{4}$ in. Needs filling but once in three weeks. Each **\$2.00**

W. J. MINKIEWITZ, Patentee, HINGHAM, MONTANA

CONVENTION ON AGRICULTURAL EDUCATION.

Joseph Chapman, Jr., vice president of the Northwestern National bank, Minneapolis, and chairman of the Minnesota Bankers association committee on Agricultural Education and Development, has sent out a notice to members of similar committees in other states, calling a convention for October 18. The notice reads as follows:

"On account of the satisfactory results obtained by the committee of the Minnesota Bankers association on Agricultural Education and Development, the last convention of the Minnesota Bankers association, held at Bemidji in June, passed a resolution requesting the writer to call a conference of all the similar committees of the various associations, to be held in the Twin Cities some time in October.

"We have been very anxious to have Mr. James J. Hill, the chairman of the Great Northern road, at the meeting, and he has written that he can be with us any time after the 12th of October. It is very hard to get him, as he is away from here most of the time. We had thought that the most promising time for the conference would be the 18th of October. We think we can finish our meeting in one day, but it is very probable that two days will be required.

"The purpose of the meeting, briefly, is this: There has been a wonderful development in Minnesota in the last two years in education along agricultural lines. We now have some thirty agricultural high schools receiving state aid, beside independent high schools which are teaching agriculture without state aid. These schools have been so successful that we want our friends in other states to understand what they are doing, from first hand sources, and intend to have several of the principals of these schools address the meeting, telling exactly what their work is and what they have accomplished in the two years the schools have been in existence.

"Also, there will be time devoted to the question of

the consolidation of rural schools, how to make them stronger, and the best means of introducing agricultural and industrial education in these schools.

"While we feel that great headway has been made in Minnesota, we fully appreciate that other states are approaching this problem in different ways, and it is the intention of this conference to bring out the best methods by which our various bankers associations can be of service in this move for more intelligent and better farming, with the result that we can work along uniform lines.

"The defeat of reciprocity with Canada will force all business men to turn their thoughts to increased farm production in the United States, and believing that the bankers associations of the various states can help their own interests and those of their depositors and fellow citizens in no more practical way than by doing some definite work toward solving this problem, we have called this conference.

"The following states have committees, which are being invited to this meeting, namely: Illinois, Iowa, Wisconsin, North Dakota, Montana, Idaho, Washington, Oregon, Kansas, Nebraska, Michigan and Minnesota. The conference should be one of far-reaching influence and no association can afford not to be represented. Not only do we invite your committee to be present, but if you have any educator in your state who is noted for his progress and ideas along these lines, we shall be very glad if you will indicate it and we will place him on the program. Also, if possible, the secretaries of the twelve states should attend this meeting.

"It will be very necessary for us to know at the earliest possible moment whether or not your state will be represented, and as chairman of the Minnesota committee, delegated to call this conference, I earnestly ask that you, the secretary to whom this letter is addressed, see that this communication is placed in the hands of those for whom it is intended at the earliest possible moment, and that you communicate to the writer your intention to be present or not.

"A number of these states have already indicated in an informal way their purpose to be present. What we want is a full meeting, so that if possible we may perfect a permanent organization, in order that results may be accomplished with the least expenditure of time, energy and money."

COMMERCIAL PAPER AS AN INVESTMENT.

(By Edward D. Page, in the Rand-McNally Bankers' Magazine.)

It must not be presumed that what I am to discuss involves to any extent the local paper that bankers are in a measure obligated to take from their dealers, and about which they know more than outsiders. The question to be discussed concerns paper that the banks buy on the open market, not the paper of their own dealers. In the evolution of the promissory note from what it was in the early part of this century, a very different line has been followed from that prevailing today and that followed in the financial arrangements of Great Britain and other foreign countries. The foreign promissory note, which is called over there a bill, is an evolution from the bill of exchange, the foreign bill of exchange, based upon a credit extended in a single transaction, drawn by one firm upon another or upon bankers selected by the other firm and accepted by the drawee or his agent. Such paper represents, and it is, in fact, practically the only representation of the credit extended by the seller to the buyer in those countries. Credits in open account do not exist excepting for very short term, or from the retailer to the consumer.

There is no analogy in the great business that has been built up in this country on credit extended on open account with any of the foreign countries. That brings about a state of affairs abroad where when a paper has been accepted by the drawee and returned to his representative it can then be discounted, and is commonly discounted in England, at all events, through the agency of discount companies. The latter purchase this paper from the drawer, after it has been accepted, put their own names upon it, guarantee it and sell it to the banks. The banks do not investigate the credit. There is no need to investigate any other credit than the credit of the discount company, who is a broker, so to speak, who is possessed of large capital and whose indorsement upon any note makes it good. Of course, then, the discount company has to know the credit of the drawer of the paper and the drawer has to know about the credit of the drawee. Each piece of paper represents an individual transaction, thus carrying the merchandise from the time of its sale by the initial seller to the time of its sale by the purchaser.

How We Extend Credits in This Country.

In this country that system was the same prior to the Civil War. The Civil War destroyed that method of doing business. Today we are extending credits all the way from 60 days to six months. Those credits go on, a book is opened and an account due to us from our customer. That is the way the business is done. In the late seventies, approaching the resumption of the specie payment, it made dealings in commercial paper safer and the custom grew up of carrying those open accounts on the books through the medium of notes made to own order and indorsed. Thus was built up the enormous business which now prevails in promissory notes, made readily negotiable by being written to order and used as an investment by the banks. It is about that paper that I wish to talk to you.

Ordinarily if a paper is a single-name paper, viz., if the proof of the pudding is in the eating, it is good paper, it has been paid. As far as personal indorsement and further names are concerned, that was customary only in cases of corporations where the indorsement is more of a moral proposition. The consequence is that double-name paper is generally paper of a shady character, wherein the responsibility of the borrower is doubted. It has turned out that single-name paper is universally recog-

nized as being the best class of paper, better than double-name paper.

How Collateral Loans Are Regarded.

What does a note to order represent? It represents, of course, a surplus of assets over liabilities. Therefore, the first thing that we need to consider is, what is the nature of those assets, and how must they be graded? In the assets of any mercantile concern I figure that there are easily five grades of assets recognizable: First, cash in till or in the bank. This is or should be perfectly liquid. The second grade of assets are book accounts not yet due. While not perfectly liquid cash, those accounts liquify themselves automatically.

The next in order are advances on collateral, such as advances on merchandise, advances on deposits of stocks, bonds and that sort of thing. Now, those assets do not liquify themselves automatically. There is some effort involved in liquifying them. The next lower grade of assets is merchandise. Merchandise liquifies not only with effort but with considerable expense of sale, which has to be deducted from the proceeds. Lastly, we come to fixed assets, such as real estate, machinery, stocks, bonds, etc., notes taken for merchandise. I classify notes taken for merchandise as being a fixed asset, because they are generally one of the poorest assets. Fixed assets are slow of liquidation, with great effort and great expense. That brings us down to the rules.

Rules For Buying Commercial Paper.

Rule 1. In buying commercial paper prefer the businesses where there is normally a large proportion of easily or automatically liquidating assets, and a small proportion of assets that liquidate with effort or with expense.

I have made an analysis of several different kinds of commercial paper. First, commercial paper of accounting establishments, commercial paper of retailers, commercial paper of jobbers, and, finally, commercial paper of commission merchants. I made an analysis of the assets of 20 manufacturing concerns, of 73 jobbers, eight commission houses. Taking first the manufacturing concerns, I have taken, for instance, ten Southern cotton mills and ten Northern cotton mills. I find in the first two grades of assets, cash and debts receivable, the Southern mills show 9 per cent. of their assets; in the fourth grade, merchandise, 26 per cent.; the fifth grade, fixed assets, 65 per cent. The ten Northern mills show in the first two grades, cash and debts receivable, 28 per cent., against 9 per cent. of the Southern mills; in merchandise they show 32 per cent., as against 26 per cent. for the Southern mills; the fixed assets are only 40 per cent. of their totals, as against 65 per cent. for the Southern mills. Taking the 73 jobbers which I analyzed, I find 6 per cent. of cash and 43 per cent. of book accounts. Those two classes make 49 per cent. of their total assets, as against 28 and 9 per cent. respectively, of the manufacturing concerns. In merchandise I find 40 per cent. in the average jobber's statement, as against 32 and 26 per cent. of the manufacturing concern, and their fixed assets 11 per cent., as against 40 and 65 per cent. of the manufacturers'.

Brokerage House Paper and Its Treatment.

Coming to the commission house paper, there is a larger per cent. of cash than there is with the jobbers—10 per cent., as against 6. Of book accounts or debts receivable, 63 per cent., as against 43 per cent. With the commission houses it is 73 per cent. in the first two classes, as against 49 per cent. in the jobbers; 28 per cent. for

(Continued on Page 65)

GOVERNMENT BOND QUOTATIONS.

Furnished by Stevens, Chapman & Co., Minneapolis, for week ending September 27, 1911.

	Thursday	Friday	Saturday	Monday	Tuesday	Wednesday
2s of 1930, reg.....	100½ 100%	100½ 100%	100½ 100%	100½ 100%	100½ 100%	100½ 100%
2s of 1930, coupon.....	100½ 100%	100½ 100%	100½ 100%	100½ 100%	100½ 100%	100½ 100%
3s of 1908, reg.....	101½ 102½	101½ 102½	101½ 102½	101½ 102½	101½ 102½	101½ 102½
3s of 1908, coupon.....	101½ 102½	101½ 102½	101½ 102½	101½ 102½	101½ 102½	101½ 102½
4s of 1925, reg.....	113¾ 114¾	113¾ 114¾	113¾ 114¾	113¾ 114¾	113¾ 114¾	113¾ 114¾
4s of 1925, coupon.....	113¾ 114¾	113¾ 114¾	113¾ 114¾	113¾ 114¾	113¾ 114¾	113¾ 114¾
Panama 2s	100¼ 100%	100¼ 100%	100¼ 100%	100¼ 100%	100¼ 100%	100¼ 100%

SECURITY NATIONAL BANK

MINNEAPOLIS

Capital and Surplus
THREE MILLION DOLLARS

PROGRESSIVE BANKING

and

How to get IN and OUT

To be a progressive banker, first of all a thorough knowledge of the details of bank administration is necessary in order to carry on the affairs of the bank so that the expenditure of time and labor shall produce the best results. He may have been ever so successful, yet a time comes when for one or more numberless reasons he finds it desirable or necessary to retire or change locations. What is he going to do? Try to find a buyer himself? No, not if he is wise. He will call to his aid one whose business it is to handle this delicate matter. If he desired to have a main spring put in his watch he certainly would not take it to a blacksmith any more than he would take his horse to the barber to be shod.

The Charles E. Walters Company, Council Bluffs, Iowa, are specialists in the sale of banks, and offer the facilities of a thoroughly organized house, whose officers are trained and experienced bankers, who know the banking business from actual engagement in it, and can and do meet its contingencies. They have been continuously engaged in this line for eight years, and are recognized as the pioneers and only exclusive dealers in the confidential sale of banks in the United States. That their efforts have been successful and their service appreciated is substantially evidenced by the fact that they have been required from time to time to enlarge their offices and add to their clerical force.

Our "Bank Officers and Clerks Department" is organized to furnish men for any vacant position in banks, from runner to president. Let us fill the next opening in your bank.

Originators and only Exclusive Sellers of Banks

The CHARLES E. WALTERS COMPANY

(INCORPORATED)

Council Bluffs, Iowa

**SOUTHERN
and CENTRAL
MINNESOTA**

I Want the Best at Lowest Rate. Business
of Banks Invited.

HENRY ROTHSCHILD, Special Loan Agent,
Northwestern Mutual Life Ins. Co.
414 CAPITAL BANK BLDG., ST. PAUL, MINN.

FARM
*With on or
Before Privilege*
LOANS

LOOKING FORWARD IN LIFE INSURANCE.

From an Address by Warren M. Horner, Minneapolis, General Agent for Minnesota and Iowa, Provident Life & Trust Company, at Equitable Life of Iowa Convention, Chicago.

It is unquestionably true that there is lying dormant, or partly smoldering in the mind of the layman, a proper idea of the importance of life insurance and this state of receptivity to life insurance is in advance of the position of the insurance fraternity, taken as a whole. What I mean is that the prosecution of the business of life insurance is conspicuous by the absence of modern, scientific methods so necessary in all fields of endeavor and so prevalent in other important industries. The intelligent layman, both consciously and unconsciously, is prepared for a higher order of salesmanship than we, as insurance men, have in the past been prepared to give. I do not mean to convey the impression that in the near future a life insurance agent can draw his patronage entirely by the same methods employed by the legal fraternity, but I do assert that there is the same element of clientele in our business and that a high order of approach, backed by well gauged militant qualities will bring any agent a large element of such patronage. Any keen observer knows that with few exceptions every lawyer enjoying a lucrative practice is, in fact, constantly selling his brain power by a delicate process of salesmanship. That he can do this and retain a proper decorum is merely the result of superior sagacity. I dissent from the view that lawyers are poor business men. They are ahead of any other class of men because of the very things propounded. They have for centuries been doing that which all business men are now recognizing as a most valuable asset in their business. I refer to a well conducted plan of publicity to draw patronage.

The thought is not to shower the layman with bouquets and adversely criticize the life insurance agents because there is a preponderance of high-grade men in field work representing the better class of companies. In all too many cases the layman does not properly nor adequately co-operate with these agents and the companies they represent in purging the business of objectionable institutions and methods. Considering the importance of life insurance to all individuals, there is no valid reason why every agent exercising a proper decorum should not obtain a fair hearing. If an agent is not worthy of confidence he is not entitled to attention. If he is entitled to confidence, he is worthy of attention. The layman who follows this suggestion is the chief gainer in the long run in the selection of his life insurance—the most important thing in his personal and business life outside of his regular calling.

The Agent.

The only way that we can come into our own in this business is for the companies and agency managers, once and for all, to eliminate the cheap solicitor from life insurance. The pseudo agent is a great evil in the business and while not reckoned with statistically is an evil that must receive attention. By pseudo agent, I do not necessarily mean what is commonly termed a "part time" agent. I refer more especially to the agent who pretends to be engaged in the life insurance business as a calling, but who in so far as the exercise of daily, militant qualities are concerned, is in reality nothing but a loafer. There is grave necessity for companies to come together, and managers as well, in a spirit of compromise and get-together policy upon the question of ethics as applied to life insurance. I believe that the National association should, in fact it is imperative that it does, construct a platform along these lines and give wide publicity to its action in both the public and insurance press, as well

as through a campaign of well conducted publicity on the part of its members through advertisements, literature and personal touch with the layman. There is grave responsibility upon the shoulders of officers and agency managers of our standard legal reserve companies in the demand for them to come together on some common plane of understanding in the things mentioned and in the necessity for a unified idea on the question of control of life insurance and incorporation of new companies. Many evils confronting us now as the result of an undue number of new and irresponsible companies could have been avoided by a proper exercise of a get-together policy. In addition to these things, the employment and training of agents should be conducted upon a high plane of modern, scientific business procedure. If only intelligent, ethically fit men are allowed to canvass for life insurance and these men are well grounded in their capacity of trusteeship to their companies and the layman, and then thoroughly saturated with the vastness of the economic and beneficent importance of their work; and finally, if made to realize the absolute imperativeness of a method of strict accountability in their activities, there will be eliminated from this business the preposterous idea of people avoiding life insurance interviews, or of their shunning the business as a vocation. I have grown to be positive in my idea of an agent devoting his full time and energy to this business or not at all. That he should welcome the regulations of an organization which holds him to a strict accountability and systematic methods of work. * * *

Business or Corporation Life Insurance.

In an address of this nature, there should be some reference to the practice of business or corporation life insurance. The increasing sentiment in favor of this form of life insurance is due to the logical reasons which impel a business or enterprise to avail itself of this modern form of indemnity. It is perfectly sane and rational to assert that the leading men in control of any company, those who exercise the driving power and give a business its vital forces are the most valuable asset of the concern. Individuals create property and enhance its value. No one disputes the advisability of fire insurance for property. I submit, therefore, that life insurance on the individual payable to a company is more necessary than fire insurance for property. Fire may never occur, death must occur.

After a careful study of the subject of corporation or business life insurance, I believe the practice of this form of indemnity is founded on broad, rational business lines.

First: Because it is logical to place a definite property value upon a certain individual or collection of individuals in relation to an enterprise.

Second: Because the loss of their property value by death may occur at the most inopportune time in regard to financial conditions, or in relation to the possibility of securing a good substitute.

Third: Death may occur while some extension of operations is under way where the one carrying them out is almost wholly responsible for their successful termination.

Fourth: It is frequently considered advisable to acquire the interest of a deceased member of a corporation or enterprise.

Fifth: In many cases men, themselves, desire that

(Continued on Page 46)

EMINENT BANKERS IN HISTORY.

HUGH McCULLOCH.

Just how this country would have fared without the aid of Scotchmen and the Scotch banking system, it is hard to say. Certain it is that we are indebted to them for much of the best in modern banking practice. Our neighbor, Canada, is also a good example of what Scotch financiers can do for a new country. The Canadian banking system is the nearest approach to the Scotch system and many "canny" Scots are bankers in Canada. The present banking system of Scotland is composed of ten large, strong banks with over 1,200 branches, and there is no hamlet in Scotland but that has banking facilities. The Royal Bank of Scotland dates back to 1695, and in that country, modern scientific banking practice, including the exchange of bank credits and the extending of the bank check system, reached its earliest and highest development.

A Sturdy Scotchman.

Hugh McCulloch was a Scotch-American, born down in Maine, in 1809. There is no doubt of his Scotch ancestry. His name is sufficient proof, but the records show that he is a descendant of Hugh McCulloch, of Donoch, Sutherlandshire, Scotland; that his grandfather, Adam McCulloch, left Scotland in 1766, and, coming to America, settled in what is now Kennebunkport, Me. So the Scots can fairly claim the late McCulloch as their own. In 1883, some years before George Smith and Alexander Mitchell had started their bank on the shores of

Becomes Manager of Branch Bank.

Lake Michigan, Hugh McCulloch came to Fort Wayne, Indiana, and entered into the practice of law. In 1835 the State Bank of Indiana was looking for a manager for its Fort Wayne branch, and McCulloch was induced to take charge of this bank. The State Bank of Indiana was chartered in 1833 and was something along the lines of the First Bank of the United States. At one time it had thirteen branches. A peculiar feature of this early bank was that each branch had a capital of its own of \$165,000, so it was, in a sense, not a bank with branches, but a bank of branches, or an association of banks. As McCulloch made a success of banking from the start without special apprenticeship, credit was given to his native Scotch business shrewdness.

The country was supposed to be on a bi-metallic basis at that time; but, as a matter of fact, it was on a silver basis and the capital of this bank was paid in Mexican and Spanish silver dollars. The bank notes of the bank were always rated high throughout the Mississippi valley, having a wide circulation, and were always redeemed on demand.

Is President of New Bank.

This bank was liquidated in 1857, and to take its place the old stockholders of the Indiana bank, with McCulloch, organized the Bank of the State of Indiana. When this bank opened, McCulloch was president and manager, and the capital, which was originally \$2,000,000, was afterwards increased to \$3,000,000. Most of the branches of the old bank were also taken over, but McCulloch explained that the reason some were not, was that certain stockholders had peculiar notions of what constituted a bank.

"Privileged Borrowers" Ruin of Banks.

Their idea was that the officers and directors of a bank should be "privileged borrowers." This was entirely contradictory to the banking principles that McCulloch had followed and found successful, and he remarks, many years later in some of his writings, after a long life spent in the banking business, that most bank failures can be traced to violating the right principles of banking by the bank loaning to its stockholders and directors. In spite of the fact that the Bank of the State of Indiana was started in the panic year of 1857, it did a prosperous business and always paid its obligations on demand until it liquidated in 1865.

First Controller of Currency.

In 1863 Hugh McCulloch was asked to become the

first comptroller of currency and to organize banks under the new national bank law. He had been opposed to the enactment of the national banking law, but upon becoming comptroller, he proceeded to organize the national system to the best of his ability. The first bank to take out a charter under the new law and to receive the title of Number 1, was the First National bank, Philadelphia, which was capitalized at \$150,000. A few days later the First National bank of Chicago, with a capital of \$100,000, got Number 8.

Is Advanced to Secretary of the Treasury.

The comptroller showed so much ability in this work that in 1865 President Lincoln asked him to take the position of secretary of the treasury, succeeding Mr. Fessenden. It was while holding this position that Hugh McCulloch showed his splendid ability as a financier and his grasp of the first principles of banking and government finance. Before the close of his term of office the famous legal tender cases were decided by the Supreme Court of the United States. McCulloch vigorously opposed the finding of that court as handed down by Justice Strong. In this connection he says: "The legal tender act added nothing of value to the Greenback issue. Such act was not necessary to make them pass current. What was most essential, was that the government should receive them for all dues at par and then redeem them promptly on demand. Congress has made the same blunder in declaring Greenbacks legal tender as did the Continental Congress in the colonial period in its note issues. This Continental note depreciated to so nearly absolutely zero, about 700 to 1, that it gave rise to the expression 'Not worth a Continental.'"

McCulloch also pointed out very clearly that this Supreme Court decision seemed to clothe Congress with imperial power, and he remarks that a higher power than royal decree or act of Congress controls the value of circulating notes. This power is the law of finance and trade, and with the operation of this natural law, notes of governments, like those of individuals, must be redeemed on demand if they are to pass current at par. All legal tender acts from the beginning have ignored this natural economic law, and so have always failed to avoid the evil of depreciated currency.

The Expensive Greenback Issue.

At the close of the Civil war, Secretary McCulloch proceeded to retire the greenbacks and to refund the Government debt into long time, low rate bonds. If Congress had left him and his successors free to act and to

(Continued on Page 47)



HUGH McCULLOCH.

PROBLEMS OF THE COUNTRY BANKER.

(First prize-winning article in the "Coast Banker's" gold competition for the best article of a practical and intimate analysis of the characteristic phases of country banking as distinguished from city banking. By Stanley Pedder, cashier of the Bank of Coalinga, Coalinga, Cal.)

The problems to be solved by a country banker in the course of his endeavors to evolve an ideal bank for the service of the community in which he lives, are naturally many, but, as they are met from day to day as they arise, it is a matter of some difficulty to label, classify and describe them; moreover, it is, of course, a fact that no two communities are precisely alike, and while the general principles may be the same in each locality, the conditions vary with the source of its wealth. Thus a town depending solely upon an agricultural community will differ materially from one which has some manufacturing, while again, the center of a stock raising district will be still different, and a country town adjacent to a large city and having a considerable proportion of its population journeying to that city every day and having their business interests there, will present a still different set of conditions to be faced by the banker. Yet another set of conditions has to be faced where the bank is in the center of a mining district, or, as in the case of the bank with which I am connected, in the heart of a large oil field.

It is not usually a matter of very great difficulty to make loans at a good rate of interest in the country, but it is difficult to make such loans and meet the apparently legitimate needs of the community while at the same time keeping the bank's resources in a sufficiently liquid condition. Country towns are usually self-centered to a very large degree, and the condition of the crops or stock in the immediate neighborhood, or the condition of the locally important industry, has a far more important bearing upon the banking conditions than ease or stringency of money from a national or international point of view. The question of ultimate security in making agricultural loans is not in itself very difficult, as amongst the officers and directors of a country bank there are usually sufficient who are acquainted with the value and possibilities of the land to know how much can be safely advanced to ranchers for crop purposes, or in the shape of term mortgages. It has always, however, to be borne in mind that a bad crop may necessitate further advances, and a careful line has to be drawn in making loans so that if this contingency arises the bank will not be in the unfortunate position of having too large an investment either in any particular ranch or upon the agricultural security of the district in general.

The same condition applies in regard to stock loans, but as a banker cannot be expected to be an expert judge of stock, it is absolutely essential to have the advice of an experienced stock man of good judgment who can advise not merely as to the stock on the range, but as to the possibilities of the range itself, and also as to the moral hazard of the loan, for it frequently happens that the cashier in such cases will not see the borrower more than two or three times a year, and has but little opportunity of forming an estimate of his character.

A further problem in regard to agricultural and stock loans is caused by the fact that a large percentage of such loans will be repaid within a short period at a certain season of the year, leaving the bank with considerable money uninvested at a time when it is difficult to make new loans at a remunerative rate of interest which will be paid off by the time the local borrowers again require accommodation. This is another reason for limiting the investment of the bank's resources in the industries of the immediate neighborhood, for while the interest on local loans is very satisfactory, it would be more than offset by a period of months in which the bank was only able to get the rate of interest allowed by its correspondents on surplus funds.

The mercantile loans of a country bank cause considerable difficulty at times to the banker, partly because the merchants are subject to precisely the same conditions as the bank itself, depending as they do for repayment upon the realization of crops, and partly because of the unbusinesslike methods, which are unfortunately common among the merchants. The call by the state board of equaliza-

tion this year for reports on last year's business from all corporations showed how utterly inadequate the accounting methods of many small corporations are, and, of course, the same condition exists among unincorporated concerns. It is usually a matter of considerable difficulty to obtain anything like a satisfactory credit statement from a customer, even when he has been brought to the point where he no longer considers a request for one somewhat of a reflection upon him. Happily, this condition of affairs is improving by degrees, and there is reason to hope that it will not be many years before all people likely to desire assistance from their banks will see the wisdom of keeping proper records. The banks themselves can help in this by insisting upon the production of figures from properly kept books at regular intervals from mercantile borrowers, and in so doing assist their customers even more than the bank.

In an oil center, a safe rule in regard to oil companies is to make advances only to such as are located in proven territory and already producing from part of their property. Without some such hard and fast rule there is the risk that the personal opinion of an individual as to the merits of certain territory may lead to disaster. Ultra conservatism would say that all oil production is speculative and therefore to be avoided in all its aspects, but while there is many a slip, yet the industry in a proven field has developed beyond the merely speculative era, and with such a rule as has been suggested, together with the usual safeguards that are necessary in making all advances, there is but little, if any, more risk than in dealing with any other industry. Moreover, with 99 per cent. of stockholders and depositors interested more or less in oil, it is certain that a bank which treated the industry as purely speculative and unstable, which it undoubtedly is not, would not meet either the approbation or the needs of the community.

The proportion of a bank's resources which can safely be invested in local loans must, of course, depend upon the conditions existing in each particular locality, but the banker should form a conservative idea as to what the limit is and how the amount should be approximately apportioned between real estate loans, general crop or stock advances, and mercantile loans. He must then determine how much in excess of the legal reserve he needs to carry in cash and in banks in order to safeguard his institution against temporary stringency, and having done this, and estimated from his records and the existing conditions and general outlook the probable run of deposits, he will be able to tell roughly how much he will have available for outside purposes, and will have to determine how he will invest this balance of his resources. Many country bankers prefer a good line of high-class bonds, while others prefer to buy good commercial paper. Both have their advantages, and it is unnecessary to decry or praise either class of investment, and possibly the best solution for a small bank is to have a line of both. It is, however, imperative in making these investments that the same care be employed as is used in the making of other loans, for it must be remembered that these are to constitute a reserve to be drawn upon in time of need, and unless they are of the best, they may not be available when the necessity arises. Their availability should, therefore, be looked to rather than the percentage of return.

Commercial paper has the great advantage of its fixed and early maturity, and of being acceptable, if it be good, anywhere in the states, and almost at a moment's notice. In the country, where the local loans are anything but fixed as to their maturity, the knowledge that month by month some investments will be converted into cash, and available for reinvestment, engenders a feeling of satisfaction which far outweighs the trouble of making new loans. The rate of interest in view of this advantage compares very favorably with that on good bonds, averaging the year through.

The personal aspect of country banking is peculiar in

(Continued on Page 38)

Northwestern National Bank Minneapolis

COMPARATIVE STATEMENTS

	RESOURCES	September 1, 1911	September 22, 1911
Loans and Discounts		\$17,383,646.86	\$18,093,903.32
U. S. and Other Bonds		2,546,496.50	2,310,521.50
Banking House		575,000.00	575,000.00
Overdrafts		1,117.55	3,378.85
Cash and Due from Banks		9,153,825.25	11,015,043.03
		\$29,660,086.16	\$31,997,846.70
	LIABILITIES		
Capital		\$3,000,000.00	\$3,000,000.00
Surplus		2,000,000.00	2,000,000.00
Undivided Profits		359,719.03	421,243.45
Circulation		1,400,000.00	1,000,000.00
Deposits		22,900,367.13	25,576,603.25
		\$29,660,086.16	\$31,997,846.70

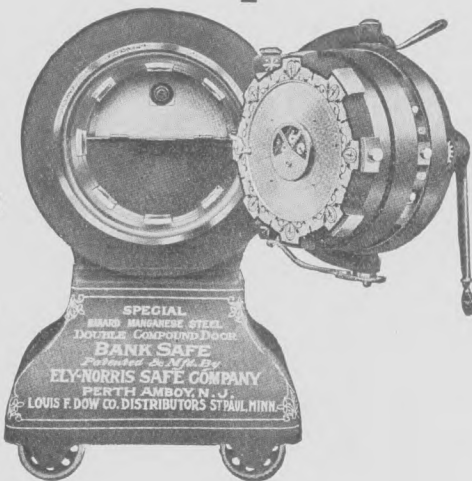
AFFILIATED WITH

The Minnesota Loan and Trust Company

Combined Capital, Surplus and Profits \$ 6,663,508.89
 Combined Resources 35,877,587.95



THE SAFE THE BANKERS ENDORSE



It is——

The Standard Adopted by the Bankers' Associations of Minnesota, Wisconsin, North and South Dakota.

The Ely-Norris Safe Company in their contract with above Associations insures protection against loss from Burglary by a SURETY BOND.

The contracts were entered into after a test was given the safe by the secretaries of the several associations, wherein 5 1/4 ounces of Nitro-Glycerine was used during a period covering three hours and fifteen minutes. The test assumed the proportions of Mob Violence and the safe could not be forced open or injured in any way. IT PROVED ABSOLUTELY BURGLAR PROOF.

For Photographs and description of test and further information, write

LOUIS F. DOW CO.

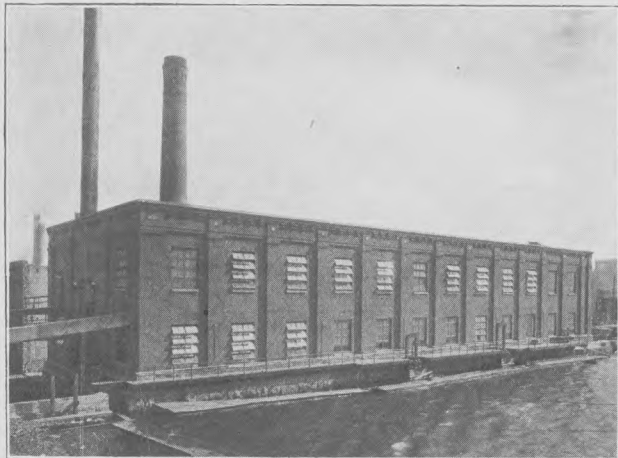
SAINT PAUL

Distributors

MINNEAPOLIS

MINNEAPOLIS' NEW ELECTRIC SYSTEM.

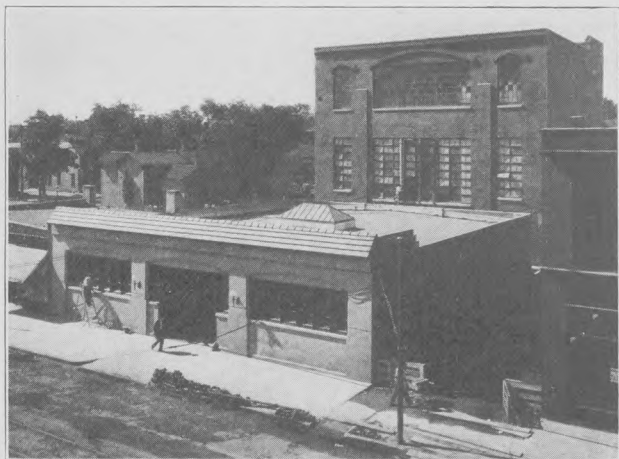
All traces of the disaster that visited the power and lighting system in the City of Minneapolis on the morning of January 6, 1911, when the Main street power station of the Minneapolis General Electric Co. was destroyed by fire, have been entirely effaced and the city now has the service of one of the best steam power plants of its size



Main Street Power House and Distributing Station.

in the country, with two new sub-stations and $4\frac{1}{2}$ miles of new transmission line. The Riverside station, as the main station is called, is located on the east bank of the river in the northern outskirts of the city.

The Stone & Webster Engineering Corporation carried out this work from beginning to end, including the plans and the construction, and had the 12,000 Kw. plant running in about six months from the time pencil was put



Sixth Street Sub-Station.

on paper to trace the first of the hundreds of drawings that have been made. Ground was broken on February 27th, and the plant began to turn out current on August 1st, so the period of actual construction was practically five months. Needless to say, this is a record for such work. However, at the same time, two sub-stations have been built, one on 6th street between 3d and 4th avenues, and one on the site of the old Main street power station, opposite the lower end of Nicollet Island. The latter is a very large distributing station as it receives the power, not only of the new steam power station, but also of the 20,000 Kw. water power plant at Taylors Falls on the St. Croix River. It also generates a small amount of power, about 2,200 Kw., on its own hook from three water wheels in the river.

The Riverside station is a steam turbine plant, modern in every particular. The building is of steel, frame and brick construction, built on piles. It is 120 feet long, 160

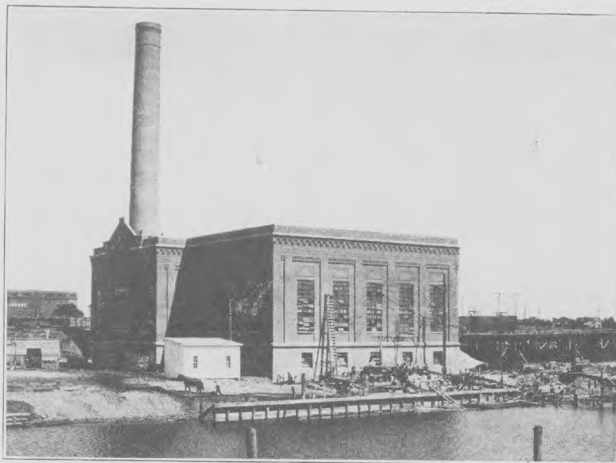
feet wide and 72 feet high, and rests on numerous massive concrete footings, or pedestals, which in turn are carried on wooden piles driven down to a hard impenetrable foundation.

The main generating machinery consists of two 6,000 Kw. 2,300 volt, 3-phase generators, driven by horizontal steam turbines of the Allis-Chalmers make. The exciters, as well as most of the minor machinery of the power plant, are also driven by turbines, only the air pumps and circulating pumps for the condensers being driven by steam engines, but in both these cases the engines are better adapted. Steam is supplied by ten water tube boilers of 600 H. P. each which are fed with coal from bunkers overhead, the ashes being withdrawn on cars from beneath. Coal comes in from a spur of the Northern Pacific R. R. onto two trestles, from which the cars deposit it into storage bins beneath. These bins will store 12,000 tons of coal. A 15 ton locomotive crane traveling back and forth on the trestles transfers it to an incline conveyor running up to the overhead bunkers in the power house.

When the current comes from the generators at a pressure of 2,300 volts, it has to pass through large transformers, of which there are six in the power house, and is raised to 13,200 volts. It then goes on its way three miles to the Main street station and four and one-half miles to the Sixth street station, thus providing a duplicate power supply for the entire light and power load connected to the distributing system of the Minneapolis General Electric Co. The conductors consist of three wires each encased in a lead sheath and separated by insulating material that has been tested and resisted twice the actual voltage difference between the wires. The cables run in ducts of tile laid in concrete three feet below the surface, on bridges they are carried in fibre-lined pipe.

At the Main street station, which is 191 feet long by 73 feet wide and has three floors, there is an intricate arrangement of high pressure and low pressure circuits and transformers, oil switches, lightning arresters and the like, owing to the fact that current is both generated and transformed here, and distributed for various kinds of service. In this station the wheel pits in which the water wheels run were a part of the old Main street station, but all of the superstructure is entirely new.

The Sixth street sub-station is entirely new. The principal machinery here is two 1,000 Kw. motor generator sets which receive the alternating current of 13,200 volts and distribute direct current for the Edison lighting system in the city at 250 volts. The entire top floor is occupied by banks of storage batteries which have 5,250 amperes for one hour. These batteries are charged by a motor driven booster set consisting of two direct current generators connected to a direct current motor. This booster set is capable of charging the entire battery in about two and one-half hours.



Riverside Sub-Station and Steam Plant.

Busy Term for Commerce Commission.

Washington—Cases involving vast commercial and railroad interests and many thousands of dollars in money will be up for decision and argument during the fall term of the commerce court, which begins on the first Monday in October.

A number of important cases were argued at the last session of the court. These were distributed for consideration among the justices during the summer recess, and decisions in most of them are expected during the fall and winter.

L. & N. Rate Case.

Among the cases that have been under advisement and upon which decisions may be looked for are the Louisville & Nashville rate case, which, directly involving class rates from New Orleans to Mobile, Pensacola, Montgomery, Selma and Prattville, Alabama, also embraces the rates from points on the north and west of the Ohio and Mississippi river crossings to Southern jobbing centers generally. The case is complicated by the claim of the railroads that water competition prior to August, 1907, forced them to make abnormally low rates from New Orleans to points named, and that conditions have so changed as to make the increases they proposed reasonable.

Lemon Rate Case.

What is generally known as the lemon rate case, and sometimes as that of the Arlington Heights Fruit Co. is a suit to set aside an order of the Interstate Commerce Commission affecting the rate on lemons and citrus fruits from California to the East. It has been alleged that when the California fruit growers secured through the Payne-Aldrich tariff bill an increase of tariff duty which they claimed was necessary to meet the competition of foreign lemons on the eastern coast, the railroads promptly raised their rates so as to absorb the entire tariff advance. The general question of blanket rates from the West to the East may be considered by the court in passing upon this case.

Seven Suits to Set Aside Order.

There are seven suits to set aside the order of the commission prescribing the form of monthly reports that carriers must make under the "hours of service" law. Decision in these cases was held up pending the determination of a similar case against the B. & O. by the Supreme Court. Coming from different circuit courts at different times these cases have separate docket numbers, although involving the same issues. One decision may be made to cover them all.

Water Transportation vs. Rail.

The relation of water carriers to railroads are involved in four cases, in which the Goodrich Transit Co. and the White Star line, both lake carriers, are interested. These two lines objected to an order of the commission requiring them to make certain reports and to keep their books in a certain manner.

Union Stock Yards.

Another case appealed to the commerce court is the suit to restrain the Chicago Junction railways and the Union Stock Yards Co. from carrying out its contract guaranteeing a contract of the Union Stock Yards & Transit Co. to contribute \$50,000 towards the construction of a modern packing plant by Louis Pfaelzer & Sons adjacent to the yards of the Stock Yards Co.; also to restrain the Stock Yards Co. and the Junction Co. from engaging in interstate commerce until it has filed tariffs with the commission.

Omaha Bridge.

The Omaha bridge case is the suit of the Omaha & Council Bluffs Street Railway Co. and the Omaha & Council Bluffs Bridge Co. against the commission because of its order reducing passenger fares on points on petitioners' lines between Iowa and Nebraska. The Omaha lumber rate case is brought by the Atchison, Topeka & Santa Fe to set aside an order of the commission fixing rates on lumber from the Gulf to Omaha and neighboring cities.

Atchison Railway Rate on Fruits.

An important case is that of the Atchison and other

roads against the order of the commission reducing from \$30 to \$7.50 per car the charge for refrigerating citrus fruits where such fruits have been pre-cooled and pre-iced by the shipper.

There are a number of important matters on the fall calendar which will probably be argued, but no dates for hearings have yet been set. Among them are the "coal car distribution cases" against the Pennsylvania railroad, the Kiser boot and shoe case, lumber rate cases, the Duncan grain cases involving the reshipping or transit privileges at Nashville, Tenn., through the Ohio and Mississippi river crossings to Southeastern and Carolina territory, and the Southern railroad case on rates on coke from deep-water in West Virginia to St. Louis.

A matter, which, it is said, will open a field for unlimited litigation is the holding vs. the commerce court that it has the right and jurisdiction to hear appeals of shippers as well as of the carriers from decisions of the commission.

Responding to criticisms of the court that it has nothing to do and no reason for its existence, not only is the foregoing record pointed to by officials of the court, but it is declared that the court has now upon its calendars thirty-five cases after one year's existence, whereas the Supreme Court of the United States did not have that number before it during the first six or seven years after its organization.

EUROPEAN BANK RATES RAISED.

London, Sept. 21.—The Bank of England raised its discount rate from 3 to 4 per cent. today, a week earlier than last year, in order to protect its reserve against possible unexpected demands before the usual autumn gold shipments are thoroughly under way.

Curiously, money remains remarkably cheap and plentiful, and the Bank of England's stock of coin and bullion stands near \$215,000,000, but a measure of protection is considered necessary in view of the Continental political situation and the advanced bank rates at various capitals.

The fact that London discount dealers forced private rates over the Bank's minimum of 3 per cent., causing an inundation of bills in the Bank of England, was another factor in the adoption of the higher minimum.

Paris, Sept. 21.—The rate of discount of the Bank of France was raised today from 3 to 3½ per cent.

Vienna, Sept. 21.—The rate of discount of the Imperial Bank of Austria was advanced from 4 to 5 per cent. today.

Brussels, Sept. 21.—The rate of discount of the Bank of Belgium was raised from 5 to 5½ per cent. today.

ROMAN SHIP RAISED FROM THE THAMES.

London, Sept. 22.—A Roman vessel which has been lying under the mud at the bottom of the Thames for 1,700 years has been safely deposited at Kensington palace. It was the Roman barge which was recently found on the site of the county hall at Lambeth, and it was being taken to a "drydock" at the newly founded London museum.

The boat is of oak and weighs close upon thirty tons, and the protective shell which has been built around her brittle timbers weighs another eight tons. It was a great task to get her undamaged to her new home, and it required two coupled lorries drawn by a team of twelve magnificent cart-horses, as Mr. Larking refused to submit the relic of imperial Rome to the indignity of being dragged through the London streets by a traction engine. Mr. Larkin rode to the head of the procession, which was followed by a motor car conveying museum officials.

There is no other specimen in the world of a Roman ship with which to compare her. The boat was built, keel, ribs and planks, of Gallic oak. When her skeleton was unearthed last year her timeworn and waterlogged timbers were so soft that they could be cut with a spade. Since then the action of the air has helped to harden the timbers.



ST. PAUL, MINN.

UNITED STATES DEPOSITORY

Capital \$1,000,000.00

Surplus 1,000,000.00

OFFICERS

JAMES W. LUSK,	President
F. WEYERHAEUSER,	Vice President
DONALD S. CULVER,	Vice President
H. VON DER WEYER,	Cashier
GUSTAV C. ZENZIUS,	Ass't Cashier
M. ROY KNAUFT,	Ass't Cashier

We Invite Accounts of Banks, Firms and Corporations. Correspondence Solicited.

PROBLEMS OF THE COUNTRY BANKER.

(Continued from Page 34)

the extremely close relationship which exists between the banker and many of his depositors. He is looked upon as guide, counselor and friend, not merely in business matters, but in almost all affairs, and while this is from some points of view very desirable, it makes the accomplishment of business very slow at times, necessitating the relation of considerable family history during business hours. While the bank has fixed hours during which the regular banking business is done, there is no limit to the time at which customers can and do call upon the banker for advice or assistance. It seems peculiar, however, that in spite of this tendency to consult with the banker many things, country towns are excellent working places for salesmen of far distant real estate at fancy prices and stock in doubtful corporations, as it happens time and again that men who are otherwise almost too conservative, and who consult their bank before making almost any other move, will get caught by clever salesmen and have unloaded upon them stuff which is of very doubtful value, and not say anything about it until too late.

The conditions under which banking is done in Coal-
ingia are peculiar in many respects, owing to the fact that the town is largely dependent upon the one industry of oil producing, although there is some agriculture and considerable stock raising in the neighborhood. Oil is, however, the all-important proposition, and the town having many large camps within a short distance with production and development work going on all the time, there are very considerable pay rolls distributed every month, and the population both in the town and the camps is quite a shifting one. A strange condition arises in connection with these pay rolls, which are usually monthly. Many of the largest companies do not carry their regular accounts locally, but in either Los Angeles or San Francisco, and the necessity of cashing checks for the men requires the importation of forty to fifty thousand dollars in gold every month at considerable expense, to say nothing of creating an amount of work during the week or so covered by the various pay rolls, which is entirely out of proportion to the work during the rest of the month. Theoretically, the banks would be justified in scalping the pay roll checks to reimburse them for the cost of bringing in gold, at least when they are cashed for non-customers, but this has never been done for the reason that we would rather have them cashed at the bank than at the saloons.

It seems strange, however, that the large operating companies do not see the fairness of carrying a bank balance in a town in which they are doing a large business, and also that the large city banks which have these accounts are not broad enough to use their influence in that direction, as the opening of pay-roll accounts in the oil center would not materially reduce the balance carried at the home office banks, and would greatly reduce their work in carrying the accounts.

With a view to getting more closely in touch with the men in the field and developing the banking possibilities as far as possible, we have recently commenced to visit some of the larger camps on pay days, opening up a miniature bank there for a few hours where the men can start accounts, make deposits, obtain drafts and do a general banking business in a small way. This seems to meet with

the hearty approval of many of the men, as it saves them the stage fare into town and avoids the other expenses of a visit, and the superintendents are equally glad to have it done, as it tends to reduce the lost time of the employees. The cost to the bank is, of course, comparatively little, and judging from experience so far, we will be more than recouped by the new business obtained.

In a locality of this nature, the question of the desirability of small accounts is a difficult one. We have not been in the habit of refusing any reasonable account which is offered, but with such a floating population, it frequently happens that the first deposit is the only one made and that the balance is drawn out almost as quickly as it is put in. On the other hand, it is often the nucleus not only for a good account saved from the income obtained locally, but results in balances from other parts of the country being brought here when the depositor has settled down and obtained steady employment. It seems, therefore, almost necessary to extend the facilities of the bank to every one desiring them, even though the first deposit and perhaps the business for some while represents a loss to the bank.

It seems somewhat difficult to make many of the customers appreciate the position and limitations of a bank. In this connection, the question of overdrafts is a frequent "bone of contention," as many depositors seem to imagine that if they have had a few dollars on deposit with the bank for a long period, they are quite entitled to overdraw if they need more money than they have, and they are inclined to take it as a personal affront if their checks are refused payment or they are required to come in and make them good before they are paid. It sometimes happens that they overdraw because they have forgotten to deposit their pay-roll checks, and the bank is expected to be sufficiently omniscient to understand that this is merely an oversight on their part and that they are going to do it when they get around to it. The question of exchange is another occasional source of trouble. Many people, who willingly would spend a dollar at a saloon to cash a check, will strongly object to paying 10 cents for a New York draft, but happily these are in the minority.

In a country town it is particularly desirable that the banks, where there is more than one, should work in harmony for the common interest. This does not mean that they shall fail to compete along legitimate lines, but that they should help one another in all possible ways for their mutual protection, and for the development of sound financial methods in the community.

It is also very necessary that the directors of a bank take an active interest in the welfare of their institution. It is not sufficient that they attend occasional meetings and listen to the reports of the executive officer. What is wanted is their active co-operation, so that they may realize what is being done, and how, for their responsibilities are considerable and can only be adequately met by taking a living interest in the bank. It is not, however, reasonable to expect them, or any other business men, to devote their time gratuitously to the affairs of the bank, and the other stockholders should realize this and allow them some remuneration for the work actually performed.

In dealing with the stockholders, every effort should be made to interest them in the doings of the bank so that

FIRST NATIONAL BANK

MINNEAPOLIS, MINNESOTA

Capital, Surplus and Profits \$4,416,000

OFFICERS

F. M. PRINCE,	PRESIDENT
C. T. JAFFRAY,	VICE PRESIDENT
A. A. CRANE,	VICE PRESIDENT
GEO. F. ORDE,	VICE PRESIDENT
D. MACKERCHAR,	VICE PRESIDENT
H. A. WILLOUGHBY,	CASHIER
G. A. LYON,	ASSISTANT CASHIER
P. J. LEEMAN,	ASSISTANT CASHIER



Back of the Service offered by the First National Bank in Minneapolis, are forty-seven years' banking experience.

they may be active advertising agents for it at all times. It is therefore necessary to keep them in touch in a general way with the progress and activities of the bank, and to make them feel that they have a share in both.

SLUMP IN PORTLAND CEMENT.

New York.—Coincident with the recent reduction in the mill price of Portland cement from 75 cents to 65 cents a barrel in the Lehigh district, leading manufacturers say that the present quotation is the lowest in the history of the trade, with the exception of 1904, when the low level of 60 cents was reached. The cut is attributed to the action of the smaller mills in underselling their larger competitors by 5 and 6 cents when it was generally understood that 75 cents should be the prevailing price. The action of the larger companies is considered as a retaliatory measure to eliminate a competition, coupled with overproduction, that has been the cause of almost a trade demoralization.

Such has been the status of the cement industry for the past three years, with the result that an immense amount of cement has accumulated, not only keeping down the price but increasing overhead charges to such an extent that dividends have been out of the question. No large companies in the East, and few in the West, are making disbursements to stockholders in the way of dividends. The Atlas Co. was the last to discontinue such payments in July, 1910.

Some of the opinions in the trade tend towards the conclusion that the recent price reduction is part of a carefully considered scheme to bring about a more natural relation between supply and demand. There is no doubt that the industry is suffering from overproduction, in spite of the fact that consumption is larger than ever before. It has been mentioned then, that the cure rests in a policy of elimination and that with the present low prices in effect, and possibly further reductions later on, the smaller companies operating in the Lehigh district will be forced to make some sort of a merger or else go out of business entirely.



Sept. 30, '11.

Dear Sir:—

When Banks become unionized as is Labor, then their advertising may as well be syndicated.

Until then, make your bank's personality an asset. Let it be reflected in your publicity.

Bringing out the bank's personalities—featuring them as talking points—well, that is my business exclusively.

Your advertising in my hands is not a side line. Neither is it a feeder for any other business.

Will you ask me for details?

H. B. Craddick.



Wisconsin banks, wishing to serve their customers advantageously in transacting international banking business, will find the Foreign Department of this Bank most efficient in rendering this service and always ready to co-operate with conservative banks.



The First National Bank of Milwaukee

BANK ADVERTISING DEPARTMENT.

EDITED BY H. B. CRADDICK.

THIS IS CIVIC ADVERTISING.

You bankers might think it almost impossible to devise an advertising scheme that would not only create business for your bank, but also develop a strong influence for civic improvement.

Yet this is what G. S. Youmans, president of the Savings Deposit Bank of Minot, N. D., has brought about through his TIN CAN CONTEST. Mr. Youmans expects to pay for something like 100,000 tin cans by October 14th.

If you have been wondering how you could stir up a little enthusiasm among the boys in your home town read the following, which is a copy of the circular used by Mr. Youmans and then "go ye and do likewise."

* * *

TIN CAN CONTEST.

Big Cash Prizes Offered, Besides 1c Per Dozen Paid For Cans,
Given By

THE SAVINGS DEPOSIT BANK.

For the purpose of getting better acquainted with the smaller boys, who will some time be men, and getting them familiarized with our Savings Department, to give them a chance to make a little money, encourage thrift, and at the same time assist in cleaning up the city, this bank is inaugurating a

TIN CAN CONTEST.

The following rules and regulations will govern, they have been made as simple and fair as possible. This circular contains all the information on the subject. Remember, every boy will be paid for all the cans he delivers, and those getting prizes will be paid very well indeed, but no boy will work for nothing. Every contestant should keep this circular until contest is over.

Entrance Conditions.

Contest will be open to all boys between the ages of seven and twelve years. Contestants are required to register at the Savings Deposit Bank, 216 South Main street, registration commencing Saturday, Sept. 23, at 9:00 o'clock, a. m., and closing Saturday, Oct. 14, 1911, at 3:00 o'clock, p. m. At time of registration each contestant will receive a registration card, to be kept and produced when cans are delivered, and when cans are so delivered and checked the card will be a voucher on which the money can be drawn from the bank.

Delivery of Cans.

The cans shall be delivered by contestants on Saturday, Oct. 28, between the hours of 9:00 a. m. and 5:00 p. m., at the Brick Yard Dumping Grounds of the city, at the foot of Valley street.

Prizes.

The boy delivering the largest number of cans will receive a Savings Pass Book with a credit of \$10.00 therein, the one delivering the next largest number will receive a book with a credit of \$5.00, and each of the ten following will receive a book with a credit of \$1.00. This money may be left in the Savings Deposit Bank and draw interest at the rate of 5 per cent. per annum, interest payable twice a year, or the prizes may be withdrawn in cash at once.

In addition to these prizes, every boy will be paid for

all the cans he delivers at the rate of one cent for each dozen. Prize winners receive this IN ADDITION to the prizes.

Tin cans of any and all kinds will be accepted, and may be gathered from any portion of the city, within its legal limits.

On Saturday, October 28th, 1911, The Savings Deposit Bank will be open all day, from 9:00 o'clock a. m., and in the evening until 10:00 o'clock, so that contestants can receive their money on delivery day.

The management has tried to make conditions easy and rewards sufficient, so it hopes that the evening of that day will see the city of Minot free from a solitary tin can disfigurement.

PREPARING NEWSPAPER ADVERTISEMENT.

By Isaac Motes.

A good many years' experience in dealing with printers and publishers has impressed me with the belief that some exceedingly bright business men are most unwise and careless in two particulars connected with the placing of advertisements in newspapers, magazines, programs, special editions of trade journals and the like. I refer to the occasional advertiser, to the man who doesn't spend great sums of money in this way, and therefore does not employ an expert to attend to this department of his business and make an exhaustive study of it himself.

The small advertiser is much more disposed to trust printers or an advertising manager or some journal with the setting up and proper display of an ad. than with the setting up of a form for a job of commercial printing. Such an advertiser is much less likely to want to see a proof of an ad. than of a letter head or card. Many a man will pay \$20, \$30 or \$40 for an ad. in a magazine or trade journal, perhaps in the initial number of a magazine, and never ask to see a proof, when he wouldn't think of having \$2 worth of cards printed without first seeing and O. K.-ing the proof. Yet there are a hundred reasons why he should see the proof of the ad. to one for seeing the proof of the card, for the ad., if badly set, and given an obscure position, will be money thrown away, while the card represents but a small expenditure. On the other hand, if the ad. presents an attractive proposition to the reader, is well put together and given a good position, it may be worth very much more than the sum paid for it.

A LITTLE MASCOT.

One of the distinctive hits of the big convention of Advertising Clubs of America held in Boston recently, was the election of Miss Gladys de Montluzin, of Cincinnati, daughter of A. de Montluzin, of the United States Lithograph Co., to the office of Mascot. In accepting the high honor the little lady made the following pretty little speech from the stage, amid thunderous applause:

"Gentlemen: I thank you from the bottom of my heart for this great honor; and promise you to do the best I can.

"I will pray hard every day for your good health and

The Oldest Bank in the United States.
 (Chartered by Continental Congress in 1781)
THE BANK OF NORTH AMERICA
 (NATIONAL BANK)
PHILADELPHIA, PENNA.

Capital, Surplus and Profits \$ 3,621,000
 Deposits (Sept. 1, 1911) 15,000,000

Banks and bankers desiring effective individual service are invited to correspond with this institution.

your success, and I hope some day you will each have a little Mascot of your own."

"The inexperienced man will often place a double-page spread in the **Saturday Evening Post**, for \$6,000, to advertise technical goods of limited use, and then hesitate in paying \$40 or \$50 per page in half a dozen trade papers that reach the class he wants and without any percentage of waste."

"There is one kind of supplementary advertising that every advertiser must take into consideration. He can not buy this space from the publisher of the general magazine or periodical, nor from the local publisher, the billboard man, or the street car men. This is the "word of mouth" advertising. This kind of advertising is created in two ways—satisfied customers and good copy. This, however, should be reversed in your mind, as good copy will not only sell goods and make satisfied customers, but will create friendly discussions, or "word of mouth" advertising. A striking example of this was the "Sunny Jim" copy used by the "Force" people several years ago."

ERROR OF PAYING TELLER INVESTIGATED BY GRAND JURY.

New York, Sept. 25.—Officials of the Hudson County National bank of Jersey City were subpoenaed last week to appear before the United States grand jury at Trenton. The president of the bank, John D. McGill, said the jury would investigate an error of \$1,000 that was found on November 2, 1910, in the cash account of one of the assistant paying tellers who was sick and absent that day. The shortage was made up on November 3.

"The assistant paying teller explained to us," said President McGill, "in a way that seemed to be reasonable, and as there was no evidence of intentional wrongdoing the assistant paying teller was permitted to resign. We do not want men to make mistakes. We do not think of asking the indemnity company that was on the clerk's bond to make good the amount, as it was immediately made up by the assistant paying teller. The bank carries many pay rolls for big companies and the probability is that the clerk paid \$1,000 too much to one of these concerns when it drew cash for its pay rolls."

The other officials subpoenaed are Nelson J. Edge, cashier; Samuel Drayton, assistant cashier, and A. Z. Haring, teller.

KANSAS CITY STREET RAILWAY IN BAD.

Kansas City, Sept. 23.—The city has filed a petition in the United States court asking that the street railroad properties of the Kansas City Railway & Light Co. be either put into a condition to meet the requirements of the city, as to service and paving, or that the company's charter be forfeited.

This petition on the part of the city will be shortly heard in the United States court, which has appointed receivers for the company, and it is expected that the whole street railroad situation will be brought to a head.

It is announced that the only way in which the receivers can provide funds for meeting the city's wishes will be to stop paying bond interest, and if this were done the bondholders could go into court and ask for their property.

BANKERS ASSOCIATION CONVENTIONS.

IllinoisOctober
 A. B. A.....NOV. 21 to 24 New Orleans

Mine and Geological Examinations.

FRANK HUNTZICKER, E. M.

MINING ENGINEER

Sellwood Building, Duluth, Minnesota

The Seaboard National Bank
of the CITY of NEW YORK

Capital \$1,000,000

Surplus and Profits (earned) \$2,075,000

S. G. BAYNE, President S. G. NELSON, Vice Pres't C. C. THOMPSON, Cashier
 W. K. CLEVERLEY, Ass't Cashier J. C. EMORY, Ass't Cashier
 L. N. DE VAUSNEY, Ass't Cashier O. M. JEFFERDS, Ass't Cashier

Accounts of Banks and Bankers from the Middle West
 Especially Solicited on most Favorable Terms

METROPOLITAN
NATIONAL BANK

MINNEAPOLIS

Capital \$300,000
 Surplus and Undivided Profits 86,000

OFFICERS

V. H. VAN SLYKE President C. F. WYANT Cashier
 OTTO E. NAEGELE Vice Pres't GEO. VOLLMER Ass't Cashier

DIRECTORS

JAS. C. ANDREWS
 Pillsbury Flour Mills Co.

GEO. F. BLOSSOM
 Geo. C. Christian & Co.

W. P. CLEATOR
 Sawyer-Cleator Lumber Company

J. W. CRANE
 Atty., Metropolitan Bldg.

H. G. FERTIG
 Grain and Flour

F. R. CHASE
 Mgr. Investment Dept.
 Metropolitan Life, N. Y.

P. M. ENDSLEY
 Sec'y. Mpls. Savings &
 Loan Association

GEO. B. NORRIS
 Blaisdell Mill Co. & Traders
 Despatch

S. H. HUDSON
 Attorney, Benson, Minn.

EDW. E. SCHOBER
 Phoenix Mill Co.

JACOB STOFF
 Merchant

F. K. SULLIVAN
 Sullivan Coal Co.

V. H. VAN SLYKE
 President

OTTO E. NAEGELE
 Vice President

C. F. WYANT
 Cashier



NEW YORK
31 Nassau St.

JOHN BURNHAM & CO.

29 South LaSalle Street, Chicago

Telephone Randolph 3456

BOSTON
50 State St.

SPECIALISTS IN UNLISTED SECURITIES IN ALL PARTS OF THE COUNTRY

Roads to Appeal Spokane Rate Case.

Chicago, Sept. 25.—The Western transcontinental railroads have practically determined to appeal from the orders of the Interstate Commerce commission in its recent decisions in the Intermountain rate cases. The decisions order drastic reductions in the rates from all sections of the eastern half of the United States to the so-called intermediate rate points inland from the Pacific coast. Business interests in this section have complained for years of the alleged discrimination in charging them higher rates than those accorded the coast points which have the benefit of water competition.

The traffic officials of the roads, who have been in almost continuous conference in Chicago for two months figuring out the effect of the decisions and the rates that would be required to be published to comply with them, have decided they will not accept the orders without a struggle. The legal authorities of the roads are now engaged in planning the necessary legal steps.

While no official announcement is obtainable, it is understood the appeal will take the form of an application to the commerce court for an injunction restraining the enforcement of the orders. The railroads object not only to the drastic cuts in their rates, which have been estimated to amount to nearly \$10,000,000 a year, but mainly to the fact that the commission in its orders made the intermediate rates dependent upon the coast rates.

May Advance Coast Rates.

As the commission's orders in the Spokane and Salt Lake cases take effect November 15, the roads must be ready to file tariffs in accordance or make their appeal by October 15. If the application for an injunction is unsuccessful, it is believed the roads will seek to advance their rates to the Pacific coast in order to protect their intermediate rates.

The commission, in its decisions, held that the water competition at the coast justified making rates to the terminal points lower than to the less distant intermediate points in the intermountain territory.

It is this feature that will be most vigorously attacked by the roads in their effort to overthrow the commission's orders. They declare that the rates to the coast are governed by water competition and that under the principles laid down by the commission any reduction in the coast rates to meet increased competition, as expected upon the completion of the Panama canal, would necessarily be followed by reductions in the intermediate rates, which are not dependent upon water competition.

The cases all arise from the long standing practice of the railroads in making rates to the intermediate points as much higher than those from the more distant terminal points as the local rates from the coast inland. While the commission has uniformly held that water competition created a different rate situation on the coast, it has always held the intermediate rates to be too high of themselves. The complications in the long standing controversy have been caused by the difficulty of fixing a relationship that would please either the roads or the communities affected.

CHICAGO UNLISTED SECURITIES.

Furnished by John Burnham & Co., 29 S. La Salle street, Chicago, September 26.

	Bid.	Asked.
American Brake Shoe, pfd.....	126	131
American Coal Products	94	95
American Chicle, com.....	200	210
American Chicle, pfd.....	101½	105½
American District Tel. of N. J.....	49	51
American Fork & Hoe Co., com.....	120	126
American Fork & Hoe Co., pfd.....	125	127
American Gas & Elec., com.....	57	60
American Hominy, com.....	34	36
American Hominy, pfd.....	80	83
American Laundry, com.....	31½	33
American Laundry, pfd.....	107	108½
American Light & Traction, com.....	293	297
American Light & Traction, pfd.....	104	107
American Power & Light, com.....	74	77
American Power & Light, pfd.....	81	83
American Type Founders, com.....	48½	51
American Type Founders, pfd.....	98½	100½
Aurora, Elgin & Chicago, pfd.....	85½	87
Automatic Electric Co.	47½	49
Babcock & Wilcox Co.....	100	101
Barnhart Bros. & Spindler.....	99	100½
Beatrice Creamery, com.....	98	99
Beatrice Creamery, pfd.....	87	89½
Bordens Condensed Milk, com.....	120½	123
Bordens Condensed Milk, pfd.....	105½	107½
Butler Brothers	303	305
By-Products Coke Co.	97	100
Chicago Railway Equipment	79	80
Cities Service, com.....	72	74½
Cities Service, pfd.....	77	78½
Congress Hotel, com.....	71	75
Congress Hotel, pfd.....	56	61
Creamery Package Co., com.....	96	97¾
Cumberland Telephone Co.	150	153
Diamond Match Co.	96	96½
Diamond Rubber Co.	275	279
Dolese & Shepard Co.	29	35
Douglas Shoe, pfd.....	86	87½
Drake Hotel, pfd.....	92	95
Du Pont Powder, pfd.....	82	88
Elgin National Watch	147	149
First State Pawners	112	115
Fox River Butter Co.	104	108
General Motors, com.....	37	38½
General Motors, pfd.....	75	76
Goodrich (B. F.) Co., com.....	241	244
Goodrich (B. F.) Co., pfd.....	118¾	119¾
Great Lakes D. & D. Co.....	125	132
Inland Steel	165	168½
Knickerbocker Ice, pfd.....	66½	69
La Salle Hotel, pfd.....	89	95
Masonic Temple Association	47	50
Michigan State Tel., pfd.....	99	100½
National Cash Register, pfd.....	132	134
N. W. Gas Lt. & Coke Co.....	83	91
North Shore Electric Co.....	94	95½
Northwestern Yeast Co.....	392	394½
Otis Elevator, com.....	69	71½
Otis Elevator, pfd.....	96	97½
Parke-Davis	102	108
Pettibone-Mulliken	108	110
Producers Oil	80	90
Regal Shoe, pfd.....	95½	97½
Safety Car Heating & Lighting.....	118	120
Sen-Sen Chiclet	130	132½
Sherman House, pfd.....	81	86
Tri-City Ry. & Lt., com.....	28¼	30
Tri-City Ry. & Lt., pfd.....	92½	95¼
Union Carbide Co.	108¼	109½
U. S. Gypsum, com.....	10½	11¾
U. S. Gypsum, pfd.....	73½	74½
U. S. Light & Heating, com.....	1½	2
U. S. Light & Heating, pfd.....	7¾	8¼
U. S. Motor, com.....	27	28
U. S. Motor, pfd.....	69	70
Western Electric Co.	215	222

CHICAGO BONDS.

Furnished by John Burnham & Co., 29 S. La Salle street, Chicago, September 26.

	Bid.	Asked.
Armour 1st 4½s (1939).....	91½	92½
Auto. Elec. 1st 6s (1928).....	70	76
Cal. & So. Chi. 1st 5s (1927).....	98½	99½
Chi. Athletic Club 5s (1926).....	96	99
Chi. City & Con. Ry. 5s (1927).....	91½	92½
Chi. City Rys. 1st 5s (1927).....	102½	102¾
Chicago Elevated 5s (1914).....	97	98
Chicago Gas 5s (1937).....	102½	103½
Chi. & Mil. Elec. 5s (1922).....	46	47
Chi. Railways 1st 5s (1927).....	99½	99¾
Chi. Rys. series A4-5s (1927).....	94	95
Chi. Rys. series B4-5s (1927).....	87	88
Chi. Rys. series C4-5s (1927).....	90	92
Chi. Rys. Adj. Inc. 4s (1927).....	40	50

DUDLEY A. TYNG & CO.

184 La Salle St., CHICAGO

Specialists in Unlisted Stocks

We will furnish you bid or asked price for any stock that has a market value.

EDWIN WHITE & CO.

Investment Bonds

State Savings Bank Building, ST. PAUL, MINN.

Twin City Correspondents for Spencer Trask & Co., Bankers, New York

THE MECHANICS AND METALS NATIONAL BANK

OF THE CITY OF NEW YORK

OFFICERS

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Capital - \$6,000,000
Surplus - \$6,000,000

Depository of the United States, State and City of New York

BANK STOCK QUOTATIONS.

CHICAGO BANK STOCKS.

Quotations furnished by Dudley A. Tyng & Co., 108 South La Salle street, Chicago, September 25.

	Bid.	Ask.
Austin State bank.....	305	...
Calumet National.....	150	...
*Central Trust Co. of Illinois.....	194	195
Chicago City bank.....	198	204
Chicago Savings Bank & Trust Co.....	137	140
Citizens Trust & Savings.....	180	...
City National (Evanston).....	300	...
Colonial Trust & Savings, Ex. div.....	199	201
*Continental & Commercial National, Ex. div.....	274	276
*Corn Exchange National.....	421	424
*Drovers Deposit National.....	240	...
Drovers Trust & Savings.....	185	190
Englewood State.....	143	145
*First National bank.....	434	436
First National of Englewood.....	280	...
*Fort Dearborn National.....	228	232
Guarantee Trust & Savings.....	114	116
Home Bank & Trust.....	128	135
*Illinois Trust & Savings.....	492	496
Kasper State bank.....	215	...
Kenwood Trust & Savings.....	155	160
Lake View Trust & Savings.....	142	144
La Salle National.....	104	106
*Live Stock Exchange National.....	243	246
*Merchants Loan & Trust Co.....	420	424
Metropolitan Trust & Savings.....	130	132
Michigan Avenue Trust.....	141	143
Mid-City Trust & Savings.....	180	185
*National Bank of the Republic.....	199	201
*National City (Chicago).....	193	195
*Northern Trust Co. bank.....	312	315
North West State bank.....	133	138
North Western Trust & Savings.....	180	191
Old Colony Trust & Savings.....	119	121
Oak Park Trust & Savings.....	235	245
Peoples Stock Yards State.....	235	...
Peoples Trust & Savings.....	181	185
*Prairie State.....	240	...
Sheridan Trust & Savings.....	113	115
South Chicago Savings bank.....	150	155
South Side State bank.....	135	137
Standard Trust & Savings.....	144	146
*State Bank of Chicago.....	366	369
State Bank of Evanston.....	300	311
Stockmen's Trust & Savings.....	116	120
Stock Yards Savings bank.....	225	250
Union Bank of Chicago.....	128	133
Union Trust Co. bank.....	300	...
Washington Park National.....	175	179
Wendell State bank.....	110	...
*Western Trust & Savings.....	150	153
West Side Trust & Savings.....	265	...
Woodlawn Trust & Savings.....	175	180
Wilmette Exchange bank.....	130	135
North Side Savings.....	165	175
Douglas State.....	100	102
Ashland State.....	120	122

*Listed on Chicago Stock Exchange.

Chi. Rys. Pur. M'y 4-5s (1927).....	72	80
Chi. Telephone 1st 5s (1923).....	102½	102¾
Chi. Subway 1st 5s (1928).....	15	20
Cicero Gas 5s (1932).....	93½	94½
Com. Edison 1st 5s (1943).....	102¾	103
Com. Electric 1st 5s (1943).....	102½	102¾
Congress Hotel 1st 5s (serial).....	90	95
Consumers Gas 1st 5s (1936).....	101	102
Cudahy Packing 1st 5s (1924).....	99¼	99¾
Dul. R. L. & W. 1st 5s (1916).....	97	100
General Motors 6s (1915).....	98¼	99
Gt. Western Cereal 6s (1921).....	63	69
Ill. Athletic Club 5½s (1926).....	91	92
Ind. Nat. Gas & Oil 5s (1936).....	85	87½
Interstate Tel. 5s (1927).....	43	50
K. C. Ry. & Lt. Ref. 5s (1913).....	89	92
K. C. Ry. & Lt. Coll. 6s (1912).....	92	97
La Salle Hotel 6s (serial).....	96½	98
Mich. State Tel. 5s (1924).....	100	101½
Mil. E. Ry. & Lt. 5s (1926).....	104	106
Mil. E. Ry. & Lt. 4½s (1931).....	92½	93½
Mil. Gas Light 1st 4s (1927).....	89	91
Mil. Lt. Ht. & Tr. 5s (1929).....	101¼	102
Morris & Co. 1st 4½s (1939).....	89½	90½
Mutual Fuel Gas 5s (1947).....	100½	101½
N. Ind. Gas & El. 1st 5s (1929).....	83¼	90
N. S. Elec. 1st Ref. 5s (1940).....	99¾	100½
N. W. Gas Lt. & Cok. 5s (1928).....	99¼	99¾
Ogden Gas 5s (1945).....	93¼	95
Peoples G. L. & C. 5s (1947).....	102	102¼
Schw'ld & Sulzb'r 6s (1916).....	101	102
Swift & Company 5s (1914).....	100¼	101
United Box Board Coll. 6s (1926).....	30	45
Western Elec. 1st 5s (1922).....	101½	102¼
Wich. Falls & N. W. 5s (1939).....	98½	99¾
Wich. Falls & South. 5s (1938).....	93	96

MINNEAPOLIS SECURITIES.

Minneapolis Stock Exchange Quotations.
Calls Tuesdays and Fridays at 11:30.

Stocks.	Div. Rate Pct.	Bid.	Ask.
Northwestern National.....	12	275	281
First National.....	12	...	281
Security National.....	12	405	425
Scandinavian-American National.....	..	120	...
St. Anthony Falls.....	6	143	...
Hennepin County Savings.....	8	210	...
German-American.....	8	175	...
Metropolitan National.....	6	126	...
East Side State.....	6	125	...
Merchants & Manufacturers State.....	6	...	138
South Side State.....	12	250	...
Union State.....	8	116	...
Central State.....	6	150	...
Minneapolis State.....	..	125	135
Minneapolis Trust Co.....	8	120	...
Minneapolis Threshing.....	6	...	...
Minneapolis Steel & Machine, com.....	..	...	80
Minneapolis Steel & Machine, pfd.....	6	...	90
North American Telegraph.....	6	95	...
Tri-State Telephone Co., pfd.....	6	92	95

Bonds.	Int.	Bid.	Ask.
Minneapolis Gas Light Gen.....	5	98½	...
Minneapolis Street Railway Cons.....	5	103	...
Minneapolis Brewing.....	7	102½	...
M., St. P. & S. St. M. Ry.....	4	97	97¾
M., St. Ry. & St. P. City Cons.....	5	104	105
St. Paul City Ry. Cable Cons.....	5	105	...
Northwestern Cons. Milling.....	6	100	...
Minnesota Transfer.....	5	100	...
Minnesota Transfer.....	4	94	...
St. Paul Gas Light.....	5	98¾	...
St. Paul Gas Light.....	6	104½	...
City of Minneapolis.....	3½	...	4
City of Minneapolis.....	4	...	4
City of St. Paul.....	4	...	4

ST. PAUL SECURITIES.

The following quotations on St. Paul securities are furnished by Edwin White & Co., Investment Bonds, St. Paul:

Stocks.	Div. rate.	Bid.	Ask.
First National.....	12%	270	275
Merchants National.....	10%	220	225
Capital National.....	6%	130	135
National German American.....	10%	220	225
Second National.....	10%	230	250
American National.....	..	106	110
Scandinavian-American.....	10%	235	...
Stock Yards National.....	8%	900	...
East St. Paul State.....	10%	200	...
Ramsey County State.....	..	...	...
Northwestern Trust Co.....	6%	170	...
Security Trust Co.....	5%	125	...
Tri-State Telephone Co., pfd.....	6%	90	93
St. Paul Fire & Marine Insurance Co.....	10%	280	300
West Publishing Co., pfd.....	6%	105	...

Bonds.	Maturity.	Bid.	Asked.
Minnesota Transfer Ry., 1st 5's.....	1916	100½	102
Minnesota Transfer Ry., 1st 4's.....	1916	96	97
St. Croix Power Co., 1st 5's.....	1929	95	97
St. Paul Gas Light Co., 1st 6's.....	1915	104½	105¾
St. Paul Gas Light Co., 1st cons. 6's.....	1918	106	107½
St. Paul Gas Light Co., gen'l. 5's.....	1944	97½	98¼
St. Paul Union Depot Co., 1st 6's.....	1930	114	...
St. Paul Union Depot Co., gen'l. 5's.....	1944	100	101
St. Paul Union Depot, cons. 4's.....	1944	...	...
St. Paul Union Stock Yards, 1st 5's.....	1916	79	80
Superior Water, Lt. & Pwr. Co., 1st 4's.....	1931	79	81
Twin City Rapid Transit Co., 5's.....	1919	102½	103¼
Twin City Rapid Transit Co., 5's.....	1928	104½	105
Twin City Rapid Transit Co., 5's.....	1937	105½	107
Twin City Tel. Co., 1st 5's.....	1926-11	93½	95

DULUTH SECURITIES.

	Bid.	Asked.
First National bank.....	400	...
American Exchange National.....	325	...
City National bank.....	130	...
St. Louis County State.....	105	...
Western State bank.....	140	...
Northern National bank.....	120	...
Duluth-Superior Traction Co.....	81	82
Duluth-Superior Traction Co., pfd.....	65	72
Duluth St. Ry., 1st g. 5s 30 M. & N. 1930.....	100½	101½
Duluth Edison Elec., 1st g. s. f. Mar. 1931.....	98	100
op. M. & S. A.....	98	100
Gt. Northern Power Co. bonds.....	80	...
American Carbollite, par \$1.....	2.85	3.25
Zenith Furnace Co.....	85	100

THE MERCHANTS NATIONAL BANK

SAINT PAUL, - - MINNESOTA.

Capital \$1,000,000

Surplus \$800,000

UNITED STATES DEPOSITARY.

OFFICERS:

KENNETH CLARK, President GEO. H. PRINCE, Vice President H. W. PARKER, Cashier
H. VAN VLECK, Assistant Cashier R. C. LILLY, Assistant Cashier

DIRECTORS:

Crawford Livingston	Thomas A. Marlow	Kenneth Clark	W. B. Parsons	Louis W. Hill
J. M. Hannaford	James H. Skinner	E. N. Saunders	V. M. Watkins	Charles P. Noyes
L. P. Ordway	Frank B. Kellogg	Charles H. Bigelow	Geo. H. Prince	Ambrose Guiterman

NEW BANKS AND CHANGES.

MINNESOTA.

Cobden.—Permission has been granted to the State bank to resume business. Hans Mo, president and O. W. Hager, vice president, have re-organized the bank with a capital of \$10,000. The latter will act as cashier for a time.

WISCONSIN.

Valders.—The State bank is in process of organization.

Ashippin.—The State bank has been incorporated with a capital of \$15,000 by John Kinkel and others.

Beaver Dam.—The Farmers State bank has been authorized to begin business with a capital of \$50,000. L. W. Flannigan is president; Anton Kucok, vice president and J. F. Tearnan, cashier.

NORTH DAKOTA.

Danzig.—The Farmers State bank has opened for business.

Woodworth.—A. W. Bollum has been elected cashier of the State bank.

Fort Rice.—A. W. Sternke, Robert Cwyther and F. M. Redman have incorporated the Citizens State bank.

Simcoe.—The State bank has been closed on account of insufficient business to warrant continuation of business.

Schafer.—G. L. Gullikson, formerly assistant cashier of the McKenzie County bank has been promoted to the cashiership, succeeding M. C. Walstad, resigned.

St. John.—T. J. Clifford, formerly assistant cashier of the Hansboro State bank has been elected cashier of the Rolette County bank of St. John, succeeding O. E. Wheaton.

Minot.—Edward Nelson has been elected cashier of the Citizens bank. Mr. Nelson was formerly assistant cashier of the Martin County National bank of Fairmont, Minn.

Deering.—O. D. LaGrange, who has been associated with the Deering State bank for the past five years, has been elected cashier of the Farmers State bank of Deering. J. G. Walsted is president; Harold Thorson, vice president and J. K. Nesvik, assistant cashier.

SOUTH DAKOTA.

Thunder Hawk.—The Farmers State bank has been organized.

Hoven.—Ben Hoven has resigned as cashier of the State bank.

Florence.—L. H. Amidon has sold his interest in the State bank, of which he was formerly president.

IOWA.

Coggon.—The State bank has been incorporated with a capital of \$25,000 to \$50,000.

Dundee.—Elmer C. Hesner, formerly cashier of the Dundee Savings bank has sold his interests to A. G. Warner, who has succeeded Mr. Hesner.

Livermore.—The Farmers Savings bank has been organized with a capital of \$10,000. Frank Devine is president; Luke Dumphy, vice president, and Edward Capesius, cashier.

Hampton.—G. F. Beed, vice president of the Franklin County State bank has resigned, but will continue as a director. I. B. Robinson has been elected vice president to succeed Mr. Beed.

Lidderdale.—The officers of the newly organized Farmers Savings bank have been elected as follows: John Sanderson, president; John Schleismann, vice president, and John Roelfseman, cashier.

Paton.—W. S. Grant has resigned as cashier of the Farmers

State bank after being connected with that institution for over twenty years. W. J. Walker has been elected to succeed Mr. Grant.

NEBRASKA.

Seward.—The State bank is being organized with a capital of \$35,000.

Syracuse.—Elmer Fungan has been elected cashier of the Bank of Syracuse to succeed Herman Wellensick, who resigned.

Jackson.—M. O. Ayers has purchased the Bank of Dakota City and will succeed E. T. Kearney, who has been president of the bank for twenty-five years.

Winnetoon.—M. C. Wilde has resigned as cashier of the First National bank of Bazille Mills to accept the cashiership of the Citizens State bank of Winnetoon.

Oshkosh.—The First National bank has been authorized to commence business with a capital of \$25,000. W. R. Roubush is president; G. L. Melvin, vice president, and R. A. Day, cashier.

MONTANA.

Hinsdale.—The title of the Valley County bank has been changed to the Bank of Sheldon & Arnott.

Culbertson.—J. T. Peterson, J. W. Tanner and R. E. Palch are interested in the incorporation of the State bank.

Great Falls.—The Conrad Banking Co. has been incorporated with a capital of \$250,000 by W. F. Conrad, Helena, J. T. Stanford and A. E. Schwengel of Great Falls.

OREGON.

Arieta.—W. H. Beard is interested in the organization of a bank.

COLORADO.

Silverton.—Guy L. V. Emerson has resigned as cashier of the Silverton National bank and has been succeeded by William A. Smith, formerly assistant cashier of the First National bank of Amarillo, Texas.

WASHINGTON.

Kirkland.—Messrs. John and Schueltz are interested in the organization of a bank.

Walla Walla.—The recently organized Peoples bank has absorbed the bank of J. L. Elam.

CALIFORNIA.

Porterville.—J. M. Nelson, a retired banker of Pleasant Valley, Minn., together with J. W. Kemp, Q. C. Starr and L. M.

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Fidelity **Judicial** **Contract**
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Minneapolis, Minn.

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continues to offer to banks and bankers the advantages of its facilities, developed and perfected by twenty years of close personal relations with a constantly growing list of correspondents throughout the world.

JOHN A. LYNCH, President W. T. FENTON, Vice President R. M. McKINNEY, Cashier O. H. SWAN, Ass't Cashier
JAMES M. HURST, Ass't Cashier WM. B. LAVINA, Ass't Cashier W. H. HURLEY, Ass't Cashier

Lilly, all of Minnesota, are interested in the organization of a bank here.

Vallejo.—Frank Powers is interested in the organization of a bank.

Los Angeles.—It is reported that the Oil & Metals bank is to close up its business.

Halfmoon Bay.—M. F. Bettencourt has been elected cashier of the Bank of Halfmoon Bay, succeeding Frank N. Staley.

Manteca.—The Bank of Manteca is being organized by W. J. Woodward, Fred Norcross and others. The capital will be \$25,000.

Suisan City.—The Solano County bank has applied for permission to change its name to the First National bank. The capital is \$100,000.

Dos Palos.—The Bank of Dos Palos has been organized with a capital of \$25,000 by E. W. Heston, John Martin, N. H. Bennett and others.

San Leandro.—The San Leandro State bank has been organized. Daniel Best, J. J. Smith, J. N. Frank and T. R. Maderia, are all interested.

Winters.—The Bank of Winters has been converted into the First National bank with a capital of \$75,000. M. O. Wyatt is president and Ira A. Morris, cashier.

Ducor.—An application has been made to organize the First National bank capitalized at \$25,000 by J. B. Dennis, W. H. Brady, E. Zimmerman, H. C. Carr and others.

Los Angeles.—A proposition has been made to the Globe Savings bank by the Bank of Southern California toward consolidation. It is proposed to increase the capital of the Globe Savings bank from \$200,000 to \$500,000.

Burbank.—The State bank has been nationalized with the following officers: H. A. Church, president; Martin Pupka, vice president, and R. O. Church, cashier. The capital is \$25,000. A two-story building is to be erected with modern equipment. A savings bank will be operated in connection with the other business of the bank.

Red Bluff.—The Herbert Kraft Co. bank has been taken over by Alden Anderson, formerly state bank superintendent, who has just organized the National Bank of Redding. The Kraft bank is to be known as the Red Bluff National bank with Alden Anderson as president; T. H. Ramsay, vice president, and Stanley Murdock, cashier.

Los Angeles.—The United States National bank has been absorbed by the Southern Trust Co. H. F. Stewart, who has been vice president of the Southern Trust Co. has been elected vice president of the Farmers & Merchants National bank and O. M. Souden, vice president and manager of the United States National bank has been elected vice president and manager of the Southern Trust Co.

BANKING NOTES.

Wibaux, Mont.—The First State bank is to erect a building. Ocean Park, Cal.—The First National bank is erecting a building.

Yacolt, Wash.—The First State bank is now occupying its new building.

Westbrook, Minn.—The First National bank is installing a heating plant.

Marshfield, Wis.—The First National bank is to erect a five-story building.

Garrison, Iowa.—The Peoples Savings bank suffered a loss of \$3,500 by fire.

Franklin, Minn.—The Citizens State bank is now doing business in its new building.

East Troy, Wis.—The capital of the State bank has been increased from \$15,000 to \$30,000.

Eugene, Ore.—The capital of the Merchants bank has been increased from \$65,000 to \$100,000.

Eugene, Ore.—The Merchants bank and David Link will jointly erect a building of two stories.

Escondido, Cal.—The capital of the First National bank has been increased from \$25,000 to \$50,000.

Rainier, Wash.—The Rainier Valley State bank is to erect a building at an approximate cost of \$6,000.

Belmond, Iowa.—The charter of the State bank has been renewed for twenty years from June 1911.

Cottage Grove, Wis.—The Cottage Grove bank has purchased a site for the erection of a building.

Merril, Wis.—The Lincoln County bank is to erect a brick and stone building to cost about \$25,000.

Sebastopol, Cal.—The Analy Savings bank is installing a pneumatic electric burglar-alarm system.

Centerville, S. D.—The capital of the Bank of Centerville has been increased from \$30,000 to \$50,000.

Sioux City, Iowa.—The Merchants National bank has let a contract for the remodeling of its building.

Burlington, Wis.—The Meinhardt bank building is being remodeled and will be thoroughly modern in every respect.

Salt Lake City, Utah.—The Deseret Savings bank is making extensive alterations in its banking rooms in order to obtain additional space.

F. E. MAGRAW BONDS COMMERCIAL PAPER

620, 622 & 624 Globe Building. ST. PAUL, MINN.



A BANK
with the equipment, the
experience and the strength
to give the best service.

First National Bank of Boston

Surplus and Profits - - \$ 6,000,000
Total Assets - - 80,000,000

We have Unlimited Funds for High Grade

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SOUTHERN MINNESOTA

Easy repayment privileges. Freedom from red tape.
Prompt closing.

Conservative Bank Agencies Solicited.

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Capital and Surplus

increased to

\$500,000.00

¶ The Capital of this bank has been increased from \$100,000 to \$250,000; the Surplus has also been increased from \$100,000 to \$250,000.

¶ WITH ENLARGED FACILITIES, the Hennepin County Savings Bank invites COMMERCIAL ACCOUNTS with responsible business men and individuals who desire a safe depository for their funds.

¶ The officers of this bank are always accessible to its patrons and take a personal interest in their welfare.

Hennepin County Savings Bank

Fourth St. & First Ave. So., MINNEAPOLIS

Insurance Stock and a Gullible Public.

(By C. M. Keyes, in the World's Work.)

This is the age of expansion and inflation in the insurance world. Hardly a week passes that we do not hear of some new life insurance company, some new fire insurance company, some novel and wonderful corporation about to engage in the business of casualty insurance. Within the past five years, almost if not quite 500 companies have been floated in the insurance department of the world's activity. With one or two exceptions none of them has succeeded in a large way and very few of them promise at this time any large degree of success. Nine out of ten of them seem to be mere bubble companies, blown sometimes to extraordinary size, but blown very thin indeed, so that they give promise of an early and inglorious collapse.

If one takes the figure of \$33,580,186 to represent the total amount of money that has been sunk into all these enterprises by the investment public during all that five years, and the other figure of \$220,337 to represent the amount of return that has been gained by these investors during this five-year period, it shows an average rate of sixty-six one hundredths of one per cent. for the investment, which is at the rate of thirteen one hundredths of one per cent. per annum for the five-year period.

Taking this as a criterion—and it is surely a fair one—it appears that any man who invests \$100 in a new life insurance company's stock may reasonably expect to get an average return on his investment of 13 cents per annum for the first five years that he holds the stock. This is an average. If one studies the list more closely one discovers that he has apparently hardly one chance in six to gain any return at all; for out of the 116 companies shown in the list compiled by Best's Life Insurance News, only 18 have paid any dividends at all.

Take up a prospectus of a life insurance company in the process of flotation. I do not much care which company you choose. You will find in that prospectus a glowing account of the future profits to be gained by the purchase of this stock. The estimates will range from 10 to 25 per cent. per annum; and you will find that the writer of the prospectus intends that you shall understand that the returns will begin immediately, or at least within a year or so. Certainly you will not find in that prospectus any statement that, in all human probability, you will have to wait five years before you get a dollar in dividends. You will find that the prospectus cites the wonderful history of the Prudential, the Metropolitan, the Equitable, and many other old and well known companies; but you will not find anywhere any reference to the fact shown in this table that the returns of the stockholders in new companies are very meagre indeed.

Underneath this whole process of expansion and flotation, whether in the life insurance, the fire insurance, or the casualty field, there lies a specious fallacy. It is to the effect that, if a certain amount of money is put into the hands of the management, that management will immediately begin to make large profits in the insurance business. These profits, according to every prospectus, are to be made out of underwriting operations, that is to say out of the purely insurance business. That is what the public is asked to believe when it is asked to buy insurance stock. It is the basic principle upon which all these flotations are founded.

Any experienced insurance man knows that it is absolutely a fallacy. He knows that the premiums which the company will gather in, in the first five or six years of its life, will be gained only at enormous expense, and that the company, during these years, will be able to show large profits in its underwritings only by the use of various unholy devices whereby funds, that properly belong in the reserves to safeguard the policies themselves, will be diverted into profits for the stockholders. Such devices are not at all uncommon; but they are becoming more and more uncommon as one insurance department after the other learns about them and takes steps to stop them. Therefore, the practical, experienced insurance man knows perfectly well that the promoters who sell stock in insurance companies on glowing promises of

wonderful profit to be made in a short time, are either absolutely ignorant of the insurance business as such, or are deliberately lying for the sake of profit.

LOOKING FORWARD IN LIFE INSURANCE.

(Continued from Page 32)

their estates discontinue a financial interest in their business after death.

Sixth: Because of the sinking fund feature in an endowment contract in the availability of its cash or loan values in the event of financial stress in general or in relation to strained financial conditions of a single concern in particular.

Seventh: In the case of a bond issue, an endowment policy can be purchased to take care of the bonds at a certain period, or to provide funds for their retirement in the event of death of the leading head before maturity of the bonds.

Eighth: The advantage as a credit proposition. We all know that credit, if an enterprise is a going one, is founded very largely upon personality. Banks and individuals granting credit give the very strongest endorsement of this form of life insurance. Bankers and money lenders want to know that there is something coming into a business to offset the loss by death of its leading head or heads. Many firms have been forced into liquidation because of the calling in of their commercial paper on account of the lack of this very thing.

Ninth: Because property belongs to man and not man to property.

Tenth: Because it conserves the property value of the individual to the business whether he retires by death or because of age limit.

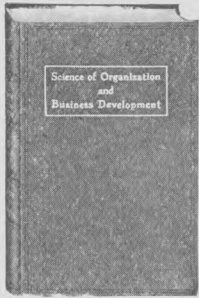
Eleventh: Because of the effect on the habits of men carrying large policies. I mean by this, that unless a man has considerable of the yellow streak, he will as a logical sequence, take better care of his health and habits after taking out a very large policy.

Twelfth: Because of the fact that the finances of our country are divided into investment and commercial funds. When a death occurs calling for the payment of a large business policy, there is a permanent transfer of investment funds to commercial funds, which is always a healthy transaction for the life of trade.

In addition to all the foregoing, it is well to have in mind that a general application of business insurance is, in reality and effect, the same to a large extent as the purchase of what is commonly considered personal insurance. The time is past when any good citizen has a desire to die leaving his family in comfortable circumstances through the medium of life insurance and his creditors in the lurch because of his untimely death. Life insurance, payable to a business, protects the creditor and, in effect, results as a protection to the family because of the perpetuation or a proper sale of the business. I have always endeavored to be an optimist and notwithstanding the fact that I have deplored the great tendency on the part of the insuring public to mortgage its life insurance during recent years, I believe I see in the more general practice of business life insurance a means of overcoming this great evil in the business. First, I believe that every business man should be educated to carry both personal and business life insurance. That these policies should be upon the limited payment life or endowment plan and that every man should be well grounded in the idea of not borrowing against his personal insurance, but allow this to remain an asset, sacred to the protection of his family and his own old age.

There is too much of a disposition to float with the current in this business. We must guide and control public opinion. We cannot do this without a unified idea and purpose along constructive lines. Up to the present time, the practice of business life insurance has been more among the larger concerns. That such business enterprises are the only logical patrons is a grievous error. I am not afraid to venture the prediction that in comparatively few years hence the custom will be universal. In fact, it cannot be otherwise because it is rational from every conceivable standpoint.

How anyone can speak lightly of the life insurance business and be serious is beyond my comprehension. We, gentlemen, are engaged in a vocation which gives scope for the highest type of manhood in the exercise of a broad-gauged policy of business and personal effort and in the inducement held forth for self-culture along all lines which



(1910 Revised Edition)

The Recent Standard Oil Decision

confirms the methods of organization financing and conducting a corporation as outlined in

ROBERT J. FRANK'S WORK

"Science of Organization and Business Development"

Written in plain commercial English, by a member of the Chicago Bar.

EVERY BUSINESS MAN SHOULD KNOW

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How to distinguish a *legally* safe investment in a business corporation.
How to investigate and ascertain the real condition of a business in which he is interested.
How to manage a business corporation, after it is created so as to avoid unnecessary legal complications.

It covers all practical questions, gives special form, and the settled law concerning organization, reorganization and financing a corporation.

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are uplifting. Your standards cannot be too high in every department of your work. Years ago I read somewhere this statement: "Better for a scholar to like the teacher and not the subject than the subject and not the teacher." The sentiments of this maxim are good but you gentlemen have outgrown this period and must act and think for yourselves. It is well for you to have an abiding conviction of the strong position of the company you represent but more important than this is the fact that each one and all of you collectively come to a realization that even above dollars you earn must be your unbounded faith in the beneficent and economic value to the individual and to the entire body politic of the system you are furthering; that you can only secure a full measure of remuneration and do proper justice to mankind in what you have undertaken by the most thorough and constant application of progressive and systematic methods of work.

EMINENT BANKERS IN HISTORY.

(Continued from Page 33)

carry out this plan, the greenback issue would have disappeared many years ago, but the cry of contraction of the currency was made and a stop was put to their cancellation, and we still have over \$340,000 of these Government notes, or greenbacks outstanding, which is a perennial advertisement of our lack of common sense in currency matters. It has been estimated that if the greenbacks had been refunded in 4 per cent. bonds in 1879, the cost to the Government at that time would have been \$741,000,000. The Treasury Department estimates that the actual cost to the country to continue the greenbacks in circulation and maintain them on a parity with gold has now cost the Government considerably over \$1,000,000,000. The loss to the public on account of the depreciation in value, was, no doubt, many times as much.

Secretary of Treasury Again in 1884.

In 1869 Hugh McCulloch went abroad and became active in the banking business in London, organizing the private banking house of Jay Cooke, McCulloch & Co., the London branch of Jay Cooke & Co. of New York. The panic of 1873 caused the failure of the New York firm of Jay Cooke & Co., but McCulloch carried on the business in London for some years after 1873. Returning to this country later he was asked by President Cleveland in 1884 to again become secretary of the treasury, to complete the unexpired term of Walter Gresham, who had resigned to take a position on the

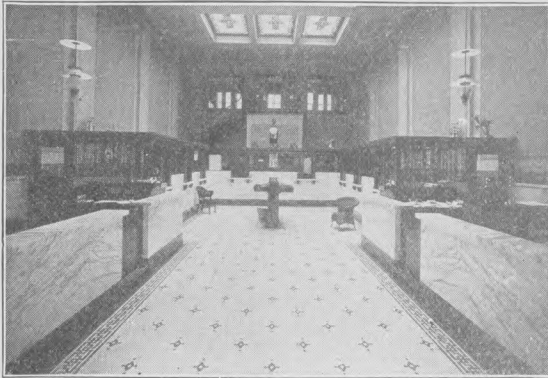
Supreme Bench. He came to have a very high regard for President Cleveland, and in speaking of him on one occasion, he made that famous epigram so often quoted: "The independence, self-control and executive ability of Mr. Cleveland, which he developed during his administration, exceeded the hopes of his friends and disappointed his political enemies."

An Interesting Writer.

In 1887, eight years before his death, Hugh McCulloch compiled an interesting volume entitled "Men and Measures of Half a Century." This was not a historical work, yet contains much of historical interest. It is an interesting commentary on men prominent in history and the legislation that has affected the nation's progress. After carefully reviewing the situation of the great industries grown up in this country under the protective tariff law, he says: "What is needed in the United States more than anything else to promote the general welfare, is such reduction in the tariff as will develop our foreign trade. The protective policy must be abandoned. A revenue tariff we must have, with absolute free trade the thing to be hoped for in the future."

From the foregoing statement it is clear that the present Canadian reciprocity pact would have had a strong advocate in Hugh McCulloch if he were living today. His statement that the development of our foreign trade is the great need of the hour, is endorsed now, after a lapse of twenty years, by leading economic students and statesmen who are broad enough to see the trend of international affairs.

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Reclamation of the Mississippi Delta.

(Correspondence of Chicago Record-Herald.)

Within the last ten years the reclamation of the swamp area in the United States has been attracting great attention. Throughout the North and middle West the swamp is rapidly disappearing and is being converted into most fertile farm lands. This is especially true in Indiana, Illinois, Wisconsin, Minnesota, Iowa, and Missouri. In southeastern Missouri something more than 400,000 acres, what was an almost uninhabitable swamp, a large portion of which was covered with cypress timber, has been drained and is now the most productive and most prosperous part of that great state. Ten years ago this land was selling at from \$3 to \$10 per acre. It has been reclaimed at an average cost of perhaps \$15 per acre and is now selling at from \$100 to \$200 per acre.

Crops are Notable.

It produces great crops of corn, wheat, oats and other grains, melons and cantaloupe, all kinds of vegetables, all kinds of fruits and berries and is the choicest agricultural land in the middle West. The reclamation of this tract has added \$40,000,000 to the taxable value of this land and one-quarter of that amount annually to the value of its products.

Louisiana has something more than 9,000,000 acres of alluvial swamp. Of this, 4,000,000 is the coastal swamp of the lower delta of the Mississippi. Writing of this area, an eminent engineer says: "The great region which has been in the past covered by overflows of the Mississippi river is termed by geologists an alluvial plain, and is generally spoken of as the Mississippi delta. It covers an area about twice as great as the cultivated lands of Egypt, has a far more fertile soil, and, unlike the soil of Egypt, produces crops without irrigation, has no general crop failures, and is free from the blight of alkali. It is probable that there is no other body of equal extent occupied by a European race which is capable of supporting so dense a population."

Soil is Productive.

Before the completion of the present levee system along the Mississippi river this land was all subject to overflow; in fact, it was built up from the bottom of the Gulf of Mexico by the insoluble silts brought down by the Mississippi from its vast drainage basin. Its geology is identical with that of the fens of England, the lowlands of Holland, the delta of the Nile and the valley of the Hongkong river.

The area of the coastal plain of the lower delta is 25 per cent. greater than the combined area of the lowlands of Holland and the fens of England. The soil is infinitely richer and two or three crops can be raised on the same land each year. An eminent authority has said: "This great alluvial plain has a greater supporting capacity than any other equal area now occupied by the white race."

The lower delta of the Mississippi lies within 650 miles of the center of population of the United States; and in the great valley of the Mississippi and within thirty-six hours by rail from the City of New Orleans to the farthest limits of the valley, there is a population of 55,000,000, and the products that can be raised on this rich soil are in demand. The transportation facilities leading to this great population are good and the railroad lines leading thereto

are spending millions of dollars in betterments to improve these facilities.

Farmers are Successful.

Many thousands of acres have already been successfully leveed and drained and are now under a high state of cultivation. So far, these lands have been largely occupied by farmers from the North who have met with phenomenal success. They found from the start that they could raise just as fine corn as they could raise in the best parts of the corn belt of the North, with less expense, and that on the same lands they could raise a crop before they planted corn, and also a crop after the corn was harvested—three crops a year. They found also that the New Orleans market was an exceptionally good market, because they had a seaboard price. These same farmers also discovered that they could raise sugar cane and cotton on these lands; that the lands would produce from forty to fifty tons of cane per acre, for which they found a ready market at an average of \$3 a ton. They could easily produce two bales of cotton an acre. They also learned that they could raise all kinds of vegetables and have them fresh from their gardens every day in the year, with the best of market conditions for their surplus. In fact, they could raise almost anything that could be grown anywhere in the United States.

Lure for Capital.

The reclamation of this vast coastal plain is a gigantic undertaking. It offers, however, large returns to capital, coupled with a safe investment. The Louisiana state legislature at its last session passed a drainage law providing for the issuing of long-time drainage district bonds to aid in pushing forward this work, and in the future this will be a great help. The demand for these alluvial lands is increasing so rapidly that the reclamation must and will be vigorously pushed. The federal government, it is asserted, should aid in this undertaking. There is already a bill before Congress providing for an appropriation for surveys and engineering estimates. This should become a law as speedily as possible.

The cultivated front lands of the French settlement on the Bayou La Fourche has a population of upward of 360 to the square mile, and is rapidly increasing. The reclamation of the lower delta will, in time, mean a population in that area greater than that in the cultivated area of the La Fourche or a total of population of upward of 2,000,000, and the annual value of its products would be greater than the total annual output of gold for the world.

Work Affects Millions.

The reclamation of the lower Mississippi delta means much to the development and upbuilding of the great City of New Orleans. It means much to the great state of Louisiana, but more than that, it affects the comfort and welfare of millions of people throughout the United States that are drawing and will in the future draw upon this great garden spot for its future supply of food.

To give something of an idea of the demand that already exists for the delta products, a truck raising community eight miles out from New Orleans on the Illinois Central Railroad shipped in a single day winter vegetables to forty-one of the principal cities in the North, from New York on the east to Denver on the west, and this was but an average day's shipment. The trucking industry in this little community has been developed within the last few years and the present demand is away beyond the supply.

How to Increase the Number of Depositors

is an interesting problem to any banker. A bank must be necessarily progressive as well as conservative in advertising.

Our Key Chain and identification tag is an up-to-date conservative "ad" for any financial institution, large or small. The key chain is flexible and has this strong advantage over the old style Key Ring in that it prevents the keys from bunching in the pocket.



Make your regular depositors feel you appreciate their accounts and invite desirable depositors to call and register with you and obtain their secret identification key chain. Be progressive and conservative and order today. Samples on request. This useful advertising article is sold for \$9.00 net per gross. \$60.00 net per thousand F.O.B. Chgo. Be the first to distribute them in your locality. Ask for Catalog 7.

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202 W. Adams St., Cor. 5th Ave.

CHICAGO

Montana Takes More Space in the Land Show.

Helena, Mont., Sept. 25.—Montana is standing by the organization launched within its borders last May and called the Northwest Development league.

The board of directors of the Helena Commercial club voted unanimously today to send an exhibit from Lewis and Clark county to occupy 200 square feet of space in the heart of the twin city land show. While Secretary Will A. Campbell, of the Northwest Development league, was talking to the directors, the real estate exchange of Bozeman called by long distance telephone to close a contract for space to be occupied by an exhibit of products from the famous Gallatin valley.

With Helena and Bozeman taking space for exhibits the treasure state will be represented something like this: Five hundred square feet for the official exhibit of Montana to be placed in its show by the governor's commissioners; 200 square feet by the Helena Commercial club; 300 square feet for the Judith Basin by the Lewiston Commercial club; 250 square feet for northern Montana by the Great Falls board of commerce; 200 square feet by the Bozeman Real Estate exchange; 150 square feet by the Billings board of trade; 150 square feet by the Commercial club of Harlowton, for the Musselshell valley. The Lewis Penwell companies will occupy 200 square feet with an exhibit from their famous ranches and the Smith River valley.

All Important Districts Represented.

Thus all the important districts of the state will be brought to the twin city show. Manager Campbell says that Kalispell will represent the famous apple district and Missoula will probably want to get in. This will be the last available foot of space for Montana exhibits and it will be standing room only if any more want to come in.

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FIRST NATIONAL BANK OF DULUTH,		
DULUTH, MINNESOTA		
Albert L. Ordean, President David Williams, Vice President John H. Dight, Cashier Walter J. Johnson, Ass't Cashier William W. Wells, Ass't Cashier	United States Depository	Out-of-town accounts are accepted on favorable terms, and every accommodation consistent with prudent banking is accorded depositors. Prompt attention given collections and financial matters.

RECENT LEGAL DECISIONS.

Bank has no Power to Make Guaranty.

A bank has no power to make a guaranty except for the protection of its own rights, or as an incident to the transaction of its own business, unless specially authorized by law.—*Ayer v. Hughes*, 69 Southeastern Reporter 657.

* * *

Bank Liable for Deposits of Third Persons.

A bank receiving a deposit credited to the depositor, followed after his name by the word "agent," must treat the depositor as the owner of the fund and honor checks properly drawn without concerning itself as to the application made or to be made of the money drawn out and may not apply the fund to its own benefit under his authority when it belongs to others, and it is accountable to them because the form in which the deposit is made is sufficient to excite inquiry.—*Silsbee State bank v. French Market Grocery Co.*, 132 Southwestern Reporter 465.

* * *

Illegal Transaction no Defense for Plaintiff.

A borrower from a national bank of an amount in excess of the amount allowed under national banking act cannot plead such act to defeat an action to recover the loan. Ordinarily a loan company, organized to do a general brokerage business, to loan money, to negotiate bonds, etc., is not authorized to become a surety, as that act must generally be specifically authorized. A corporation can only do those things which are necessary to carry into effect the purposes for which it was organized, and it can do no act and can make no contract not expressly or by fair implication authorized by its charter.—*Richeson v. National Bank of Mena*, 132 Southwestern Reporter 913.

* * *

Partnership Debts Payable Out of Partnership Funds.

A new firm took over the assets and continued the business of the old firm, and was required to pay the debts of the old firm up to the value at least of the assets received. A partner of the new firm drew a check on its deposit to pay a bona fide debt of the old firm to the bank on an overdraft. Held in the case of *La Montagne v. Bank of New York National Banking Association*, 125 New York Supplement 1104, that the bank paying the check was not liable for the amount of the check in subsequent action by the new firm.

Where a deposit in a bank was made with a view to the formation of a partnership by partners in an old firm and third persons, the partners of the new firm, the moment it became organized, could draw on the account in the name of the new firm, and the bank must honor their checks.

* * *

Collecting Bank not Liable on Forged Instrument of Third Person.

Plaintiff employed C., a banker, to obtain money plaintiff had on deposit in a bank in Italy, delivering to C. the bank book representing the deposit. C. delivered the book with a forged power of attorney authorizing him to draw the money, falsely executed by a person who pretended to be plaintiff, to defendant trust company, which advanced all the money on the book, and forwarded it with the power of attorney countersigned by the Italian consul in New York to the Italian bank for payment. In the meantime C. converted the money and absconded, and plaintiff stopped payment and sued to recover the book or its value. Held in the case of *Chiarello v. Savoy Trust Co.*, 125 New York Supplement 1069, that C. having pursued the usual method in obtaining the money on the book, though the means were illegal, the trust company, having acted in accordance with its usual custom, was not liable.

Note Payable in State Where Executed.

Defendant in Ohio executed a note with no place of payment specified. Before the maturity of the note the payee discounted it to a bank in Ohio. An Ohio statute provides that all notes payable to any person or order shall be negotiable by indorsement thereon, so as to absolutely vest the property in each indorsee. Held, in the case of *German National bank v. Zimmer*, 132 Southwestern Reporter 1023, that the statute placed the note on the footing of a bill of exchange, and when sued on in Kentucky the limitations specified in Ky. St. § 2515 (Russell's St. § 224), as governing an action on a note placed upon the footing of a bill of exchange, will control.

Where a note which specifies no place of payment is discounted in the state where it is executed, and continues to be owned and held in that state, it will be treated as payable in that state, in the absence of any evidence to the contrary.

* * *

Execution of Renewal Note by Bank Officer not Misapplication of Funds.

Accused, who was president of a national bank, having overdrawn his account \$18,303.80, executed his note to the bank for \$20,000, secured by certain corporate stock, the proceeds of the note being used to cancel the overdraft, and the balance was credited to his account, subject to check. The note not having been paid, the collateral was sold for \$5,000 cash, which paid the \$1,146 additional advancement and \$3,800 on the overdraft. Held in the case of *Adler v. United States*, 182 Federal Reporter 464, that the execution of the note was a benefit and not a loss to the bank, and that accused by that transaction was not guilty of misapplying the bank's funds, in violation of Rev. St. § 5209 (U. S. Comp. St. 1901, p. 3497).

Mere renewal of a note by the officers of a national bank to cover a loan not sufficiently secured did not constitute a misapplication of the bank's funds, in violation of Rev. St. § 5209 (U. S. Comp. St. 1901, p. 3497), because the transaction was accomplished in the form of a discount of the renewal note, by placing the proceeds to the customer's credit and receiving from him a check against the fund for an amount sufficient to pay the old note, without the bank parting with any money.

* * *

Purchaser of Draft with Bill of Lading Exempt from Liability for Return of Goods.

Where the seller of goods ships them and makes a draft upon the buyer with bill of lading attached, one who buys the draft and receives payment thereof from the drawee is not liable for return of any portion of the proceeds because of a defect in the quality of the goods, though the draft was bought in reliance upon a written guaranty of its payment, in which the bill of lading was described as covering goods of a designated quality.

Gen. St. 1909, § 5834 (Code Civ. Proc. § 241), provides that, where the answer of a garnishee discloses that any other person than defendant claims the indebtedness or property in his hands, the court may order the claimant to be made a defendant and notice to be served upon him. Held, in the case of *Central Mercantile Co. v. Oklahoma State bank*, 112 Pacific Reporter 114, that where goods sold were shipped on a bill of lading with draft attached and the draft was paid, and before the money was remitted by the collecting bank the buyer sued the seller for defects in quality of the goods, and the drawee of the draft, after paying it to a collecting bank, sought to hold the proceeds by garnishment as the property of the seller, the payee bank by intervening and asserting its title to the proceeds, without waiting to be served with summons, waived none of its rights.

The Minneapolis Symphony Orchestra

Eighty-five Performers

Emil Oberhoffer, Conductor



1911—NINTH SEASON—1912

1911		12 Friday Evening Concerts		1912	
October	20—ESTHER OSBORN, Soprano	January	12—FRANCES ALDA, Soprano	January	26—ALBERT SPALDING, Violinist
November	3—GEORGE HAMLIN, Tenor	February	9—LUDWIG HESS, Tenor	February	23—JOHANNA GADSKI, Soprano
November	17—BERTA MORENA, Soprano	March	8—RICHARD CZERWONKY, Violinist	March	22—KATHARINE GOODSON, Pianist
December	1—RUDOLPH GANZ, Pianist				
December	15—MAUD POWELL, Violinist				
December	29—HAROLD BAUER, Pianist				

21 Popular Sunday Concerts (Three Series of Seven Each). First Series.

October	22—GERTRUDE RENNYSON, Soprano	November	12—ARTHUR SHATTUCK, Pianist
October	29—MARCUS KELLERMAN, Bass-Barytone	November	19—JOSEPH SCHENKE, Tenor
November	5—LOIS EWELL, Soprano	November	26—CARL SCHEURER, Violinist
		December	3—CHRISTINE MILLER, Contralto

Prices of Season Tickets

	12 Friday Evening Concerts	First Series Afternoon Concerts
Orchestra and First Ten Rows Orchestra Circle	\$15.00	\$3.50
Last Ten Rows Orchestra Circle	10.50	1.75
First Four Rows First Balcony	15.00	3.50
Last Five Rows First Balcony	10.50	1.75
All of Center Second Balcony	8.50	1.75
First Row Sides Second Balcony	8.50	1.75
Other Rows Sides Second Balcony	6.50	1.75

All subscription and other seat sales for the Minneapolis Symphony Orchestra concerts will be held at the "Auditorium Down Town Ticket Office," in the Cable Piano Company's Store (Nicollet and Eighth), in charge of Richard J. Horgan.

Telephones: N. W. Nicollet 607. Tri-State Annex 510.

Wendell Heighton, Manager

Carlo Fischer, Associate Manager

Season Subscriptions Received After Monday, Sept. 11, for the Friday Concerts

None taken after Saturday, October 7

Season Ticket Sale for the Sunday Concerts Opens Monday, October 9

Closes Saturday, October 14

MONTANA'S ASSETS.

Address by F. H. Elmore at the Helena Convention of the Montana Bankers Association.

I realize fully that in selecting the subject, one should be familiar with general conditions in all lines of trade in his own state, as well as in the sections where comparisons are to be made, and, to do it justice, more time would be required than could reasonably be allotted at a banker's convention. Inasmuch as you have all been favored from time to time, at red apple banquets, sweet pea carnivals, good roads, dry and irrigated lands, sugar beet, cattle and wool growers conventions, with facts and figures with regard to the vast areas of the state, and non-producing land, I will confine my remarks to two or three topics which will require but little reference to figures and statistics.

We have been good boosters. Most cities have their Chamber of Commerce, and through these organizations a great deal of good advertising has been done. The land companies have advertised the McIntosh Red apple of the Bitter Root and Clarks Fork valleys, the Boston and Butte stock exchanges report our mining products, Chicago, Boston and Philadelphia the cattle, sheep and wool supply, all of which are moves in the right direction; but why neglect, to a large degree, the advertising of our grain producing sections, telling the farmers of the more densely settled sections of the eastern and central states what we are raising on our agricultural lands that can be purchased at \$25 to \$100 per acre.

Perhaps it would create a stronger impression to put it this way:

Montana's average farm value of 160 acres as compared with the general average of the United States for one year was:

	Wheat.	Oats.	Barley.	Flaxseed.	Potatoes.
U. S.	\$2,539	\$1,963	\$2,145	\$2,294	\$9,310
Montana ...	4,259	3,446	3,830	3,072	14,688

The chances of a crop failure or a shortage of yield are less in Montana than in other states as the variations in the average yields during the years 1900 to 1909 show.

The high and low average yield of wheat in bushels per acre for all the years in that period was as follows:

	High.	Low.
North Dakota	15.9	4.9
Minnesota	16.8	10.5
Kansas	18.5	10.4
United States	15.8	12.3
Montana	30.8	23.8

You will note that the lowest yield of Montana for the ten years was greater than the highest yield of North Dakota, Minnesota or Kansas by 28 per cent.

The lowest yield of Montana was greater than the highest yield for the United States by 50 per cent.

The lowest yield of Montana was greater than the lowest yield for the United States by 93 per cent.

The ranchers of Montana have been successful—those coming in the early days located on Government tracts or purchased land at a very low figure and rarely experienced the need of outside capital, and mainly for that reason, I think, insurance and loan companies have not been called upon to investigate the value of our soil nor the high position we hold as a grain producing state. Now, however, many settlers have come into our boundaries taking allotments on reservation lands and purchasing land at its increased value who will need some assistance, and while the mortgaging of their farms should not be encouraged, we must endeavor to interest eastern capital for the final development of these tracts.

If you will take the trouble to examine the annual reports of the various insurance companies, I think you will find that Montana has by far the least amount borrowed from insurance companies on farm mortgages, as compared with insurance in force in the state, of nearly any state in the Union, which leads me to believe that we have only to furnish them a statement of our condition when they will not only be anxious to write our insurance, but place an equitable amount of their surplus in Montana farm loans.

Another and perhaps the largest, life insurance company in the country, in its annual statement for the year

1910, reports \$10,250,000 in force in our state, listing in its assets, secured loans on mortgages \$92,523,123 placed in 31 states and Canada, but not one dollar in Montana. Twenty-six straight life insurance companies doing business in the state report policies in force December 31, 1910, to the amount of \$54,149,564, an increase over 1909 of \$5,845,244, and in addition the industrial and assessment associations report \$9,785,000, making a total of \$63,934,000, an increase over the year 1909 of \$7,346,800.

Premiums were paid during the year 1910 on all life insurance in force in the state to the amount of \$1,881,247.91, while the losses during the year were but \$537,828.75.

A reasonable portion of the surplus of each company doing business in our state should be available, and the aggregate amount, if judiciously placed in farm loans on reasonable valuations—not for speculation—would meet the requirements of practically all settlers.

Our combined efforts to encourage the insurance companies to reciprocate, in a proportionate measure for business received, should meet with success.

Strength of Our Banks.

Reference to statistics compiled by the comptroller of the currency at Washington, for 1910, reveals the fact that Montana National banks carry a higher percentage of reserve than in most other sections of the country.

The report of September 1, 1910, shows the percentage of cash means to deposits in National banks in Montana was 33.20, while the general average on the same date in the different sections of the country as divided by the comptroller was:

Three central reserve cities	26.68	(25% actual cash required)	
Forty-six reserve cities	27.40	(25% reserve required—one-half of which may be carried in central reserve cities.)	
New England states	22.46	Middle states	23.69
Eastern states	20.49	Western states	27.79
Southern states	20.97	Pacific states	27.07

Nine states comprise the western division in which Montana is included, and Montana's percentage was 33.20 and the average throughout the year covering five reports to the comptroller was 30.70. You will note that the western division maintained the highest percentage of reserve and Montana's position was one of the highest of the division and this result aroused my curiosity to the extent of ascertaining the position of the larger national banks of the state as compared with those of similar size in cities located in different sections of the country and where conditions are similar in most instances.

Seventeen national banks in Montana with deposits of from \$500,000 to \$3,000,000 show cash and due from banks, a reserve against deposits of 40 per cent.

The percentage maintained by the seventeen banks in Montana is as high as that of national banks in Chicago and St. Louis, central reserve cities, where a reserve of 25 per cent. in actual cash is required which, together with amount due from banks, usually brings the cash means to about 40 per cent.

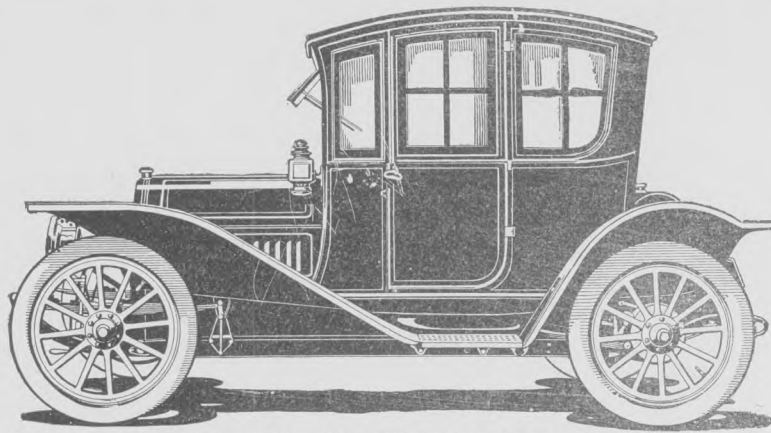
The New York city banks carry practically no balance with other banks for reserve purposes, consequently their reserve is represented by cash in their vaults, the percentage, in most instances, is reported from 25 per cent. to 30 per cent., very infrequently above 30 per cent.

Mr. C. E. Kumpfe, our state examiner, has recently issued an abstract of reports of Montana's state banks and trust companies, which states that the average reserve on March 7 was 34 per cent., and on June 7 33 per cent., practically the same as reported by the national banks.

Just a word on the subject of extension of credit.

I was very much impressed recently in reading the following "ad" published by one of our Pittsburgh friends, entitled, "When you ask the bank for a loan."

Allow me to repeat in part: "It should not be a favor, and is not if the borrower has proper security. The modern bank lends its money as a business proposition and is frankly glad to meet the needs of customers who establish their right to borrow."



REGAL 20 COLONIAL COUPE, FULL EQUIPMENT \$1,285. F. O. B. Minneapolis.

Full details upon application—we invite your inspection.

REGAL SALES COMPANY,
1400 Hennepin Avenue - - MINNEAPOLIS

HERE is your Ideal Car for winter use, and at a price that is not prohibitive. In finish and design it is equal to any car selling at \$3,000. It is built on our 26 H. P. underslung chassis, giving it an attractive appearance, makes it low and convenient and absolutely safe.

It is a credit to one, whether farmer or tradesman engaged in any line of legitimate business which tends to upbuild his community, to be able to go to his banker and borrow money. On the other hand, a banker should endeavor to so conduct the affairs of his institution as to enable him to meet the legitimate demands of his customer, even though he be compelled to call on his reserve agent for a line of credit, as the abnormal demands will come only in seasons when deposits are low and loans high, and would be legitimate demands, for the reason that in a very few months harvest is over and deposits go up and loans down, correspondingly, when your idle funds go to your reserve agent to help the situation in some other portion of the country where the heavy demands come in the fall and winter. Why not take advantage of your turn when it comes?

I am sure it would increase your business and profits proportionately if you could have your good customers say to their neighbors, "I do business with a bank which is always in a position to take care of me. I only borrow to buy some stock to fatten or carry me over threshing time, and if money is tight, my banker's credit is always good in the east."

It should add strength and prestige to any bank able to rediscount with its reserve agent the same as a mercantile house in good standing is able to buy a large line of goods on 30, 60 or 90 days' time, to enable it to carry its customers until after harvest. At other seasons you will see this same house discounting its bills. Therefore, why is it a crime to advertise the fact that your credit is good with your reserve agents?

The strength of banks in Europe is measured largely on their ability to rediscount. In this country it is a matter of public sentiment side-tracked mainly through short sightedness at a time when each section of the country was dependent on itself, but in this age, when a million dollars can be used for a portion of the year and half the amount will suffice the balance, why not equalize our resources by using our credit, instead of capitalizing to the maximum amount at the expense of profits, or turning away good customers with the too frequent excuse that "money is tight and we can't take any more loans until after harvest." After harvest your good customers won't need it, and the chances are two to one that he will deposit the proceeds of his year's income in another institution where his credit will be good the next borrowing season.

When Congress enacts a bill providing for a National Reserve Association we will be able to automatically finance our crop moving periods, instead of being forced to hedge several months in advance in order to meet the situation. It really is a pity that more politicians have

not had experience in moving crops and meeting the needs incident thereto—there would be less talk of the bill being a political one, or that it is in the interest of Wall Street. If you will but consider the situation for a moment, you will realize that the country south of the Mason-Dixon line and west of the Ohio River, will receive far greater benefits through its operation than will Wall Street. Let us all unite in convincing our customers and representatives in Congress that the bill, as recommended by the Monetary Commission and approved, with but minor exceptions, by the executive council of the American Bankers association, would be of inestimable benefit to the entire country, and particularly to the West, and should be passed without delay.

FOURTH NATIONAL TO HAVE FOREIGN DEPARTMENT.

New York.—Samuel S. Campbell, vice president of the Fourth National bank, has returned from a six-weeks' trip to Europe. While Mr. Campbell's trip was mainly for pleasure, he found time to complete plans of the Fourth National for the opening of a foreign department.

OCTOBER DIVIDENDS.

New York.—Dividend and interest disbursements for October are estimated by The Wall Street Journal to exceed \$138,000,000. Dividends will be \$12,453,126 greater than interest charges.

Dividend disbursements will approximate \$80,000,000, made up as follows: Railroads, \$23,058,530; industrials, and miscellaneous, \$42,539,352; electric railways, \$5,104,300; New York City banks and trust companies \$4,587,280. The entire capitalization upon which the dividends are based amounts to \$3,903,771,288. Detailed figures for dividends follow:

	Capital	Dividends
Railroads	\$1,283,810,119	\$23,058,530
Industrials	2,266,814,443	42,539,352
Electric railways	247,538,726	5,104,300
City banks and trust Cos.....	105,608,000	4,587,280
Total	\$3,903,771,288	\$75,289,462

Interest payments for the coming month amount to \$62,836,336 comprised thusly: Railroads, \$35,769,140; industrials and miscellaneous, \$8,268,060; electric railways, \$9,309,235 (exclusive of the Interborough-Metropolitan and the Hudson-Manhattan systems, which are classified under railroads); New York City, \$420,000; all other cities, counties, states and territories of the United States, \$5,838,560; Government bonds upon which a quarterly payment is due, \$3,231,251. The total principal upon which all interest charges are based totals \$3,269,174,150. The detailed figures follow:

	Principal	Interest
Railroads	\$1,643,170,000	\$35,769,140
Industrials	310,872,000	8,268,060
Electric railways	377,794,000	9,309,235
New York City	25,000,000	420,000
State and city	291,088,000	5,838,560
Government	646,250,150	3,231,251
Total	\$3,269,174,150	\$62,836,336

Disbursements thus far for 1911 aggregate \$1,321,626,000 made up in the following fashion: October, \$138,000,000; September, \$94,000,000; August, \$83,500,000; July, \$251,000,000; June \$80,000,000; May, \$103,000,000; April, \$150,000,000; March, \$118,000,000; February, \$85,000,000, and January, \$211,000,000.

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THE ANNUAL DRY FARMING CONGRESS.

The Sixth International Dry-Farming Congress will hold its sessions in this city during the five days from October 16 to 20, inclusive.

Behind this simple statement lurks what is probably the greatest single agricultural force the world has ever known.

The International Dry-Farming Congress is an organization with working branches in nine countries of the world, with more than 15,000 individual members scattered through fifty nations, and with an expense for agricultural propaganda, including the funds expended by its branches, of more than \$60,000 annually.

The Sixth Congress will have as delegates in actual attendance, seven governors of states, ten presidents of agricultural colleges, fifty professors of similar institutions, fifty members of the staff of the United States department of agriculture, a half hundred agricultural authorities from foreign countries, and more than 2,500 prominent farmers and business men, all of them intensely interested in the great problem of reclaiming the so-called arid districts of the world. These delegates actually own and operate farms to the extent of nearly six millions of acres, and the problems they will meet to consider are vital to 63 per cent. of the American continent and to more than 50 per cent. of the entire earth's surface.

Five previous conventions have been held, the first at Denver, Colorado, in 1907, with an attendance of 300 people, and the last at Spokane, Washington, with more than 2,000 registered delegates and an actual attendance of double that number.

The congress is a unique organization. Its avowed objects are the co-operative, scientific study of agriculture and the development of better farming methods in the sub-humid or so-called "dry" districts of the world. It has no country to colonize. It has no lands to sell. Its work is utterly impersonal, and, as such, it has been officially indorsed by the agricultural authorities of many countries.

The world has discovered, as a general truth, that the method used in farming in those regions which receive 20 inches of rainfall or less per year makes all the difference between success and failure. The actual farmer is just beginning to learn this fact. A few years ago the agricultural world was astounded at the news that a campaign for better farming methods in Iowa had succeeded in raising the annual yield of corn in that state five bushels per acre. The campaign now being carried on in the dry-farming districts frequently determines whether two bushels or twenty bushels of wheat to the acre, and other crops in proportion, shall be harvested.

The congress advocates deep plowing for the production of humus in the soil, frequent surface cultivation and the maintenance of a loose surface mulch to check evaporation and preserve moisture, the rotation of crops

to preserve soil fertility, the raising of live stock to the limit of the farm's capacity, and the use of plenty of common sense on the part of the farmer as a lubricant for his season's labors.

The Dry-Farming Congress has grown so rapidly that its division into sections became a necessity several years ago. This year no less than five great convention halls have been secured to accommodate the various divisions. In addition to the parent congress there are now the International Congress of Farm Women, the International Conference of Agricultural Colleges and Experiment Stations, the Colorado Division of the American Breeders' Association, and the Great Plains Co-Operative Experimental Association, the last named being composed entirely of experimental and field men connected with the United States Department of Agriculture. Special sessions of each division will be held through the five days of the congress. There will also be institute or practical farm work sessions covering from two to five hours daily.

The international exposition of dry farmed products will occupy a building 800 feet in length, and there will be extensive exhibits from almost every state west of the Missouri river, from several Canadian provinces and from a half dozen foreign countries. The machinery exhibit will occupy an additional space 140x400 feet in size.

The International Congress of Farm Women, mentioned above, has yet to hold its first session. Authorized by the Dry-Farming Congress this summer for the betterment of the farm home, the official call has met with such a prompt response from every section of America and from many foreign countries that it now promises to be one of the most successful features of the great gathering. Already there has been organized a branch Women's Congress in Pretoria, South Africa, with Viscountess Gladstone at the head, and other branches are in immediate prospect.

The plans for the Women's Congress include frank discussions of proper equipment for the farm home, laws of physical life in relation to the family, the cash value of rest, labor saving devices, the economic value of the farm woman, the country church and the country school; together with demonstrations in cooking, home hygiene, emergency nursing, and the care of infants and young children. Men and women of international reputation are on the program, which is being prepared by Mrs. John T. Burns, the secretary of the new organization, assisted by a working committee of prominent Colorado women. A special section will be devoted to the women writers on farm newspapers, whose influence is the greatest single factor in the life of the American farm-woman.

The Dry-Farming Congress has as its head this year Dr. J. H. Worst, president of the North Dakota Agricultural college. Its active officer is Secretary-Treasurer John T. Burns, of Colorado Springs.

Philosophy of Agricultural Teaching.

A plea for the cultural side of agricultural education in which the better things of farm life and an inherent pride in the work associated with a vocation so closely related to nature, should be emphasized, as well as an attempt to raise the productivity of the soil, was advanced by President Vincent of the University of Minnesota in his opening address at the agricultural conference of 150 school superintendents and instructors at the Agricultural College at St. Anthony Park, one day last week.

The topic of Dr. Vincent's address was "The Philosophy of Agricultural Teaching." Introduced by C. G. Schultz,

state superintendent of public instruction, President Vincent immediately launched into his subject.

"Everywhere," he said, "there is a demand for practical education. To be true, we find opposition from some who look with trepidation upon what they think is to result in a certain abandonment of the cultural side of education. For between the two terms, culture and practicality, there is a marvelous contrast.

Philosophy of Education.

"The problem of agricultural education embodies the philosophy of social evolution. Since the beginning of the industrial revolution, the factory system, favored by advanced methods of modern transportation, has become

dominant. This result is fundamental to one's understanding of our industrial condition."

President Vincent then pointed out the drift of population to the cities, and dwelt upon the supposed attractions which have lured the country boys and girls into the great urban centers. He then continued:

"We have been attempting these many years to persuade persons to move back upon the farm. Our chief stress has been laid upon the desirability of keeping persons on the farm. It is the problem of society, however, to give them such a conception of efficiency, conveniences, and more wholesome advantages of farm life as will make the work appeal to them and make persuasion unnecessary to keep them on the farm. They must so appreciate the worth of a life on the farm as will make them reluctant to leave it.

Making Persons Satisfied.

"The great social problem is to make persons more satisfied with the common things about them. We must not employ any ingenious argument or device to induce the Minnesota boy or girl to remain on the farm, but should rather emphasize the cultural as well as the scientific side of agricultural training, so that they will be satisfied to remain upon the farm without needless persuasion.

"The tide in favor of the teaching of the scientific principles of agriculture has turned. The difficulties which have beset the scientist in convincing the farmer that an application of scientific principles to farming will pay, are now rapidly disappearing. We have the satisfaction of seeing the young men and women of our agricultural colleges returning in greater and greater numbers to the rural districts of the country to teach agriculture because there is a demand for them.

Harmony is Essential.

"So far have we advanced that the time has been reached when we must standardize our methods of agricultural instruction. This conference has been called to bring about an important exchange of ideas, to talk of one another's methods, to seek counsel with one another, to pool our experiences, and bring about the reciprocity of intellectual suggestion which is so valuable.

"In finishing, I wish to ask one question. What does agriculture mean to you? Has it any relation to cultural subjects as well as the problems of agriculture. Or is it merely to adopt a system which is to consider only a means to increase the productivity of the soil? If so, we will fail in the end. The teacher must not continue his activities to the teaching of one subject to the subordination of another. The cultural side must be emphasized as well. In the final analysis, all practical things must be merged into the larger life of a common brotherhood."

Minnesota Work for Conservation.

Kansas City, Sept. 25.—Minnesota made a good showing in the call of states at the session of the third National Conservation congress in Convention hall here this afternoon. D. M. Neill, of Red Wing, chairman of the delegation, spoke for Governor Eberhart, who said to him before leaving St. Paul: "Go down and tell them what we are doing."

"Telling of the resources of Minnesota would be a recapitulation of the resources of all states," began Mr. Neill. "Far-sighted men settled Minnesota; they put a minimum price upon its immense tracts of swamp lands. As a result Minnesota has a school fund of \$25,000,000, larger than that of any other state except Texas. It will some day amount to \$250,000,000."

Tells of Agricultural College.

Mr. Neill told what the agricultural college is doing in the education of farmers on soil conservation. He told of the experimental farms, where parents as well as children are educated. Minnesota, by advances in farming, had raised the average yield of wheat three and one-half bushels. Minnesota's efforts for securing good roads were recounted. No land is sold in Minnesota by the state, he said, without the reservation of mineral rights. Mines in operation are paying a handsome tax to the state.

Speeches were limited to five minutes, and Mr. Neill did not get time to tell what he wanted to say as to the progress Minnesota has made in conserving water power, the way it is fighting for forest reservations and forest development. He did say a word as to the conservation of health and the efforts being made to fight the white plague.

Practical Trend to the Congress.

The call of states for reports of progress is an indication of the severely practical trend that has been given this congress. No big fight seems on as to broad policy. Each state wants to learn what the other has done and is doing and how it is doing it.

Florida tells what can be done by the drainage of

swamps. Missouri joins in. Kentucky wants the headwaters of streams protected. California looks forward to a scientific age to enforce the back to the soil movement. Louisiana and Maryland will conserve and develop the production of sea food. Every state told of commissions and movements for education in conservation.

President Wallace is guiding the convention with a firm hand. He sounded the keynote in his address—how to preserve the fertility of the soil, and how to keep population from abandoning it. He proposes that the congress shall move along these lines. Everything else is incidental.

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	Lv. St. Paul	6:30 p.m.
	Ar. Chicago	7:02 a.m.
"Chicago Limited"	Lv. Minneapolis	7:45 p.m.
	Lv. St. Paul	8:30 p.m.
	Ar. Chicago	9:00 a.m.
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MANITOBA.—Brandon, Carman, Dauphin, Elgin, Elkhorn, Gilbert, Plains, Grandview, Neepawa, Portage la Prairie, Rivers, Swan River, Transcona, Treherne, Virden, Winnipeg (7 offices).

NORTHWEST TERRITORY.—The Pas.

SASKATCHEWAN.—Bengough, Biggar, Broderick, Brook- ing, Canora, Cudworth, Delisle, Drinkwater, Edam, Elbow, Elfros, Hawarden, Herbert, Humboldt, Kamsack, Kerr Robert, Kindersley, Langham, Lanigan, Lashburn, Lloyd- minster, Marcellin, Melfort, Melville, Milestone, Moose Jaw, Moosomin, Morse, Nokomis, N. Battleford, Nutana, Outlook, Prince Albert, Radisson, Radville, Regina, Saskatoon, Shellbrook, Swift Current, Stowe, Tugaska, Vonda, Wadena, Watrous, Watson, Weyburn, Wilcox, Willow Bunch, Yel- lowgrass, Yorkton.

A General Banking Business Is Transacted. A Savings Bank Department Is Open at All the Branches Named Above.

AFTER-ELECTION CONDITIONS IN WESTERN CANADA.

Winnipeg, Sept. 25.—It would be idle as yet to say that the excitement of the election of September 21 has passed away. There is no doubt in the minds of western business men that Canadian people as a whole do not want reciprocity. The Canadian West has declared in favor of it, but the East has declared emphatically against it. The new government will have a strong majority and there does not appear to be any reason why business should not settle down now as the policy of the big majority of the members-elect is that the present tariff in Canada is all right and that the country is moving along as fast as is healthy for it. "Let well enough alone" was their slogan, and it was one that carried with it the sentiment of the people.

Effects of Reciprocity.

While your markets for wheat in Minneapolis were advancing suddenly, following the defeat of reciprocity, the price in Winnipeg declined. This was of course to be expected. The reverse course may have followed a favorable decision on the great question that has just been before the people here. All the grain men do not admit that that would be the case. That the farmers here would have got more money for their wheat is a question that is still being argued, and no doubt will be revived at subsequent elections in both provincial and dominion issues. It is not likely that a market so close with prices so much higher will ever be lost sight of by the Canadian producer. Just as long as your market rules higher than that of Winnipeg the reciprocity issue will be kept alive in Western Canada.

Milling Stocks Advance.

It is interesting and instructive to follow price changes in shares of milling companies before and after the defeat of reciprocity. Very few people looked for changes so remarkable. One stock quoted on the local exchange at Winnipeg is that of the Western Canada Flour Mills. The last sale made was at 120, but bids now at 125 fail to bring any shares on to the market. But it is on the stock of the two larger milling concerns, the Ogilvie's and the Lake of the Woods, that general interest centered. Ogilvie's on the day following the election jumped from 120½ to 133. The low figure was below normal and the depression was attributed to a fear that reciprocity would pass. The high figure at which this stock has held is very near the high mark for the year; and judging from the action of the market today it looks as though the high figure would hold.

For the week ending September 14 the highest point touched by the shares of Lake of the Woods was 147 and on the eve of the election the bid price was 145. On the day following the election the actual price paid for the stock was 149, and today that price is bid for it.

Industrials Generally Increase.

It was not only the milling stocks that advanced in price, but also all the shares of the industrial concerns that enjoy a good measure of protection. No actual change in the tariff as it affects them was involved in

reciprocity, but its defeat ensured the return to power of the party of protection, and, for that reason the industrial concerns enter upon a long period during which no interference with present conditions is probable. This no doubt is the principal reason why the prices of Canadian industrials generally advanced.

The Bank Statement.

It will be seen from the bank statement issued by the Government that the Canadian banks at the end of August were almost at the limit so far as currency was concerned. At that time the western crop had barely commenced to move and even at the present time, nearly the close of September, the movement of grain to the market is disappointing in volume. But Ontario has a crop as well as the West, and in addition Ontario and Quebec have factories which are all busy. Their increasing output is steadily advancing and in consequence banking facilities must advance in proportion. It is estimated that they have not done so. But it is expected that there will be no difficulty in moving the crop, as by October 1 pretty nearly every Canadian bank will take advantage of the emergency currency which is permissible on that date until the end of the year.

Outside of note circulation there is no apparent stringency. It was up to \$90,000,000 or an increase of \$1,612,000 during August. Since then banks have been put to various expedients to find circulation, especially banks that do a large grain business in the Canadian West. One of the oldest and strongest banks of the Dominion during the past month has had to resort to the expedient of using the currency of more than one smaller bank.

The note circulation at the end of August was \$19,000,000 more than at the same date two years ago, a fact that gives some idea of the expansion taking place. Capital expansion has certainly not kept pace with that of circulation. However, there will, during the latter months of the year, be a very marked addition to the banking capital of the Dominion, but even allowing for the additions in prospect, the margin between the amount of paid-up capital and the currency in use will not be very greatly under normal conditions.

The following compilation gives the principal items of the August bank statement, the changes that occurred during August, and the changes in the year ending with the 31st of August:

	Aug. 31, 1911	Changes during Aug., 1911	Changes during the year.
Circulation	\$90,630,530	*\$1,612,451	*\$9,309,091
Deposits on demand.....	311,111,668	\$ 5,862,112	\$54,498,496
Deposits after notice.....	575,740,956	* 4,951,521	*30,383,504
Total deposits in Can.....	886,852,624	* 910,591	*84,882,000
Deposits elsewhere	71,840,723	\$ 1,280,084	\$ 6,974,676
Call loans in Canada.....	65,106,110	\$ 233,178	* 4,678,114
Call loans elsewhere.....	101,713,820	\$ 2,295,210	* 1,266,532
Current loans in Canada....	734,683,962	*10,918,604	*76,870,192
Current loans elsewhere....	33,689,196	* 802,082	\$ 4,920,372
		* Increase. \$ Decrease.	

Winnipeg Building Activity.

A permit has been issued by the City of Winnipeg to the Grand Truck Pacific for the erection of the big hotel to

be called the "Fort Garry." The first name selected was that of the "Selkirk," after Lord Selkirk, the historic figure in the early history of the settlement of this part of Canada. "Fort Garry," however, was preferred on the ground that the hotel itself is actually located on the site of the historic fort. The new structure will cost approximately \$1,500,000 when complete and will be a much needed addition to the hotel accommodation of the city. Incidentally the issue of the permit for this building brings the amount of building permitted for the year up to the record total for last year, which exceeded \$15,000,000. It is not improbable that the total will reach before the end of the year \$20,000,000. Much depends upon the outcome of the crop for the present year.

The weather during the week has been very poor for harvesting. Snow has fallen over large areas out west and the temperature has been low for the time of the year. In many districts grain has not yet been cut, on account of the continuous rain and snow, and where the grain has been cut the threshing has been seriously delayed.

MARCONI WIRELESS PLANS BOND ISSUE.

Montreal.—The annual meeting of the Stockholders of The Marconi Wireless Telegraph company, of Canada, Ltd., will be held here on October 5. The stockholders will be asked to approve the creation and issue of \$2,500,000 30-yr. first mortgage 6 per cent. gold bonds, for the purpose of placing the finances of the company on a sound basis. It is proposed to issue \$1,000,000 of the bonds immediately, the proceeds to be used to pay off the indebtedness of the company and put it in ample funds to carry on its business and make necessary extensions from time to time for the development of the system, the remaining \$1,500,000 to remain in the treasury until needed.

New Canadian Corporations.

Toronto.—During the last week charters were issued as follows:
 Barcelona Traction, Light and Power Company, Toronto, \$40,000,000.
 Mexican Midland Light and Power Company, Toronto, \$15,000,000.
 Vancouver Harbor and Dock Extension Company, Vancouver, \$10,000,000.
 Ebro Irrigation and Power Company, Toronto, \$2,500,000.
 Royal Dome Gold Mines, Hamilton, \$2,000,000.
 Reciprocity Mines of Porcupine, Toronto, \$1,000,000.
 Land Corporation of Canada, Winnipeg, \$1,000,000.
 Graham Island Oil Fields, Prince Rupert, \$1,000,000.
 Prince Rupert, B. C.—Graham Island Oil Fields, \$1,000,000.
 Simcoe, Ont.—Lea's, \$50,000. J. Hawthorne, A. McKnight, W. Sutton.
 Salaberry de Valleyfield, Que.—Compagnie Lion, \$99,000. E. Bion, B. Bion, L. Laplante.
 Sackville, N. B.—Fawcett Milling Company, \$200,000. H. E. Fawcett, C. W. Fawcett, G. A. Peters.
 Watertown, Ont.—Bethanbreck Orchards, \$50,000. W. Gilchrist, A. E. Day, Miss V. Hughes.
 Bracebridge, Ont.—Bracebridge Hotel Company, \$40,000. J. Thomson, D. E. Bastedo, J. F. Colley.
 St. Stephen, N. B.—Mann Axe and Tool Company, \$49,000. C. E. Huestis, G. Clarke, F. M. Murchie.
 Nolalu, Ont.—Farmer's Mercantile Association of Nolalu, Ontario, \$20,000. J. Salmi, A. Saari, Henry Maa.
 Transcona, Man.—Trancona Theatre Company, \$25,000. J. W. McCrea, A. A. McCrea, T. M. Funnell.
 Ottawa, Ont.—Ottawa Concrete Homes Company, \$200,000. C. M. Ramsay, W. H. Roughsedge, R. V. Sinclair.
 Markdale, Ont.—Grey Real Estate and Investments, \$100,000. J. M. Davis, J. Vair, Owen Sound; A. Ego, Markdale.
 Welland, Ont.—Lennox Mining and Prospecting Company, \$40,000. T. Witkop, La Salle, N. Y.; J. Campsall, P. Campsall, Derby, N. Y.
 Eight companies account for an aggregate of authorized capital amounting to \$72,500,000. Three of these are responsible for \$65,000,000. The Barcelona Traction, Light and Power Company, capitalized at \$40,000,000, divided into 400,000 shares of \$100 each, has received a Dominion charter giving it power to develop and sell electrical energy. The Ebro Irrigation and Power Company, Limited, has obtained very similar powers in a Dominion charter. Its capital is \$2,500,000 divided into 25,000 shares of \$100 each. Both companies have their head offices in Toronto and members of the legal firm of Messrs. Blake, Lash, Anglin and Cassels are noted as the provisional directors.
 The Mexican Midland Light and Power Company, Limited, with capital of \$15,000,000 divided into 150,000 shares, has received an Ontario charter, giving the company power to carry on outside of Canada the business of an electric light, heat and power in all its branches. Among the provisional directors are Mr. T. M. Sanders, civil engineer, and Mr. F. J. Robinson, electrical engineer, of London, England. Mr. T. H. Kilgore, of Toronto, and Mr. E. C. Boeckh, president and general manager of Boeckh Brothers, Limited, brush manufacturers, Toronto, are also directors.
 The Grasselli Chemical Company, with capital of \$250,000, has been granted an Ontario charter with head office at Hamilton.

This is a branch of the American firm of the same name which has its headquarters in Cleveland, Ohio. Evidence of further activity in Northern Ontario is seen in the incorporation of the New Ontario Timber and Trading Company. Real estate movements are reflected in the chartering of the Humber Land Company of Toronto, and the Land Corporation of Canada at Winnipeg. Mr. E. M. Carroll is a director of Wright and Carroll Investments capitalized at \$100,000, with headquarters at Toronto.

The following is a list of charters granted during the past
 (Continued on Page 61)

TIMBER LANDS

Prudent investments in BRITISH COLUMBIA TIMBER LANDS at the present time will yield very large returns during the next four years.

High class timber properties offered only, which have been placed in my hands for sale. I can deliver tracts of 10 million up to 500 million at from 75c. to \$1 per thousand feet.

Detailed estimates furnished.

Correspondence solicited from bona-fide investors only.

R. C. BIDLAKE,

Crowe & Wilson Bldg., 441 Seymour St., VANCOUVER B. C.

The BANK OF VANCOUVER

Head Office: VANCOUVER, BRITISH COLUMBIA

Capital Authorized \$2,000,000 Subscribed Capital \$822,900

DIRECTORS

R. P. McLENNAN, ESQ., President, McLennan, McFeely & Co., Wholesale Hardware, Vancouver, B. C.
 M. B. CARLIN, ESQ., Vice President, Capitalist, Victoria, B. C.
 HIS HONOR T. W. PATTERSON, Lieutenant-Governor British Columbia.
 L. W. SHATFORD, ESQ., M. L. A., Merchant, Hedley, B. C.
 W. H. MALKIN, ESQ., The W. H. Malkin Co., Ltd., Wholesale Grocers, Vancouver, B. C.
 ROBT. KENNEDY, ESQ., of Hale Bros. & Kennedy, Real Estate Brokers, New Westminster, B. C.
 J. A. MITCHELL, ESQ., Capitalist, Victoria, B. C.
 E. H. HEAPS, ESQ., E. H. Heaps & Co., Lumber and Timber; President Columbia Trust Co., Ltd., Vancouver, B. C.
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 A. L. DEWAR, General Manager

A general banking business transacted.

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MOOSE JAW

is the most attractive point in Western Canada for the location of a *Wholesale Drug, Wholesale Hardware and Wholesale Dry Goods* firms.

There is an ideal opening for a *Soap Factory, a Tannery, a Flax Mill and a Rope and Binder Twine Factory.*

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For further information write to the

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Illustrated booklet sent free on application.

NORTHERN PACIFIC WILL BUILD BELT LINE.

Seattle, Wash., Sept. 25.—The Northern Pacific road will expend approximately \$500,000 in the construction of tracks around Lake Union, as the result of a conference recently between Superintendent of Public Utilities Valentine and C. H. Winders, legal counsel for the company. President Howard Elliott has telegraphed local officials that the company engineers in St. Paul have been directed to hasten plans for the work. If unsatisfactory bids are furnished by private contractors, the company is prepared to do the work itself.

The total expenditure by the company for new work in Seattle, Auburn and Pasco within the next year is estimated at \$3,000,000.

Mayor Dilling and President Elliott held an extended conference during Mr. Elliott's visit here ten days ago, in which Mr. Elliott determined personally to go over the proposed route and give an immediate decision. The telegram was the result of the conference and inspection.

The proposed track will leave the present main line at Third avenue northwest and West Ewing street, run southeasterly to Westlake avenue, south to Westlake avenue to Valley street, and northeastward around the shore of the lake from the Brace & Hergert mill property at the extreme southern end of the lake, to Hamlin street. This will constitute the Lake Union belt line proper.

The Terry avenue track starts in at the base of the lake and will run south on Terry avenue to Denny way, where the company has purchased property between Republican and Thomas streets for warehouses, team tracks and other terminal facilities. The Northern Pacific has also purchased six blocks of ground on either side of Terry avenue for terminals.

Some of the larger retail houses of the city will at once construct warehouses in this locality.

Plans will be prepared at the same time for the shortening and changes on the Fremont and Ballard main line. This line will cross the canal at Ross place and Forty-first avenue after the permanent work on the canal has been completed, and a bascule bridge, to cost \$250,000, will be put in.

The present canal crossing at West Ewing street will be removed, and a flattened "Y" for the east and west bound lines, respectively, put in, the eastbound line taking the main-line track from the city, the westbound forming a junction with a switch track already built in Ballard.

Of these improvements the company expects to build three miles of new tracks and expend in all approximately \$1,500,000. In addition, new shops, roundhouses and terminals at Auburn and Pasco, to cost \$1,100,000, and the reconstruction of Pier I for the joint use of the Canadian Pacific, at an expense of \$100,000, will bring the amount of money to be spent by the Northern Pacific in this city and adjacent territory within the next year to nearly \$3,000,000.

New Hotel for Seattle.

Negotiations are in progress which will probably result in a new \$500,000 hotel for this city. The active parties in the transaction are the Metropolitan Building Co. and a syndicate composed of Seattle and eastern men. Officials of the Metropolitan Building Co. recently went over the tentative plans with the men who would lease the hotel, should it be erected. Two sites are being considered, namely, the southeast and the southwest corners of Fourth avenue and University street.

The proposition will be submitted to the trustees of the Metropolitan Building Co. at an early date. J. F. Douglas, secretary of the company, said that a proposition, backed by men of means, had been made to the building company to put up a 12-story hotel on the old university tract. In the event that the trustees approve the project, construction will commence in about six months, that period being necessary to prepare the plans and make other arrangements for the building.

Interest Rates on Real Estate Loans.

On three real estate loans of from \$10,000 to \$15,000, made last week, the rate of interest ranged from 7 to 8

per cent. One of the loans was for \$15,000, to C. K. Sturtevant from Miranda C. Bottomley for five years at 7 per cent. The loan is secured by a mortgage on the westerly one-half of lot 11, block 113, A. A. Denny's Broadway addition. This property is on the north side of Union street, between Terry and Boren avenues.

Elizabeth H. Lewis borrowed from E. L. Price \$10,000 for three years at 8 per cent. This loan is secured by a mortgage on lots 9 and 10, block 45, Pontius' Second addition.

Charles Cowen borrowed \$12,000 from John Davis & Co., giving a mortgage on property on Fourteenth avenue northwest, between North Forty-second and North Forty-third streets. The loan bears interest at 7 per cent.

Insurance Board Score Again.

The Pacific Board of Fire Insurance underwriters, or the group of San Francisco agents who have long dominated the insurance business on the Pacific coast, have once more turned the tables on the nonboard companies in this state as well as upon the local agents and all concerned in the insurance business.

Recently the board issued a notice to agents in this state that they must discontinue their connections with nonboard companies if they expected to obtain graded commissions, a form of payment much desired by the agents.

This notice came as a thunderbolt to local agents and threatened to disrupt the business in this state.

Last week representatives of the board endeavored to have the state insurance commissioner exert his influence in behalf of the board companies. The commissioner did not care to do this. The board representatives thereupon summoned L. K. Binny, president of the Washington board of local agents, to Portland, where they persuaded him that the only thing for the local agents to do was to throw the nonboard companies overboard. Mr. Binny called a conference of the executive committee at Seattle this week, and notwithstanding the hostility of several of the members succeeded in pushing through a resolution indorsing the attitude of the California board and agreeing to stand by the old-line companies at the expense of nonboard business and to give up their independence. Local agents of state represented in the state association are now lined up on the side of the board companies.

Special agents of nonboard companies are getting thick in Washington in their endeavor to rearrange the accounts dropped by agents who prefer the board companies.

Notes.

—Advices by telegraph from A. M. Cleland, general passenger agent of the Northern Pacific at St. Paul, are to the effect that colonist and homeseekers' travel, which began September 15, on a parity with last year, opened heavily and has continued at the high point for nearly a week. "Indications," says Mr. Cleland, "are for a very heavy movement. A large number of people are destined for the extreme Western points."

—The Northwestern Fisheries company estimates the total Alaska pack of all grades of salmon at not less than 2,800,000 cases, or 400,000 cases more than last year. This year's pack is worth \$11,250,000. The Puget Sound pack, including sockeyes, pinks and fall fish, will total close to 1,000,000 cases and the total British Columbia pack 750,000 cases, bringing the total pack of the North Pacific Coast up to 4,950,000 cases, worth close to \$25,000,000.

—Large quantities of eastern Washington apples are arriving. The bulk of the fruit, however, is poor, although several carloads have been shipped in as fancy or extra fancy stock. Most of the apples shipped so far have been windfalls, and are hard and practically unmarketable. Commission men are at a loss as to what they will do with the hard apples now on the market. The Winesaps, Arkansas Black Spitzenbergs and other fall or winter apples find no market here at present. The fruit recently shipped here is not fancy enough for the Alaska market.

National Bank of Commerce of SEATTLE

CAPITAL.....	\$1,000,000.00
SURPLUS AND PROFITS.....	1,080,000.00
RESOURCES, OVER.....	13,600,000.00

<p>Capital, \$200,000.00</p>	<p>The National Bank of Commerce, SPOKANE, WASHINGTON</p>	<p>Surplus, \$25,000.00</p>
<p>F. M. MARCH, President</p>	<p>DANA CHILD, Vice President</p>	<p>M. M. COOK, Cashier</p>
<p>Send us all your Pacific States items, including British Columbia.</p>		

SPOKANE'S INTERURBAN RAILWAY SYSTEM.

Spokane, Wash., Sept. 25.—Spokane has the third greatest system of interurban electric railways on the American continent, being exceeded only by Indianapolis and Los Angeles. The city has more miles of street car lines than any other city of similar population in the United States and Canada. The Washington Water Power Co. and the Spokane Traction Co. occupy 92.71 miles of streets and operate 154.11 miles of tracks, or nine-tenths of a mile of street occupied by tracks for every 1,000 population. The total investment by the two companies is \$42,000,000.

Electric railway building in Spokane began in 1902. A. Bettis of Detroit, Mich., was the original promoter of the interurban electric road. He succeeded in interesting F. A. Blackwell of Coeur d'Alene, Idaho, who, as the representative of the Howard Lumber Co. of Pennsylvania, was attracted to the western country by the great timber reserves around Coeur d'Alene lake. Mr. Blackwell and his associates furnished the money, and, despite prophecies of financial disaster, the first interurban road from Spokane to Coeur d'Alene, 34 miles, was built. The road was opened to traffic in the winter of 1903 and proved a dividend payer from the start.

Shortly before the completion of the Coeur d'Alene & Spokane electric road, Jay P. Graves, vice president and general manager of the Granby Consolidated Mines & Smelting Co., entered into competition with the Washington Water Power Co. for the street railway traffic of Spokane. Afterward he joined forces with Mr. Blackwell and the result was the organization of the Spokane & Inland Empire Railway Co., with a capital stock of \$30,000,000 and the construction of an interurban electric line from Spokane south to Rosalia and Palouse, Wash. Later the Palouse branch was extended to Moscow, Idaho, and the Rosalia branch carried into Colfax, Wash.

The Coeur d'Alene & Spokane Railway was absorbed by the Spokane & Inland Empire Electric Railway Co. and the line was extended from Coeur d'Alene to Hayden lake, 42 miles, and a spur of 17 miles built to Liberty lake, in the Spokane valley. Terminal facilities were acquired in Spokane by the organization of the Spokane Terminal Co., which, in turn, was absorbed by the Spokane & Inland Empire Electric Railway Co., as the holding company. The system now has 175 miles of main line track and about 60 miles of spurs and sidings. It has the most modern equipment obtainable and is regarded by electrical engineers as one of the best built electric roads in America.

The company also owns and operates an immense electric power plant on the Spokane river, from which power is transmitted for the operation of the company's street and interurban railway systems. The plant is capable of generating 20,000 horsepower.

Spokane's interurban railway facilities were further extended by the Washington Water Power Co., then a \$20,000,000 corporation, constructing a line from Spokane west to Medical lake, 18 miles, and later a branch line to Cheney, 11 miles, making a total of 250 miles of interurban electric road.

Foremost among the electric railway projects in the Pacific states is the Spokane & Inland Empire system, operating 235 miles of main lines and branches in eastern Washington and northern Idaho. When completed this system, now controlled by stockholders of the Great Northern Railway Co., will have extended its tracks into territory of several states not now reached by either steam or electrical lines, as well as to tidewater and the Columbia and Snake rivers.

The company operates a power plant at Nine Mile bridge, where the waters of the Spokane river are harnessed to develop 12,000 electrical horsepower for operating railway lines and furnishing light and power. The development of this energy was accomplished by diverting the river from its natural channel, in itself an engineering feat of high order.

The dam is 70 feet thick at its base and 225 feet in length, exclusive of the power house, which is 110 feet wide by 85 feet by 87 feet above low water mark. The river has an estimated flow of 12,000 cubic second feet. The dam creates a head of water of 60 feet, also backing the river five miles, thus furnishing an immense



The Old National Bank OF SPOKANE

This bank is thoroughly organized
and equipped for the proper
handling of all items drawn
on Pacific Northwest points

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T. J. HUMBERD, Vice President
W. D. VINCENT, Cashier
W. J. KOMMERS, J. A. YEOMANS,
Assistant Cashier Assistant Cashier
W. J. SMITHSON, Assistant Cashier

The Exchange National Bank SPOKANE, WASHINGTON

Capital \$1,000,000 Surplus \$250,000

With large capital, extensive connections and conservative policy, the Exchange National Bank is fully equipped to handle any banking business entrusted to it.

WE DESIRE YOUR NORTHWESTERN BUSINESS

OFFICERS

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President Vice Pres't Cashier
M. W. Lewer, Ass't Cashier E. N. Seale, Ass't Cashier
O. M. Green, Ass't to the President

	THE OLD RELIABLE FIRST National WINONA Bank Minn.	ESTABLISHED 1856 Nationalized 1864—The oldest continuous banking Association in Minnesota.
		CAPITAL.....\$225,000.00 SURPLUS..... 275,000.00 ASSETS.....3,000,000.00

storage which will carry large fluctuations of loads. The plant will accommodate four 5,000 horsepower units, two of which have been installed. The generators are 3,750 k. w. three-phase, 2,200 volt; 60 cycle alternators. The company also owns a power site, called "the Bowl and Pitcher," just outside the city limits of Spokane, which may be developed in the future.

On the lines now in operation the single phase system is employed. This is the first of its kind to be operated in the Northwest and it is a success in every way. How it is viewed by electrical experts is probably best summed up in a statement by Geheimrath Wittfield, heading a royal commission of Germany, appointed by Emperor Wilhelm, who said, after inspecting the lines and power plants in Spokane, that what he and his associates had seen has more than repaid them for coming across the seas and continent, adding:

"Taken altogether the Spokane & Inland undoubtedly is the best equipped electric railway of equal mileage in the world."

The Washington Water Power Co. also operates an electric street railway system in Spokane and furnishes light and power in Spokane, as well as to various mines, over what is declared to be the longest high tension transmission line on the continent. The company has developed 16,000 of the 60,000 horsepower available at Post Falls, and has plants in Spokane and at Little Falls. More than \$17,000,000 already is invested in operating plants. In addition it has a 5,000 horsepower auxiliary steam plant in Spokane.

This company is installing a power plant at Long Lake, 23 miles north of Spokane, where about \$4,000,000 is being invested. The project includes 23 miles of standard gauge steam road, the highest "weir" dam in the world and four turbines, capable of developing 90,000 electrical horsepower, or equalling the capacity of five water wheels at Niagara Falls. The dam is 300 feet in length, 175 feet in height and 150 feet in thickness at the base.

Spokane Notes.

Spokane, Wash., Sept. 25.—Charles A. McLean, cashier of the Traders National bank, Spokane, who was elected president of the Washington Bankers association at the Wenatchee convention on September 16, said, on his return, that for business accomplished, enthusiasm, and entertainment, the annual meeting was excellent and marked history for the organization. The entertainment arranged for the delegates was original, and well carried out, and as hosts Wenatchee more than did its share. One of the principal addresses was that given by Robert W. Bonyne, of Denver, a member of the National Monetary Commission, who spoke on the "National Reserve."

—The Washington Trust Co. has instituted an action in the Spokane county superior court, involving a bond issue of \$500,000 made by the Local & Long Distance Telegraph Co. The telegraph company is now in the hands of a receiver, and the bank asks that \$19,700 worth of the bonds issued through them be made a first lien upon the property. The complaint alleges that H. H. Reynolds and O. B. Setters have obtained \$20,000 worth of bonds

from the issue without making any legal payment whatsoever. The court is requested to take custody of the certificates. Bonds amounting to \$39,700 were issued, the bank declares, and the last \$20,000 issue was illegal. Payment of interest has been defaulted.

—Carl R. Gray, president of the Spokane, Portland & Seattle Railway Co., was re-elected president of the Spokane & Inland Empire Electric Railway system at the annual meeting in Spokane. C. A. Coolidge is vice president and general manager; Waldo G. Paine, vice president and traffic manager; W. G. Davidson, secretary and treasurer, and H. B. Ferris, comptroller. Other directors are Fred V. Brown, George T. Reid, Fred B. Grinnell, Aaron Kuhn and Will G. Graves.

—Directors of the Davenport, (Wash.) National bank, in which Aaron Kuhn and J. A. Schiller, of Spokane, are interested, have given orders to rush work on the room in the Turner block, which will be the home of the institution next year. Plans for the remodeling of the building were approved and work will begin November 1.

—Word comes from Olympia that the state tax commissioners purpose reversing the action of the Spokane county board of equalization, ordering that the exemption of \$182,970, given by the local board because of double taxation, be set aside and the Old National bank assessed for its full taxable value. The effect of this ruling is to tax the bank twice on its investment in the building, first on its assets and again in the value of the building. The bank paid taxes on \$641,000 last year and will pay on \$1,236,860, including the value of its new structure, this year. The building is in the name of a holding company.

—J. Grier Long, president of the Spokane Clearing House and the Washington Trust Co., and B. W. Twohy, president of the Old National bank, will attend the annual convention of the National Bankers association in New Orleans in November.

—Frank Howard, who opened an account at the First National bank in Cheney with fraudulent checks drawn on a bank in Idaho, and then checked against it, was found guilty of the charge of grand larceny in the Spokane county superior court on September 21, after a trial occupying two days. The penalty is a term of from two to fourteen years in the state penitentiary.

—Spokane Chamber of Commerce is arranging to organize a federation of commercial clubs in the Inland Empire, taking in several hundred cities and towns in eastern Washington and Oregon, northern Idaho and western Montana.

VALUATION OF RAILWAY REDUCED.

Olympia, Wash.—An order has been issued by the public service commission reducing the valuation of the Spokane Inland system from \$14,500,000 to \$12,500,000. The officials of the company presented facts to the commission showing that since the output and timber of the Potlatch mills have been taken over by the Milwaukee road the gross revenues have been reduced more than \$200,000. They also showed that the net revenues are only a little more than 3 per cent. on the investment.

It has been announced by the commission that the order in regard to the rates on the Spokane Falls & Northern branch of the Great Northern will not be entered until after the general distributive rate case is settled.

The latter is now pending before the interstate commerce commission. Owing to the length of the Spokane Falls & Northern line, making it practically a system in itself, it will be directly affected by the distributive rate decision.

FIDELITY TRUST CO.

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Capital, \$500,000 Undivided Profits, \$400,000
 Deposits, \$3,500,000

Transacts a general Banking Business. Accounts of banks and bankers solicited and handled on most favorable terms. Correspondence invited.

OLDEST TRUST COMPANY IN WASHINGTON

John S. Baker, President, J. C. Ainsworth, Vice Pres't, P. C. Kauffman, 2nd Vice Pres't, A. G. Prichard, Cashier, George E. Dixon, Ass't Cashier.



Deposit Bank of Winona, WINONA, MINN.

Capital and Surplus \$450,000.00

LIBERAL TERMS TO BANKERS.

CORRESPONDENCE INVITED.

S. L. PRENTISS, President
P. E. BAUMGARTNER, Vice President
F. A. LEMME, Cashier
E. E. SHEPARD, Assistant Cashier

PORTLAND NOTES.

Portland, Ore., Sept. 25.—With a plan for uniting the commercial interests of the Pacific Coast in the establishment of a modern steamship line between the Atlantic and Pacific seaports, Bernard N. Baker, of Baltimore, president of the Atlantic & Pacific Transport Co., has just visited Portland, and his project received considerable support here. He sees a great future for the cities of this coast when the canal is completed and opened for the transportation of freight from coast to coast by water.

Mr. Baker's company proposes to submit bids for the carriage of mail, the contract for which will soon be let by the government. Bids will be received until November 25, 1911, although the service is not to be inaugurated until the canal is done. If the mail contracts are secured by Mr. Baker's company, it will at once proceed with the construction of fifteen modern steamships of 6,000 tons capacity.

Mr. Baker is one of the best known steamship men in the United States. He is confident that the opening of the great waterway will tend to build up the Northwest country as nothing else could, attracting thousands of sturdy colonists from the old world to this coast instead of to the Atlantic, as at present, and building up a great maritime commerce with the Atlantic ports as well as Europe.

* * *

—Portland is making a reputation for thrift. This city, which numbers probably 250,000 people, handed over between \$5,000 and \$6,000 the first day the local Postal Savings bank was opened. New York City, the first week its Postal Savings bank did business, deposited a little more than \$7,000 per day. The Portland Postal bank is continuing to receive a large sum each day, and this is taken to be an evidence of a thrifty people. The institution is one that stimulates saving, and it is not strange that in a city like Portland deposits should be large. There are further evidences of thrift on every hand, in the general appearance of the city, in the average good quality of the homes and in a well-dressed and contented people. Probably no other city in the United States of an equal size has more of these evidences.

—Prof. A. E. Chamberlain, newly appointed development commissioner of the Hill lines with headquarters at St. Paul, has been in Portland the past week seeking to learn how he can co-operate in the development program of the Northwest states. In an interview he said: "Much of the Great Northern work will be concentrated upon Oregon. We shall not, however, attempt any sort of effort that will add to the population of your towns and cities. We shall do all we can to get people on the farms and help them to be successful by showing them how to work. The greatest needs of this western country, I take it, are to get people on the land, to determine what the land will best produce and to demonstrate how the work shall be done to get the best results. We shall be ready to aid in developing the agricultural interest of any section where, in so doing, traffic will be originated or increased. We consider Oregon a most proper field."

* * *

—Negotiations have been closed for the erection of a new 7-story department store on the northwest corner of 5th and Washington streets, covering 100x100 feet. The Mead estate, owning the land, is to erect the building, on a long time lease to Holtz & Holtz, who plan to operate the store. This firm is prominent in department store circles and is said to have ample backing for the new project. The new building, it is said, will be one of the best in Portland, with double basement and 7 stories above the street. It will be strictly class A, and of the best permanent construction.

* * *

—The public docks commission is getting preliminary work started for the construction of public docks and it is expected that active work will commence next year. It is expected that another block of bonds, amounting to \$500,000, will be disposed of during the coming year, so the commission will have plenty of funds to carry on condemnation proceedings in acquiring sites for the docks. Plats of the water front have been submitted to the commission showing the various properties which can be used for the docks, with the valuation of each parcel, so the commission may be guided in the condemnation proceedings when the exact location is finally decided upon.

NEW CANADIAN CORPORATIONS.

(Continued from Page 57)

week. There are 43 companies with aggregate authorized capital of \$76,213,000. The head office of each company is situated in the town or city mentioned at the beginning of each paragraph. The persons named are provisional directors:—

Two big Porcupine companies have been formed, the Royal Dome, while the other bears the appropriate name Reciprocity.

Missanabie, Ont.—King and McDonald, \$40,000. S. A. King, Missanabie; D. McDonald, Nepigon; W. F. Langworthy, Port Arthur.

Bruce Mines, Ont.—New Ontario Timber & Trading Company, \$50,000. T. H. DeCew, Mrs. M. V. DeCew, Bruce Mines; J. A. DeCew, Montreal.

Lagace Settlement, N. B.—North Shore Colonization Company, \$200,000. W. Lagace, Lagace Settlement; W. L. Allain, Neguac; T. I. Byrne, Chatham.

Montreal.—Commercial Travellers, \$25,000. J. A. Benoit, J. F. L. Dubreuil, L. J. Decelles, Distillerie De Liqueurs Francaises, \$300,000. H. S. Ross, R. Taschereau, T. Rinfret.

Hamilton, Ont.—Royal Dome Gold Mines, \$2,000,000. G. F. Penhale, New York; D. M. Brogan, Brogan, Ore.; F. R. Close, Hamilton. Grasselli Chemical Company, \$250,000. T. Hobson, H. S. Lees, L. F. Stephens.

Winnipeg, Man.—Hardstone Brick Manufacturing Company, \$500,000. E. R. Chapman, F. Leitner, F. Euwecke, Land Corporation of Canada, \$1,000,000. C. H. Locke, C. A. Crawley, H. Dunk. Garry Investment Company, \$100,000. A. R. Pattinson, H. R. Welsford, E. H. Bennest.

Vancouver, B. C.—Alberta Townsite Company, \$50,000. Italian Commercial Exchange, \$20,000. British Columbia Clothes Drier Company, \$50,000. Pier Island Syndicate, \$75,000. Maritime Investment Company, \$50,000. Beddington Investment Company, \$50,000. Vancouver Harbor & Dock Extension Company, \$10,000,000. Universal Sanitary Cooler Company, \$100,000.

Toronto.—Hilborn Company, \$50,000. A. C. Hilborn, J. H. Thomson, Mrs. J. Hilborn. Toronto Taxicabs and Garage, \$100,000. W. A. Brodie, D. M. Sorenson, H. J. Davidson, Airozone Electric Ventilating Company, \$350,000. G. Grant, R. McKay,

D. Grand, Canadian Carpet and Comforter Manufacturing Company, \$100,000. H. P. Lawson, Georgetown; S. Syer, H. B. McCarthy, Toronto. Reciprocity Mines of Porcupine, \$1,000,000. I. S. Fairty, G. Cooper, W. H. Male. Wright and Carroll Investments, \$100,000. E. M. Carroll, W. Wright, J. G. Carroll. Superior Swastika Mines Company, \$40,000. J. M. Godfrey, W. A. Henderson, T. B. Malone. Mexican Midland Light and Power Company, \$15,000,000. T. Makinson-Sanders, F. J. Robinson, London, England; E. C. Boeckh, Toronto. Tommy Burns Gold Mines, \$100,000. J. I. Grover, Misses E. K. Avery and B. Webster. Canadian Fibre Wood & Manufacturing Company, \$40,000. W. J. McCormick, F. W. Burrows, G. Shepard, Humber Land Company, \$100,000. H. C. Macdonald, T. J. W. O'Connor, W. A. Goetz. Ebro Irrigation and Power Company, \$2,500,000. J. S. Lowell, R. Gowans, W. G. Flood, Barcelona Traction, Light and Power Company, \$40,000,000. J. S. Lovell, R. Gowans, W. G. Flood.

Ladd & Tilton Bank

PORTLAND, OREGON

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Capital fully Paid \$1,000,000
Surplus and Profits 700,000

Accounts of Banks, Firms, Corporations and Individuals solicited. Travelers' checks for sale and drafts issued available in all countries of Europe.

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EDWARD COOKINGHAM, Vice Pres't J. W. LADD, Ass't Cashier
W. H. DUNCKLEY, Cashier WALTER M. COOK, Ass't Cashier

FARM LAND TRANSFERS.

MINNESOTA.

Fillmore County.—Lewis Rockne to Sophia Todd, $\frac{1}{4}$ sec. 25, Harmony, \$3,600.

Benton County.—M. J. Eddy and wife to Louis Elwell, $\frac{1}{4}$ of $\frac{1}{4}$ of sec. 3, Maywood, \$1,000.

Yellow Medicine County.—Mathew Ellerbrock to John Jacque, $\frac{1}{4}$ and $\frac{1}{2}$ $\frac{1}{4}$, 21-114-43, \$9,000.

Norman County.—Emanuel Nilson to Andrew P. Hanson, 160 acres in sec. 16, Good Hope, \$5,600.

Stearns County.—Simon Steffes to Margaretha Goedert, part of $\frac{1}{2}$ $\frac{1}{4}$ and $\frac{1}{4}$ $\frac{1}{4}$, 1-126-31, Krain, \$3,100.

Faribault County.—D. H. Morse and wife to Edward G. Flemming, $\frac{1}{2}$ $\frac{1}{4}$ and $\frac{1}{2}$ $\frac{1}{4}$, 14-103-28 (ex. 5 acres), \$9,627.

Koochiching County.—Curbertson Bros. Co. to William F. Brooks, $\frac{1}{4}$ $\frac{1}{4}$, sec. 27; $\frac{1}{2}$ $\frac{1}{4}$, $\frac{1}{4}$, $\frac{1}{4}$, 26-152-25, \$1,050.

St. Louis County.—Catherine O'Rourke et mar. to E. I. Du Pont de Nemours Powder Co., $\frac{1}{4}$ of $\frac{1}{4}$, $\frac{1}{4}$ of $\frac{1}{4}$, 11-57-20, \$2,000.

Wright County.—J. Gonzior to Aug. Motzko, sec. 29, 20 acres, \$5,200. Mary Matter to Louis Strauch, sec. 2, 5 acres, sec. 11, 53 acres, \$3,800.

Polk County.—Carl J. Gullekson to Theo. O. Propp, $\frac{1}{4}$ $\frac{1}{4}$, 13-147-46, \$1,200. H. T. Gendron to Zenophile Riendeau, $\frac{1}{2}$ $\frac{1}{2}$, 14-150-45, \$3,400.

Stevens County.—John Grove to William F. Doderer, $\frac{1}{4}$, sec. 20, Darnen, \$7,200. Margaret Buckley to John Grove, $\frac{1}{2}$ $\frac{1}{4}$, sec. 22, Scott, \$2,800.

Lac qui Parle County.—L. S. Westby to Lewis O. Retrum, $\frac{1}{4}$, 22-117-44, \$8,000. Andrew P. Hanson to Halvor L. Sorknens, $\frac{1}{2}$ $\frac{1}{4}$, 18-116-45, \$4,400.

Ottertail County.—Theo. O. Buecher to John Buecher, $\frac{1}{4}$, 17-136-39, \$3,000. Heinrich Bramant to August Schultz, $\frac{1}{4}$ $\frac{1}{4}$, $\frac{1}{4}$ $\frac{1}{4}$, 17-137-40, \$2,500.

Goodhue County.—Fred Thomford and wife to Claus B. Quell, $\frac{1}{4}$, sec. 5, Belvidere, \$6,000. Daniel Y. Daley and wife to Frank Toner, $\frac{1}{2}$ of $\frac{1}{4}$, sec. 5, Welch, \$3,600.

Le Sueur County.—John F. Nester to James Nester, $\frac{1}{2}$ of $\frac{1}{4}$, 7-111-24, \$7,000. Louis Mahlovsky and wife to Clifford Crook, s 20 acres of $\frac{1}{2}$ of $\frac{1}{4}$, 21-109-24, \$1,000.

Swift County.—John Olson to Francis Kleiman, $\frac{1}{4}$ of sec. 26, Clontarf, \$5,000. Swift County bank, inc., to Caroline T. Olson, $\frac{1}{4}$ $\frac{1}{4}$, sec. 30, 40 acres, Six Mile Grove, \$1,250.

Renville County.—Florence Lucile Dapron and husband to Melvin Grimes, $\frac{1}{2}$ of $\frac{1}{4}$ and $\frac{1}{4}$, 9-116-36, \$8,000. Bertha Miller, widow, to August Schmidt, $\frac{1}{4}$ of $\frac{1}{4}$, 27-115-35, \$2,400.

Kandiyohi County.—August W. Schweppe to Joseph Schmidt, $\frac{1}{4}$ of $\frac{1}{4}$ of $\frac{1}{4}$, sec. 11 and $\frac{1}{4}$ of $\frac{1}{4}$, sec. 14, 120 acres, \$3,000. Anders A. Gronbeck to Martin S. Everson, sec. 34, 80 acres, \$2,600.

Steele County.—Robert E. Steele et al, by guardian, to William Yanke, undivided $\frac{1}{2}$ of $\frac{1}{4}$ of $\frac{1}{4}$ of sec. 14, Berlin, \$1,000. Peter Rasmussen and wife to William Knaak, $\frac{1}{4}$ of $\frac{1}{4}$, sec. 3, Lemond, \$1,850.

Anoka County.—Adam Mattsen to Geo. Peterson, $\frac{1}{4}$ of $\frac{1}{4}$ and $\frac{1}{4}$ of $\frac{1}{4}$, 1-31-22, \$2,600. Alexander Arrel to Theodore A. Blanchette, $\frac{1}{2}$ of $\frac{1}{4}$, sec. 5, and $\frac{1}{2}$ of $\frac{1}{4}$ and $\frac{1}{4}$ of $\frac{1}{4}$, and $\frac{1}{2}$ of $\frac{1}{4}$ of $\frac{1}{4}$, 6-31-25, \$5,000.

WISCONSIN.

Polk County.—Jorgen Erickson to Anna C. Ericson, his wife, $\frac{1}{4}$ $\frac{1}{4}$ sec. 17, $\frac{1}{2}$ $\frac{1}{4}$, 17-35-17, \$2,000.

Barron County.—James M. Henry and wife to Domethilde Busse, part of $\frac{1}{4}$ $\frac{1}{4}$, 8-35-11, \$3,000. J. J. Smith and wife to George E. Thomas, part of the $\frac{1}{2}$ $\frac{1}{4}$, 28-34-12, \$1,500.

Shawano County.—Edward Seeger to William Kuchenmaster, $\frac{1}{2}$ of $\frac{1}{4}$ of $\frac{1}{4}$, 22-26-17, \$1,500. W. C. Zachow to John Roubal, $\frac{1}{4}$ of $\frac{1}{4}$, sec. 11, $\frac{1}{4}$ of $\frac{1}{4}$, sec. 12, part of $\frac{1}{4}$ of $\frac{1}{4}$, 12-27-17, \$3,100.

TELEPHONE CONSTRUCTION.

MINNESOTA.

Mahnomen.—The local telephone company has commenced the building of a line to Bejow.

Little Falls.—The Morrison County Telephone Co. is erecting a line to Vawter, a distance of 10 miles.

Clinton.—Work is in progress on the building being erected by the Minnesota Central Telephone Co.

Geneva.—The American Telephone & Telegraph Co.'s line between Geneva and Lerdahl is being repaired and re-constructed.

Duluth.—Plans are being prepared for the Duluth Telephone Co. for an exchange building which is to be erected on First street.

Mankato.—The Northwestern Telephone Co. is at work stringing wires for the new line between Mankato and Wells, via Mapleton. The Tri-State Telephone Co. is soon to build a line in the same direction.

WISCONSIN.

Bloomfield (R. F. D. from Lake Geneva).—The West Bloomfield telephone line is nearing completion.

NORTH DAKOTA.

Forman.—The Forman, Rutland & Havana Telephone Co. has been incorporated with a capital of \$10,000 by John Powers and others.

Bismarck.—The convention of the North Dakota Independent Telephone Association was held September 28 and 29. John Carmody is president of the association.

Carrington.—E. C. Chapel has resigned as manager of the

NORTH DAKOTA.

Bottineau County.—First State Bank Lansford to Fred A. Lamp, $\frac{1}{4}$, 4-160-82, \$4,000.

Cass County.—Wm. Blackadder to Jno. Sinner, $\frac{1}{2}$, 26-141-51, \$6,600.

Foster County.—John Fouts and wife to W. W. Sloan, $\frac{1}{4}$ sec. 30 and $\frac{1}{4}$, 10-146-65, \$11,475. Samuel E. Kilner to Dumont Clarke, $\frac{1}{2}$, 29-145-64, \$1,470.

Ramsey County.—First National bank, Edmore, to William Henry Allison, $\frac{1}{4}$, 7-157-60, \$2,900. William Henry Allison to Daniel V. Brennan, $\frac{1}{4}$, 7-157-60, \$4,000.

Stutsman County.—Libbie Halifax and husband to Frank R. Kiefner, $\frac{1}{2}$ of $\frac{1}{2}$, 30-139-69, \$3,200. Northern Immigration Association et al. to Henry F. Bodeker, $\frac{1}{4}$ and $\frac{1}{4}$ sec. 5, and $\frac{1}{4}$, 8-144-46, $\frac{1}{4}$, 31-143-65, and other lands, \$31,668.40.

SOUTH DAKOTA.

Corson County.—J. W. Harris to B. H. Landmeir, $\frac{1}{2}$ and $\frac{1}{4}$ of $\frac{1}{4}$, 34-21-29, \$1,000.

Roberts County.—Ben Fidler and wife to E. H. Wilson, $\frac{1}{2}$ of $\frac{1}{4}$, 33-104-54, 20 acres, \$3,500.

Codington County.—Henry C. Wolf to W. S. Murray, $\frac{1}{4}$, 7-117-53, \$5,000. Frank Elkins to H. J. Schultz and J. J. Barrett, $\frac{1}{4}$, 22-119-51, \$1,364.

Douglas County.—Rosina Vogel et al to Nathaneal Fischer, $\frac{1}{2}$ of $\frac{1}{4}$, 6-98-62, \$9,600. W. F. DeJonge and wife to Wm. Mulder, $\frac{1}{4}$, 17-100-64, \$8,000.

Brule County.—Jacob Ingenthron to John W. Kiehn, $\frac{1}{4}$, 17-101-70, \$5,000. Will P. Holleran to Frank L. Holleran, lot 7, block 9, Original, Pukwana, \$800.

Tripp County.—Frank Stepanek to Francis Proppa, $\frac{1}{2}$ of $\frac{1}{4}$ and $\frac{1}{2}$ of $\frac{1}{4}$, 35-101-75, \$3,000. Victor L. Nelson to Frank M. Walker, $\frac{1}{4}$, 13-99-76, \$7,000.

Hand County.—Frank McGuire to August Bicker, $\frac{1}{2}$ of $\frac{1}{4}$, 17-116-66, \$2,800. Donald Montgomery to Minn. & Huron Ins. Co., $\frac{1}{2}$ and $\frac{1}{4}$ of $\frac{1}{4}$ and $\frac{1}{4}$ of $\frac{1}{4}$, 9-109-70, \$5,600.

Charles Mix County.—Thomas J. Gregg and wife to Susan LaClair Drapeau, $\frac{1}{2}$ of $\frac{1}{4}$, 9-93-62, \$3,000. Edwin Tucker and wife to Myrtle M. Hitzing, $\frac{1}{4}$ of $\frac{1}{4}$, $\frac{1}{4}$ of $\frac{1}{4}$, $\frac{1}{4}$ of $\frac{1}{4}$, $\frac{1}{4}$ of $\frac{1}{4}$ and $\frac{1}{4}$ of $\frac{1}{4}$, 32-99-69, \$4,800.

IOWA.

Cedar County.—W. G. Carl and wife to Henry Vitense, s 15 acres $\frac{1}{4}$ $\frac{1}{4}$, 90-80-2, \$1,350.

Woodbury County.—John Wink and wife to J. T. Wictor, $\frac{1}{2}$ $\frac{1}{4}$ sec. 27, and $\frac{1}{2}$ $\frac{1}{4}$, 28-88-45, \$17,600.

Linn County.—Fannie Reed to Henry Lefebure, $\frac{1}{2}$ $\frac{1}{4}$, $\frac{1}{4}$, 22-82-8, and n 4 acres $\frac{1}{2}$, $\frac{1}{4}$ $\frac{1}{4}$, 22-82-8, \$3,000.

Sioux County.—R. L. Bowers to J. W. Roach and S. S. Wold and O. Keck, $\frac{1}{2}$ $\frac{1}{4}$ $\frac{1}{2}$ $\frac{1}{4}$, sec. 11, Garfield, \$22,400.

Emmet County.—Andrew McManus to Paul Graves, $\frac{1}{4}$, 10-99-33, \$11,200. E. B. Soper and wife to Jno. P. Kirby, $\frac{1}{4}$, 8-99-34, \$8,000.

Adair County.—G. F. Zellmar to David Marsh, $\frac{1}{2}$ $\frac{1}{4}$, 28-76-33, \$8,800. Jas. McDonnell to Robert Hearn, $\frac{1}{2}$ $\frac{1}{4}$ and $\frac{1}{4}$ $\frac{1}{4}$, 35-77-33, \$10,500.

Delaware County.—John M. Brayton et al. to John H. Hook, $\frac{1}{2}$ of $\frac{1}{4}$ of $\frac{1}{4}$, 10-90-4, \$1,000. John Smith et al. to Standard Construction Co., land in 33-87-6, \$1,100.

Page County.—J. A. McKinley et al. to George W. Pressley, $\frac{1}{2}$ $\frac{1}{4}$ $\frac{1}{4}$, 4-67-37, Amity, \$3,200. T. J. Whitehill to J. E. Auman, $\frac{1}{2}$ $\frac{1}{4}$ and $\frac{1}{4}$ $\frac{1}{4}$, 15-67-37, \$15,000.

Polk County.—William L. Settlemeyer and wife Edna P. to Mary E. Cline, land in 33-79-24, \$4,000. Marianna Saucerman, executrix, to W. C. Church, land in 30-79-24, \$2,500.

MONTANA.

Dawson County.—N. P. Ry. Co. to Alfred E. Aiken, sec. 17-14-53, \$4,320. Thos. C. Adams to Martin Sorensen, $\frac{1}{2}$, 22-23-59, \$2,800.

local telephone exchange and will accept the management of the exchange at Clyde Park, Mont., after October 1.

Dickinson.—Farmers in this vicinity have organized the German-Hungarian Telephone Co. and will cover this entire district. The lines are to connect Lefor, Gladstone and a number of places in Hettinger county.

SOUTH DAKOTA.

Dupree.—T. B. Sexton has been granted a franchise to install a telephone system.

IOWA.

Imogene.—S. Utterback has purchased the lines of the Tabor Telephone Co. and will change the name to the Imogene Telephone Co.

MONTANA.

Poplar.—Work has been started upon the installation of a local telephone system.

Boulder.—The Mountain Telegraph & Telephone Co. is extending its line out of Boulder.

Culbertson.—The Moore Telephone Co. is constructing a long distance telephone throughout northern Montana.

Miles City.—The Rocky Mountain Bell Telephone Co. is planning to extend its system up the Tongue River.

OREGON.

Pendleton.—The Pacific Power & Light Co. and the Pacific Telegraph & Telephone Co. contemplate the installation of underground wires. The approximate cost is \$21,000 for two streets.

REVISING OUR MONETARY SYSTEM.

(Continued from Page 26)

Many suggestions and recommendations by practical bankers from different sections of our country tending to the perfection both of the machinery and details of the operation of the association contemplated, have been carefully considered and embodied in the proposition now under consideration. The fundamental error of the United States is and has been the inability of those operating under it to adequately mobilize the credit of the business of the country so as to serve its various interests. While statesmen, financiers and even political parties have admitted the necessity of a change in methods, yet with one exception none has ever advocated a plan contemplating the use of our liquid commercial credits as contrasted with that of cash reserves,—the very principle involving the weakness of a system which they desire to strengthen.

A half century of restrictive legislation, both national and state, with scarcely an exception, has prevented our banks from keeping pace with the progress of other business, not only in our own, but foreign countries. The effort has been continuously directed towards building up and maintaining a cash system in commercial enterprises to the neglect of methods for the proper and scientific use of the commercial credit of the nation. The proper distinction has not always been made between banking for commerce and trade and that for savings and investment. The difference is vital and legislation which is proper and right for the safe conduct of the latter has more frequently impeded the progress of the former. The salient features of the plan tend toward liberality and a broader field for the usefulness of the national banks than they have heretofore enjoyed, and while the change proposed is radical, when contemplated in the light of occurrences during the past few years, it could scarcely be otherwise and be effective.

The reason of this is that the difficulty goes deeper than merely the banking business itself, and by its interrelation with all commercial transactions suggests at once the idea that the contemplated change in the banking system will work many changes in mercantile and commercial methods. It must be known that the foreign manufacturer, importer or producer does not carry a long line of accounts receivable on his ledger as is customary in the United States. Instead, he takes the acceptance of his purchaser to a bank of discount and immediately utilizes his credit combined with that of his customer, and realizes cash in the transaction for the further promotion of his enterprises.

The bank of discount which has bought the paper in turn takes it to the central bank of its own country (when the necessity arises) and the collective result of such transaction shows its effect in the rise and fall of the published discount rate of the central bank.

The factor of safety engendered in these various transactions arises from the fact that when in any one locality or country, business becomes stimulated beyond the power of capital in that locality or country to care for it, regardless of the fact whether the expansion is commercially normal, or speculative, the condition is immediately reflected in the rise of the discount rate, and this will continue until the equilibrium between business and capital to adequately care for it is re-established.

It may be seen from this illustration that credit will expand and contract, and safely do so when properly mobilized for the necessities of business. Foreign countries have long practiced this custom successfully while we have relied solely upon the cash represented in our widely scattered reserves, or our ability to assist each other.

A Central Institution.

It has been believed that it would not be possible to devise such a large financial institution which would not be dominated by speculative interests, and it has been feared a central institution would be controlled by politicians. It has been argued also that it would promote inflation and that such a central institution would prove a serious competitor for existing banks. The objection

has also been raised that the plan which would finally be submitted would be one for the benefit and protection alone of the large city institutions, leaving the banks located in the intermediary, money centers and in the country dependent entirely upon the benevolence of banks located in the large cities.

The latter we have always maintained would be manifestly unfair and would defeat the economic principles involved in the subject and also the passage of such a bill.

We find instead that the commission has met the most progressive thought of the day and has popularized its plan by making the proposed association so representative in character as to conform in many particulars to our present form of general government. This will be particularly noticeable in the method of choosing its directors, which not only gives the representation according to capitalized interest, but spreads the representation over all parts of our territory, giving to the various commercial and agricultural interests their proper representation.

It is recognized that the beneficial effect of such a system will be extended into every branch of business in the country, including that of banking—giving a stability and liquidity to our commercial credits and thereby place the business of the country upon a more economical and substantial basis, enabling us to compete with foreign countries and ultimately occupy a leading place in the financial world that a country of such unbounded resources, ingenuity and energy should enjoy.

Bill of Exchange.

For a complete and convenient method of making such credits available, without awaiting their ultimate payment, the bill of exchange has for a long time, both in the country of its origin and for foreign use, proven its adaptability. By its use the banker adds his credit to that of his customer's and all previous signers; and a debt which in the first instance was a contract between two parties only and in that shape tied up and withdrew from activity the amount of capital it represented, now becomes a fluid and quick asset in the hands of the holder.

These bills of exchange are drawn in various forms and are recognized in distinct classes and ordinarily described as either (a) "Documentary," (b) "Commercial," or (c) "Finance" bills, and are usually subject to different rates according to their desirability as investments in the market where they are offered.

(a) Bills known as Documentary Bills are those which carry with them the bills of lading and other documents relating to the insurance and value of the goods covered, and are generally accepted by some bank or banker at their destination, by previous arrangement of the drawer, for which service the acceptor is compensated by a commission.

(b) Commercial Bills are similarly drawn and accepted, not accompanied by documents, but arising from commercial transactions.

(c) Finance Bills are usually secured by pledge of investment securities.

Any of these forms of floating credit may become bankers' bills, but the Finance Bills are less frequently accepted by banks or bankers than either of the other classes, and the Commercial Bills are often drawn against commercial letters of credit issued to the drawer by his local bank, and in all cases either drawer or payer contracts to have funds in the hands of the acceptor to liquidate the bill at maturity.

There can be no surer certificate of good credit for a dealer or merchant than that his acceptances pass freely among the exchanges devoted to handling such paper, and the freedom with which paper of that class will be offered and exchanged under the new system not only at the central association, but at the counters of the banking fraternity generally, will of itself establish a source of information which will make credit rating certain and accurate.

Where formerly the dealer in any line exerted his credit by the use of the promissory note, either through

(Concluded in next issue)

Supreme Court Cases.

Washington.—When the United States Supreme Court convenes on October 9, it will start on a term which promises to be full of interest to the business and commercial world.

Among the 781 cases which are already on the docket there are a number in the decision of which the court will have opportunity to further elucidate its interpretation of the Sherman anti-trust law and the interstate commerce act. The docket is a particularly heavy one for the opening of the fall term. Last year at this time there were only 696 cases pending, nearly a hundred less than at present. Although the court disposed of 455 cases during the last term its time was very considerably occupied with the hearings and preparation of the opinions in the great Standard Oil and Tobacco Trust cases with the result that the work piled up.

Although the court opens on a Monday there will be no decisions handed down. Usually on the first day the Justices formally assemble, declare the court open for business and then immediately depart for the White House to pay a courtesy visit to the President. Because President Taft will be absent from Washington at the beginning of the term this year this call will be deferred until later. No business will be transacted by the court on the opening day unless it be the reception of motions to advance, postpone or dismiss cases, and the admission of lawyers to practice.

At the last term the cases assigned for hearing beginning October 10 involved 46 numbers. Perhaps the most important of these is that of the United States against the Lehigh Valley, Delaware and Lackawanna, Central of New Jersey, Erie, and other roads to dissolve the so-called anthracite coal combine. Conspiracy to prevent competition in the transportation and sale of that product is charged against the roads under the anti-trust law. The question comes up from the United States Circuit Court for eastern Pennsylvania, where the railroads won.

There are several cases from the Interstate Commerce Commission in which the government questions the right of railroads to make allowances to grain elevators, claiming that they amount practically to a rebate. Another from the same source involves the transportation rates on lumber from the Pacific coast to Omaha, St. Paul, Chicago and other markets of consumption.

The first case on the docket relates to the interpretation of the treaty between this country and Italy. It arose through the attempt of the Italian consul in California to take charge of the estate of a deceased Italian citizen in contravention of the local laws and in defiance of the state authorities.

The last of the assigned causes are the three Minnesota rate cases, in which the lower court decided that the state had no authority to regulate railroad rates within its own borders because interstate commerce was thereby affected. These are the matters on which the recent conference of governors appointed a committee of three, headed by Governor Harmon of Ohio, to appeal to the Supreme Court to preserve the states' control over intrastate commerce. There are also rate cases coming up from Oregon and Kentucky.

Among other subjects assigned for hearing is the right of the state of Kentucky to tax ocean going steamships belonging to the Southern Pacific railroad which got its charter in that state; a criminal prosecution of a man in Louisiana for permitting a laborer to work more than eight hours; whether a stock yard is a common carrier and therefore amenable to rules laid down by the Interstate Commerce Commission; whether the St. Louis Terminal Railway association is a monopoly in restraint of trade through its control of the two railroad bridges across the Mississippi river there; and whether the Secretary of War has the authority to compel the Baltimore & Ohio railroad to alter its bridge at Parkersburg, W. Va.

Another interesting case is that of the United States against James A. Patten and others in which they are charged with having created a corner in cotton thereby conspiring to monopolize interstate trade and commerce in available cotton by securing enough of it to enable them to fix arbitrary and excessive prices.

Mine Production in California in 1910.

The mine output of gold, silver, copper and lead in California in 1910 had a value of \$27,020,000, according to figures compiled by Charles G. Yale and just made public by the United States Geological Survey. The production of gold was \$19,715,440; that of silver 1,840,085 fine ounces, valued at \$993,646; that of copper 48,700,756 pounds, valued at \$6,184,996; and that of lead 2,870,977 pounds, valued at \$126,323.

These figures show a decrease in the output of gold, silver, and copper as compared with the figures for 1909, but a large increase in lead. The 1909 figures are as follows: Gold, \$20,237,870; silver, 2,098,253 ounces, valued at \$1,091,092; copper, 57,288,281 pounds, valued at \$7,447,476; lead, 1,502,597 pounds, valued at \$64,612.

There were 1,079 mines producing gold, silver, copper or lead in California in 1910, of which 564 were gold placer mines. Of the deep mines 485 were gold mines, 9 were silver mines, 10 were silver-lead mines, and 11 were copper mines. Of the placer producers 168 were hydraulic mines, 72 were dredges operated by 41 companies, 139 were drift mines in ancient river gravels, and 185 were sluicing mines. Measured by the number of producers as well as by tonnage and metal output, deep mining decreased somewhat in California in 1910. Among the placers sluicing decreased also, but dredge and drift mining increased.

In 1910 there were 2,697,885 short tons of ore from deep mines sold or treated in California, with an average total recoverable value of \$6.71 per ton, against 3,041,688 tons in 1909, with an average recoverable value of \$6.41. Of the total recovered value in ores in 1910 milling ores yielded \$10,005,190 in gold and silver; and smelting ores, \$1,669,008 in gold and silver, \$6,184,996 in copper, and \$126,323 in lead. Placers produced \$8,888,795 in gold, of which \$635,498 was from hydraulic mines, \$516,929 from drift mines, \$7,550,254 from dredges, and \$186,114 from sluicing mines, the yield from dredges alone being over 38 per cent. of the total gold output from all sources in California in 1910.

Gold dredging has been of constantly increasing importance in California since 1899, when the yield from this source was \$206,302. In 1910 it was \$7,550,254. The total gold output by dredges in California to the end of 1910 was \$40,318,775. The three great dredging fields are those of Yuba, Sacramento, and Butte counties, of which the Yuba county field showed an increased output of \$730,557 in 1910, while the production from Butte county decreased \$501,038 and that of Sacramento county decreased \$164,542.

The table below gives the mine production of gold and silver in California by counties in 1910. Of the total gold placers furnished \$2,468,000 was from Butte county, of which \$2,389,235 was from dredges; \$1,394,537 from Sacramento county, of which \$1,369,594 was from dredges; and \$3,199,952 from Yuba county, of which \$3,172,476 was from dredges. Dredges also produced \$191,900 in Calaveras county, \$213,980 in Merced and Stanislaus counties combined, and \$109,182 in Siskiyou county. Hydraulic placers produced \$179,105 in gold from Siskiyou county and \$328,154 from Trinity county. Drift mines produced \$147,599 in placer gold in Nevada county and \$151,743 in Placer county. Surface or sluice placers produced \$29,700 in Plumas county, \$22,339 in Siskiyou county, and \$27,476 in Yuba county, and smaller amounts of gold in most of the other producing counties of the state. The table follows:

Gold and Silver Production in California in 1910.

	Gold,* Value.	Silver.* Quantity. Fine ozs.
Amador	2,646,246	36,883
Butte	2,487,791	11,851
Calaveras	1,147,705	155,248
Colusa and Lassen	82,180	1,800
Del Norte	2,388	22
El Dorado	171,394	1,791
Fresno	3,373	5,717
Humboldt	35,289	278
Imperial and San Diego	87,341	439
Inyo	408,509	239,982
Kern	619,974	64,891
Madera	10,076	3,426
Mariposa	317,580	4,377
Merced and Stanislaus	214,187	1,119
Modoc	5,438	139
Mono	435,724	17,391
Monterey, San Luis Obispo and Santa Cruz	1,013	25
Nevada	2,533,483	30,566
Placer	257,191	2,143
Plumas	187,207	1,923
Riverside	5,585	52
Sacramento	1,396,874	8,530
San Bernardino	55,093	18,322
Shasta	1,533,728	1,201,676
Sierra	312,035	2,463
Siskiyou	437,376	4,299
Trinity	500,851	3,629
Tuolumne	615,626	10,655
Yuba	3,204,273	9,948
Total	\$19,715,440	1,840,085

*Includes placer production.

COMMERCIAL PAPER AS AN INVESTMENT.

(Continued from Page 30)

the New England manufacturers and 9 for the Southern manufacturers; in the commission house paper there appears for the first time the third grade, advances on collaterals, 17 per cent.; no merchandise, and in the fixed assets it amounts to 10 per cent. pretty nearly the same as that of the jobbers. From those analyses you can get a pretty clear idea of the application of the rule that I have just given you.

Passing on to another criterion by which commercial paper may be judged, let us take, for instance, the cost of liquifying assets in the various kinds of businesses. I find in the banking business that the ratio of profit to the turnover—that is to say, to the total business—is from 1 to 2½ per cent. I am speaking of what we would call merchant bankers, of houses that do a general financial business; I am not speaking of banks themselves as such, because they do not make paper; they get a profit of 1 to 2½ per cent. on their turnover gross, and of net ½ per cent.

Now, I must call your attention to the fact that there are four classes of commission houses. One class is the house with responsibility, where the partners are worth money, but have no capital invested in the business, do not guarantee the accounts, do not own the accounts receivable, as the mills for whom they sell own them. They do not borrow any money directly, because they do not need it; they do not advance any money on merchandise, but they do, as a rule, indorse the paper of the concern for whom they sell. Financial houses, the next class, get 3 gross and 1½ net.

* * *
The Man Behind the Note.

Do not forget that the character and ability of the men behind any given financial condition are as important as the financial statement itself. Bankers, I realize, are at a considerable disadvantage in estimating these elements for other than their own customers. Therefore to the country banker it is desirable to be connected with a well-posted paper buying city bank in a large center, where information is well diffused. Secondly, the city banker should be also in close touch with the well-posted and fair-minded commercial houses in the branch of the trade the paper of which is under consideration. It is dangerous to rely upon two things which are often held up as very important. The first is certificates of public accountants. The valuation of assets is a very little part of the equipment of a public accountant, and to substitute his value of assets for the judgment of an expert is, of course, futile. Public accounting has its moral value.

Crooked concerns do not care to submit their balance sheets to straight accountants. There are some crooked accountants and some incompetent ones.

Value of Agency Reports for Verification.

Next come agency reports. There is always danger of too much reliance in agency reports, and yet they are of great value if they are not too implicitly followed.

With such precaution, dealing in commercial paper is one of the very safest investments, for the reason that it is based on liquid assets instead of fixed assets. Fixed assets do not liquify themselves. Commercial paper liquifies itself. When it is once bought it is paid and not renewed, because it is based upon accounts receivable, that liquidate themselves. Mr. Parrish, president of the New York Life Insurance & Trust Co., possibly the most conservative of New York trust companies, told me that he carries about one-third of his assets in commercial paper, and it has saved him from trouble in every panic that he has been through. All he had to do was to stop buying commercial paper, and he had plenty of cash to meet the withdrawals of his depositors. Such, I think, is the experience of most bankers. In panics commercial paper is sometimes better than a bank deposit, because the merchant's honor is behind the paper. There is the most stringent necessity of its being paid. The merchant who does not pay his paper fails. His credit is gone, his reputation shattered and the opportunity of earning his livelihood is taken away from him. He is in a far worse condition than the bank that declines to pay drafts upon it, because it has become customary to allow banks to go along under that process, but a merchant cannot go along; he has got to liquidate and get out of business.

Besides, commercial paper is not likely to change over night; it can be locked up and not thought of again until the time comes around for payment. Nevertheless, it must not be gone into recklessly; it must be gone into with due consideration. Each individual transaction must be looked into by itself and a careful estimate made of the responsibility, of the character and the ability of the maker of the paper before it can be a thoroughly completed transaction.

TAFT DISCUSSES VETOES.

Coffeyville, Kan., Sept. 25.—In a speech here today President Taft explained his vetoes of the Democratic tariff bills. He said in part: "Bound as I was by my platform, pledged to see that American industry was sufficiently protected, I could do nothing but withhold my signature from these bills. I am not here to apologize for those vetoes; I am here to explain them."

Mr. Taft promised to recommend a tariff reduction as soon as the tariff board reports.

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BANK FIXTURES

Oak bank counter for sale very cheap; beveled edge glass panels; three wickets; drawers and cupboards. First National bank, Deerwood, Minn. (54-15)

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MUNICIPAL BONDS

NOTICE OF BOND SALE.

Notice is hereby given that sealed bids will be received by the undersigned, the city auditor of the City of Moberge, South Dakota, up to 12 o'clock noon on the 16th day of October, 1911, for the purchase of duly authorized bonds of the said city as follows:

\$7,000 waterworks bonds, payable as follows: \$1,000 on January 1st, 1925 and \$1,000 annually thereafter;

\$3,000 city hall and jail bonds payable as follows: \$500 on the 1st day of January 1916 and \$500 annually thereafter;

\$7,500 sewer bonds payable as follows: \$500 on the 1st day of January 1922, \$1,000 on the 1st day of January 1923 and \$1,000 annually thereafter.

All of said bonds bear interest at the rate of 5 per cent, payable annually and will be sold in separate sets, and each bid on each set must be accompanied by a certified check in the sum of \$200 as a bond of good faith in the event the bid is unsuccessful.

The city council reserves the right to reject any and all bids.

M. T. WOODS,
City Auditor.

(54-15)

RECENT LEGAL DECISIONS.

Equity Will Reform Instruments to Express Intent of Parties.

The rule that, in the absence of fraud or surprise, a bare mistake of law is not ground for relief in equity, is subject to the exception that equity will relieve from a mistake of law where, because of mutual ignorance as to the existence of a statute, the parties failed to give effect to their mutual intent; and where a deed was executed by defendant to plaintiff, who executed a separate contract to reconvey, the parties mutually intending to secure a debt due from defendant to plaintiff, and thereby make the deed defeasible, but they were mutually ignorant of Laws 1907, c. 328, § 1 (Rev. Laws Supp. 1909, § 1038—25), providing that no instrument relating to realty shall be valid as security for any debt unless so expressed therein, with the amount of the debt, and section 7 (Rev. Laws Supp. 1909, § 1038—31), providing that no such mortgage, etc., shall be recorded or registered after April 30, 1907, unless a transfer tax shall have been paid, and solely by reason of such mutual ignorance, the fact that the deed was intended as security for the debt was omitted therefrom, equity will reform the deed to express the intent of the parties, upon payment of the mortgage tax.—Forest Lake State bank v. Ekstrand, 128 Northwestern Reporter 455.

Insurance Company is Bound by Acts Within Scope of Agent's Authority.

Where one is an agent of an insurance company, the company is bound as to third persons dealing with the agent in good faith as to all matters within the scope of the agent's real or apparent authority.

An agent of a foreign insurance company who issues, cancels, indorses, and delivers policies, solicits and writes insurance, collects the premiums for insurer, remits them to it, and attends to its business generally, is a general agent of insurer, and has authority to waive conditions in a

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LEGAL DECISIONS.

The complete opinion in any case noted in this department and reported in the National Reporter System, can be obtained from the West Publishing Company on receipt of twenty-five cents.

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policy, though the company has a general agent for the state.

An agent of an insurance company, with general authority, is an agent who is authorized to take risks and enter into contracts of insurance without consulting the company, and such an agent has the same power to waive conditions in policies as the company itself.

A fire policy stipulating that it should be void if insured procured other insurance without consent indorsed on the policy covered the property of insured, and neither the agent of insurer nor a bank to whom the loss was made payable as collateral for a loan amply secured by a mortgage had any interest in the property, and insurer knew that the agent was an officer of the bank. Insurer through its general agent had full knowledge of the transaction, and ratified it. Insured procured additional insurance with the knowledge of the agent, who promised to make the proper indorsement, but failed to do so. There was no fraud on the part of insured and the bank. Held, in the case of Bank of Anderson v. Home Insurance Co. of New York, 111 Pacific Reporter 507, that insurer was bound by the acts of its agent, and could not defeat a recovery for a loss on the ground that the agent's and insurer's interests conflicted.

Where insured in a fire policy stipulating that it should be void if he procured other insurance without consent indorsed on the policy procured additional insurance, and notified the agent issuing the first policy thereof, and the agent promised to make the proper indorsement but failed to do so, insurer in the first policy was equitably estopped from insisting on the forfeiture of the policy, notwithstanding its stipulation that no conditions should be waived unless written on the policy.

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FORGERS ARE BUSY IN NEW YORK.

New York, Sept. 18.—William B. Joyce, president of the National Surety Co., of 115 Broadway, has given out additional details of the campaign of the gang of forgers who have been fleecing banks in various parts of the country by their skill in imitating the signatures of large depositors, their audacity in presenting forged checks for certification, and their ingenuity in selecting institutions for the deposit of the forged instruments.

Mr. Joyce said yesterday that one of the largest banks in this city had presented a claim to his company on Tuesday evening for a loss of \$3,750. Two other losses of \$1,500 each from the same source were reported by other banks on Monday. It is not the amount of the losses which makes the condition serious, said Mr. Joyce, but the business customs which permit the certification of dubious checks.

On Sept. 8, Mr. Joyce said, a man who called himself McCann, and appeared to be a rugged Western farmer, introduced himself to the cashier of a local bank as a resident of Hood River, Ore. He said he wished to open an account. Without offering any introduction he discussed crop conditions in the West, and appeared to be thoroughly conversant with the Butler Banking Co. of Hood River. His remarks satisfied the cashier that he came from Hood River, and when he casually remarked he was a guest at the Plaza hotel there seemed there could be no further doubt that he was a substantial citizen of that municipality.

Neglecting to make any further inquiry the cashier accepted from him a certified cashier's check for \$8,750, drawn on the Butler Banking Co. of Hood River, and

extended to him the privilege of an account. On Sept. 11, the following Monday, the alleged Oregonian drew a check for \$3,750 against his account, which was duly honored. The bank took the precaution, however, of wiring to Hood River to make sure of the genuineness of the check. Later in the day it received a telegram that both the check and its certification were forgeries.

After getting this startling information the bank hurried representatives to the Plaza hotel and learned that the well-spoken stranger had taken rooms for two days and then left without leaving his address.

Mr. Joyce emphasized yesterday his declaration of Saturday that the policies of his company will be changed. In future it will not be responsible for any loss unless the depositor has had an account for 15 days and the person presenting a check for certification has been identified.

"This check certification game," he said, "has been worked too easily. A bank will not cash a check for \$500 unless the man who presents it is identified; but a man can get a check for \$25,000 certified without the least difficulty. The supposition seems to be that the check must be right or it would not be presented for certification with such boldness. A bank readily assumes liability by certifying such a check when it would refuse the responsibility of cashing it.

"This form of fraud could also be prevented if rubber stamp manufacturers would refuse to make stamps to be used on banking paper for strangers except on the written order of the bank. A man went recently to a stamp manufacturing concern with an order for certification stamps for a certain trust company. Before filling it the manufacturer telephoned the bank, and was informed that no such stamps were required. When the man called for them he was told the stamps had been already sent to the bank. He went off in the twinkling of an eye."

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GRAIN & MILLING

REVIEW OF THE WHEAT SITUATION.

Commercial West Office, Minneapolis, Sept. 27.—While it seemed certain that prices in this market would advance in the event of the defeat of reciprocity in Canada, the wild market that followed was as completely illogical as big speculative movements always are. The sensational advance on the day following the vote in Canada was due to many traders having sold in this market and bought in Winnipeg, with the expectation that reciprocity would receive a favorable vote and that, therefore, the two markets would draw closer together. There was also some short interest in the Minneapolis market; and the spreaders and shorts were frantic in their efforts to cover. In conjunction with this situation was the additional factor that local traders were afraid to sell and, in fact, they were all on the bull side, thus helping along the upward movement. A feature of the day following the Canadian election, in addition to the big advances in American markets, was the decline of 1c in Winnipeg. The following quotations show the changes in price in the various markets before and after the election:

Wheat Prices Before and After.

December—	Before.	After.
Minneapolis	\$1.037½	\$1.09¾
Chicago .....	.95½ @ .95¾	.98½
Duluth	1.02½	1.09¾
New York	1.01¾ @ 1.01½	1.04¾
St. Louis .....	.94¾	.98¾
Kansas City .....	.94 @ .94½	.98¾
Winnipeg .....	.98¾	.97¾

The situation at present, that is, following the wild flurry of a few days immediately after the defeat of the reciprocity measure, is this: The speculative flurry is

over; the short interest has practically been eliminated; many of the longs have taken their profits; there is no new speculative interest, and as a result the market is very dull, and hedging sales come into the market every day without an offset in the way of buying orders from any source. Flour trade is indifferent, if not actually dull. This country is far above an export basis and supplies of wheat are in excess of immediate requirements. All of which suggests that the wheat market is a commercial proposition at the present time; and, because of greater immediate supplies than demand, the tendency is downward until new features arise.

Liverpool also shows a sagging tendency, and reports from exporters in Canada are to the effect that Canadian wheat prices are 3c above an export basis. The Buenos Aires market today was sharply lower, which would seem to indicate that crop conditions are very favorable, or perhaps, that there is a slow demand for wheat for export. The Argentine crop, which will be harvested in December, will be a very important factor in the world's situation this season. One of the big Chicago commission houses regards Argentina as such an important factor this year that it has sent a crop reporter there in order to have first information on conditions. The importing countries of Europe are likely to find some difficulty in supplying their wants during the next four months without advancing prices, but in view of good crop conditions in Argentina and Australia they are hopeful for better things later on and particularly if conditions develop favorably for India, which harvests in the spring.

Wheat inspection in the spring wheat markets—Minneapolis, Duluth and Winnipeg—during the week is shown in the following tables:

SPRING WHEAT INSPECTION.

Of the 938 cars of spring wheat inspected at Minneapolis, Duluth and Winnipeg on September 20, only 2 graded No. 1 hard, 129 No. 1 northern, 405 No. 2 northern and 402 No. 3 northern or lower. The detail of the spring wheat inspection at the three markets follows:

	Mpls.	Duluth.	Wpg.
No. 1 hard	2	...	...
No. 1 northern	56	27	46
No. 2 northern	174	44	187
No. 3 northern	99	22	105
No. 4 northern	15	5	30
Rejected	9	...	...
No grade	63	45	9
Totals	418	143	377

The inspection of spring wheat at Minneapolis, Duluth and Winnipeg on the 21st follows:

	Mpls.	Duluth.	Wpg.
No. 1 hard .....	...	...	...
No. 1 northern	47	8	21
No. 2 northern	128	23	162
No. 3 northern	124	13	79
No. 4 northern	39	8	36
Rejected	4	1	...
No grade	77	2	53
Totals	419	55	351

Of the 1,197 cars of wheat inspected at Minneapolis, Duluth and Winnipeg on the 22d, only 527 graded No. 2 northern or better. The details of the different inspections follow:

	Mpls.	Duluth.	Wpg.
No. 1 hard	1	...	...
No. 1 northern	51	8	50
No. 2 northern	178	54	185
No. 3 northern	121	24	137
No. 4 northern	33	11	32
Rejected	10	...	...
No grade	146	11	43
Durum	3	38	...
Mixed	5	...	...
Western	2	...	...
Winter	50	3	1
Totals	600	149	448

Of the 1,588 cars inspected on the 23d at Minneapolis, Duluth and Winnipeg, 896 cars were No. 3 northern or lower. The

detail of the different inspections follows:

	Mpls.	Duluth.	Wpg.
No. 1 hard, cars .....	...	1	...
No. 1 northern	48	11	50
No. 2 northern	195	35	322
No. 3 northern	154	26	261
No. 4 northern	32	8	62
Rejected	8	...	...
No. grade	153	4	114
Durum	5	24	...
Mixed	2	1	...
Western	1	...	...
Winter	34	1	6
Totals	632	111	845

The state grain inspection showed that 1,166 cars of wheat were inspected in Minneapolis on the 25th or 105 cars more than the receipts posted yesterday. A majority of the offerings continued below contract grades. Yesterday 1,940 cars of wheat were inspected at Minneapolis, Duluth and Winnipeg, of this total 1,119 cars were No. 3 northern or lower. The detail of the inspection at three markets follows:

	Mpls.	Duluth.	Wpg.
No. 1 hard	1	...	...
No. 1 northern	133	25	30
No. 2 northern	363	93	176
No. 3 northern	269	62	149
No. 4 northern	54	16	43
Rejected	26	3	...
No grade	189	11	76
Durum	12	780	...
Mixed	9	3	...
Western	6	2	...
Winter	104	4	3
Totals	1,166	297	477

Of the 1,178 cars inspected at Minneapolis, Duluth and Winnipeg on the 26th, 736 cars were No. 3 or lower. The detail of the different inspections follows:

	Mpls.	Duluth.	Wpg.
No. 1 hard	1	...	...
No. 1 northern	47	23	14
No. 2 northern	142	122	93
No. 3 northern	121	59	98
No. 4 northern	22	17	27
Rejected	18	2	46
No grade	142	9	21
Durum	9	30	...
Mixed	8	...	...
Western	5	...	...
Winter	94	6	2
Totals	609	268	301

FLOUR AND MILLING.

Very little new business is reported by the mills since the sharp advance in wheat prices following the defeat of reciprocity in Canada. Some of the mills before the advance did a good business—even a very large business on some days last week. This week, however, buyers as a rule are confining their orders to very small lots and often taking only the part car of flour and the rest feed. The attitude of the buyer is not very surprising for the reason that prices are high and supplies of wheat for the present are abundant and the spring wheat crop is moving freely; and, in addition to this, the depressed business conditions do not warrant jobbers or big bakers in carrying stocks in excess of nearby requirements. While this is the present situation, when one looks ahead a few months it is not difficult to believe that a higher range of prices is possible. The general situation east of the Rocky mountains is bullish, when one looks ahead to the tail-end of the present crop year; the pinch for supplies should begin to be felt toward the latter part of the winter.

MINNEAPOLIS BARLEY MARKET.

Receipts of barley in this market continue heavy and likewise the percentage of desirable malting grades continues very small. A local maltster said today that not to exceed 5 per cent. of the receipts is really desirable malting barley. There is a good demand for such grades and new high prices have been scored during the last week. Other grades are slow and a feature of the market each day is the number of salesmen who are hunting for buyers. The full range of prices for barley today is from 80c to \$1.14. Last week two cars of very choice malting sold at \$1.18. Considerable "western" barley is received daily in this market and it meets with a fair, but not a brisk, demand. The price ranges a few cents under Minnesota and Dakota grade.

FLAXSEED AND LINSEED OIL.

The feature of the local market is the steady narrowing of the difference between spot prices for flaxseed and the Duluth October price. The same narrowing is, of course, taking place between Duluth September and October. This was to be expected as soon as the movement of flaxseed increased and the difference should narrow still more; also, if there is a free movement of flaxseed, the price should gradually settle and it would not be surprising if it broke below \$2. Still, that is entirely a guess and there may be offsetting factors that are not apparent at the present time. While there is a fair demand for linseed oil for immediate shipment, there is practically nothing doing for deferred shipment. The big buyers, and also the paint manufacturers, are steadfast in their idea that prices are too high.

BOERSE HOPEFUL.

(Special Cable to The New York Times.)

Berlin, Sept. 24.—Optimism generally prevailed on the Boerse during last week. Nevertheless, the uncertainty of economical developments in the United States was reflected here towards the end of the week.

The result of the Canadian elections caused Canadian railway stocks, etc., to slump considerably at first, but they recovered toward the end of the week.

The settlement of the Moroccan negotiations, now expected daily, gives rise to the hope that the Boerse will be very firm this week.

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CHICAGO

DEFEAT OF RECIPROCITY DID NOT AFFECT PACIFIC COAST WHEAT.

Portland, Ore., Sept. 22.—The settlement of the reciprocity question was absolutely without effect on the local grain markets today, except possibly to make it easier to sell barley for shipment east. There were fresh inquiries for barley from eastern dealers, who for several days have been out of the market. The same prices were offered for wheat as before the election, but the exporters were not keen to buy until they see the effect in Europe, as they believe the foreign market will weaken. Oats were dull, with most sales around \$28.

Seattle, Sept. 22.—The failure of reciprocity had no immediate effect whatever upon the Seattle wheat market. Prices were unchanged at today's session of the Merchants Exchange. While prices did not advance, the market was unmistakably stronger, particularly oats, which were expected to be affected materially in the event of Canadian oats being brought into this country.

The fact that the Pacific Northwest markets are now governed almost exclusively by the export trade, tended to lessen the effects of local developments. The export values are gauged largely by the Liverpool market, and the failure of that market to be materially affected by the vote in Canada headed off any changes on the Seattle Merchants Exchange.

PACIFIC NORTHWEST WHEAT CROP.

Washington, Oregon and Idaho have this year produced 64,000,000 bus of wheat, the largest crop ever harvested in the Pacific Northwest. Only once, in 1907, has the crop of the three states come within 3,000,000 bus of equally this season's harvest. The crop in 1909 was 61,000,000 bus and in 1907 63,000,000 bus.

This is the third time that the Pacific Northwest has produced a 60,000,000-bus crop. The crop this year is 14,000,000 bus larger than last year.

Washington this year has a 39,000,000-bus crop of wheat, or 13,000,000 bus more than was produced last season. The Oregon crop is estimated at 16,000,000 bus, or 2,000,000 bus less than was produced last year. Idaho has a crop of 9,000,000 compared with 6,000,000 bus last year.

Leo Peterson, of Portland, publisher of the Commercial Review, the only grain paper published west of the Rocky mountains, was in Seattle yesterday. He has recently returned from a trip through the inland empire, on which he gathered detailed crop figures. Mr. Peterson stated that had it not been for the extremely hot weather just before harvesting commenced, the crop of the three states would have aggregated 69,000,000 bus.

Mr. Peterson also found that the oat crop this year will be unusually large, aggregating 26,000,000 bus, compared with 18,000,000 bus last year.

The barley crop he placed at 10,750,000 bus, or practically the same as last year.

"With a crop of 64,000,000 bus of wheat, the trade must figure that 18,000,000 bus will be needed for export in one form or another. There are many in the trade who have been figuring larger returns, but from the best authentic sources I am positive that the figures I have collected for each county will be borne out by final returns later in the season. Most of the interior counties have been figuring from 10 to 20 per cent. more than I have estimated.

Washington Crop by Counties.

"The following table shows this season's production of wheat by counties:

WASHINGTON.	
Counties—	Wheat, bus.
Whitman	10,000,000
Lincoln	6,000,000
Walla Walla	5,000,000
Adams	3,000,000
Grant	2,000,000
Douglas	1,250,000
Franklin	2,000,000
Spokane	2,250,000
Klickitat	1,250,000
Garfield	1,100,000
Columbia	1,150,000
Asotin	750,000
Yakima	500,000
Benton	1,250,000
Stevens	500,000
Kittitas	600,000
Others	400,000
Total	39,000,000

THE CHICAGO GRAIN MARKETS.

Chicago, Sept. 26.—There was more activity displayed this week in the wheat markets of the Northwest than at any previous time this fall. September advanced 4c, December 3 $\frac{1}{2}$ c and May 4 $\frac{1}{4}$ c as a result of the reaction which followed the rejection of the reciprocity act by Canada. Before the Canadian election, there was expectation that the market would fall, but the bull movement regained its leadership when the domestic situation was improved by the Canadian election. The pit was unprepared for the united effort which Canada displayed at the polls, and the shorts were compelled to cover at a level which suggested loss to the bears.

While the professionals went long in Winnipeg, they were short in Minneapolis and Chicago, and the purchase by a leading short interest in Minneapolis caused that market to rise 6c, and Duluth moved up 8c, which caused flour to jump 35@45c. There was a concerted movement on the part of buyers of flour and wheat to obtain supplies in the spring wheat districts, while in the winter wheat belt the fact that millers are carrying large stocks did not cause an upheaval to the extent displayed in the spring wheat primaries. In the farming districts the expression was general that prices can be made by first hands during the coming winter, as California bought hard wheat in Kansas last week, and the situation east of the Rocky mountains disclosed a bullish position.

With Chicago banks willing to carry loans on the present basis, there is not a bearish argument to advance. On a domestic basis, wheat should be higher. Foreign wheat conditions became more bearish, but the American position showed a stronger place for the bulls than ever before. There was a large falling off in arrivals, and primary receipts fell off 412,000 bus compared with the week preceding, and over 900,000 compared with last year at this time.

* * *

In corn there was a timid apparition in the pit. The bulls were lacking in initiative and prices advanced only 1 $\frac{1}{2}$ c, while other grains were relatively higher. There was no help vouchsafed to the pit element by the big houses, but the fact that country receipts were the smallest in some years was an issue that could not be overcome.

In oats there was a spread between Chicago and Winnipeg that gave speculators a bad week. The defeat of reciprocity caused the bulls to gain smartly, the near futures rising 2 $\frac{1}{2}$ c as a result of covering by shorts. The bears bought with avidity when they learned that re-

ceipts were about 600,000 bus less than a year ago, while shipments were 430,000 smaller than in 1910.

* * *

When Joseph Leiter learned today that suit for \$300,000 had been brought against him by F. H. Peavey & Co. as a result of his disastrous \$9,000,000 effort to corner the wheat market in 1898, he fled the city. He was in the office of the L. Z. Leiter estate, 21 East Van Buren street, when the news reached him. He went out the back way a few minutes before Deputy Sheriff Pinok entered the front door. An automobile landed him at the Englewood station just in time to catch the Twentieth Century Limited. Attorney E. H. Adams said the Peavey firm held \$650,000 of notes given by Leiter during his famous plunge and that suit was brought to prevent the debts from becoming outlawed on October 6. Leiter's plunge in 1898 is said to have cost him \$9,000,000, of which his father paid about \$7,000,000. It had been generally understood that all claims had been cared for.

* * *

A new clearing house system will not be inaugurated on the Chicago board of trade. The vote on the proposed plan to make the system of clearing trades more up to date met an overwhelming defeat yesterday, there being only 75 ballots in its favor and 656 against, a majority against it of 581. While there were 278 members who petitioned the directors for a ballot on the measure, 203 of them voted against it yesterday. Members who signed the petition did so because they wanted it disposed of. The defeat was due to the activity of a majority of the big commission houses who do not want any change, as the present system of giving big traders unlimited credit is in their favor, while the adoption of the new plan would have greatly benefited the smaller operators. The latter, however, were told in many instances that if they wished to continue in business they had better work against the new measure. It was claimed that the new method was not legal, when in reality Attorney Robbins, the board's legal advisor, has written a lengthy opinion in its favor. The Supreme court has also decided on the legality of a clearing house plan somewhat similar to that proposed. Fears of clearing house clerks giving away secrets of the position of the largest firms was also used against the measure.

* * *

The Peavey elevators at South Chicago have been transferred to J. Rosenbaum for \$325,000. He gives notes for that amount payable in sixteen years at 5 per cent. to the First Trust and Savings bank. The J. Rosenbaum Grain Co. operate the elevators and have been in possession of them for over six weeks.

LEITER SUED FOR \$300,000 BY PEAVEY COMPANY.

Chicago, Sept. 25.—Charges that Joseph Leiter had failed to make payments on notes given for wheat in his attempt to corner the market in 1897 and 1898, were made today in a suit for \$300,000, filed by F. H. Peavey & Co., the holding concern of the Peavey Grain Co.

Hopes of an adjustment delayed the suit up to now, according to Elmer H. Adams, of counsel for the Peavey Co., who said:

"The Peavey Co., which is complainant in the suit, is at Minneapolis, and at the time Mr. Leiter attempted the corner he bought wheat of them and it was stored in their elevators," Mr. Adams said. "When the crash came, of course the price of wheat went down, and Leiter was unable to take what he had purchased from the Peavey Co. off their hands. He then gave his note for \$198,000, approximately, and the suit for \$300,000 represents the note and accumulated interest for about ten years."

GREAT WESTERN CEREAL DEFAULTS.

Chicago.—The Great Western Cereal Co. failed to pay the semi-annual interest, due September 15, on its first mortgage 6 per cent. bonds, of which \$684,500 are outstanding. The company has reported to the trustees of

the bond issue, the Continental & Commercial Trust & Savings bank, that its plants are shut down and that it has no funds to meet the interest, amounting to \$20,535.

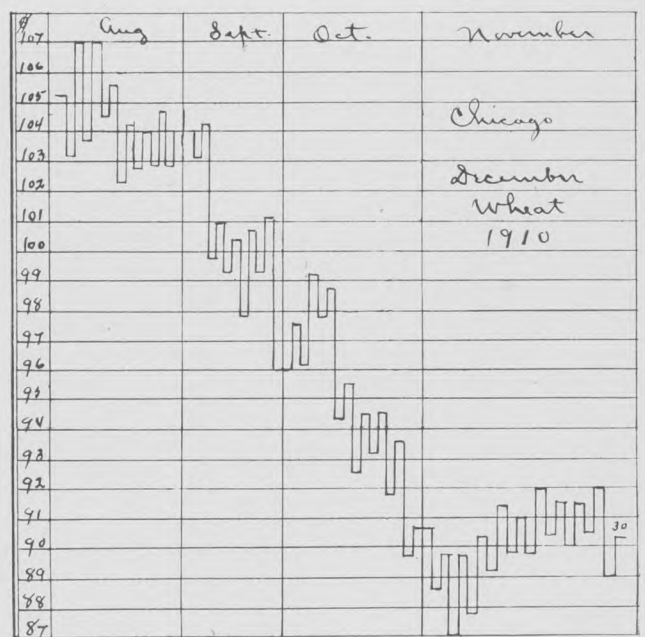
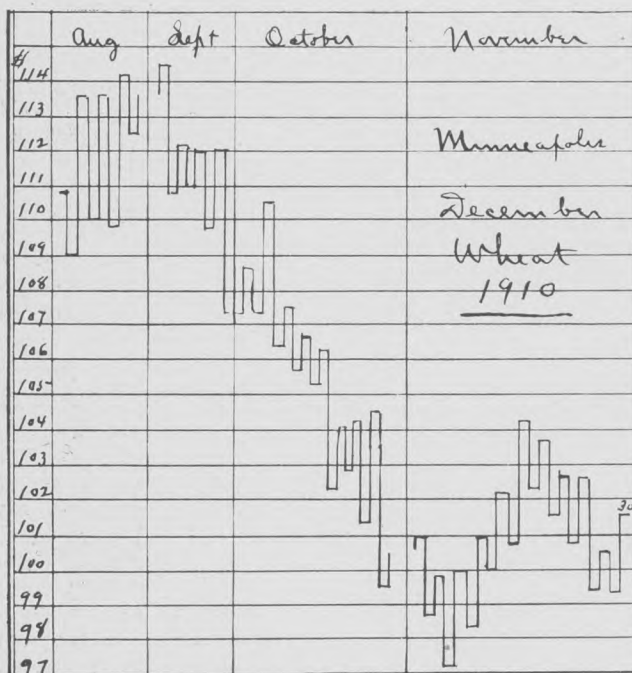
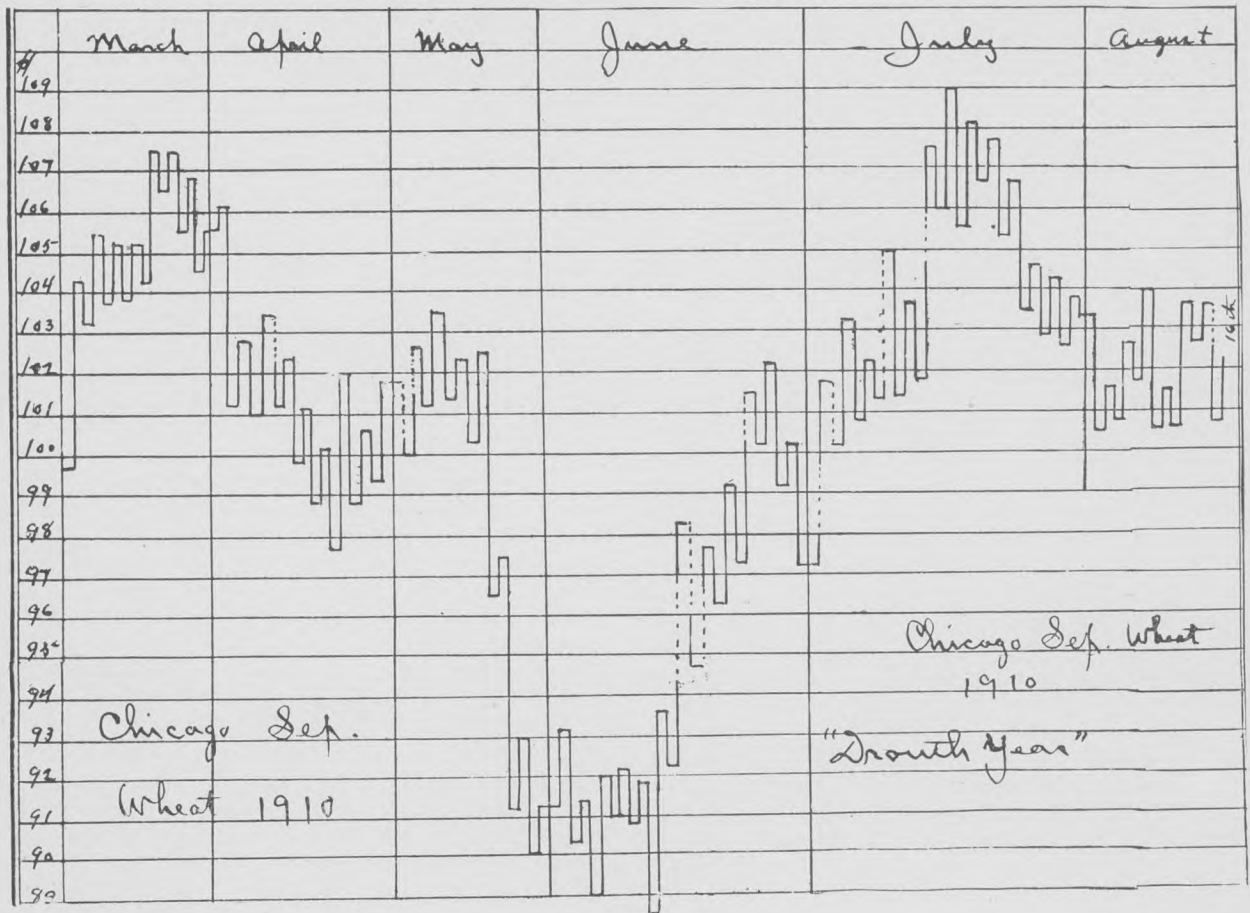
Joy Morton and the other large stockholders had hoped to pull the concern out of the rut with the \$1,000,000 cash received a few months ago through the sale of the company's two best mills and trade names to the Quaker Oats Co., but their plans were upset by an injunction obtained by certain bondholders.

Of the \$1,000,000, \$225,000 was used to buy and cancel \$290,500 of the Great Western bonds. The rest is held by the Continental & Commercial Trust & Savings bank. The bondholders claim it and the company claims it. An injunction issued by Judge Horan of Maskal, Iowa, restrains the bank from paying any of it to the company.

ST. PAUL DIRECTORS RE-ELECTED.

Milwaukee, Sept. 25.—At the annual meeting of the stockholders of the Chicago, Milwaukee & St. Paul Railway Co. held here Saturday, five directors whose terms of office expired were re-elected. These were Walter P. Bliss, Frank S. Eond, Charles W. Harkness, John D. Ryan and A. J. Earling. Subsequently the board organized by reelecting the former officers.

PICTORIAL HISTORY OF MINNEAPOLIS AND



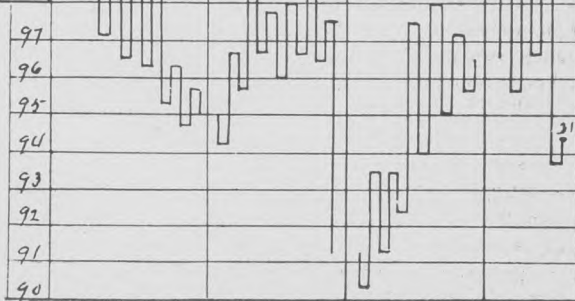
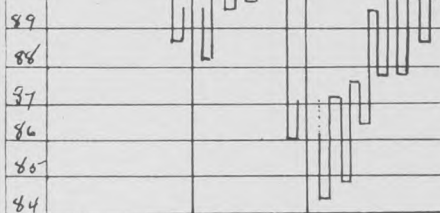
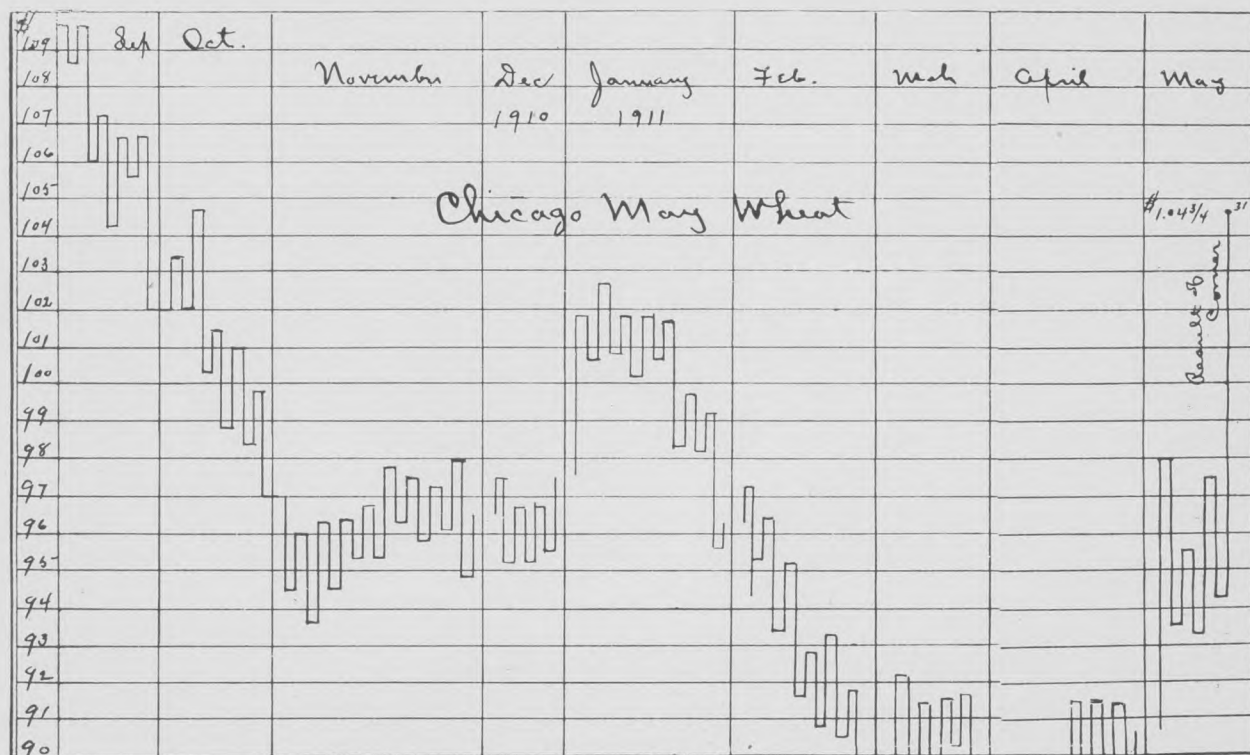
Training Experts for Municipal Government Work.

(R. F. Cutting, in North American Review.)

The press has figured the total of the benefactions of two men in the last few years at more than three hundred million dollars. This phenomenal public service by private citizens certainly adds to one's pride in the political institutions which have contributed to produce and stimulate the sense of the responsibility of wealth expressed by these gifts. These benefactions have been made with rare sagacity and are, in a great part, calculated to raise the level of intelligence. Twenty years

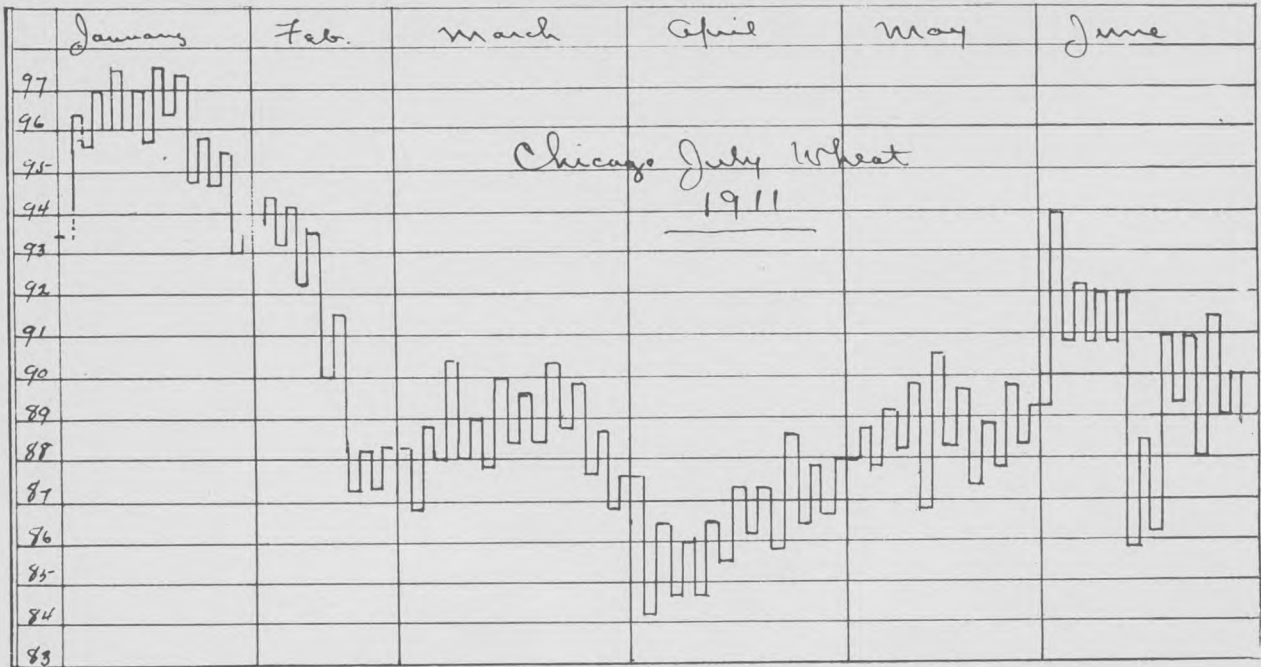
ago Germany was losing vigorous and enterprising men and women by the hundred thousand who went to help the states of the Western hemisphere rival her commerce and industry. Today, through her system of vocational training, she has begotten a generation of tradesmen, mechanics and engineers who have transformed her from an agricultural to a manufacturing country, and their dexterity has not only captured for her an increased share of international trade, but has developed a home market that supplies her proletariat with employment and has, for the present, effectually stopped emigration. The industrial development of Germany has created for her a new economic life.

CHICAGO WHEAT PRICES FOR 1910-11 SEASON.



Germany's progress is illustrated by a practical solicitude for the welfare of the wage-earner that is quite unparalleled. While the fact that there is actually more immigration into Germany than emigration from it demonstrates the comparative prosperity of the poor, there are many characteristics of her social life that attest the genuine determination of the government to fulfill its obligations to the least fortunate members of the state. The scientific system of contributive insurance against sickness, accident, infirmity and old age is full of significance. The magnitude of this self-help through government co-operation is impressive. It is interesting to note that competent students declare the measurable relief from the anxious forecast of indigent old age and the

disasters of accident and illness has actually increased the proficiency of labor. Insurance has, moreover, encouraged providence. The number of depositors has steadily increased and their average deposits are now twice as much per capita as those in England, while at the



same time the per capita of poor relief in Germany is less than one-half of that in England. The revenue from the income tax is increasing, notably from those whose incomes are of moderate amount. There has been a marked expansion in the variety and quantity of the better kinds of food consumed.

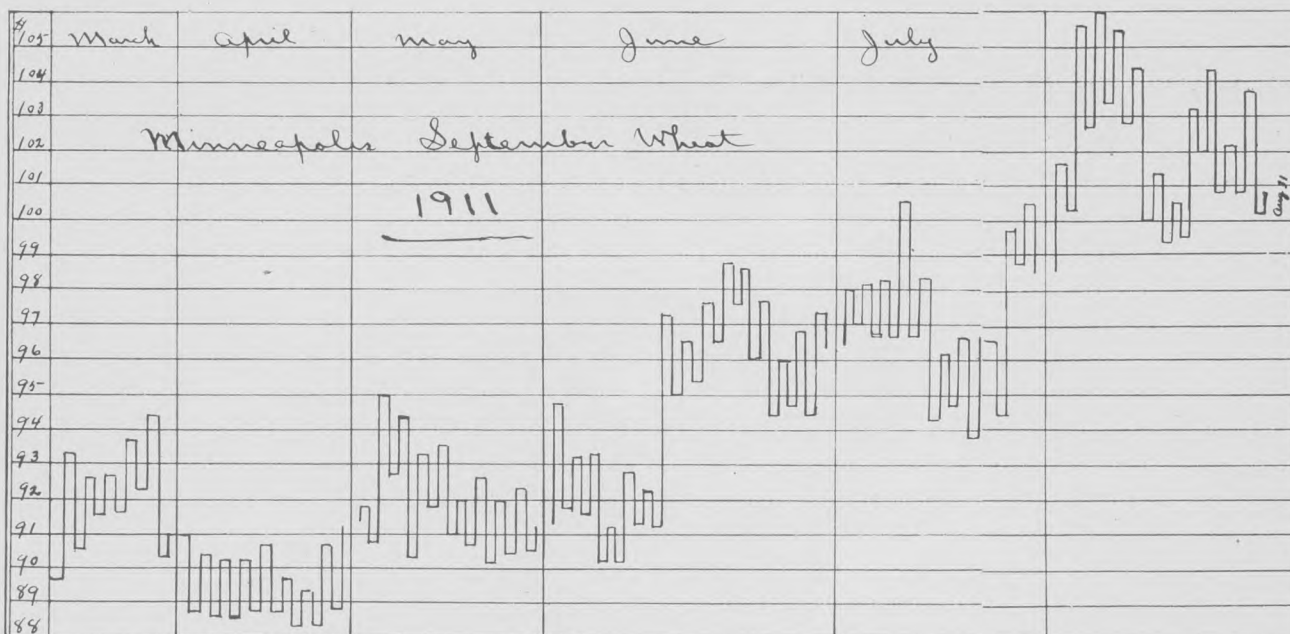
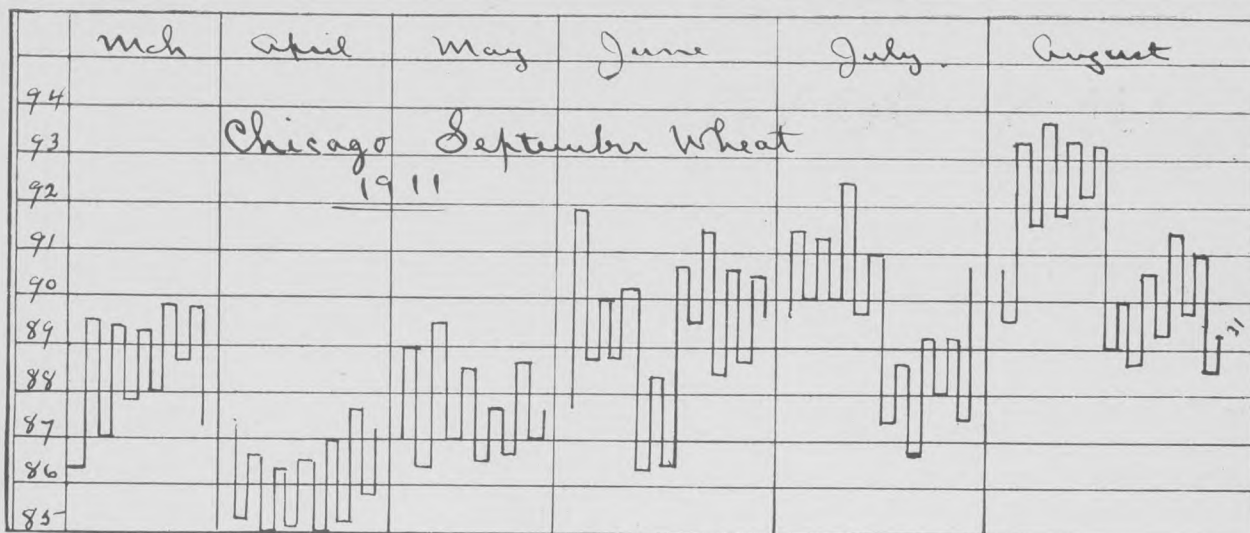
Science and Government.

Germany has achieved these extraordinary results by establishing a closer relationship between science and government than exists anywhere else in the world. Her statecraft is in the hands of experts. The professors of her classical and technical universities are officers of the government, and several of those connected with the University of Berlin have seats in the Reichstag and in the Prussian legislature. The mayoralty is a profession, and municipal chief executives are promoted from the smaller to the larger cities as they demonstrate their capacity for greater responsibilities. Legislative enactments are intended to be genuinely operative and not merely expressive of moral sentiment. The measures are first drafted by men qualified by experience as well as study and who can be trusted to make the actual purpose unmistakable. How different has been the studied and

gradual development of Germany's insurance policy from the plunge made by England into old-age pensions under the pressure of political expediency! And all this has been done by a government that is virtually an oligarchy—a benevolent, patriotic, intelligent oligarchy. Is it possible in a democracy? Our political history has not yet demonstrated it. Is there, then, for us no short cut to government by experts?

Municipal Research Work.

That our municipal governments are not yet competent or disposed to correct the defects in their administrative systems is undeniable; and, unaided, the best disposition of their executive officers will not materially hasten the scientific reorganization of their corporate business. The nation is making a serious attempt to do this. At the request of President Taft, one of the principal officials of the New York Bureau of Municipal Research has been yielded by it to Washington and is heading the president's expert staff in pointing the way to the business reorganization of Federal administration upon the lines pursued by the bureau in city affairs. What the city of New York has accomplished with the co-operation of the Bureau of Municipal Research is only



on the threshold of achievement, since the reforms achieved have hardly commenced to realize their possibilities. The cities of Philadelphia, Cincinnati, Chicago and Atlanta have also established research bureaus locally supported, and other cities are clamoring for trained men to do similar work. The profession of a municipal researcher—investigator and accountant with a constructive social point of view—is new, and the necessity of a training school for such men is apparent. The spread of this policy is a long step in the path of the relation of science and government in which Germany has led the way.—R. Fulton Cutting, in North American Review.

TO FIGHT COMMERCE COURT.

Washington, D. C., Sept. 26.—Congressman T. W. Sims of Tennessee, a Democrat, who fought the commerce court bill in the house two years ago, stated today that he will introduce a bill as soon as congress convenes for the repeal of this new portion of the federal railroad laws.

"My bill," said Mr. Sims, "will propose such changes as will throw the cases now coming into the commerce court back into the federal circuit courts, where they were originally heard."

The commerce court was created at President Taft's earnest request to handle all cases arising under the interstate commerce laws.

UNION LABOR LOSES IN FRISCO.

San Francisco, Cal., Sept. 26.—Based on scattered and partial returns from a dozen precincts, campaign managers for James Rolph, Jr., at 7:30 o'clock tonight, claimed

his election for mayor at today's primary by an overwhelming majority. Mayor P. H. McCarthy, of the Union Labor party, is apparently defeated.

Today's was the first test of the primary law. The names of the candidates were printed on the ballot without party affiliations, and the same rule will apply at the election in November.

For every office the two candidates receiving the highest number of votes in the primary are declared the nominees. The candidates receiving a majority of all the votes is declared elected without entering the contest again in November.

RULING ON WOOD PULP AND PAPER.

Washington, D. C., Sept. 26.—Practically all the wood pulp and print paper produced in New Brunswick until August 1, 1912, will enter the United States free of duty. This is made possible by a revised ruling made today by Acting Secretary of the Treasury Curtis, under the only operative clause of the Canadian reciprocity agreement.

The surveyor general of the customs of New Brunswick advised the treasury department that the new law of that province restricting the exportation of wood pulp and print paper did not apply to lands operated under licenses issued or renewed prior to October 1, on which date the law becomes effective.

The lands are used under long term leases, governed by yearly licenses, and August 1, 1912, is the date for renewing these licenses. Consequently until that time there will be no American import tax on pulp wood or print paper originating from these lands.

LESLIE'S BOND

Possesses an indescribable something that makes it different from all other medium priced Bond Papers, which makes you like it when you look at it, and respect it when you have used it.

It appeals to the buyer who has a knowledge of paper values. It produces high class stationery, something outside the ordinary and above the common level.

Ask your printers to show you samples—or we will mail you a sample book for the asking.

The JOHN LESLIE PAPER COMPANY
PAPER WAREHOUSE
MINNEAPOLIS

STRIKE ON THE M., K. & T.

Sedalia, Mo., Sept. 25.—Car shopmen throughout the entire system of the Missouri, Kansas & Texas Railroad went out on strike yesterday. About 400 men have quit work in the local shops, and it is expected that the total will reach 1,500. The strike is the outcome of the company's refusal to grant a joint conference with the men on the systems north and south of the Red River regarding working conditions. In addition to better working conditions the shopmen are asking more pay.

Denison, Tex., Sept. 25.—L. M. Watkins, general chairman of the Brotherhood of Railway Carmen, was here when 200 Missouri, Kansas & Texas carmen went on strike. He said that the men would not return to work until the road set a date for a conference.

Reports from Parsons, Kan., state that 50 men are out. At Houston, Tex., 25 shopmen have struck, while at Smithville, Tex., 75 men are reported on strike.

St. Louis, Mo., Sept. 25.—Assistant General Manager W. A. Durham says that not all the car repairers of the Missouri, Kansas & Texas Railway have struck. He declared that their services are not needed now, as the cars are in good conditions, and that their places can be easily filled.

Los Angeles, Cal., Sept. 25.—William Atkinson, one of the vice presidents of the National Boiler Makers Union, declares that if the dispute now pending is not settled, a strike of the shopmen on the Harriman Lines will be called. He states that officials of the union are now conferring with railroad officials in the East in the hope of

averting a strike, which will not be called pending the result of the conference.

CANADIAN PACIFIC EXTENSIONS.

Montreal, Sept. 25.—Sir Thomas Shaughnessy, president of the Canadian Pacific Railway Co., who has returned from his annual inspection trip over the lines says: "Everything in the West is in a most satisfactory condition, while our road itself is almost perfect. The road-bed, grades, equipment and its growth and development were never so satisfactory as at the present time.

"We will complete between 500 and 600 miles of new road this year, and indications are that almost an equal amount will be built every year for an indefinite period."

Sir Thomas added that the company's ready made farms were proving a big success, and that it was being deluged with applications for new farms. He said that the company was moving every day in the construction of its irrigation ditches and works at the Horseshoe dam on the Bow River about half as much earth as is moved daily on the Panama Canal. When completed the irrigation works will reclaim 1,000,000 acres of land. Of this amount about 400,000 acres will be thoroughly irrigated and 600,000 acres affected to a greater or less extent. To fully irrigate the land costs the company \$20 an acre, but the average cost of the 1,000,000 will run between \$8 and \$9 an acre, according to Sir Thomas.

A MARKET VIEW.

(Written for the Commercial West.)

W. G. Press & Co., Chicago, Sept. 26.—Very strong upturn in wheat prices during the closing days of the previous week was followed by natural reaction early the present week. Both Monday and Tuesday the trade was of an unsettled character, overselling by the local trade followed during both sessions by strong recovery in prices, general replacing of long wheat sold out on the break and yet best prices in each case failed to hold. This action in the market was somewhat discouraging to the more enthusiastic bulls in the trade. It is evident that this market in order to have strong natural action to which it is entitled under existing trade news needs a much larger volume of public business. Another drawback for the trade early the present week was the easier tone to the cables. Foreign markets appear to be laboring under free early movement from home grown crops. This causes some selling pressure in cargoes. Most excellent weather and crop conditions continue in Argentine. Russia and Canada are offering foreign markets more liberal supplies. This suggests that the trade here must depend largely on domestic conditions. The increase in Minneapolis stocks the first half of the week was a bearish consideration, but was offset by the report of large flour shipments and active buying of wheat by millers at interior spring wheat points. Considering the phenomenal advance in prices in northwest markets following the defeat of the "free grain" measure in Canada, the staying quality of the markets in all quarters has been remarkably good. The small increase in world's visible stocks compared with an enormous accumulation at this time last year, is perhaps the most important bull feature in sight at this writing. Southwest markets especially are reporting a strong cash wheat situation. The bear argument against the Chicago market, because of the large stock of No. 2 red wheat, loses its force when the strength at Toledo and St. Louis, soft wheat markets, is taken into account. We believe present hesitation on the part of buyers due very largely to the unsettled condition of the New York stock market and with a better outlook in that quarter in the near future, we expect to see a broader and stronger market in wheat.

WORLD'S VISIBLE SUPPLY OF BREADSTUFFS ON SEPTEMBER 1.

	Sept. 1, 1911	Sept. 1, 1910	Sept. 1, 1909	Sept. 1, 1908
	Bushels.	Bushels.	Bushels.	Bushels.
North American Wheat—				
East of Rockies.....	74,989,000	58,132,000	30,509,000	36,765,000
West of Rockies.....	1,897,000	2,942,000	858,000	2,182,000
Canada	5,540,000	4,091,000	2,074,000	3,030,000
U. S. A., flour as wheat.....	8,041,000	8,450,000	5,764,000	6,354,000
Canada, flour as wheat.....	504,000	693,000	630,000	387,000
Total North America.....	90,971,000	74,308,000	39,835,000	48,718,000
U. K., wheat stock.....	13,440,000	15,210,000	8,880,000	11,470,000
U. K. flour as wheat.....	2,400,000	3,120,000	2,720,000	4,130,000
Paris and French ports.....	4,180,000	2,290,000	1,200,000	790,000
Belgium, Germany and Holland.....	4,020,000	3,890,000	4,350,000	2,980,000
Russian ports	7,110,000	11,600,000	3,600,000	2,480,000
Danubian and Black Sea Ports.....	4,180,000	5,400,000	1,120,000	2,912,000
Austria-Hungary and Italy.....	3,620,000	3,952,000	2,016,000	3,324,000
Argentina	1,800,000	1,120,000	440,000	1,440,000
Afloat for U. K. direct.....	12,100,000	12,520,000	14,100,000	9,250,000
Afloat for Continent direct.....	14,640,000	17,580,000	9,740,000	12,780,000
Afloat for orders.....	8,290,000	7,210,000	4,770,000	7,500,000
Total European, Argentine and afloat.....	75,780,000	83,892,000	52,936,000	59,056,000
Grand total	166,751,000	158,200,000	92,771,000	107,774,000

CLOSING WHEAT FUTURE PRICES.

December Wheat.						
	Sept. 21	Sept. 22	Sept. 23	Sept. 25	Sept. 26	Sept. 27
Minneapolis	1.03 3/8	1.09 3/4	1.11 1/4	1.09 3/8	1.09 1/2	1.07 3/4
Year ago	1.11 3/4	1.11 1/2	1.11 1/4	1.10 5/8	1.09 1/2	1.09 1/2
Chicago	95 3/4	98 3/8	99 1/2	98 5/8	98 3/4	97 5/8
Year ago	1.00 1/2	1.00 1/2	99 7/8	99 1/2	98 1/2	98 1/2
Duluth	1.02 1/2	1.09 7/8	1.13	1.09 1/4	1.09 3/8	1.07 1/2
New York	1.01 1/2	1.04 3/8	1.04 1/4	1.04 3/8	1.04 1/2	1.04 1/2
St. Louis	94 3/4	98 1/8	99	98	98 1/4	97 1/4
Kansas City	95 1/8	98 3/8	99 5/8	99 1/8	99 3/8	98 1/4
Winnipeg	98 3/4	97 3/4	97 3/8	96 1/4	96 1/4	95 3/8

May Wheat.						
	Sept. 21	Sept. 22	Sept. 23	Sept. 25	Sept. 26	Sept. 27
Minneapolis	1.07 3/4	1.13 3/4	1.15 1/8	1.13 1/4	1.13 1/2	1.11 3/4
Year ago	1.15 3/4	1.15 1/2	1.15 1/4	1.14 3/4	1.13 1/2	1.13 1/2
Chicago	1.01 5/8	1.04 3/8	1.05 3/8	1.04 1/2	1.04 1/4	1.03 3/4
Year ago	1.06 1/2	1.06 1/8	1.05 3/8	1.05 1/4	1.03 7/8	1.04 1/8
Duluth	1.06 1/2	1.13 7/8	1.14 7/8	1.13 1/8	1.13 3/8	1.11 1/2
New York	1.07	1.09 7/8	1.09 1/2	1.09 5/8	1.09 3/4	1.08 3/4
St. Louis	1.00 3/8	1.03 3/8	1.04 1/8	1.03 1/4	1.03 5/8	1.02 3/8
Kansas City	98 3/8	1.02 3/8	1.03 7/8	1.03 3/8	1.03 3/4	1.02 3/8
Winnipeg	1.03 1/2	1.02 1/2	1.02 1/4	1.00 7/8	1.01	1.00 1/8

September Wheat.						
	Sept. 21	Sept. 22	Sept. 23	Sept. 25	Sept. 26	Sept. 27
Minneapolis	1.02 1/2	1.07 1/2	1.08 1/2	1.07	1.07 1/4	1.05 1/2
Year ago	1.09 3/8	1.09 7/8	1.09 5/8	1.09 1/2	1.07 1/2	1.07 1/2
Chicago	91 3/4	95	95 7/8	94 5/8	95 1/8	94
Year ago	97 1/2	97 3/8	96 7/8	96 3/4	95 3/8	95 7/8

Minneapolis Cash Wheat Official Close.						
	Sept. 21	Sept. 22	Sept. 23	Sept. 25	Sept. 26	Sept. 27
No. 1 hard	1.05 3/8	1.10 3/4	1.12 1/4	1.10 1/8	1.08 3/8	1.08 3/4
No. 1 northern	1.04 3/8	1.10 1/4	1.11 3/4	1.09 7/8	1.09 7/8	1.08 1/2
No. 2 northern	1.02 7/8	1.08 3/4	1.09 3/4	1.07 3/8	1.07 3/8	1.06 1/4

Duluth Cash Wheat.						
	Sept. 21	Sept. 22	Sept. 23	Sept. 25	Sept. 26	Sept. 27
No. 1 hard	1.03 1/2	1.11 3/8	1.12	1.10 1/4	1.10 3/8	1.08 1/2
No. 1 northern	1.02 1/2	1.00 3/8	1.11	1.09 1/8	1.09 3/8	1.07 1/2
No. 2 northern	1.01	1.08 7/8	1.09	1.06 1/8	1.05 3/8	1.04 1/2

DURUM WHEAT.

Minneapolis Closing Prices.

	No. 1.	No. 2.
September 21	97	95 1/2
September 22	98	95 1/2
September 23	98	96 1/2
September 25	98	96 1/2
September 26	97 1/2	96
September 27	97	95 1/2

Duluth Closing Durum Prices.

On Track.			
	No. 1.	No. 2.	Sept.
September 21	97 1/4	95 1/4	97 1/4
September 22	99	97	99
September 23	99	97	99
September 25	98 1/4	96 1/4	98 1/4
September 26	98 1/2	96 1/2	98 1/2
September 27	97 1/2	95 1/8	97 1/8

CLOSING FLAX PRICES.

	Sept. 21	Sept. 22	Sept. 23	Sept. 25	Sept. 26	Sept. 27
Minneapolis cash	2.42	2.47	2.38	2.28	2.27 1/2	2.31
Duluth cash	2.42	2.47	2.38	2.28	2.27 1/2	2.32
September	2.42	2.47	2.38	2.28	2.27 1/2	2.32
October	2.27	2.36	2.26	2.23	2.25	2.25
November	2.25	2.34	2.25	2.22	2.22	2.18

MINNEAPOLIS OATS.

Daily closing prices of No. 3 white oats in Minneapolis.

September 21	43 1/2
September 22	44 @ 44 1/2
September 23	44 1/2 @ 45
September 25	44 1/2 @ 45
September 26	44 1/2 @ 45
September 27	45 @ 45 1/2

CLOSING RYE PRICES.

No. 2 Rye in Minneapolis.

September 21	86 @ 86 1/2
September 22	88 @ 89
September 23	90
September 25	90
September 26	90 1/2
September 27	90 1/2 @ 91

CHICAGO FUTURES.

September 21.			
Wheat—	Sept.	Dec.	May.
Opening	92 1/4	95 7/8	1.01 1/2 @ 1.01 3/8
Highest	92 3/4	95 3/8 @ 96	1.01 3/4
Lowest	91 3/4	95 3/8	1.01 1/4 @ 1.01 3/8
Close	91 3/4	95 3/8 @ 95 3/4	1.01 5/8
Corn—			
Opening	67 7/8 @ 67 3/4	64	65 3/8 @ 65 1/2
Highest	68	64 1/8	65 3/8
Lowest	67 1/2	63 3/4	65 1/4
Close	68 1/8	64 @ 64 1/8	65 3/8 @ 65 1/2
Oats—			
Opening	43	45 1/4	48 1/8
Highest	43 3/8	45 3/4	48 1/4
Lowest	43	45	47 5/8 @ 47 3/4
Close	43 3/8	45 1/4	47 7/8

September 22.			
Wheat—	Sept.	Dec.	May.
Opening	93 1/2	97 @ 97 1/4	1.03 @ 1.03 1/2
Highest	95 1/2	99 1/8	1.05 1/8
Lowest	93	97	1.03
Close	95	98 5/8	1.04 5/8
Corn—			
Opening	68 1/2 @ 68 1/4	64 1/4 @ 64 3/8	65 3/4 @ 65 7/8
Highest	69	64 3/4	66 1/2
Lowest	68 1/4	64 1/8	65 3/4
Close	68 3/4	64 3/8	66 3/8 @ 66 1/2
Oats—			
Opening	44 1/2	46 1/8 @ 46 1/2	49 @ 49 1/2
Highest	45 3/8	47 1/4	49 7/8
Lowest	44 3/8	46 3/8	49
Close	45 1/4	47 1/4	49 @ 49 7/8

September 23.			
Wheat—	Sept.	Dec.	May.
Opening	94 7/8	98 5/8 @ 98 1/2	1.04 5/8 @ 1.04 1/2
Highest	95 7/8	99 3/4	1.05 1/2
Lowest	94 3/4	98 1/4	1.04 1/4
Close	95 7/8	99 3/8 @ 99 1/2	1.05 3/8
Corn—			
Opening	68 1/2	64 3/8	66 1/4
Highest	68 3/4	64 3/4	66 1/4
Lowest	68 1/4	64	65 7/8
Close	68 3/4	64 1/4	66 1/8 @ 66 1/4
Oats—			
Opening	45 1/4	47 1/8 @ 47 1/4	49 3/4 @ 49 7/8
Highest	45 7/8	47 3/8	50
Lowest	45	46 7/8 @ 47	49 1/2
Close	45 3/4	47 3/8	49 7/8 @ 50

September 25.			
Wheat—	Sept.	Dec.	May.
Opening	95 3/8	99 1/8 @ 99	1.05 @ 1.04 3/4
Highest	95 3/4	99 1/2	1.05 3/8
Lowest	94 3/8	98 3/8	1.04 1/2
Close	94 3/8	98 3/8	1.04 1/2
Corn—			
Opening	68 3/8	64 @ 63 7/8	65 7/8 @ 65 3/4
Highest	68 7/8	64 1/4 @ 64 3/8	66 @ 66 1/8
Lowest	68 1/8	63 3/4	65 1/2 @ 65 3/8
Close	68 1/4 @ 68 3/8	63 3/4	65 5/8
Oats—			
Opening	45 1/4	47 1/4 @ 47	49 7/8 @ 49 5/8
Highest	45 3/4	47 3/8	50 1/4
Lowest	45 1/8	47	49 5/8
Close	45 1/4	47 1/8	49 5/8

September 26.			
Wheat—	Sept.	Dec.	May.
Opening	94 3/8	98 3/8 @ 98 1/4	1.04 1/4
Highest	95 3/8	99 1/8	1.05 1/4
Lowest	94 3/8	98 3/4	1.04 1/8
Close	95 3/8	98 3/4	1.04 3/4
Corn—			
Opening	68 1/4	63 5/8 @ 63 1/2	65 1/2
Highest	68 3/4	64 1/8	66
Lowest	68 1/4	63 1/2	64 1/4 @ 65 3/8
Close	68 3/4	64	65 3/4
Oats—			
Opening	45 1/4	47 1/8	49 5/8 @ 49 1/2
Highest	45 3/4	47 5/8 @ 47 3/4	50 1/4
Lowest	45 1/4	47	49 3/8 @ 49 1/2
Close	45 3/4	47 3/8 @ 47 1/2	50

September 27.			
Wheat—	Sept.	Dec.	May.
Opening	94 7/8	98 1/2 @ 98 1/4	1.01 1/2 @ 1.01 1/4
Highest	94 7/8	98 1/2 @ 98 5/8	1.04 1/2 @ 1.04 5/8
Lowest	94	97 7/8	1.03 5/8
Close	94	97 5/8	1.03 3/4
Corn—			
Opening	68 3/4 @ 68 7/8	63 3/4 @ 63 7/8	65 5/8
Highest	68 7/8	64 1/8	66
Lowest	68 1/8	63 1/2	65 1/8 @ 65 1/4
Close	68 1/4	63 1/2	65 1/8 @ 65 1/4
Oats—			
Opening	45 1/2	47 3/8 @ 47 1/2	50
Highest	46	47 3/4	50 1/4
Lowest	45 3/8	47 3/8	49 7/8
Close	45 5/8	47 3/8	49 7/8

WHEAT RECEIPTS—CARS.

	Minneapolis.	Duluth.	Chicago.	Winnipeg.
	1911	1910	1911	1910
September 21	558	363	140	221
September 22	575	418	91	199
September 23	732	309	149	192
September 25	1061	622	111	201
September 26	475	278	297	436
September 27	626	312	268	264

MINNEAPOLIS DAILY RECEIPTS OF COURSE GRAIN.

	Oats.	Barley.	Rye.	Corn.	Flax.
	Cars.	Cars.	Cars.	Cars.	Flax.
September 21	21	188	10	2	38
September 22	40	292	16	6	53
September 23	26	213	15	2	52
September 25	49	251	24	7	84
September 26	12	186	10	9	35
September 27	24	176	14	2	26

DULUTH DAILY RECEIPTS OF COURSE GRAIN.

	Oats.	Barley.	Rye.	Flax.	Year
	Cars.	Cars.	Cars.	Cars.	Ago.
September 21	6	50	13	17	31
September 22	7	26	6	11	26
September 23	10	35	1	21	34
September 25	18	53	18	74	86
September 27	14	61	40	41	31

MINNEAPOLIS WHEAT RECEIPTS BY CARS.

	Last Week.	Previous Week.	Year Ago.
Monday	773	428	805
Tuesday	371	170	462
Wednesday	476	246	353
Thursday</			

MOVEMENT OF WHEAT AT MINNEAPOLIS.

Last Week—	Receipts.	Shipments.
Monday	855,760	76,880
Tuesday	422,940	131,760
Wednesday	542,640	97,600
Thursday	636,120	74,420
Friday	655,500	71,980
Saturday	834,480	79,300
Total	3,947,440	531,940
Flour shipments reduced to bus.		1,666,580
Total wheat and flour shipments.		2,198,520

Local wheat receipts this week were 1,748,620 bus in excess of the wheat and flour shipments. Last week shipments were 45,483 bus in excess, and two weeks ago receipts were 161,352 bus in excess.

GRAIN IN MINNEAPOLIS ELEVATORS.

Wheat—	Week Ended		
	Sept. 22, 1911.	Sept. 15, 1911.	Sept. 10, 1910.
No. 1 hard	989	989	154,821
No. 1 northern	1,089,318	1,274,708	1,624,216
Decrease	186,379	171,130	
No. 2 northern	932,940	905,829	2,385,243
Other grades	1,379,671	1,326,739	2,124,503
Total stocks	3,401,929	3,508,265	6,288,783
Corn	85,683	124,334	197,399
Oats	1,049,530	683,566	2,792,723
Barley	301,121	239,223	326,138
Rye	85,198	73,210	129,071
Flax	907	4,722	27,533

MINNEAPOLIS FLOUR SHIPMENTS BY BARRELS.

	Last Week.	Previous Week.	Year Ago.
Monday	61,159	44,698	54,990
Tuesday	64,473	70,419	63,546
Wednesday	67,454	62,781	45,816
Thursday	66,414	56,841	55,648
Friday	56,713	65,493	59,021
Saturday	54,236	51,782	50,643
Total	370,449	352,014	329,664
Shipments two weeks ago			327,425

PRIMARY WHEAT RECEIPTS.

	Last Week.	Previous Week.	Year Ago.
Monday	1,714,000	1,514,000	2,005,000
Tuesday	1,066,000	1,343,000	1,314,000
Wednesday	955,000	1,100,000	1,019,000
Thursday	1,178,000	1,153,000	1,262,000
Friday	1,132,000	1,077,000	1,220,000
Saturday	1,332,000	1,005,000	1,078,000
Total	7,377,000	7,192,000	7,898,000
Shipments	3,514,000	3,755,000	4,456,000

CHICAGO STOCKS.

Stocks of grain in Chicago with comparisons follow:

	Sept. 25.	Wk. Ago.	Yr. Ago.
Wheat	18,870,000	18,756,000	11,823,000
Corn	2,522,000	1,897,000	1,930,000
Oats	11,546,000	11,197,000	13,905,000

The following represents the total contract grades:

Wheat	12,014,000	12,176,000	6,012,000
Corn	1,111,000	588,000	493,000
Oats	2,595,000	2,572,000	6,694,400

Bradstreet's world's visible supply of wheat increased 5,300,000 bus during the past week as compared with an increase of 5,650,000 the previous week and an increase of 22,313,000 the corresponding period last year.

The European visible supply of wheat now is 82,272,000 bus against 78,520,000 a week ago, thus showing an increase of 3,752,000 bus. The previous week there was an increase of 1,566,000 bus and the corresponding week last year an increase of 17,110,000 bus, when the total was 110,530,000 bus.

The final official report on the Italian wheat crop made the total this year 192,000,000 bus as compared with 153,360,000 last year. The preliminary official report on the corn crop made the total 92,650,000 bus against 96,900,000 final last year.

VISIBLE SUPPLY.

The United States visible supply totals with comparisons follow:

	Now.	Wk. Ago.	Yr. Ago.
Wheat	51,150,000	51,076,000	32,242,000
Corn	6,870,000	7,211,000	4,474,000
Oats	22,236,000	21,716,000	18,860,000

The Canadian visible supply totals with comparisons follow:

	Today.	Wk. Ago.	Yr. Ago.
Wheat	3,774,000	3,012,000	4,198,000
Oats	4,638,000	4,836,000	7,107,000
Barley	350,000	329,000	626,000

Stocks of wheat at Fort William and Port Arthur now total 2,554,795 bus against 1,532,141 a week ago and 2,918,789 a year ago.

Liverpool stocks of wheat now are 2,952,000 bus against 2,808,000 a week ago and 5,240,000 a year ago.

WORLD'S SHIPMENTS.

The total world's wheat shipments for the past week were practically steady with those of the previous week, and about 4,000,000 bus less than a year ago. American exports were slightly in excess of the previous week, but about three times as heavy as a year ago. Russian shipments were about one-fourth those of a year ago. Indian and Argentine exports also show a big decrease as compared with 1910. The detailed wheat and corn shipments, with comparisons follow:

Wheat.	Last Week.	Previous Week.	Year Ago.
	America	4,440,000	4,055,000	1,600,000
Russia	1,416,000	1,592,000	6,520,000
Danube	3,056,000	3,592,000	3,232,000
India	550,000	256,000	1,128,000
Argentina	568,000	880,000	1,688,000
Australia	880,000	528,000	744,000
Various	228,000	280,000	448,000
Totals	11,200,000	11,184,000	15,360,000

Corn.	Last Week.	Previous Week.	Year Ago.
	America	1,032,000	416,000	195,000
Russia	1,071,000	485,000	60,000
Danube	561,000	850,000	136,000
Argentina		60,000	3,417,000
Totals	2,664,000	1,811,000	3,808,000

The on passage statement follows:

	Last Week.	Previous Week.	Year Ago.
Wheat	33,632,000	32,856,000	41,912,000
Corn	6,181,000	5,500,000	18,905,000

CHICAGO CASH WHEAT.

September 21.—No. 2 red winter, 92½@93c; No. 3 red winter, 90@92c; No. 2 hard winter, 95½@98c; No. 3 hard winter, 92@95c; No. 1 northern spring, \$1.02@1.05; No. 2 northern spring, \$1@1.03.

September 22.—No. 2 red, 94@96½c; No. 3 red, 93@95½c; No. 2 hard winter, 97c@91; No. 3 hard winter, 93@97c; No. 1 northern spring, \$1.04@1.08½; No. 2 northern spring, \$1.03@1.07½.

September 23.—No. 2 red, 95¾@96¾c; No. 3 red, 94¼@96¼c; No. 2 hard winter, 98½c@81; No. 3 hard winter, 95@97c; No. 1 northern spring, \$1.05@1.10½; No. 2 northern spring, \$1.05@1.10½.

September 25.—No. 2 red, 96¼@97c; No. 3 red, 94¼@96¾c; No. 2 hard winter, 99c@\$1.02½; No. 3 hard winter, 96c@\$1; No. 1 northern spring, \$1.07@1.12; No. 2 northern spring, \$1.06@1.11.

September 26.—No. 2 red, 95¼@96¾c; No. 3 red, 94¼@96c; No. 2 hard winter, 98½c@1.01; No. 3 hard winter, 95c@\$1; No. 1 northern spring, \$1.07@1.10; No. 2 northern spring, \$1.06@1.09.

September 27.—No. 2 red, 95@96c; No. 3 red, 94@95c; No. 2 hard winter, 98c@\$1.01½; No. 3 hard winter, 96c@\$1; No. 1 northern spring, \$1.09@1.11½; No. 2 northern spring, \$1.07@1.10½.

CHICAGO COARSE GRAIN.

September 21.—Cash corn, No. 2, 68@68¼c; No. 2 white, 68¼@68½c; No. 2 yellow, 68@68¼c; No. 3, 67½@68c; No. 3 white, 68@68¼c; No. 3 yellow, 67¾@68c.

Cash oats, No. 2, 44c; No. 2 white, 45@45¼c; No. 3 white, 44@44¾c; No. 4 white, 44¼@44½c; standard, 44½@45¼c.

September 22.—Cash corn, No. 2, 68½@69c; No. 2 white, 68½@69c; No. 2 yellow, 68½@69c; No. 2, 68@68½c; No. 3 white, 68¼@68½c; No. 3 yellow, 68¼@68¾c.

Cash oats, No. 2 white, 46½@47½c; No. 3 white, 45½@46¾c; No. 4 white, 44¾@45¾c; standard, 46@46¾c.

September 23.—Cash corn, No. 2, 68¼@68½c; No. 2 white, 68¼@68¾c; No. 2 yellow, 68¼@68½c; No. 3, 67¾@68¾c.

Cash oats, No. 2 white, 47@48c; No. 3 white, 46¼@46¾c; No. 4 white, 46@46¾c; standard, 46¾@47¼c.

September 25.—Cash corn, No. 2, 68½@68¾c; No. 2 white, 68½@69c; No. 2 yellow, 68½@68¾c; No. 3, 68@68½c; No. 3 white, 68½@68¾c; No. 3 yellow, 68¼@68¾c.

Cash oats, No. 2 white, 47¼@48c; No. 3 white, 46¾@47½c; No. 4 white, 46¾@47c; standard, 47@47¾c.

September 26.—Cash corn, No. 2, 68¼@68½c; No. 2 white, 68¾@69c; No. 2 yellow, 68½@68¾c; No. 3, 67¾@68¾c; No. 2 yellow, 68½@68¾c; No. 3 yellow, 68@68½c.

Cash oats, No. 2 white, 47¼@48c; No. 3 white, 46¾@47½c; No. 4 white, 46@47c; standard, 47¼@48c.

September 27.—Cash corn, No. 2, 68¼@68½c; No. 2 white, 69@69½c; No. 2 yellow, 68½@69c; No. 3, 67¾@68¾c; No. 3 white, 68¾@69¼c; No. 3 yellow, 68¼@68¾c.

Cash oats, No. 2 white, 47¾@48¾c; No. 3 white, 47@47½c; No. 4 white, 46@47c; standard, 47¼@47¾c.

WINNIPEG CASH GRAIN.

September 21.—Wheat, No. 1 northern, \$1.00½; No. 2 northern, 99¼c; No. 3 northern, 96¾c; October, \$1; December, 98¾c; May, \$1.03½; oats, 42¼c; flax, \$2.20.

September 22.—Wheat, No. 1 northern, 99¾c; No. 2 northern, 98¼c; No. 3 northern, 96c; flax, \$2.23.

September 23.—Wheat, No. 1 northern, \$1; No. 2 northern, 98c; No. 3 northern, 95¾c; October, 99c; December, 97¾c; May, \$1.02¼; oats, 40¼c; flax, \$2.25.

September 26.—Wheat, No. 1 northern, 99c; No. 2 northern, 97c; No. 3 northern, 93½c; October, 98¼c; December, 96¼c; May, \$1.01; oats, 40½c; flax, \$2.10.

September 27.—Wheat, No. 1 northern, 89¼c; No. 2 northern, 95¾c; No. 3 northern, 92¾c; October, 97¼c; December, 95¼c; May, \$1.00½; oats, 40¼c; flax, \$2.10.

STORY OF THE WORLD'S GREATEST CORNER.

(From The Ticker, New York.)

It has often been said that some one who knows it thoroughly ought to write an impartial history of the Leiter deal. It was the greatest commercial undertaking ever attempted by a single individual, was carried out with wonderful boldness, and was powerfully influenced by national policies at home and abroad. The author hardly feels qualified for the task, but as he was in a position to know all the important developments of the deal, he will tell the story in as brief and straightforward a fashion as possible, leaving others to judge as to its completeness.

Mr. Leiter's first important ventures were in June, 1897. Wheat was then selling between 65c and 70c. There was plenty of it for immediate use. Statisticians figured out that the crop just about to be harvested was so short that there would not be wheat enough to supply the consumptive necessities of the year—that the world needed more wheat to eat than it had raised. But the speculators had been deceived so often by such prophecies that they were not willing to back these predictions with their money. Leiter began as an ordinary speculator, buying "options," or contracts for the future delivery of wheat, holding his purchases until the price had been advanced sharply, and then selling them in the open market at a profit. At one time he was "short" a heavy line—that is, he entered into contracts to deliver a large amount of wheat in September which he did not have on hand at the time—but most of his transactions were on the "long" or buying side.

The more he studied the wheat situation the more he became convinced that "this was the one year when it would pay a man to buy wheat and hold it." He was new to the business and had not been, like most of the older operators, severely punished on sundry occasions for placing confidence in statistical calculations as to the size of the world's wheat crop. He investigated the matter carefully and made up his mind that wheat must sell much higher.

As he had plenty of money at his command, he began to accumulate the September option. No one except Leiter himself can tell whether or not he thought he could "corner" this option—that is, buy up so many contracts for the delivery of wheat in September that the other parties to these contracts could not possibly secure sufficient wheat to fill them, and could thus be forced to pay any penalty he might elect for the privilege of canceling their obligations. Certainly the "September shorts," or those who had contracted to deliver wheat in September, thought a corner was intended, and all those who did not have the wheat at their command for delivery made haste to "cover," or buy back the contracts they had sold. On this demand the price of September contracts was rushed up from 63 $\frac{7}{8}$ June 22 to \$1 August 21. On the latter day the September option closed at 99 $\frac{1}{2}$ s, and Leiter gave an interesting example of his ignorance of the value of money by "calling" 1,000,000 bus at \$1—that is, he paid \$1 for the wheat when he might just as easily have bought a considerable part of it for less. Calls sold that night at \$1.14, indicating that many traders feared the price would go above that point the next day.

At this time Leiter was by no means alone on the bull side. Many other heavy traders were also long of September contracts and most of them thought \$1 was high enough to follow this young Napoleon of the wheat pit on his meteoric career. On the morning of August 22 they began to dump their holdings on the market. The price dropped from \$1 to 95c in a few minutes, recovered to 99 $\frac{1}{2}$ c, and finally closed at 96c. There were also enormous offerings of new "short" contracts for December delivery.

By the following day Leiter had made up his mind that it was desirable to reduce his holdings, and under his and others' sales the price shot down to 91c. But he retained a considerable line, and on August 26 September sold at \$1.03 $\frac{1}{2}$ on the demand from those who were trying

to buy back contracts. The trade in this option was then very light and practically nothing was for sale except what Leiter chose to let go.

During the month of September all the contracts Leiter had bought were fulfilled to the letter, involving the delivery to him of several millions of cash wheat. The corner, if such was intended, had proved a failure, as the entire short interest had either canceled their contracts by "covering" in the pit or had delivered the wheat. It was about this time that Leiter began to talk about "merchandising" and wanted the cash wheat. This marked an entirely new phase of his deal. Thereafter his principal object was to accumulate cash wheat and hold it, rather than to make money by trading in options. What speculating he did in the options was strictly supplementary to his cash wheat deal. This in itself shows the absurdity of the claim that Leiter was defeated by unlimited offerings of "wind," or short contracts. There is no way of selling cash wheat short. No one can sell cash wheat unless he first buys it.

Leiter now began to accumulate the December option around 90c, and the history of the September deal was practically repeated. At first he had the assistance of several other wealthy Chicago bulls, but on October 29 December contracts sold at 98 $\frac{1}{2}$ c, and all the other prominent bulls sold out. Leiter did not sell. During all this time there was no scarcity of wheat—only a prospect of scarcity. Speculators as a whole were "bearish" on the situation, believing that the offerings of Argentina and India, just about to come upon the market, with the unexpectedly large deliveries from American and Russian farmers, would prevent any real lack of wheat for actual use.

It is the general opinion of the trade that, whatever Leiter may have intended in his September deal, he thought he had the December option cornered. Contracts for some 9,000,000 or 10,000,000 bus of wheat for December delivery had been made with him, and there is little doubt that he believed the wheat could not be secured for delivery. But most of these contracts had been made by the two largest local elevator companies, Armour and Weare. They had every facility for getting wheat if there was any in the country. They scraped the Northwest and kept the Duluth straits open with ice-crushing boats until they got it all to Chicago. Unquestionably they lost a great deal of money by the operation, but Leiter's contracts were again filled on time, and he was the owner of 12,000,000 or 15,000,000 bus of high-grade cash wheat. He had proclaimed his desire to be a merchandiser of wheat, and he now had ample opportunity.

His theory was that there was to be a great scarcity of cash wheat during the spring months, and the more of it he could buy now the more money he would make. But it was necessary to support prices in the meantime so as to start from an advantageous position when the pinch began to be felt. Therefore he took all the cash wheat that was offered him at \$1 or a little above and supported the May (1898) option at 90c. To do this he was obliged to buy an enormous amount of contracts for May delivery, as a great many speculators believed the deal would collapse before May, and were therefore willing to enter contracts for delivery at that time. Some of them paid as much as \$1.85 a bushel for these contracts in May, when they had to buy them back from Leiter. He also supported prices in the Northwest, where he was assisted by Peavey and Pillsbury, and did considerable buying at Liverpool. He must have been badly scalped in the execution of his orders, sent in this fashion all over the world, but he was playing for millions and was not paying any attention to the thousands.

Affairs remained in this position for two or three months. Nearly all experienced grain men were on the bear side of the market during this time, believing that the scarcity upon which Leiter was counting would never become actual. Whenever the market acted weak they

(Continued on Page 84)

REVIEW OF THE FINANCIAL SITUATION.

By John Moody, Publisher of "Moody's Magazine."

No rally in the stock market that we are likely to have between now and December will develop into any sort of a long upward swing. Whether the Moroccan affair is amicably settled or not, the basic factors in the American situation do not justify us in expecting any such thing as a bull market during the remainder of 1911. Most of the superficial "shouters" in Wall Street and in business centers are continuing to bark up the wrong tree when talking about financial conditions and are blaming everything on politics. But I have held all along, and still hold, that political developments of the past few months have had little to do with the matter. I care not how much agitation might have gone on within the past six months regarding monopoly and trusts; how many trust investigations might have been proposed, and how much radical legislation might have been suggested by prominent political leaders, the fact is very clear to me that if we had had large crops this summer; if there had been no vast over-extension in the issue of new securities, and if the commercial liquidation which has been so necessary for nearly eighteen months had been completed six months or a year ago, then we would at present be witnessing a stable and probably advancing market, with prices of good securities all selling very much higher. Under such conditions our market might naturally receive sharp setbacks on such developments as the Moroccan affair, but the trend would not be downward and the investment conditions in Wall Street, instead of being almost dead, would be today on an active and healthy basis.

Economic and Not Political.

Most of the people who are continually echoing the opinions of a few prominent but superficial folk seem to think that if it were not for the political unrest and dissatisfaction that is so prevalent today, we would find business now on a healthy basis and the investment markets in prime condition. To such people the fact that consuming power has been steadily growing smaller since the end of 1909; that commodity prices have steadily been maintained at a high level, in spite of temporary dips,—thus increasing the general cost of living; that 1909 witnessed a disastrous cotton crop, 1910 a second poor cotton crop and a serious shortage in the wheat crop; that 1911 witnesses a much poorer wheat crop, and a great shortage in the corn crop;—all these things, in the minds of such people, have no significance whatever. According to them, if the "Insurgents" would only keep still and if the President would only call off the trust investigations there would be nothing in sight to prevent a business boom. I suppose it is assumed by many such people that were the political conditions different then we would have had better weather this year and the crops would have been very successful!

Following a Will-o'-the-Wisp.

What is the use of us, as practical business men, who as investors have capital at stake, to waste our time following a will-o'-the-wisp of this kind? Political conditions may not be what many people would wish them to be, but the practical thing for everyone to do, and for especially those who are interested in securities or business undertakings, is to face the facts whatever they are and accept them without qualification. Thus, every sane man must admit that our crop conditions this year are poor; that our investment markets are stagnant because they are over-loaded with undigested securities; that business is not getting any better, in spite of commercial agency reports, and that such improvement as is recorded and heralded far and wide as a turn in the situation is simply the slight seasonal improvement which comes in the fall in both good times and bad. * * *

The only real way to judge as to the activity of business in the railroad field is to watch the earnings from month to month and week to week. While some lines are holding up well in their gross, as compared with a year ago, yet the tendency toward decline continues to be very apparent, and the efforts of many railroad managers to cut down operating costs are not meeting with much suc-

cess. The "Street" is just beginning to get a taste of the truth regarding railroad conditions in the advance publication of some of the annual reports for the past year. This week we have had the figures of the St. Paul, showing the dividend just earned by the employment of the unusual bookkeeping methods; the Denver and Rio Grande, showing no margin worth while for a dividend; the Boston & Maine, showing the reduced dividend not earned at all, and several other properties reporting almost equally dubious figures.

Facts About Railroads.

It seems to me that the facts brought out in railroad figures from week to week go much further to explain the present condition of the stock market than all the political agitation of the period, and when we realize that the tendency toward still higher commodity prices is now making itself clearly felt, we can see that during the new fiscal year the railroads as a whole will find it even harder to keep down operating costs than they have during the past year. According to the latest figures reported by Bradstreet's, commodity prices have now reached the highest point of the year. While they are still somewhat under the average shown in January, 1910, which was the highest figure ever reached, yet they are now only a few points below that average and are continuing to extend upward. This tendency toward increasing commodity prices, which cannot help but be maintained during the coming year because of the short crops, etc., has much to do with the present labor unsettlements on the railroads and in other places. While it is true that railway employees are today generally receiving a higher scale of wages than ever before, we must not jump to the conclusion that they are better off than ever before, or that their material condition has improved because of the higher wages paid. If we can get their point of view for a moment, we will see that their agitation for still further concessions from their employers is based chiefly on the fact that the high range of commodity prices leaves them no better off, if as well off, as they were when their wages were 20 to 25 per cent. lower.

A Period of Labor Unsettlement.

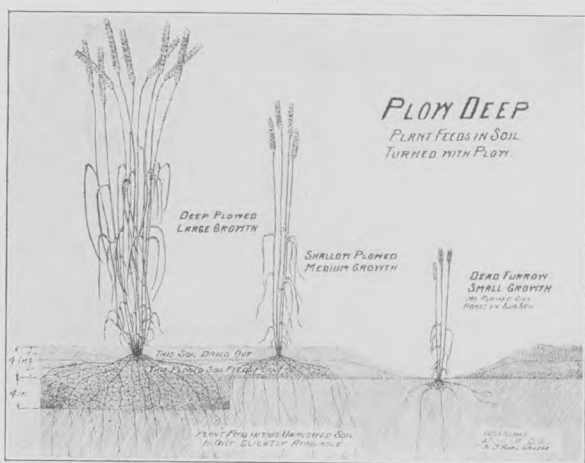
It is thus an economic situation which is really at the bottom of the labor unsettlement. And if we are to face a further advancing tendency in commodity prices during the coming six months or a year, then we must also be prepared to face a period of labor unsettlement. It will be extremely difficult for the railroads and big industrial interests to cut down wages to any extent. The only way in which there is likely to be any serious liquidation of labor is through the closing down of plants; cutting down of forces and the general concentration of work so that less employees will be necessary in particular departments. This tendency has been going on for a long time, and as long as general business activity remains stationary, or tends to decline we will see this liquidation proceed. It is estimated that today there are 10 per cent. less employes on the railroads of the United States than there were eight months ago. In another eight months we may see a cutting down of 10 per cent. more in this respect.

Some people are apt to jump to the conclusion that this liquidation of labor is an unmixed blessing for business, but this is not necessarily so. Laborers of all kinds are consumers, and when they are employed they spend their earnings in their living expenses. When they are not employed they have little or nothing to spend, and this situation still further tends to cut down business activity. So that while we may expect the liquidation of labor in this form to go on during the coming winter, the little bulls in Wall Street must not think that they can start an upward movement on the strength of it.

Neither Panic Nor Bull Movement Ahead.

With the situation as outlined above, it should clearly enough be seen that the much-talked of bull swing, which so many expect to set in every day, can have little foundation in fact. On the other hand, the extreme views ex-

HOW NORTH DAKOTA BANKERS HELPED.



WHY PLOW DEEP.—1. The plant feeds in the soil turned by the plow—the seed bed. 2. Deep plowing takes in more moisture when it rains. 3. Holds moisture better. 4. The crop does not suffer as much from hot winds.

HOW TO PLOW DEEP.—Follow binder with disc. This, in loosening up the surface soil, cuts off evaporation and also kills weeds that take lots of water. This will hold enough moisture so the soil will pulverize thoroughly which is the main purpose of plowing. Plowing the soil dry, is a good deal like kneading the dry flour instead of the dough.

WHEN TO PLOW DEEP.—In the fall—the earlier the better—or when summer fallowing.

HOW TO BRING MOISTURE TO THE PLANTS.—The moisture moves through the compact soil, so to get moisture to move from subsoil into plowed soil, pack it with a subsurface packer, or with a disc, setting the discs straight, and the same day as plowed. The point is to pack the lower part of the plowed soil and not to pack the surface which breaks up soil granules and makes it easier for the soil to drift. And then again the surface soil is wanted loose.

HOW TO KEEP MOISTURE FROM EVAPORATING.—Loosen surface soil with disc, harrow or weeder as the moisture cannot move up through loose soil. In the fall use the disc; it makes a mulch and also leaves soil rough.

HOW TO KEEP SOIL FROM DRIFTING.—Keep it full of grass or alfalfa roots and manure. Plow under green plants. These all hold soil grains together in granules just as a band holds a bunch of shingles together. Harrow soil when moist on surface. The disc causes less drifting than the harrow. Do not use roller or plunker—they break up the little lumps on the surface into fine soil which can be blown away and they pack the surface soil which is wanted loose.

In case the soil is already drifting, spread straw thinly over the field. Better yet, manure, spread thin with a manure spreader.

CAUTION.—In case the land has been plowed shallow and it is desired to plow several inches deeper than formerly, it is often well to bare fallow the land, as that gives more time for the turned up subsoil to be acted upon by the weathering agencies which make its plant food available. If a great deal of subsoil is brought up at once the plant will necessarily have to do much of its growing in this subsoil; if it has not been up for some

time the crop may not do so well on it. In case of fall plowing it is best to go only one or two inches deeper each time; however, if the land is not disced after the binder it will not, as a rule, be possible to go any deeper than the land was plowed before.

SUMMARY.—To make a good seed bed, rotate the crops, follow binder with disc, plow early and deep, pack or disc, with discs set straight, the same day, and harrow or disc early in spring.

The foregoing is taken from a poster, printed in display type, issued by the North Dakota Agricultural College and distributed in July to bankers of the state at a small cost.

The North Dakota Bankers association energetically took up the matter, as the following copy of a bulletin sent out by W. C. Macfadden, secretary, to members of the association indicates:

“At our recent convention members were urged to use their influence in all possible ways to encourage better farming methods, and at the meeting of the executive council following the convention a plan was discussed for following up a systematic campaign of urging our farmer customers to follow the details of good farming which have been found to produce desirable results by actual tests and experience at the agricultural college and state experimental stations. In order to carry out this plan in the most effective way it was decided to prepare, with the assistance of Professor Palmer of the agricultural college, a series of posters to be sent out at different times of the year emphasizing the particular thing of importance at that time.

“The enclosed poster has been prepared to show the importance of deep plowing and the executive committee recommend that our members purchase and circulate these posters this month. This poster illustrates the value of deep plowing, which is the first step in better farming.

“By putting up these posters in your bank and persistently calling attention to their teachings, by putting them in stores, elevators, lumber yards, hotels, poolrooms, railroad stations and getting these people to diligently call attention to the value of deep plowing and by mailing them to your farmer customers some good results will surely follow.

“We have arranged to furnish these posters as follows; which just covers the cost of printing and packing: Five hundred same as sample enclosed, and 50 on three-ply bristol board, with the name of your bank printed on, as an ad, in the upper right hand corner, packed ready for shipment, \$2.50 for the lot.

“The officers of the association urge all members to co-operate in this matter and in this way assist in enlarging the usefulness of our organization. See order blank enclosed.

“If you desire posters printed in German or Norwegian the cost will be a trifle more. The price will be quoted as soon as orders are received indicating the number desired in these languages.”

pressed by many people that we are on the verge of a cataclysm and that the prices of securities have not really begun to go down as yet is equally illogical. As I pointed out a week or two ago, we are not on the crest of any sort of inflation and have not been for over a year. The values of securities have to a considerable extent discounted the bad times we are now having and which are ahead. The banking situation might be far worse, and while we must yet look for extensive liquidation in commercial lines and in certain inflated values, there is nothing to justify us in anticipating a financial panic this year.

PORTLAND'S WHEAT EXPORTS.

Portland, Ore., Sept. 25.—Heavy wheat shipments to Portland for export continue. During the week ending September 16 a total of 678 cars, or 881,400 bus, was brought here from the interior, setting a new record for wheat receipts. This is 97 cars more than the best previous week, which was in October, 1909. Since the current cereal year opened Portland has received 2,308,800

bus, a gain over last year of a quarter million bushels.

There is a stronger demand here for wheat just now than elsewhere on this coast. Besides the large amount used for milling, and for shipment to California, there is a heavy export trade going forward. There are now 29 steamers and sailing vessels headed for this port to carry out wheat cargoes and the total shipments of this product this month to foreign ports will be more than 600,000 bus. Last September the exports amounted to but 112,000 bus. The prospects now are that the season's wheat exports will be enormous.

Nearly all the barley crop of the Northwest has been disposed of, almost all the brewing grade has been shipped east and it is estimated that nearly 75,000 tons will be shipped to eastern brewers before the close of the season. This is three times the amount sent two years ago, which was the record season. These heavy transactions in the grain trade, together with the marketing of a big fruit crop, are the chief factors in keeping Portland's business in such a highly prosperous condition as at present.

INDIA'S POSITION IN WHEAT TRADE.

(From Vice Consul General Charles B. Perry, Calcutta, June 15.)

The estimated area for cultivation under wheat in the current year, 1910-11, is 29,554,500 acres, and the estimated yield is 9,900,800 tons or 46,204,000 English quarters of 480 pounds each.

In acres under cultivation the wheat crop ranks third in India, rice and millet being first and second, respectively, and in the value of the crop wheat is second only to rice. The wheat-growing area of the Indian Empire embraces the whole of northern India down to the Gangetic delta and the greater part of the central plateau above the Ghats. The crop is not cultivated at all in the Bombay Konkan or in the coastal districts on both sides of the Bay of Bengal, while in Assam and in Burma wheat is of little importance. Although the distribution of wheat in India is very wide, the intense cultivation is practically confined to the great northwest, and the Punjab and the United Provinces produce nearly 75 per cent. of the total crop.

Character of Wheat Grown—Home Consumption.

Several varieties of wheat are cultivated in India, but for practical purposes they may be grouped under Watson's classification as: (1) White, soft; (2) white, hard; (3) red, soft; (4) red, hard. To a certain extent these four groups are cultivated side by side, but on the whole a geographical isolation may be perceived. Northern India produces mainly soft wheats while southern India and Bengal grow mainly hard forms. The cultivation of the finer qualities of soft wheats would appear to be for the most part comprised within the upper basins of the three great rivers, the Ganges, the Indus, and the Nerbudda. South of the Nerbudda the true soft varieties may be spoken of as nearly unknown. The chief wheats exported from India are the soft white and the hard white, but the wheats most popular within India itself are the red wheats produced in the Punjab.

With the vast majority of the people of India wheat is not, however, a necessity of life; it is indeed rarely, if ever, eaten by them. It becomes an important article of food in the Punjab only. In India as a whole the cultivation of wheat is governed more by external than internal consideration. When the markets of Europe give indications of profit, then cultivation is immediately increased, and the fact of a definite proportion of this food-stuff being produced as an article of export is of the greatest value to India since, should a necessity arise, exports can be stopped by increased local demand and a new source of food thereby rendered available. Excluding consideration of the year 1908-9, when a very poor crop was produced, and the exports were very small, an average of the past six years shows that 14.1 per cent. of the wheat produced in India is exported to foreign countries. Thus 85.9 per cent. of the total production of wheat is consumed in India itself.

Preparation for Eating.

The methods of employing wheat for human food in India vary somewhat in the different provinces. From the grain three chief kinds of flour are made, viz, "suji," "maida," and "ata." The first is a granular meal, obtained by moistening the grain somewhat, then grinding

it. The fine flour passes through a sieve, leaving the suji and the bran above. The latter is got rid of by winnowing, and the round, granular meal or suji remains. This preparation may be described as a form of semolina, and is easily produced from the hard wheats rich in gluten. It is employed in confectionery and in place of oatmeal in making a kind of porridge. The hard variety wheats are also valued in the preparation of macaroni.

Maida and ata may be prepared from the flour separated in the preparation of suji by regrinding it and passing it through a finer sieve than used formerly, the finer flour that passes through being maida and the coarser ata. They are, however, most largely prepared without going through the process of separation of suji, the dry grain being at once ground and sifted into the two qualities. Maida is the luxury of the rich, while ata is the flour of the poor, and is generally cooked in the form of coarse cakes, chapattis, toasted by the side of an open fire. These are eaten along with dal and ghi or other relish, and constitute the chief food in the wheat-consuming tracts of India. In many localities, however, the ata is not obtained from pure wheat, but from a mixture of wheat barley or wheat gram, the two grains being ground in the mixed form, a habit that has led to a cultivation of mixed crops and to the sale of mixed grains, a condition by some writers incorrectly regarded as deliberate adulteration. In the larger towns of India bread and biscuits prepared from flour, leavened and baked in the European fashion, have come greatly into use and seem destined to even more general consumption, but the fermenting of wheat flour in the manufacture of bread seems to have been unknown prior to the advent of the Europeans. The uses of wheat in the arts and medicine need hardly be detailed. Wheat starch is as a rule too expensive for extended use in India.

Modern Mills and Exports of Flour.

According to the financial and commercial statistics of British India there are about 35 mills for the preparation of flour from wheat in operation in India. These mills are built in the most approved European fashion, and very superior flour may now be procured everywhere of such quality as to have checked almost entirely the imports of the foreign article. The growth of the Indian flour traffic is one of the most encouraging indications of the birth of industrial enterprise. Most of the exports of Indian flour have gone to ports in the Indian Ocean, but the day is perhaps not far distant when large exports to other countries will be made, and when India will sell, not the raw product, but the manufactured article.

Export Trade.

Taking a five year average, 1903-1908, the value of the wheat exported from India represented 32.9 per cent. of the exports of all food grains and 6.6 per cent. of the total value of Indian merchandise exported. The wheat exports of any statistical year are mainly drawn from the crop of the previous year. This is explained by the fact that the seed is ordinarily sown in October and ripens in three and one-half to four months, and a large share of it is thus put on the market after the close of the statistical year, March 31.

EFFECTS OF DROUTH IN EUROPE.

(From Consul E. D. Winslow, Plauen, Germany.)

As a direct consequence of the drouth, a decided advance in the prices of various farm products has taken place. This is especially noticeable in the case of fresh milk and butter. The price of milk has advanced \$0.00714 to \$0.0119 the quart, and butter has already gone up \$0.01428 the German pound (1.1023 American pounds), and the outlook is for a still further increase.

For some time past much of the fresh milk consumed in the city of Plauen itself has been brought over 140 miles by rail, and retail milk dealers have been considering the importation of Danish milk to keep prices normal. The time required to bring milk from Denmark would be between 14 and 16 hours, which would be a

drawback. The Danish milk is richer in fats than the local milk.

The prices of all garden products have risen considerably on account of drouth. The bean harvest will be one of the poorest for several years, and as bean meal is an important article of food among the working classes, real hardship will be caused. The cabbage crop, another important article in the German diet, has been badly damaged, as has the beet crop.

Second cuts of hay and clover have either fallen out altogether or have been very unsatisfactory, and on some farms the live stock has been driven in from the parched meadows and the yield of the first hay harvest is being employed for fodder. It is feared that in many cases breeding stock will be offered to the slaughter houses. The government has decreased the freight tariffs for hay and straw about 50 per cent. to tide the farmers over the bad season of 1911 so that they would not be obliged to offer stock that should be kept for breeding purposes.

What Mining Stocks Really Are.

(By R. Demille, in The Ticker.)

There is just so much ore contained in any sort of a mine—gold, silver, copper or zinc. The amount of this ore may be known or unknown. In the case of porphyry ores, the value can be measured and ascertained. In the case of vein mines, no one knows. Often the company's own engineer doesn't know how matters stand.

A well-posted Wall Street mining man said, in speaking of a mining property, "It is not a dividend payer, but simply a distributing company. It is now engaged in distributing its assets, and they're not going to last such a long while, either."

"Now, if I was going to buy Pennsylvania at 124, I could lock it away and feel certain, if I didn't see a newspaper for 10 years, that the property would be paying its dividends. It must carry passengers and freight, and as the country grows its business must grow. A railroad is an artery of traffic. But in the case of some of these vein mines which are returning from 10 to 35 per cent. on the investment, you never know to a certainty how long they will last."

Within recent months there have been serious declines in some of the Cobalt stocks. I say serious because when a stock is selling at 12 and shrinks to 8,—33 1-3 per cent. is knocked off its value. The reason for this is found in the fact that Cobalt mines do not contain deposits of silver which run to any depth. Their veins are practically all on the surface, and it is simply a matter of when these surface deposits will become exhausted. Nippissing is one of these. Kerr Lake is another. Unless new values are found at considerable depth, all these Cobalts, which once sold at very high prices, will eventually become worked out.

Goldfield Consolidated is one of the world's greatest gold producers. This stock sells at \$5.75 per share, and pays \$2 per annum "dividends," but in the light of clear reasoning these are not dividends at all. The company's engineers claim that the mine still contains sufficient ore to warrant this dividend rate for another year or two; beyond that they do not know, nor does anyone else.

It makes me groan to hear people who have bought Goldfield at \$6.50 a share talk about "getting out even," particularly after having received six or eight dollars in dividends on each share. These people "got out even" long ago, but they don't know it. What they have is worth its market value if they care to cash it in now, or they can wait until it brings in future distributions. Let them congratulate themselves that the property shows no immediate signs of being worked out, although this point may be reached suddenly and disappoint a lot of late comers.

Buying Goldfield is a good deal like going into the Franklin Syndicate which paid a 10 per cent. dividend every week. After the first 10 weeks, participants were taking no chances. It was a gamble as to how long "520 per cent. Miller" would last; the police finally made him quit. So if you buy Goldfield at \$5.75, don't howl at your broker if it never goes to \$6. You are getting 35 per cent. on your money, and you can't expect this to last indefinitely. Figure that your money is worth 5 per cent. and charge off the cost of your stock at the rate of 30 per cent. per annum.

Goldfield is too big a proposition, perhaps, to go down all in a heap, so the chances are in your favor; but look at it as a straight gambling proposition, and if you're a good sport, you won't be disappointed.

An entirely different class of properties is found in the porphyries, like Utah, Chino, Ray Consolidated, Inspiration, and others of this class. Here the ore is of such character and formation that drill holes can be put down at regular intervals and the ore measured up to a practical certainty. If this ore will yield a dollar per ton in profit, and there are 50,000,000 tons of it, the value of the mine is \$50,000,000; and if it is capitalized at \$5,000,000, the stockholders may rest assured that sooner or later they will receive, in one form or another, something like 10 times the par value of their stock.

Utah Copper is the greatest mine in the world today. It is simply a mountain of ore—a mountain which is gradually being removed by the steam shovel process. The ridges on the sides of the mountain are what is known as benches, and the little black specks on these benches are steam shovels which scoop up the ore and dump it into waiting trains of cars. Utah is at present producing 85,000,000 pounds of copper per annum at a cost of 7.8c per pound. This production can easily be increased to 150,000,000 pounds per annum. On 13c copper, Utah can earn on a production of, say, 120,000,000 pounds, about \$3.90 per share on its capital stock.

But with all this tremendous mass of ore and the company's enormous production, Utah does not in any sense differ from Goldfield Consolidated; it also is a company which is distributing its assets. There is this difference, however: Competent engineers estimate that the value of Utah's ore reserves is about \$227,000,000, equal to \$140 per share, and that the mine will last 30 years.

In time, what has happened in a number of the Cobalts, and what people fear in Goldfield, will happen in Utah. It may be after you and I are gone, but no matter how large the property, it will eventually be worked out, and there will be no more assets for distribution. As I said in the beginning, mining stocks are not dividend payers, they are distributing companies.

Don't buy mining stocks with any other idea. Don't figure what you get as "dividends;" instead, calculate how much the property can pay out of its known resources. Estimate, on this basis, whether your stock is cheap or dear. Then you will never find yourself mixed in with the vast army of mining stock buyers whose collection of beautifully engraved certificates is vari-colored but valueless.

POTATO CROP IN UNITED KINGDOM.

(From Consul Walter C. Hamm, Hull.)

The high prices realized last year for almost all varieties of potatoes, especially the better qualities, are likely to be repeated this year. The seasons have been unfavorable for the Yorkshire and Lincolnshire potato grower in recent years. A succession of wet, cold seasons have retarded growth, and humid days in the early autumn have generated disease. This year the continued drought has played havoc with the tubers on the sand lands, and there is every prospect of a shortage among the crops raised on sandy soils. The acreage under potatoes this year in the Yorkshire and Lincolnshire potato areas is approximately the same as in 1910, which was the lowest since 1898. In Lincolnshire last year the acreage fell from 71,800 to 64,400, while there were also shrinkages recorded in the northern counties and in Scotland, the actual decrease for Great Britain being 35,777 acres. In Yorkshire the figures were 47,663 acres in 1910, as against 51,248 in 1909. The year 1909 was an unprofitable one for potato growers, although the crop was a large one, and consequently a smaller acreage was planted the following year. The shortage in last season's harvest, combined with the partial failure of the Jersey "earlies," sent prices up in the early months of the present spring, and the trade received a consequent stimulus which has resulted in a slightly increased acreage. The same is true of the principal potato-raising counties of Scotland.

Reports appear to show that though the French stocks have suffered with the English from the heat, there is little likelihood of any drain on British supplies this coming season for the French grower.

SAY "SOO" IS BUYING THE ERIE.

New York.—There are some who cling tenaciously to the belief that the Canadian Pacific is seeking a hold on the Erie, despite the plain denials on authority. In support of the belief, the new theory is current that the Canadian Pacific interests are carrying out the plan through the "Soo." It is pointed out that it was through the "Soo" that the Canadian road acquired its hold on Wisconsin Central and that, when this process was going on the Canadian Pacific officers were able to deny, as they do in the case of the Erie, that their road was buying the stock. This new theory, for all its plausibility, was not credited yesterday in quarters usually well informed on "Soo" affairs.

STORY OF THE WORLD'S GREATEST CORNER.

(Continued from Page 79)

would make new short contracts, in the expectation that Leiter would be forced to let go. But he took all they offered, and they were compelled to buy back their contracts at a loss again and again. It seems as though Leiter must have made some profit from these fluctuations, but it is not definitely known whether he did or not. Meanwhile more and more of the active trade was going over into the July option.

By the middle of February the May shorts gave it up and began to make serious efforts to buy back their contracts. They were stimulated somewhat by the prospect, then considered remote, of war between the United States and Spain. On February 19 May sold at \$1.09 and at the same time a concerted buying movement by about a dozen Leiter brokers advanced the July option violently from 88 $\frac{3}{4}$ c to 94 $\frac{1}{4}$. The amount of July contracts actually purchased by him at this time was small compared with his holdings of May, and it does not appear that he had then any serious notion of trying to support the July option. The bidding up of the price was done simply to give the shorts a scare, and was thought by experienced traders to be a good move. As the new crops were all looking well and would be available to fill July contracts, it was not considered possible that he would attempt to support this option.

He apparently gave it no further attention at that time and the price sagged off to 88c. He then gave out a "tip" to buy July and pit traders followed his advice, having learned by experience that it did not pay to "buck" against him. The price of July advanced to 92c without any particular effort on Leiter's part, but within ten days it began to topple again. Speculators could not get rid of the idea that enormous crops would be available by July, and everyone was afraid to buy. Leiter made moderate purchases from time to time, but seemed to be making no effort to do more than retard the decline. March 25 the price touched 81 $\frac{1}{4}$ c.

Then came another of those kaleidoscopic changes that made the Leiter deal such an exciting experience for Board of Trade men. The war was now beginning to be taken seriously and prices began to stiffen on that account. At first the advance was gradual, then rapid. On April 14 the price went above 89c, and local longs mostly took their profits, being afraid to follow the advance further in the face of the good crop prospect. Whether or not Leiter sold any on that day is not certain, but on the following day he astonished everybody by selling contracts for over 6,000,000 bus for July delivery, depressing the price to 84 $\frac{3}{4}$. This left him short several millions of July contracts, and was esteemed by the traders a shrewd move. It was assumed that he was selling out his cash wheat on the war bulge as fast as possible and was further protecting himself by making contracts for July delivery.

From this point the story becomes a tale of national destinies, and not the history of the Leiter deal. Up to that time Leiter had practically controlled the market; thereafter he was merely a chip upon the stream, and it was his failure to recognize this that was his final undoing. The short interest in the July option had been large to start with; then Leiter sold 6,000,000 bus; then the trade in general, thinking that Leiter's conversion to the bear side made it a safe and sure thing to work for lower prices, sold also. The resulting sales of short contracts were enormous, but prices did not go down. For ten days they remained practically steady, fluctuating within a few cents range.

The firm of Dreyfus & Co., the largest grain dealers of France, had been familiar with Leiter's plan all along. They were also on good terms with the French minister of agriculture. They now received definite information that the French duty on wheat, amounting to 36.8c per bushel, would be removed. They determined to profit by this information, and accordingly began buying July contracts at Chicago—the most active option of the largest speculative market in the world. It is probable that other foreign houses also got wind of the matter and

bought, and a considerable number of courageous American speculators, outside the professional class, were also buying in expectation of a further war scare. On April 23 the volcano began to be active and the trading was so excited that it was difficult to execute large orders. There was a moderate reaction, but on May 3 prices again plunged upward without an important interruption till \$1.25 was reached on May 10. The advance resulted in the failure of the well-known house of Robert Lindblom & Co., and nearly all large Chicago speculators suffered enormous losses before they were able to cover their contracts. Somewhere on this wild advance Leiter bought back the large amount of contracts he had sold around 85c. Traders thought he paid from \$1.15 to \$1.20. At any rate this transaction on the short side of the July option was very expensive to him. On the 9th calls were sold as high as \$1.60, showing plainly what speculators feared for the morrow. Much further advance would have probably resulted in wide-spread disaster to commission houses.

Meanwhile the cash situation was not less remarkable. Foreigners were taking all wheat offered, no matter what the price. As much as \$1.60 was paid, and perhaps even more in some cases. The May option touched \$1.85 on bidding by shorts, and would have gone higher had not Leiter supplied the demand at that price. The war scare was on with a vengeance.

Here was Leiter's opportunity, and had he seized it by the forelock, sold out all his wheat and quit the business, he would have been today considered the greatest commercial prodigy in the history of the world and would have achieved fame—not merely notoriety. But he made the fatal mistake of supposing that these wild prices were the result of actual famine for cash wheat which he alone could relieve. Instead of selling out at once he attempted to support prices at the absurd level which they had reached, while he peddled out his enormous accumulation of cash wheat at the very top notch. To hold the price up he was obliged to buy all the cash wheat offered him. The farmers scraped their bins all over the country and sold the wheat to Leiter at \$1.50 a bushel or over. His cash holdings piled up with great rapidity at Chicago, Minneapolis and Duluth. His sales abroad went on slowly. In order to be sure to get "all there was in it," he had made arrangements with foreign dealers to sell wheat for him for a share of the profits. No provision seems to have been made as to losses.

Returning to the story of the July option, on the same day that it sold at \$1.25 it subsequently broke 20c a bus, bounding downward a cent at a time, with absolutely no demand. This was not due to any bad news or to any decline in the price of cash wheat. It was due solely to the complete elimination of the short interest. When the decline began there were no shorts to cover, and no one else dared to buy after such a sensational advance. Those who believe that sales of short contracts for future delivery are responsible for low prices should notice that the high prices, \$1.85 for May and \$1.25 for July, were made on the buying back of short contracts, and that the break of 20c in a single session was due entirely to the absence of a short interest. In point of fact, the July option never manifested any further important rallying power after touching \$1.25, but went out ignominiously at 66c a bus.

The highest point touched by the September option, the last delivery in which Leiter dealt, was 95c, at about the time July was selling for \$1.25. Of course everyone knew there would be plenty of wheat by the next September, as crops all over the world were promising an abundant yield. The price dropped immediately to 87 $\frac{1}{2}$, but one of Leiter's "tips," with some purchases by him, and the fear that May would be marked up to \$2 or over late in the month, rallied it to 92c on a small trade. Shorts had been punished so severely and so repeatedly that they were afraid of their shadows. No one dared to sell September option, though everyone knew it was certain to decline, and that any efforts on the part of Leiter to sustain it would have but temporary effect. It is a curious fact that the short interest in September

remained insignificant until it got under 80c a bus. Then traders began to pluck up courage, and the short interest was increased.

Leiter made another blunder by trying to retard the decline in the price of September contracts. He seems by this time to have gotten the idea that supply and demand were of no particular importance in making prices—what was needed was "support." He kept gradually buying September on the decline, but the more he bought the more he found for sale. Meantime he was getting more cash wheat all the time at ridiculously high prices, was buying options at Minneapolis and Duluth at above \$1 a bushel, and was accumulating a big line of options at Liverpool. There was only a moderate demand from foreigners. They had been filled up with an enormous amount of wheat on the war scare bulge, and every bushel they had bought showed a big loss. Naturally they felt disgusted, and were not disposed to buy any more. Big crops were just ready to ripen. It is no wonder that under these circumstances Leiter's father, who had been furnishing the money, thought it was time to call a halt.

A striking illustration of the resources of the Chicago Board of Trade was afforded on that "blue Monday in June" when Leiter gave order to sell contracts for the September delivery of 8,000,000 bus of wheat "at the market," owing to his failure. The opening price was 71¾c, and the closing price was 71c. That a speculative market should be able to absorb such an enormous amount of offerings and still close only ¾c under the opening would appear a paradox to an Englishman, accustomed to the narrow trade of the Liverpool market. Last summer (1898) the entire official visible supply of wheat in the United States was at one time less than the amount of September contracts thrown over by Leiter in that single session. Yet the market took it easily enough. The novice will naturally inquire who bought the contracts. The answer is the shorts. On May 10 the price of the July option broke 20c on sales of a few hundred thousand bus. On July 13 the September option broke only ¾c on sale of 8,000,000 bus. To those unfamiliar with the grain trade this indicates to some extent the value and functions of the short interest. Nor was Leiter forced out at bottom prices. Except for an uncertain recovery of 2½c immediately following his failure, prices continued declining until 60c was touched by the December option, and did not again sell as high as 71c.

Leiter's failure was due to his apparent belief that he could set aside the law of supply and demand. He failed to recognize the difference between a fictitious price of his own creating, at which but little wheat could be sold, and the natural price, dependent on legitimate conditions, at which any reasonable quantity of wheat would be easily absorbed. He raised a top-heavy structure of cash wheat which eventually fell of its own weight, burying him in its ruins. Circumstances favored him wonderfully, but he failed to take advantage of them. He showed himself to be a thorough gentleman, generous, courteous and talented. His campaign cost Board of Trade members an enormous sum, not only in their own losses to him and his followers during the winter, which were very heavy, but in the almost complete breaking up of their commission business. The average commission trader dared not trifle with such a wild manipulated market.

Leiter's deal benefited the farmers, but not to such an extent as sometimes stated by imaginative newspaper reporters. The farmers got what Leiter lost, because he lost it in paying excessively high prices for their cash wheat. They were also benefited by the higher prices that foreigners were compelled to pay for all the wheat purchased at that time; but off against this must be placed the fact that subsequent prices to the farmers were a good deal lower than they would have been if foreigners had not been overloaded with the Leiter wheat. Farmers were also injured by the total absence of speculation from the Chicago market, and, in fact, from all the wheat markets of the world for a long time after the Leiter deal, as speculation nearly always tends to raise prices.

IMPORTING COUNTRIES SEE ABUNDANT SUPPLIES OF WHEAT.

The London Financial Times says: The huge shipments of wheat during the closing months of the cereal year, which ended with the close of July, have thrown the predictions of the experts quite out of gear, and the leading importing countries are commencing the new season with such substantial stocks on hand as to considerably reduce their probable requirements. This, combined with the large crops in the principal growing countries, does not make the price outlook encouraging for the British farmer during the coming autumn. The present cereal year commenced Aug. 1, with British native wheat quoted at \$7.89 per quarter (English quarter=480 lbs.), as compared with \$8.13 a year ago and \$9.58 two years ago. The immediate course of prices, however, is very problematical, for in come growing countries the ruling figures now are some 73 to 97c. below last year, and it will take time to show how growers will regard this comparative quotation. The one great crop actually harvested, the American winter wheat crop, is, however, so far being marketed with remarkable freedom.

The exports of the principal countries for the season, Aug. 1, 1910, to July 31, 1911, are returned as follows:

Countries	Quarters.
United States	*9,000,000
Canada	*7,969,000
Russia	27,972,000
Balkans	10,899,000
India	6,919,000
Argentina	11,626,000
Australia	7,459,000
North Africa, Chile, etc.	982,000
Total	82,826,000

*Approximate.

As to the prospective demand, it has to be remembered that the large imports of last season have not all gone into consumption. The quantity on passage has been increased by 1,000,000 quarters, while the stock of imported wheat in France probably exceeds last season's by nearly 2,000,000 quarters. Mr. Broomhall estimates that Europe last season consumed about 70,000,000 quarters of imported wheat and ex-European countries about 9,500,000 quarters. For the current season Mr. Broomhall believes France will probably need about 7,000,000 quarters less of imported wheat, Italy about 2,000,000 quarters less, and Spain, Portugal, and Greece together about 1,000,000 quarters less. On the other hand, Germany and England may perhaps take 3,000,000 quarters more, so that on balance the importing countries should need about 7,000,000 quarters less than last season. Yet as careful an estimate as can be made so early shows probable exports, without Russia, of 58,000,000 quarters. This figure is taking into consideration the drouthy conditions affecting the Argentine and Australian crops. If the summer rainfall in these countries proves ample, their surplus will be still larger. And if Russia at all approaches her last season's figures, it is evident that we shall have a very serious glut of wheat.

MAINE CENTRAL DIVIDEND REDUCED.

New York.—The Maine Central Railroad Co. has declared a quarterly dividend of 1½ per cent., payable October 2 to stock of record September 15, thus reducing the rate from 8 to 6 per cent. annually.

This road is part of the New Haven system, control of it being held by the Boston & Maine through stock ownership. Last month, stockholders of the Maine Central were given the right to subscribe for an equal amount of new stock at par. In the annual report of the company recently published, announcement was made that the dividend would be reduced from 8 to 6 per cent. at this time.

NEW NORTHWESTERN PATENTS.

The following patents were issued last week to Minnesota and Dakota inventors, and reported by Williamson & Merchant, patent attorneys, Metropolitan Life building, Minneapolis:

Walter E. Brown, Herrick, S. D., cultivator; Leslie S. Hackney, St. Paul, automobile hoist and turntable; Denis F. Hogan, St. Paul, excavating machine; Albert J. Hughes, St. Paul, mail catching and delivering device; Jacob T. Lutz, Randolph, S. D., trace carrier; Carl E. Malcolm, St. Paul, measuring pole; Clifford A. Woods, Plankinton, S. D., automobile power motor.

JULY BUSINESS OF N. P. AND G. N. ROADS COMPARED.

When a system like the Northern Pacific loses over \$1,000,000 in gross earnings in one month, the decrease may safely be attributed to something else than competition with the Puget Sound extension of the St. Paul road. Probably the somewhat trite expression, "generally dull business conditions," is nearer the truth, says the Wall Street Journal. The Puget Sound extension gained about \$200,000 in gross in July, but the old St. Paul lost.

It is not to be expected that in one month the Northern Pacific could so curtail expenses that the loss in gross business would be offset and net show an increase over the same month of last year. Expenses were cut to the extent of 11.6 per cent., but net showed a decrease of \$579,317, or 23.3 per cent. Both maintenance of way and maintenance of equipment were less than in July, 1910, and a large reduction was effected in transportation costs. This kind of a saving is, of course, more easily effected when business is losing ground, and there is not so much work required of train crews, etc.

While the Great Northern in July did not equal the business of July, 1910, the loss was less than 1 per cent. and comparison of the gross earnings stands out prominently alongside of the Northern Pacific's. With such a small decrease, it was not at all difficult for the Great Northern so to operate as to put net on the sunny side and show a material increase over last July. Expenses were reduced something over 13 per cent., which resulted in a gain of almost \$500,000 in net or 21.3 per cent.

Tabulated, the operating results of the two systems in July compare as follows:

Nor. Pacific		Changes		Gt. Northern		Changes.	
Gross	.....	\$5,232,852	Dec. 16.2%	\$5,745,918	Dec.	0.8%	
Expenses	..	3,329,498	Dec. 11.6%	3,205,738	Dec.	13.3%	
Net	.....	1,903,353	Dec. 23.3%	2,540,179	Inc.	21.3%	

Net is figured before taxes. Great Northern gained almost the percentage that Northern Pacific lost. Both roads reported small losses in outside operations compared with July, 1910, and taxes were likewise smaller. Northern Pacific's operating income was a little over 25 per cent. behind July, 1910, and Great Northern's about that much ahead. Northern Pacific made its comparatively poor showing with 213 more miles in operation while the Great Northern shows an increase in mileage of only 69.

The start of the current fiscal year continues the relative position of the two roads that was evidenced in the fiscal period ended June 30 last; that is the Northern Pacific is suffering to a greater extent than the Great Northern. The last named company has tentacles stretching up to the Canadian border which the Northern Pacific does not possess, and which may help in the collection of some profitable traffic. Then, too, Great Northern is not bothered by the stings of the St. Paul to such an extent as the other Hill roads. This fact, while not wholly responsible for Northern Pacific's loss of business, is undoubtedly a contributing cause.

COAL PRODUCTION IN IOWA.

Washington.—The total production of coal in Iowa in 1910 was 7,928,120 short tons, valued at \$13,903,913, an increase of 170,358 tons in quantity and of \$1,110,285 in value over the figures for the preceding year, according to a statement just issued by E. W. Parker, coal statistician of the United States Geological Survey.

The benefit derived by Iowa coal operators from the strike in the Illinois field was principally in eliminating the competition of Illinois coal from the comparatively local markets, which are the natural territory of the Iowa mines. Coal operators in Iowa have complained that Illinois coal has more favorable freight rates than those accorded to Iowa coal, and that the mining rates originally fixed to compensate differences in freight charges have not been changed when freights on Illinois coal were reduced, so that the Iowa mines have been placed at a disadvantage.

The statistics for 1909 indicated an improvement in these conditions, for the production was the largest in the history of the state, and prices were the highest in recent

years. In 1910 the idleness in Illinois reacted upon the Iowa production more in the way of still higher prices than by any marked increase in production. Apparently the only reason assignable for the comparatively small increase is that the mines were operated to their full capacity with the available supply of labor. That there was no exodus from the Illinois mines to those of Iowa is shown by the fact that fewer men were employed in the Iowa mines in 1910 than in 1909. There were some strikes, but they were not as protracted as in Illinois, and the total time lost was only about 10 per cent. of the time worked. The general strike which began on April 1 lasted in Iowa about six weeks, whereas in Illinois it lasted practically six months.

Coal was mined in 22 counties of Iowa in 1909 and 1910. The Iowa coal mines gave employment in 1910 to 16,666 men, who worked an average of 218 days. Of these men 9,209 were on strike during the year, the average period of idleness being 55 days. The average production per man was 476 tons for the year. Most of the mines of the state are operated eight hours a day.

Iowa probably ranks second among the states west of Mississippi river in order of priority as a coal producer. At the census of 1840 Iowa and Missouri were the only states west of the river in which any coal production was reported. Missouri, however, was credited with an output of nearly 10,000 tons, while Iowa's production was given at 400 tons. Iowa's total coal production to the close of 1910 has amounted to nearly 164,500,000 short tons, which, including the estimated loss of half a ton for every ton recovered, represents an exhaustion of approximately 247,000,000 short tons. The original supply of coal in Iowa, as estimated by M. R. Campbell of the United States Geological Survey was 29,160,000 short tons, from which it appears that at the close of 1910 over 28,900,000 short tons, or a little over 99 per cent. of the original supply, was still available.

SILVER.

In reviewing the silver market for August, Samuel Montagu & Co. of London say:

During the month of August prices moved within very narrow limits, with a total cash variation of only 3-16d., compared with 1/2d. for the previous month. This steadiness is attributable mainly to the fact that, on account of the bulk of the silver stocks being controlled by one group of operators, the receipt of any unfavorable news with regard to the monsoon was not followed by any general pressure to sell; while on the other hand, the willingness of this group to meet any demand that might be occasioned by more favorable reports of the rains, acted as a check to any substantial rise.

We append August statistics: Highest prices 24 3-16 cash; 24 1/4, two months; lowest price 24 cash; 24 1-16, two months; average price 24.081 cash; 24.158 two months.

The scarcity of forward offerings combined with a small rise in the value of money caused a premium of 1/8d. on forward silver to be fixed on several days during the month. Similar conditions to those noted above have prevailed during the current week, and prices have remained practically stationary. The news about the monsoon in India is somewhat more reassuring, although a bumper harvest is not expected.

The recent arrivals from New York, which include the Mexican production, have resumed their normal scale. Consequently offerings of ready silver are quite up to the average, but the long dreary level of prices that has been maintained more or less since the beginning of July has practically killed speculation for the time being, and forward sales have become very restricted.

The Bombay stock shows a slight reduction at 12,800 bars, and the up-country offtake has dropped to 50 bars a day.

The stock in Shanghai is unchanged, but several purchases for that quarter have been made in Bombay during the last few days.

A shipment of £70,000 has been made from San Francisco to Hong Kong.



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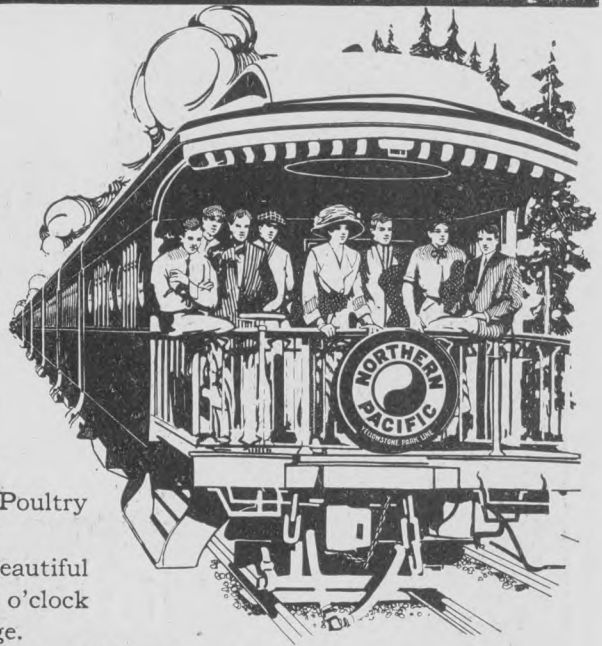
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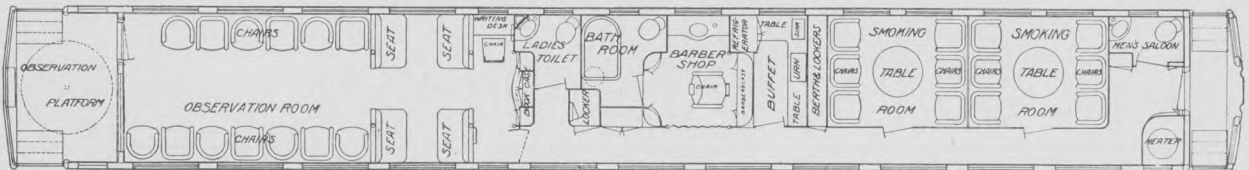
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