

# COMMERCIAL WEST

REPRESENTING

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

Vol. XXVI

SATURDAY, NOVEMBER 21, 1914

No. 21

## THE NORTHERN TRUST COMPANY

N.W. COR. LA SALLE AND MONROE STS. CHICAGO.

Capital \$2,000,000 Surplus \$1,500,000

WE INVITE THE BUSINESS OF COMPANIES  
AND INDIVIDUALS  
WHO APPRECIATE CONSERVATIVE BANKING.

Banking, Bond, Savings and Trust Departments



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## LEE, HIGGINSON & Co.

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### Investment Bonds

Members of  
New York, Boston, Philadelphia and Chicago  
Stock Exchanges

DIRECT PRIVATE WIRE

Our list of Investment Securities sent on application

ESTABLISHED 1857



CAPITAL AND SURPLUS  
**\$10,000,000**

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CHICAGO

New York Boston Philadelphia London

A Service based  
on the facilities and  
experience gained  
during half a cen-  
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Banks and Bankers  
by the First Nation-  
al Bank of Chicago.  
Correspondence is  
invited by this old,  
strong and conserv-  
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Negotiate and Issue Loans for Rail-  
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Buy and sell Bonds suitable for  
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## The CAPITAL NATIONAL BANK

OF ST. PAUL, MINN.

Capital \$500,000

Banks that can handle to  
advantage items payable in  
their locality are requested  
to correspond with us.

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JAMES L. MITCHELL, C. EDWARD JOHNSON,  
Cashier Ass't Cashier

# The National Park Bank of New York

Organized 1856

Capital, \$5,000,000

Surplus and Profits, \$14,800,000

Deposits (October 31, 1914), \$102,800,000

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## Our Specialty

Carefully selected commercial paper for country banks. Let us invest your surplus funds for you while rates are at the top.

## Union Investment Company

MINNEAPOLIS, MINN.

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## Minneapolis Trust Company

Established 1888

Organized for the performance of Fiduciary Work under the Statutes of the State of Minnesota

This trust company is organized to act in the following fiduciary capacities:

- 1—As Administrator of Estates or as Executor or Trustee under Wills.
- 2—As Trustee under Agreements in writing, including trust deeds securing the issuance of corporate bonds.
- 3—As Guardian of Estates of Minors or Incompetent Persons.
- 4—As Trustee under Life Insurance Policies.
- 5—As Custodian of Securities, with or without control and investment.
- 6—As Treasurer or as Agent for the Treasurer of Charitable and other Similar Associations.
- 7—As Manager of Estates during the temporary or permanent absence of the owners; or for persons who are unable for any reason to give personal attention to their property, collecting income, interest, dividends, coupons, bonds, mortgages, keeping the funds invested, paying taxes, etc.
- 8—As Registrar and Transfer Agent for Corporation Stocks and Bonds.

## MINNEAPOLIS TRUST COMPANY

Is known all over the Northwest for its Character, Strength, Responsibility and Efficiency.

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R. R. RAND, Vice Pres't-Treas.  
W. H. LEVINGS, Secretary

## MINNEAPOLIS GAS LIGHT CO.

General Offices:

NOS. 16-18-20 SOUTH SEVENTH STREET,  
MINNEAPOLIS, MINN.

## Gas For Light Heat and Power

A full line of Gas Stoves, Fixtures, Lamps and Gas Appliances for sale to consumers at cost prices.

Estimates Furnished

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of the CITY of NEW YORK

Capital \$1,000,000

Surplus and Profits (earned) \$2,700,000

S. G. BAYNE, President  
S. G. NELSON, Vice Pres't  
C. C. THOMPSON, Vice Pres't  
B. L. GILL, Vice Pres't

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

## 5% INCOME CONTRACTS

OF THE

## CORPORATION SECURITIES COMPANY

are the very acme of scientific accumulation of small sums invested regularly toward a fixed purpose or for a rainy day. Six dollars monthly or \$72 yearly for a period of 180 months will pay for one of these Income Contracts. When the Contract becomes paid up, the Company returns to you \$200 per annum for TEN years or a total of \$2,000. Each contract issued makes liberal provisions for loan, cash-surrender or paid-up values before maturity. The By-Laws of the Company provide that the amount of its reserve liability on these Contracts must be invested in first mortgages upon real estate worth twice the amount loaned thereon. No safer plan could be devised.

## CORPORATION SECURITIES COMPANY

Organized 1908 Capital \$100,000  
ANDRUS BUILDING, MINNEAPOLIS.

## 6% FARM MORTGAGES 6%

Our loans are made through this bank or affiliated banks and all securities are inspected by our own cashiers. We know the lands and we know the people.

We have placed over two million dollars in farm mortgages for banks and individuals without the loss of a single dollar of principal or interest.

Interest is remitted on the day it is due. We look after the payment of taxes and other details so long as the loan is in force.

Write for our list of offerings.

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WILLISTON, NORTH DAKOTA

(The largest and strongest state bank in Western North Dakota)

## \$1.00 COMPASS \$1.00

An accurate, jeweled-needle, guaranteed compass postpaid \$1.00. Case is non-tarnishable. Be sure you know your direction. Use a compass.

*E. B. Meyrowitz*

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OPTICIAN

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## Dealers in Unlisted Stocks

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

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Capital and Surplus \$500,000

217 Palace Building - MINNEAPOLIS

PHONES { TRI STATE 3316  
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FARM LOANS, COMMERCIAL PAPER AND OTHER HIGH CLASS INVESTMENTS

# Union Bank of Canada

## Dividend 111

Notice is hereby given that a dividend at the rate of 8 per cent. per annum on the paid-up capital stock of this Institution has been declared for the current quarter, and that the same will be payable at its Banking House in this city, and also at its branches, on and after Tuesday, the first day of December, 1914, to Shareholders of record of November 14, 1914.

The transfer books will be closed from the 16th to the 30th of November, 1914, both days inclusive.

By order of the Board.

G. H. BALFOUR,  
General Manager.

Winnipeg, October 16th, 1914.

## WESTERN MUNICIPAL BONDS.

### FUTURE BOND ELECTIONS.

**November 28.**—Billings, Mont., \$450,000 water bonds.

**December 7.**—Salem, Iowa, \$10,000 waterworks bonds.

### FUTURE BOND SALES.

**November 21.**—Sumatra, Mont., School District No. 29, \$2,500 worth of bonds; 8-10 year optional; 6 per cent. S. L. Ayers, clerk.

**November 21.**—Plummer, Idaho, School District No. 105, \$1,500 building bonds; denomination \$500; 5-20 year; 6 per cent. J. H. Jones, clerk.

**November 23.**—Baker, Mont., \$25,000 water bonds at auction; 9½ to 19½ year optional; 6 per cent. J. Dousman, town clerk.

**November 24.**—Seward, Minn., \$3,000 bridge bonds; denomination \$500; 5 per cent.; certified check 5 per cent. Charles West, town clerk.

**November 24.**—Dewitt, Neb., \$12,000 electric light bonds; 5-20 year optional; 6 per cent.; certified check 2 per cent. Charles A. Fowler, village clerk.

**November 25.**—Reyegate, Mont., School District No. 35, \$2,000 worth of bonds; denomination \$1,000; 15-20 year optional; 6 per cent.; certified check 5 per cent. L. W. Loy, clerk of trustees.

**November 26.**—Portland, Ore., \$135,000 water bonds; denomination \$1,000; 20 year; 4 per cent.; certified check 5 per cent. City clerk.

**November 27.**—Lewiston, Idaho, School District No. 67, \$1,500 worth of bonds; denomination \$300; 10-20 year; 6 per cent. Ethel D. Redfield, county superintendent.

**November 27.**—Isanti County, Minn. (P. O. Cambridge), \$12,000 ditch bonds; \$3,000 due in 1921; \$3,000 due 1922; \$3,000 due 1923; \$3,000 due 1924; certified check 10 per cent. G. C. Smith, county auditor.

**November 28.**—Glendive, Mont., School District No. 18, \$1,000 worth of bonds; 4-5 year; not to exceed 6 per cent. A. S. McCullough, clerk.

**November 28.**—North Yakima, Wash., School District No. 81, \$3,000 worth of bonds; 3-10 year; not exceeding 6 per cent. James F. Wood, county treasurer.

**November 28.**—Seattle, Wash., \$404,000 light extension bonds; denominations \$100; maturing \$21,000 annually, from July 1, 1915, to July 1, 1932, and \$26,000 July 1, 1933; 5 per cent. H. W. Carroll, city comptroller.

**December 1.**—Columbus, Mont., School District No. 19, \$1,500 worth of bonds; 6 per cent. Nannie Nelson, clerk.

**December 1.**—Buffalo, Minn., \$3,700 drainage bonds; 6½ year average; 6 per cent. John A. Berg, county auditor.

**December 1.**—Hood River, Ore., Irrigation District No. 47, \$25,000 worth of bonds; denominations \$100 and \$500; 6 per cent.; certified check 2 per cent. George R. Wilbur, secretary.

**December 1.**—Barnesville, Minn., School District No. 60, \$25,000 worth of bonds; denomination \$500; 15 year; not exceeding 6½ per cent.; certified check 5 per cent. A. Aamodt, clerk.

**December 5.**—Iverness, Mont., School District No. 28, \$3,600 building bonds. Thomas H. Hyde, clerk.

**December 5.**—Havre, Mont., \$150,000 funding bonds; 18-20 year; 5 per cent.; certified check 5 per cent. John H. Devine, clerk of Hill County.

**December 7.**—Roundup, Mont., \$20,000 sewer bonds at auction; 15-20 year; 6 per cent.; deposit \$2,500. F. A. Appleman, city clerk.

**December 8.**—Colfax, Wash., School District No. 130, \$5,500 building bonds; denomination \$500; 2-10 year optional; not exceeding 6 per cent.; deposit 1 per cent. H. H. Wheeler, county treasurer.

**December 15.**—Hardin, Mont., \$11,500 water bonds at auction; denomination \$500; 10-20 year optional; 6 per cent. F. M. Lipp, town clerk.

**December 15.**—Fishtail, Mont., \$1,500 building bonds; 5-10 year optional; 6 per cent.; deposit 5 per cent. Walter F. Hanks, clerk of trustees.

**December 16.**—Park County, Mont. (P. O. Livingston), School District No. 4, \$10,000 building bonds; 10-20 year optional; 5 per cent. E. M. Sybert, clerk.

### At Once.

Central City, Colorado.—\$50,000 funding bonds; 10-20 year optional; 5 per cent. Robert Wilkinson, mayor.

Winnebago County, Wis. (P. O. Oshkosh).—\$30,000 worth of bonds; 4 per cent. Carroll H. Larrabee, county treasurer.

Greenville, Iowa, Independent School District.—\$2,000 building bonds; 10 year; 5 per cent. W. J. Skewis, secretary board of education.

### BOND NOTES.

LeMars, Iowa.—An issue of \$5,000 sewer bonds is soon to be sold.

Minot, N. D.—An issue of \$7,000 waterworks bonds has been sold.

St. Paul, Minn.—No bids were received for the \$100,000 water bonds.

Pine City, Minn.—An issue of \$8,000 sewer bonds will be sold to the State.

Everett, Wash.—An election defeated the issuing of \$1,500,000 county road bonds.

Humeston, Iowa.—A vote of 190 to 41 carried the issuing of \$10,000 water bonds.

Parkers Prairie, Minn.—The State will purchase an issue of \$3,000 refunding bonds.

Established 1885

**H. C. SPEER & SONS CO.**  
MUNICIPAL,  
COUNTY AND SCHOOL BONDS  
First National Bank Building, - CHICAGO

# The First National Bank

SAINT PAUL, MINNESOTA

Capital \$3,000,000

Surplus \$2,000,000

UNITED STATES DEPOSITORY

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## DIRECTORS.

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Louis W. Hill	Albert L. Ordean	Richard A. Jackson	George T. Slade
Cyrus P. Brown	David C. Shepard, II	John J. Toomey	

Wayzata, Minn.—An issue of \$30,000 waterworks bonds will be sold to the State.

Hudson, Wyo.—An issue of \$20,000 waterworks bonds was authorized at an election.

Milwaukee, Wis.—An issue of \$675,000 school bonds was authorized at an election.

Wayzata, Minn.—A vote of 78 to 69 carried the issuing of \$30,000 waterworks bonds.

Oconto, Wis.—A vote of 400 to 424 defeated the issuing of \$20,000 refunding bonds.

Stratford, Iowa.—An election has been held to vote on issuing waterworks bonds.

Cameron, Wis.—A vote of 41 to 12 carried the issuing of \$3,000 waterworks bonds.

Ashland, Ore.—The issuing of bonds for water and light purposes is being considered.

Sparta, Wis.—An issue of \$10,000 bonds is to be authorized to provide for a city hall.

Faribault, Minn.—The State will purchase an issue of \$58,000 school building bonds.

Milbank, S. D.—An election here resulted in favor of issuing \$75,000 court house bonds.

Tremonton, Utah.—An issue of \$7,000 waterworks bonds was authorized at an election.

Clear Lake, S. D.—An election defeated the proposition to issue bonds for a court house.

Livermore, Iowa.—An election has authorized the issuing of \$10,000 electric light bonds.

Hayward, Wis.—A vote of 163 to 100 carried the issuing of \$12,000 pumping plant bonds.

Clintonville, Wis.—An issue of \$3,700.33 street improvement bonds has been authorized.

Des Moines, Iowa.—An election has authorized the issuing of \$2,350,000 waterworks bonds.

Olympia, Wash.—An election defeated the proposition to issue \$40,000,000 irrigation bonds.

Sidney, Neb.—A vote of 227 to 129 authorized the issuing of \$12,500 water extension bonds.

Rushmore, Minn.—A \$5,300 issue of improvement bonds has been sold to the State at par.

Sioux City, Iowa.—An issue of \$100,000 court house bonds will be placed on the market soon.

Montford, Wis.—An issue of \$2,000 street improvement bonds was authorized at an election.

Medicine Bow, Wyo.—J. S. Schwartz has been awarded an issue of \$12,000 water and sewer bonds.

Magnolia, Iowa, Independent School District.—No sale has been made of the \$35,000 building bonds.

Saunders County, Neb., School District No. 107.—A \$7,000 issue of bonds has been sold to the State.

St. James, Minn.—The proposition to issue refunding bonds carried almost unanimously at the election.

Custer County, Mont., School District No. 6.—No bids were received for the \$2,000 building bonds.

Toppenish, Wash.—Green Brothers of Spokane have purchased an issue of \$30,150 waterworks bonds.

Watertown, S. D.—An election has authorized the issuing of \$25,000 bonds for a new county poor farm.

Seattle, Wash.—An election resulted in favor of issuing \$350,000 bonds for court house improvements.

Converse County, Wyo., School District No. 10.—A \$3,000 issue of bonds has been sold to the State at par.

Storm Lake, Iowa, Consolidated School District.—The Bank of Sioux Rapids has purchased an issue of bonds.

Fremont County, Wyo., School District No. 23.—A \$1,500 issue of building bonds has been sold to the State.

Thief River Falls, Minn.—The proposition to issue \$50,000 county hospital bonds was defeated at an election.

O'Brien County, Iowa (P. O. Primghar).—An issue of \$150,000 court house bonds was authorized at an election.

Hill County, Mont. (P. O. Havre).—A vote of 1,038 to 1,027 carried the issuing of \$125,000 court house and jail bonds.

Idaho City, Idaho, Garden Valley Highway District.—An election has authorized the issuing of \$12,000 road bonds.

Casey, Iowa.—The Harris Trust & Savings bank of Chicago was the successful bidder for an issue of school bonds.

Toole and Teton Counties, Mont., School District No. 53.—No satisfactory bids were received for the \$2,000 building bonds.

Astoria, Ore.—A petition is being presented to the property owners providing for an issue of \$25,000 municipal bonds.

Linn County, Ore., School District No. 5.—An issue of \$50,000 building bonds has been sold to Morris Brothers of Portland.

Pendleton, Ore.—An issue of \$5,395 improvement bonds has been awarded the Warren Construction company of Portland at par.

Crookston, Minn.—An issue of \$9,640 street improvement bonds has been awarded the Wells & Dickey company of Minneapolis at par.

Grandview, Wash.—An election is soon to be called to vote on the issuing of an additional \$100,000 in bonds to complete the pumping plant.

Humboldt, Neb.—Sidney Spitzer & Co. of Toledo was the successful bidder for an issue of \$10,000 refunding bonds at 99.10, a basis of 6.12 per cent.

Lakeview, Ore.—An issue of \$250,000 bridge bonds will be placed on the market soon. The bonds will be offered in denominations of \$100, \$500 and \$1,000.

Spencer, Iowa.—The election resulted in favor of issuing \$42,000 bridge bonds. An additional issue of \$50,000 refunding bonds will be considered by the county commissioners next January.

Broadwater County, Mont. (P. O. Townsend).—An election resulted in favor of issuing \$22,000 road bonds. The proposition to issue high school bonds to the amount of \$38,000 was defeated.

## J. P. MORGAN & CO. OCCUPY NEW BUILDING.

New York.—J. P. Morgan & Co. have taken full possession of their new building, and from this time all the business of the firm will be transacted in the massive and splendid structure erected upon the site of their old home at the historic corner of Wall and Broad streets.

This event was celebrated by a large number of friends and clients of the banking house who called to offer congratulations and to inspect the striking features of the new building. No attempt was made to mark the day but the large offices were filled with flowers sent by well wishers and with a stream of visitors.

The offices on the main floor follow the lines of the former arrangement, J. P. Morgan occupying a desk corresponding in location to the one of the late J. P. Morgan. The banking room contains 15,000 square feet and has no pillars, giving a vast effect inside corresponding to the imposingness of the outside.

The vaults are a marvel of size and of protection, with the heaviest door ever built, four feet thick, thirty-two tons in weight, and armor plated.

Besides its pivotal position in the financial district, the Morgan corner has historic interest as the former home of Alexander Hamilton, founder of the financial system of the United States; as long occupied by Drexel & Co., and as the plot associated with the historic figure, J. P. Morgan the elder. It illustrates the extraordinary growth of the value of New York realty in its increase from \$400 in 1700, for a portion of the present plot, to \$4,000,000 for the property at the present time. The building adds about \$1,200,000 to this.

Wall street welcomes the superb addition to its physical aspect and art in the new structure, and the permanent housing of its great international firm, J. P. Morgan & Co., at the center of affairs in the financial district.

### The Problem of Undigested Securities.

The most obvious remedy for an excessive offer of securities from foreign markets would, under ordinary conditions, be the formation of a bankers' pool to take over such offerings at prices which were likely to prove profitable in the end and which would not involve the complete demoralization of the market. If France alone, for instance, had been involved in difficulties, and had in consequence begun to sell American securities, such a pool might have included the strong international banking houses of London, Berlin and Vienna. The American members of the pool could well have agreed to take over the American securities acquired when opportunities arose for distributing them in the American market as new investors appeared from time to time with new savings. The question involved is largely that of time. Undoubtedly, among the banks of the United States and their clients could be found a market for even so large a sum as \$500,000,000 in American securities at the low prices reached on the New York Stock exchange on July 30, the last day before its closing. The readiness and ability of the American public to take \$500,000,000, if offered in the form of a government war loan, can hardly be questioned. Even the French people, with less than half the population of the United States, subscribed forty times over for the new loan of about \$161,000,000, offered on the French market on July 7, before the presentment of the insolent note of Austria to her Servian neighbor.

Under the unusual conditions of July and August last, however, hardly a dollar of foreign support could be looked for by American bankers in taking over or carrying American securities held abroad.

Under the particular circumstances which developed, three important countries remained at peace with the United States and with each other—England, France and Russia. Even little Belgium and Holland, among the richest and most prosperous countries of Europe, would probably have contributed some help in the formation of a strong international pool. Such a plan would almost inevitably require the co-operation of the banks of issue, like the Bank of France, the State Bank of Russia, and the Bank of England, because only through the exercise of the power of rediscount by those banks would the joint-stock banks, like the *Crédit Lyonnais*, of Paris, or the *London County and Westminster*, of London, have been able to tie up their assets, even temporarily, in securities.

Up to the present time the New York money market would be at a disadvantage in any such plan of co-operation, because there is no central banking authority in existence authorized to take the lead in a policy of co-operation. This evil will be partly cured when the Federal reserve system is in effective operation. It will then be possible for the Bank of France, which was unable to discern any central authority rising above the wreckage of 1907, to recognize the Federal reserve board or the Federal reserve banks of New York and Chicago as its peers in financial responsibility. A pool in which the parties were the Bank of England, the Bank of France, the State Bank of Russia, and the Federal reserve system of the United States would represent gold holdings of more than \$2,000,000,000 and a much greater volume of liquid assets.—Charles A. Conant, in the November number of *The North American Review*.

#### FORD SURPLUS ALMOST DOUBLES.

Detroit.—The Ford Motor company reports a surplus on September 30 of \$48,827,032, against \$28,124,174 a year ago.

### MINNEAPOLIS PROPERTY

Bought, Sold and Managed

Rents collected, buildings improved and reconstructed to provide increased income. First mortgage loans, municipal and other bonds negotiated and FOR SALE.

25 YEARS SUCCESSFUL EXPERIENCE.

Local and Eastern References.

**MOORE BROS., BRACE & CO.**  
311 Nicollet Ave., Minneapolis, Minn.



Main Floor and Basements are occupied exclusively by the Plymouth Clothing House.

The Ten Upper Floors are divided into six hundred of the best appointed business offices in the largest fireproof office building in this section of the country. Offices are occupied by Insurance, Lumber, Coal, Building, Real Estate, Investment and other leading Business Interests.

### The Plymouth Clothing House

H. J. BURTON, President    H. L. TUCKER, Vice Pres't    E. A. DREW, Treasurer    W. C. BURTON, Secretary

"Plymouth Bldg.," Sixth and Hennepin, Minneapolis  
*The Travel Centre of this City*

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ATTORNEY and COUNSELOR

504-507 Oneida Block    Minneapolis, Minnesota

Land titles, abstracts, deeds, land litigation, foreclosures and validity of investment securities passed upon. Refer to Northwestern National Bank, Minneapolis, Minnesota.

## Get Your Share of BIG GAME This Fall

Moose and Deer are plentiful at many points along or reached by the

### Northern Pacific and Minnesota & International Railways

Also excellent Duck and Partridge shooting

For particulars apply to



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The Minnesota



## Loan & Trust Company

405 MARQUETTE AVE.  
MINNEAPOLIS

*Capital, Surplus and Profits*

**\$1,400,000**

Maintains Trust, Mortgage,  
Bond, Real Estate and Deposit  
Departments, Fire and Burglar  
Proof Safe Deposit Vaults.

*Affiliated with the*

**Northwestern National Bank**

## Guaranty Service

III.

### Accounts of Banks

We invite and welcome the active and reserve accounts of banks and trust companies throughout the United States.

We believe that such accounts are entitled to a reasonable remuneration and therefore we allow interest on all balances that average above a definite minimum amount.

We shall be glad to correspond with banks or trust companies that contemplate establishing a New York connection.

## Guaranty Trust Company of New York

Capital and Surplus - \$ 30,000,000  
Resources, over - - 200,000,000

## HENNEPIN MORTGAGE LOAN COMPANY

LEONARD K. THOMPSON, PRESIDENT

*Capital \$100,000*

### Northwestern Farm Mortgages

McKNIGHT BUILDING

Minneapolis, Minn.

## The Dominion Bank

Head Office: TORONTO, ONT.

SIR EDMUND B. OSLER, K. C., M. P. C. A. BOGERT,  
President Gen'l Manager

Capital Paid up **\$6,000,000**

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# COMMERCIAL WEST

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## Business Is Improving.

The gradual but certain improvement in the general financial situation lends encouragement to the hope that the turn of the year will see all apprehension dissipated and business men taking courage to go ahead at a normal pace. This cannot be fully realized until the New York Stock exchange is open and the usual broad market for securities is restored. Bankers having this matter in charge hope to see our trade balance grow to such proportions, by reason of our heavy exports, that there will soon be a hundred million or more above our current foreign obligations. Then they would feel that the stock exchange might be reopened without much danger of price demoralization in listed securities. Secretary Redfield reports that the excess of imports over exports of \$20,000,000 in August has been changed to an excess of \$60,000,000 in exports for October, so this movement is already well under way. Such a favorable trade balance might be reinforced by a pool large enough to sustain the market temporarily, as has been suggested recently in various quarters. The immediate sales of American securities held abroad when the exchange reopens are variously estimated at from \$100,000,000 to \$500,000,000.

One of the most essential and pressing needs is that the railroad situation be strengthened. If the Interstate Commerce commission could be prevailed upon to give the roads a chance to make a favorable showing in earnings, so that foreign holders of rail securities would hold them for the investment returns, the most serious problem that confronts the stock market would be solved, as one of the big factors in this security market is the amount of rail stocks held abroad.

It is simply axiomatic to state that there can be no full measure of prosperity in this country until the railroads are financially strong enough to not only care for their maturing obligations but to equip their lines to handle an increasing volume of traffic. Transportation is the most important business, next to agriculture; and not only farming, but every line of industry, must suffer unless railroad facilities are provided to meet all traffic demands. Nearly every other line of business can adjust rates and prices to

meet the changing conditions of trade. But railroads are up against advancing wage scales and higher prices of materials, and also the apparent determination of the Interstate Commerce commission to prevent any material increase of railroad rates. The simple fact that Louis Brandeis is the special attorney for the commission indicates its position. Attorney Brandeis never managed a railroad or any other great industrial enterprise, yet he presumes to know in advance that rates should not be advanced. Not only that, but he has the nerve to say that the railroads could save \$1,000,000 a day by more efficient management.

The financial letter of J. S. Bache & Co. of New York sums up this railroad problem as follows:

The question now before the country is not whether railroads have been mismanaged in the past; it is not whether the Interstate Commerce commission in its former decision was correct in not granting an increase in rates; it is whether the new epoch introduced into the world's affairs on July 30 last has produced such conditions in this country as to make absolutely necessary an increase of freight rates in order to protect, not railway management, not alone railway investors and shippers, but the whole population of the country. The entire public is profoundly interested in preventing railroad bankruptcy and the destruction of railroad credit.

The country is no longer concerned in regard to the correctness of any former opinion of the Interstate Commerce commission, nor is it now seriously concerned over former errors of railroad management. New conditions confront us. When the war in Europe began, the world faced conditions unparalleled in its previous history. These conditions presented unparalleled responsibilities and unparalleled opportunities to the United States. If our country can emerge from the dangers and difficulties surrounding it, with its credit unimpaired, its transportation corporations solvent, its railroad securities commanding the unshaken confidence of the entire investing world, no man can foresee the greatness of the United States in international, commercial and financial affairs.

In his recent letter to Secretary McAdoo, President Wilson touches upon the railroad problem in these words:

"The railroads of the country are almost as much affected, not so much because their business is curtailed as because their credit is called in question by doubt as to their earning capacity. There is no other interest so central to the business welfare of the country as this. No doubt, in the light of the new day with its new understandings, the problems of the railroads will also be met and dealt with in a spirit of candor and justice."

No one needs to be much of a prophet to predict that 1915 will see much improvement in the general business situation. When a man has had every human ailment and begins to recover, it is a safe guess that he is going to get well again. Business in this country has met with about all the adversities that can happen to it, except general crop failure, culminating in this European war which was the hardest blow of all. Yet underlying conditions are sound and business already is making strides back to normal and increasing confidence should begin to tell from now on.

## Some Freedom in Industry Needed.

It is not at all unlikely that this country will work out an exceedingly interesting foreign trade policy in connection with its anti-trust laws in the

course of a few years. If we are going into foreign trade scientifically and successfully, something of this kind is absolutely necessary. We will have to permit some things in foreign selling, even in production and manufacture for the foreign markets, that we do not permit in domestic business. In fact, we have already begun to differentiate between domestic and foreign business, in the interest of building up overseas markets.

It is only in foreign trade that the Federal reserve banking law permits national banks to make acceptances of drafts. Here is plain partiality, directly for the purpose of encouraging exports and imports.

There will be other differentiation before we get through with it, if Congress shows itself wisely constructive. For instance, we will permit producers and manufacturers to combine in pool agreements to control prices and apportion sales in exclusively foreign business, at least on the export side. We will have to do it unless we are willing to have our industry handicapped in the competition for sale abroad.

Germany all along has had a clear economic view of foreign possibilities of trade and has by government policy encouraged and enforced combinations when in the interests of her manufacturing industries. She has seen to it that her manufacturers should get their raw materials at the very lowest cost, because for them to pay more than the manufacturers of other countries would be to handicap Germany's commerce.

The United States produces an immense amount of raw materials which we still export in the crude state, and very often we sell these raw materials abroad at prices below what our own manufacturers must pay. There is one raw material, copper, which has averaged five per cent. cheaper in price abroad over ten years than to our own factories at home.

This has meant simply that American manufacturers were handicapped just so much in selling goods made of copper in the foreign markets.

If our copper producers could have combined, they could have got a better price for American copper abroad, and to that extent they could have protected the American manufacturer. But they were compelled by our anti-trust law to compete, while a great combination of European buyers dictated terms to them separately.

The anti-trust law is a lasting and fundamental thing as far as our own markets are concerned—it protects the American consumer and helps keep open the door of opportunity. But as far as foreign markets are concerned, a different policy might well obtain. A different policy is necessary in order to get foreign markets for certain manufactures. It is essential in order that instead of shipping our raw products away for other countries to manufacture and sell, these products may be used in our own factories, by our own workmen, to build up American industry and commerce.

### The Mexican Political Jumble.

The telegraph editors of the daily press have had to step lively in the last few weeks to keep up with the contradictory news from Mexico. One day the Carranza and Villa forces are fighting, the next they

are talking peace, the following both are resigning and leaving Mexico. Then the program is suddenly reversed and the burlesque opera enacted backwards for the amusement of onlooking nations.

To those not financially interested in Mexican affairs, it all looks like a huge joke, and a contributor to the current issue of *Life* parodies the old nursery tale to describe the gyrations of would-be Mexican leaders.

This is the house that Diaz built.

This is Madero, who lived in the house that Diaz built.

This is Huerta, who put away Madero, who lived in the house that Diaz built.

This is Carranza, who chased out Huerta, who put away Madero, who lived in the house that Diaz built.

This is Villa, who is ousting Carranza, who chased out Huerta, who put away Madero, who lived in the house that Diaz built.

This is Zapata, who will overthrow Villa, who is ousting Carranza, who chased out Huerta, who put away Madero, who lived in the house that Diaz built.

This is the peon—his named doesn't matta—who soon will be bouncing the warlike Zapata, who will overthrow Villa, who is ousting Carranza, who chased out Huerta, who put away Madero, who lived in the house that Diaz built.

Everything under Heaven is done except the one all-important and pressing one of restoring peace and business activity. After the turmoil of the past three years Mexico ought to be able to see the folly of such childish pranks and reckless flirting with anarchy and settle down to the serious business of reconstructing its industries. With business at a standstill and each month adding to the distress of the Mexican people, the times certainly are crying out for some strong man to come to the front and bring order out of the present chaos. Up to date, such Mexican patriot has not appeared. A man who perceives the great need of the hour and has the courage and following to restore peace and industry to our unhappy neighbor republic is the leader the Mexican people sorely need right now.

### Paternalism Raised to Highest Power.

One of the mysteries in this European war that has puzzled most people is the apparent contradictions among the people of the German nation. Many of us have wondered how it was that the German people with all their marvelous industry, commercial development and scientific attainments in most lines of study could be at the same time so thoroughly saturated with the war spirit.

In the current number of the *Century* magazine, Samuel P. Orth has an article entitled "Germany's Destiny," and explains some of this seeming paradox. Few people who have not studied Germany at close range realize that paternalism in modern Germany has been carried to the greatest extreme in modern history. The state owns the railroads, telephone and telegraph systems, warehouses, power plants, markets and pawnshops and has an interest in many industrial enterprises. A system of state insurance and pensions has been elaborated, and all combine, says Mr. Orth, "to make a stupendous machine, patented by Bismarck, Hohenzollern & Co." Mr. Orth calls this a "combination of the divine right of kings with a military and industrial paternalism, a series of wheels within wheels, all run by the great god 'routine.'" "So we have 65,-



000,000 individuals reduced to 65,000,000 obedient parts of a machine, resting on the tripod of bureaucracy, bayonets and state benevolence."

Careful observers have for several years made the comment that this paternalism is now checking initiative in Germany and threatening the self-reliance of her workmen.

In studying this gigantic machinery, which controls political, industrial and educational activity, we realize that we in America are still in the kindergarten class when it comes to political machines. While we have made much ado over our political bosses and worked hard to smash some political machines, we have only been toy soldiers demolishing children's playthings, as compared to the spectacle of a "sure enough" political "steam roller." Think of a political machine 200 years old, backed by the army, guided by rulers through divine right and perfected by such a master of "iron and blood" as Bismarck! The Socialists among us who are preaching state ownership and control of everything, looking to a great paternal government, have in the Germany of today a demonstration of where their philosophy leads.

Germany is reported to have 4,500,000 voters in the Socialist Democratic party, but they are mostly believers in democratic principles, or the right of the people to control government and legislation, and are opposed to the paternalism and militarism of the ruling German party, and so do not support the program of our Socialists, whose principal aim is government ownership and control.

**THE BULL'S EYE.  
BY THE SHARPSHOOTER.**

Standing in the suburbs beside our road to the city is a two-story frame building such as they used to build in the boom days in Jenkins' addition to Minneapolis—a store with a flat above for the use of the storekeeper's family. When built this store had a full complement of window glass that must have cost something like \$40. But though the house is not decayed and even the sash is yet usable, there is not a piece of glass left in the openings large enough to make an individual butter chip. Just the jagged edges remain to testify that at one time this building was lighted through commercially valuable double-strength window glass. Did this building suffer from a pelting hailstorm or a cyclone! No, my son! Such storms are unknown in this climate. This building is an example of the effect of the practice of the art of war, the manly art of war, the highly valorous, noble and superlatively honorable art of war, more accurately entitled the science of smash. Boys, mere boys, did this splendid work. They did it as practice work for the yet more lofty occupation of killing song birds and ultimately, perhaps, of cracking a human skull. They stood in the road or in the back lot and let fly at this window pane and then at that, studying the effect of different angles of elevation, flat trajectories, muzzle velocities and ricocheting missiles. The results look fully as artistically finished as though older men with more efficient weapons and gold braid on their clothes had done the work on a Federal salary. We do not fully comprehend how much of this work is done for us without charge. This for example: The last time I drove my carriage horse to the city she voluntarily broke loose from her moorings and lit out for home. When she came back on furlough she had spread the property with which she had been temporarily endowed over five miles of highway, and spread it so thin it wasn't worth gathering up. A 14-inch gun at \$1,000 per shot could not have done it more effectively. The only thing my mare lacked of giving me a

## Bank Clearings of Twin Cities Make New Records.

Breaking records in bank clearings threatens to become a habit here in the Northwest. Several times this fall new high points have been reached in bank clearings for both Minneapolis and St. Paul. The Minneapolis returns for November 5 were \$8,884,000, which is the new record for daily clearings. The figures for the week ending November 12 established another record with \$40,000,000. For some weeks the Twin City totals have been averaging \$50,000,000, and last week reached a new high when the record showed more than \$54,000,000.

On several occasions recently the weekly totals of the Twin Cities have exceeded those of Pittsburgh and also of San Francisco, which placed this center, temporarily, seventh in the list of great financial centers. Last week's figures gave the Twin Cities a lead of \$2,000,000 over San Francisco and \$6,000,000 over Pittsburgh.

Bradstreet's reports on clearings for October and for the first ten months of 1914 make the Northwest rather conspicuous, the Twin City being the only large center except Kansas City to show gains either for October or for the year up to November 1. Both St. Paul and Minneapolis show substantial gains, while the country as a whole records a decrease of \$9,500,000,000 in clearings for the last ten months, compared with like figures for 1913.

If the \$50,000,000 a week pace keeps up till the close of the year, this center will come close to the \$2,000,000,000 mark for 1914.

taste of real war was that she didn't run a thill into her bowels, kill the lady of our house and break the leg of the driver. The glory of war is seen by the man on the fence watching the horse going skallyhooting down the pike a-flinging things. That would be the scene the painter would hang on the walls of the historical museum. The still life pictures of war seldom get past the censor.

\* \* \*

How long did it take Belgium to grow into a country of cozy, self-supporting homes and fertile gardens? Since the days of the great-great-grandfathers and beyond it has been growing; every generation through its months and years has been adding loving touches, betterments made with affection and self-denial. The souls of millions of well-wishing people have gone into these improvements, all designed to make life less rigorous, gentler and more worth the living. How long did it take the gang to pelt the window lights out of Belgium? Sixty days! Sixty short days. These 60 days of hell have set back the real life of that nation 60 years and more. For no nation after the ruin of war can ever be what it would have been had there been no war. We never recover from war.

\* \* \*

When we read that the German garrison of Kiao Chau blew up, smashed and sunk \$100,000,000 worth of property before they surrendered; that the cruiser Emden inflicted \$40,000,000 of loss on British shipping before she quit; that the war is costing \$50,000,000 of money every day in direct expenses and as much more of incidental loss, we have no conception of the meaning of the calamity. Even \$1,000,000 is beyond ordinary comprehension. We think of it as something that may be found in five minutes while boring for iron or petroleum. It isn't. Every million dollars worth of property is worth a million dollars because ultimately it has to be paid by men working for \$2 per day. A million dollars represents five hundred thousand days of human labor. If it doesn't it isn't worth a million dollars. Now figure what \$100,000,000 a day of war expenses means in days of human labor. Reckoning that in these United States there are a total of 20,000,000 able-

bodied men, these working at \$2 per day every working day of the year and saving one-sixth of their income for 20 years could just pay the financial cost of one year of European war.

\* \* \*

Have you a home? Sit down and figure how and when you began to save money to build it; how you and your wife worked and studied and economized to extend the plan and to buy this and that bit of furnishing for it. Think what a big share of the joy of your life has had its birth within those pleasant walls. Then, Bang! Just like that. Bang! Plaster dust, splintered studding, broken mortar-stained lath, hanging shreds of wall paper, crumpled roof gutters, crushed shingles, fragments of the dining

table, shards of cut glass where the china closet stood (this one a part of a wedding present), under the overturned stones of the cellar wall and under the clay from the hole where the lawn used to be the head of the baby's white bedstead and a rag of the little counterpane. All this, as you run for your life. And then a man with muddy boots, a musket and a foreign tongue pacing up and down on the lot, a warranty deed to which you had in the tin box in the library; this foreigner bringing his bayonet to a charge at your breast when you try to come back to the wreck for a few relics! This is war—just the easy side of war—not the mortal hurt, the funerals, the long heart-aches and the longer hates. Do we want it? Does the world need it?

## Northwestern Money Market.

Commercial West Office, November 19.—The money market at this center may be considered firm at 6 and 6½ per cent. The bank rate is 6 per cent. and commercial paper is quoted at 6 per cent. and commission, which nets the borrower 6½ per cent.

The Twin City banks are well loaned up, and demand for new loans is only moderate. Bankers report the volume of business going through the banks as heavy and merchants will find their total volume of business for 1914 ahead of 1913. For some weeks past unseasonably warm weather has retarded the movement in winter goods, but cold weather is now general over the Northwest and trade activity has been stimulated.

The new Minneapolis Federal Reserve bank opened on November 16, with \$800,000 of capital paid in. The first payment of reserve deposits will aggregate \$9,000,000 or more. As these payments are all in gold, this bank is to start as strictly a cash and not a credit concern. The rate of discount established by the Secretary of the Treasury for this district is 6 per cent. The first shipment of Federal reserve notes of \$500,000 arrived on the opening day.

The Minneapolis Reserve bank was especially fortunate in being able to obtain the comfortable banking rooms just vacated by the National City bank, which will be used until the bank's permanent quarters in the New York Life building are ready.

### STATE BANK DEPOSITS INCREASE \$12,152,000.

The thriving condition of Minnesota state banks is shown in a report by A. H. Turritin, state superintendent of banks, based on returns under a call of October 31. Increases of \$15,718,033 in total resources, \$12,152,678 in deposits and \$18,295,690 in loans and discounts appear, compared with returns October 21, 1913.

Savings show an increase of \$10,123,170. Savings accounts increased from \$9,921,940 to \$10,631,901, and time certificates from \$86,137,336 to \$94,550,545. There are 882 state banks, compared with 808 a year ago. Total resources of banks are \$186,619,488 and were \$170,901,455 in October, 1913. Minnesota state banks contributed \$30,907 to the \$100,000 New York gold fund to meet foreign obligations.

### NORTHERN PACIFIC BUYS COAST LINE.

The purchase of a railroad in Montana and Idaho, which will give the Northern Pacific railway the shortest line from the Twin Cities to the Pacific, was announced this week by President J. M. Hannaford. The road is the Gilmore & Pittsburgh, built a short time ago at a cost of more than \$15,000,000. The Northern Pacific will not own the entire capital stock, but enough to control it.

"To prevent this road from passing into other hands, the Northern Pacific has obtained control," said Mr. Hannaford. "While it will be managed as an independent com-

pany, its policy will be fixed by the Northern Pacific. No extensions are contemplated."

Both the Oregon Short Line, a Harriman subsidiary, and the Rock Island were active bidders for the property against the Northern Pacific, according to advices from the West.

The road runs between Armstead, Mont., on the Oregon Short Line, and Gilmore, Idaho. A line which already has been surveyed by the Gilmore & Pittsburgh, between Salmon and Lewiston, Idaho, on the Northern Pacific, probably will be built by the Northern Pacific.

With this and another link between Armstead and Twin Bridges, Mont., a new transcontinental line will be completed. This will be 180 miles shorter than the present line of the Northern Pacific.

### CHEMUNG MINE, BIG MESABI LODGE, SELLS FOR \$18,300,000.

Duluth.—The Chemung mine, one of the most important properties on the Mesabi range, which was leased by the United States Steel corporation, has been purchased by the corporation, according to information given out here this week.

The consideration is said to have been \$18,300,000, of which \$5,000,000 was in cash and the remainder in securities. The mine was purchased from T. F. Cole, G. C. Hartley and C. A. Congdon of Duluth.

### MINNEAPOLIS OCTOBER TRAFFIC SHOWS BIG GAIN.

The Minneapolis traffic movement for the year 1914, notwithstanding heavy losses in carlot receipts and shipments early in the year, promises to show a new record for 1914. The October total of cars received and shipped was 76,361, compared with 75,275 in October a year ago. This is a gain of 1,086 cars or 1.44 per cent. To the close of October, 1914, the total carlot movement shows 576,717 cars compared with 581,076 up to the close of October a year ago, a decrease of 4,359 or three-quarters of 1 per cent. Earlier in the year there was a heavy comparison loss but the fall business activity of the city has brought the total so close to that of last year that the loss probably will be entirely wiped out and a gain shown before 1914 closes.

### STILL ANOTHER BANK FOR MINNEAPOLIS.

Minneapolis will have a new bank that will be located at Fifth avenue and Washington avenue south. It will have a capital stock of \$50,000. It is expected that it will begin business in a short time. A. H. Turritin, state superintendent of banking, has been notified of the intention to organize. J. H. Foster, general superintendent of the Milwaukee road; W. H. Bovey of the Washburn-Crosby company, Guy A. Thomas and John S. Tucker are among the organizers.

### STOCK EXCHANGE MAY REOPEN SOON FOR RESTRICTED TRADING.

New York.—The probability of an early opening of the New York Stock exchange is reported on Wall street. The date is not yet announced but it may be that by next Monday the exchange will be open for restricted trading, as Chicago has already announced November 23 as the opening date for the Chicago Stock exchange.

## INVESTMENT BANKERS CONVENE AT PHILADELPHIA.

Philadelphia.—Three hundred delegates, representing the investment banking interests of the country, attended the third annual convention of the Investment Bankers association of America at Philadelphia last week. A. B. Leach, of A. B. Leach & Co. of New York and Chicago, was elected president to succeed George B. Caldwell, first president and one of the dominant figures in organizing the association. The vice presidents elected were: Frank W. Rollins of E. H. Rollins & Co., Boston; Allen G. Hoyt of N. W. Halsey & Co.; John E. Blunt, Jr., of the Merchants Loan & Trust company, Chicago; J. W. Edmonson, of William R. Staats & Co., San Francisco, and Charles A. Otis of Otis & Co., Cleveland.

Frederick R. Fenton of Devitt, Tremble & Co., Chicago, was re-elected secretary, while J. Herndon Smith of Smith, Moore & Co., St. Louis, was elected treasurer to succeed C. T. Williams of Baltimore.

The board of governors will be Lewis B. Franklin, Guaranty Trust company, New York; Charles W. McNear, C. W. McNear & Co., Chicago; Warren S. Hayden, Hayden, Miller & Co., Cleveland; George W. Kendrick, III., E. W. Clark & Co., Philadelphia; Lawrence Chamberlain, Kountze Brothers, New York; William R. Compton, William R. Compton & Co., St. Louis; William G. Baker, Jr., Baker, Watts & Co., Baltimore; John E. Oldham, Merrill, Oldham & Co., Boston; Charles H. Gilman, Charles H. Gilman & Co., Portland, Maine. The last named will fill the unexpired term of John E. Blunt, Jr.

The investment bankers concluded their convention Friday night with a banquet at which Sir George Paish, confidential adviser of the chancellor of the British exchequer; Thomas F. Woodlock of New York, Howard S. Graham of Philadelphia, and A. Scott Bullitt of Louisville, spoke.

The first session of the convention was called to order Thursday morning by President George B. Caldwell, whose address, delivered shortly after, breathed a spirit of optimism, and indicated a belief of better conditions in the future. In part it follows:

### PRESIDENT'S ADDRESS.

If the past three months have been "dark days" for us, we can say that today in this historic and beautiful city, under the spell of true Philadelphia hospitality, there is more inclination to look with hope toward the future than to dwell on the pecuniary losses of the past. We are living in a neutral country under neutral conditions, so far as all trading is concerned, the exchanges being closed at home and abroad, with our bankers in a paternal attitude, willing but unable to do better than to renew our loans at high interest rates. Under such conditions I congratulate you upon the concerted exercise of ingenuity, enterprise and patience, likewise your unselfish co-operation with other bankers and public bodies, whose work attests the greatness of our resources and the value of our character, and from things already accomplished makes it clear to us that this association has already justified its existence. Not only this, but new conditions have opened a field for future work of very great importance to us, and now, more than ever before, every thrifty person, whether a bank depositor or investor, or both, will come to us for instruction, advice and encouragement in his financial undertakings.

The year closing August 31, 1914, has seen our association grow in numbers and its activities considerably broadened. We have learned that our success was not wholly a question of the size of our membership, but of having a membership that was united, unselfish, possessing responsibility, and willing to do constructive work, having in mind the common good. As your first and only president, I acknowledge my deep appreciation of your co-operation and assistance and that only by your aid has our success to date been made possible.

From the vast amount of work actually undertaken and accomplished during our two years' existence we are accumulating in the office of our secretary much valuable

data for future use. I can especially compliment this association upon the promptness and willingness in work done by our secretary and assistants, also by our treasurer, and I am indeed grateful for two such efficient officers.

### Takes Action in Railroad Rate Hearing.

Under the pressure of conditions that bankers realize, likewise investors at home and abroad, as being dangerous to future railroad financing and beyond their control, and realizing our responsibility to our clients, the investors, this association requested a hearing before the Interstate Commerce commission at Washington on the "five per cent railroad rate case." A special committee of 20 of our most representative dealers in railroad bonds was chosen, 15 of whom went to Washington and presented evidence on the questions of the rise and fall in prices, condition of markets and possible future financing, the cost of which has to do with the annual fixed charges, and consequently the question of rates. The argument was thereby broadened to a consideration of the shipper, the carrier and the investor, three factors of prime importance in all railroad operation.

The course of the hearing before the commission made it plain that there is yet, notwithstanding long years of discussion, no agreement as to what is a reasonable rate. No scientific method of fixing railroad rates has yet been discovered and perhaps never will be. Because of the large ownership of American railroad stocks and bonds abroad, and with a knowledge of large maturing debts the present and coming year, it was urged that an experience as bad for the country in general as for the railroads in particular, might be forced upon us, also that any leniency towards the railroads is not as great a danger today as to deny a further moderate increase in freight rates, which ultimately are paid by the consumer and widely distributed. We submitted that the question of the hour is "a larger net and better result." The argument may seem to have become trite, but to us the case itself remains serious. The answer seems simple, "a larger gross and reduced operating expenses," but this is not the whole story. To stop here is most shortsighted, for the railway business has never been able to finance itself out of earnings and probably never will. They must continue to sell to the banker and he must continue to look to the investor.

### Expense of Bond Distribution.

Bond houses are under a very large expense in the conduct of their business. Certainly the profits of the past have not been a heavy charge upon financing, when measured by capital employed, risk assumed and work required for investigation and distribution. Realizing our responsibility to our clients, the expense of investigation is more likely to be increased in the future than diminished, and it, therefore, seems to me that some better and cheaper plan of distribution must be found, if we are to practice economy. The picture of the investor receiving five or six circulars in his morning mail from as many houses offering the same issue, and before night receiving a call from five or six salesmen from the same houses is not infrequent, and an example of badly applied energy, which frequently creates distrust in the minds of the investor, besides adding considerable to the cost, or expense, of distribution. We should have better co-operation with the bankers of the smaller cities, where for a compensation that is reasonable and at a saving over present methods, they become underwriters and distributors in their own locality of a very large percentage of the bonds sold there. When fully realized by these bankers, this is a field that could bring them considerable influence and additional profit at a small effort on their part. It is already a custom that such buyers invariably consult their local banker and if the trade is made he frequently loses a deposit and makes nothing. These bankers must realize that deposits at 3 per cent. of surplus funds above a few hundred dollars will sooner or later lead to an investment at a better rate, and from

(Continued on Page 33)

## MONEY RATES LOWER IN CHICAGO.

Chicago, November 17.—In the quarters formerly occupied by the Hibernian bank, at Monroe and Clark streets, the Federal Reserve bank of Chicago yesterday began business, with \$35,000,000 deposits in its vaults. Simultaneous to the opening of the new bank, and due to an order of the Secretary of the Treasury in which he specified the interest rate for the Chicago district, money rates dropped to 6 per cent. In some instances commercial paper was sold as low as 5½ per cent. The reduction of the required legal reserves for central reserve cities from 25 per cent. to 18 per cent. was an added factor in bringing about an easier feeling in the general money market. When the new Federal Reserve bank opened Governor James B. McDougal and his staff and Federal Reserve Agent C. H. Bosworth were prepared to rediscount loans up to \$60,000,000. The benefits of the rediscount feature are still to be felt, however.

The reduction of the reserve requirement from 25 per cent. to 18 per cent. of demand deposits and 5 per cent. of time deposits will release \$20,000,000 in gold in this city alone; and this one item makes possible a loan expansion of \$110,000,000. Twenty million in gold will supply reserve for additional deposits of \$110,000,000. Throughout the country the new law releases \$460,000,000 of reserves.

Reserve Agent Bosworth received \$5,000,000 of his order for \$10,000,000 Federal reserve notes from Washington. Three iron chests containing the new bills were placed in the vaults of the bank. There was no call from any of the banks for the additional circulation and the sealed packages containing the notes were not opened. These notes, however, will quickly take the place of the Aldrich-Vreeland notes, which bear a tax of 3¼ per cent., and which are in circulation to the amount of \$300,000,000, the total for the whole country. "There will be no tax on the new Federal reserve notes," Mr. Bosworth said, "at least, not for some time. The Federal reserve board is empowered to levy a tax on these notes, but in the use of its discretion it has decided that it will be for the good go into circulation they will relieve borrowers of the burden of the general situation not to add to their cost. As they den of the tax now paid on emergency circulation." Mr. Bosworth predicted enormous benefits to the business of the country from the operation of the new banking system. "The new system should mean the gradual expansion of our commerce, which at this particular time is presented with an unparalleled opportunity for growth overseas," he said. "Interest rates, which have been abnormally high, will be lower."

\* \* \*

"Sentiment among the people has changed as well as the banks," said George M. Reynolds, president of the Continental & Commercial National bank. "The former is reflected in the lessened demand for money. Our loans within the last few days have begun to run off. This, if continued, will put us in a position to accommodate borrowers more freely, and the fact that the disposition of borrowers to hoard credit—that is, ask for more than they need—is passing, relieves the pressure on us. In considering the period through which we have passed, I am impressed with the importance of the psychological element. When we find we can get what we want our interest in securing it is lessened. The banks of the country raised a pool of \$100,000,000 to help our exchange and foreign trade situation. At the time it appeared absolutely imperative that the gold be raised. We raised it and now find that instead of needing \$100,000,000 only a tenth of the sum has been employed. The cotton pool of \$135,000,000 I am inclined to think will work out in a similar way, though a fortnight since the Treasury Department was convinced that nothing short of \$135,000,000 would relieve conditions in the South.

"Substantial events have moved with equal pace with the change in sentiment. The New York banks have not only wiped out a deficit of \$47,992,000 which they showed

on August 15, but now have instead a surplus of \$15,914,000. Foreign governments have placed in this country orders for a good many million dollars of our products. Their orders have been on a cash basis and have stimulated certain lines of industry and contributed a concrete reason for changed sentiment. In connection with the raising of the \$100,000,000 gold there has been a drop in the foreign exchange market. Sterling that sold at \$5.25 is now around \$4.90. This again is an actual and quotable change in values for the better.

"The banks doing business with us tell us farmers have been busy in the fields taking care of the corn crops. The prices for grain are attractively high and country borrowers will probably be urged by their banks to think about repayment of loans, and such a movement will be in turn reflected at the larger centers. It has been a trying three months for the banks and I think we shall all be glad to experience the change which is now at hand."

\* \* \*

The Chicago clearing house committee has voted to call in for cancellation the \$12,355,000 clearing house certificates which have been in use here since the money crisis at the outbreak of the war. By this action the committee furnished the most striking evidence yet shown of the betterment in financial conditions. It is also a practical indication of the benefits the leading Chicago bankers believe will follow the establishment of the rediscount system of the Federal Reserve bank, which was opened for business yesterday. It shows not only that confidence has returned to the highest financial quarters, but that all fear of trouble has passed. The committee is composed of James B. Forgan, president of the First National bank; George M. Reynolds, president of the Continental & Commercial National bank; John J. Mitchell, president of the Illinois Trust & Savings bank; Ernest A. Hamill, president of the Corn Exchange National bank, and Orson Smith, president of the Merchants Loan & Trust company. The certificates have been used only for settlement of balances between members of the clearing house. There was no public circulation of them, as in 1907, for the Aldrich-Vreeland currency has proved adequate as emergency circulation. The outstanding certificates are held chiefly by the state banks. One large institution has half the entire issue in its vaults. By institutions having surplus cash they were prized because they provided absolute security at a 7 per cent. return. Under a rule adopted certificates paid to the clearing house will be distributed only to banks having certificates outstanding against them, and only to such of those banks as have a credit balance on daily transactions at the clearing house. Heretofore the notes have been distributed to all banks having credit balances. On receiving the certificates in this way the banks will apply them to the cancellation of their certificate indebtedness.

\* \* \*

Chicago rates of discount declined 1 per cent. to the basis of 6@7 per cent. last week. Collateral loans were made by some of the state banks last week as low as 6 per cent. and commercial paper sold in this market at 5½ and 6 per cent. The demand for funds continues brisk. Most of the week's activity was in cattle, cotton and grain loans, principally at points outside of Chicago. Many of the large banks here have made these loans as the last of the recent high rates. There has also been evidence of bank purchases of high-grade short-term notes yielding around 6½ per cent. A feature in commercial paper is the unknown effect of the rediscounting requirements after the Federal banks are in operation. The paper maturing in 30-day periods is naturally preferable to banks, since the Federal board demands that class of paper. The discount rate on that kind of paper, therefore, fell to 5½ per cent. last week, while perfectly high-grade six-months paper continued to be offered at 6½ per cent. However, six-months paper is eligible for rediscount when it has three months to run. It is not likely that a bank will care to discount all of its paper, so this disparity of rates neces-

**BANKERS can INCREASE THEIR INCOMES** very materially by **WRITING LIFE INSURANCE** on the side. The president of a bank in a small South Dakota town wrote \$95,000 of business during June and July. Of course, he represented an old line (legal reserve), mutual company, viz:

## NORTHWESTERN NATIONAL LIFE INSURANCE CO.

Minneapolis, Minn.

(More than 400 banker agents in Minnesota alone)

sarily will disappear when the situation is more thoroughly understood.

\* \* \*

Chicago bank clearings last week decreased \$32,698,625, or 10.1 per cent., as compared with the corresponding week last year. A statement of daily clearings and balances follows:

	Clearings.	Balances.
Monday .....	\$ 47,641,280	\$ 2,308,422
Tuesday .....	49,708,929	2,321,399
Wednesday .....	49,030,297	2,210,774
Thursday .....	49,512,752	2,610,774
Friday .....	48,472,510	1,942,283
Saturday .....	45,196,500	2,614,108

Total for week.....	\$289,562,367	\$14,002,051
Corresponding week last year.	322,260,992	12,774,866

\* \* \*

The currency movement in October, showing shipments of \$8,786,877 by the Chicago banks, was the smallest recorded for that month. The receipts, aggregating \$16,338,161, were the largest ever shown in October. The local banks made a net gain of \$7,551,284 on the month's movement. Never before since the records of currency movements at this center were kept have receipts shown a gain over shipments in October, the month that marks the beginning of the heavy drain of funds from the reserve agent banks to their interior correspondents for crop-moving purposes. Compared with last year, the shipments of currency for the ten months of 1914 show a decrease of nearly \$17,000,000, while the receipts of currency in the same period show an increase of about \$19,000,000. Up to November 1 this year Chicago banks show a gain in currency of more than \$11,000,000, while at the same time in 1913 the loss was nearly \$30,000,000.

### WISCONSIN PLANS BETTER ROAD SYSTEM.

Milwaukee.—The movement to "see Wisconsin first" that was started at the time of the big bankers' excursion through the upper counties promises to take on a new form. The proposition now is to perfect a system of improved highways through the State from Milwaukee and other southern points to Lake Superior. A route has been outlined from Milwaukee to Ashland, via Fond du Lac, Oshkosh, Neenah and Menasha, Appleton, Waupaca, Stevens Point, Marshfield and thence following the old Wisconsin Central railway to Ashland.

In Ashland county one of the finest roads in the Middle West traverses the county. In the other northern counties the roads are excellent and will speedily be given any improvement they may need to be highways over which tourists will enthuse.

The sandy soils of Waupaca and Portage counties are proposed to be given an improvement, perhaps with oil. In the Lake Winnebago region the roads are good and will be made excellent by another year. The stretch from Milwaukee to Fond du Lac needs a large amount of attention to make it a good road for rapid travel.

The matter of such a road has been discussed and a plan is being outlined for it. Other portions of the upper counties are awake to the situation, and before the matter is well under headway it is expected that many of the northern communities will be ready for a more complete system of improved roads so that the tourist may have many routes to select from.

Nothing will do the State more good than an elaborate

system of roads that may be mapped and published and the public assured that they are excellent.

### BANK CLEARINGS.

Bank clearings in the United States for the week ending November 12, according to Bradstreet's Journal, aggregate \$2,674,550,000, against \$2,554,427,000 last week and \$3,424,606,000 in this week last year. Canadian clearings aggregate \$158,375,000, as against \$165,269,000 last week and \$201,654,000 in this week last year. Following are the returns for this week, with percentages of change from this week last year:

		—Per cent.—	
		Inc.	Dec.
New York .....	\$1,291,622,000	....	32.1
Chicago .....	293,914,000	....	7.6
Boston .....	139,533,000	....	12.0
Philadelphia .....	126,182,000	....	27.5
Kansas City .....	77,361,000	20.2	....
St. Louis .....	75,609,000	....	12.0
Pittsburgh .....	48,742,000	....	12.4
<b>Twin Cities .....</b>	<b>54,411,000</b>	....	....
San Francisco .....	52,414,000	....	4.0
Minneapolis .....	40,208,000	17.5	....
Baltimore .....	36,989,000	....	10.7
Detroit .....	24,891,000	....	7.3
Cincinnati .....	22,684,000	....	5.0
Cleveland .....	23,322,000	13.2	....
Los Angeles .....	18,988,000	....	....
New Orleans .....	16,728,000	....	23.8
Omaha .....	18,034,000	....	9.8
Milwaukee .....	18,870,000	8.2	....
Seattle .....	13,332,000	....	10.6
Buffalo .....	10,772,000	....	21.5
Portland, Ore. ....	13,076,000	....	15.1
St. Paul .....	14,203,000	16.3	....
St. Joseph .....	7,921,000	....	5.8
Des Moines .....	5,538,000	....	4.1
Duluth .....	10,680,000	33.0	....
Spokane .....	4,710,000	....	8.7
Sioux City .....	3,303,000	....	10.3
Grand Rapids .....	3,250,000	....	11.7
Tacoma .....	2,104,000	....	13.5
Cedar Rapids .....	1,949,000	15.3	....
Helena .....	1,736,000	6.7	....
Sioux Falls .....	1,232,000	13.1	....
Boise .....	844,000	....	6.4
Fargo .....	2,552,000	231.4	....
Billings, Mont. ....	975,000	35.0	....
Aberdeen, S. D. ....	891,000	61.0	....
Grand Forks, N. D. ....	627,000	....	....
Total United States.....	\$2,674,550,000	....	22.1
Total outside New York.....	\$1,382,927,000	....	9.6
<b>Canada.</b>			
Montreal .....	\$48,466,000	....	19.4
Toronto .....	36,891,000	....	16.6
Winnipeg .....	37,869,000	....	21.4
Vancouver .....	7,053,000	....	39.8
Calgary .....	3,749,000	....	34.9
Edmonton .....	2,432,000	....	47.7
Ottawa .....	4,132,000	....	3.2
Victoria .....	2,242,000	....	29.7
Quebec .....	3,465,000	....	6.4
Regina .....	2,222,000	....	37.5
Saskatoon .....	1,225,000	....	47.6
Moose Jaw .....	995,000	....	28.9
Total Canada .....	\$158,375,000	....	21.4

## WELLS & DICKEY COMPANY

PURCHASERS AND UNDERWRITERS  
OF BOND ISSUES

MINNEAPOLIS

# Continental and Commercial National Bank

*Capital, Surplus and Profits*

OF CHICAGO

\$ 32,000,000.00

GEORGE M. REYNOLDS,  
RALPH VAN VECHTEN,  
ALEX. ROBERTSON,  
HERMAN WALDECK,  
JOHN C. CRAFT,  
JAMES R. CHAPMAN,  
WM. T. BRUCKNER,

President  
Vice President  
Vice President  
Vice President  
Vice President  
Vice President  
Vice President

NATHANIEL R. LOSCH,  
J. R. WASHBURN,  
HARVEY C. VERNON,  
GEORGE R. SMITH,  
WILBER HATTERY,

Cashier  
Assistant Cashier  
Assistant Cashier  
Assistant Cashier  
Assistant Cashier

H. ERSKINE SMITH,  
W. W. LAMPERT,  
DAN NORMAN,  
GEORGE A. JACKSON,

Assistant Cashier  
Assistant Cashier  
Assistant Cashier  
Assistant Cashier

## Continental and Commercial Trust and Saving Bank

GEORGE M. REYNOLDS, President

Capital \$3,000,000 The capital stock of this bank and the capital stock of the Hibernian Banking Association (\$2,000,000) are owned by the stockholders of the Continental and Commercial National Bank of Chicago. Surplus \$1,600,000

### CHICAGO EXCHANGE TO OPEN ON MONDAY.

Chicago.—The Chicago Stock exchange will resume business Monday morning. Trading will be permitted in listed and unlisted stock at the closing prices of July 30. The same rule applies to bonds. In handling dividend-paying stocks traders will be permitted to deduct one dividend.

With the banks lending freely on Chicago securities, there will be no occasion for keeping the exchange closed, as foreign liquidation would not be an important factor in this market, it is said. President F. C. Aldrich stated that he believed the local exchange may safely be reopened soon for dealing in the strictly local issues. He also intimated that the banks will no longer stand in the way of the plan. "Trading through the committee of the Chicago exchange shows marked improvement in prices and the volume of business done," he said. "Ten days ago we had many selling orders and few buying orders, but a turn came with the recent election and every day since that time the purchases have been increasing. Now there are few selling orders and there is a big demand for many stocks. I do not mean to say that all share issues and bonds have advanced in unison, because there are a few that have not moved much and there is little demand for them as yet, but issues like Peoples Gas, Carbide, Steel, Harvester, Sears-Roebuck and shares of that class have made substantial gains. Throughout the local bond list substantial advances have also been made."

In discussing the matter of reopening the Chicago Stock exchange the president of one of the large banks and a member of the clearing house committee said: "If the brokers think they will be able to furnish sufficient collateral I would not oppose the reopening of the local exchange. I think the banks would be willing to continue the loans outstanding to brokers, but if there is to be trading and new prices established the banks would want these loans margined in accordance with the usual requirements. Within two weeks the banks will be in a position to lend more liberally, and if the brokers feel they will be able to take care of their loans that feature of reopening would be out of the way. I do not see how the local exchange could deal in New York securities, both because of the rule of the New York Stock exchange and the fact that if a market were made here while there was none in New York the selling pressure would develop in Chicago. Again, it is estimated that Chicago commission houses have loans to the extent of \$15,000,000 and \$20,000,000 with country banks. If the latter found there was a market for the collateral they would be inclined to sell it and call in the loans. This would mean probably a great sacrifice to the customers of brokers."

\* \* \*

The entering wedge for a revival of a real bond market made its appearance in the form of an offering of \$1,500,000 first mortgage 5 per cent. bonds by a Chicago underwriting syndicate. This is the first important offering of corporation bonds brought out since the beginning of the war. The \$1,500,000 bonds are issued by the Kentucky Utilities company, one of the group of corporations headed by Samuel Insull, president of the Commonwealth Edison company. They are offered by a syndicate composed of N. W. Halsey & Co., Russell Brewster & Co. and McCoy & Co., at a price to yield 7 per cent. The bonds are dated

October 15, 1914, and become due October 15, 1919. A large part of the issue already has been sold to investors. The Kentucky Utilities company, organized in 1912, now serves 18 cities and towns in central and southeastern Kentucky. The net earnings, it is stated, are approximately one and three-quarters times the annual interest charges on all first mortgage bonds outstanding. The properties are appraised at \$2,350,000 against the \$1,500,000 first mortgage bonds. The outstanding stock of the Kentucky Utilities, \$500,000 preferred and \$1,000,000 common, is all owned by the Middle West Utilities company, of which Mr. Insull is president.

\* \* \*

Chicago bank stocks are extremely quiet, and few actual transactions have taken place. Offerings have been surprisingly small, even at the level of prices existing on July 30, and while the demand has naturally been limited, yet since the opening of the curb market in New York, with its rapid advance in the Standard Oil and other high-priced stocks, local bank stocks have shown some improvement. With the opening of stock exchanges in New York and Chicago trading will undoubtedly resume its normal condition, at slight concessions, under the old quotations.

\* \* \*

The statement of earnings of the operating companies of the Chicago Elevated railways for the fiscal year ended June 30, 1914, shows an increase. Prior to this date it has been running behind 1912. After the breaking out of the war last August the traffic began to fall off again, and in October was below 1913. The quarterly dividend of 1½ per cent. on the preferred stock of the Chicago Elevated railways, the holding company, due last September, was passed, and there is nothing to indicate the dividend due next month will not also be passed.

#### Notes.

—There is a strong demand for Commonwealth Edison shares and sales are reported around 127. The recent market in this stock was around 125.

—City Comptroller Moll of Albany, N. Y., has awarded \$200,000 4½ per cent. semi-annual bonds to Kissell, Kinnicut & Co. and Lee, Higginson & Co., jointly, at 100.2913.

—Directors of the Middle West Utilities company declared the regular quarterly dividend of \$1.50 on each share of the outstanding preferred stock, payable December 1 to holders of record at 1 o'clock p. m. on November 14.

—It is understood that Hart, Schaffner & Marx will again this year retire \$300,000 of its outstanding preferred stock.

—The Pullman company's annual meeting of stockholders resulted in the re-election of directors. The officers of the company were also re-elected. Among those present from New York were Norman B. Ream and Robert T. Lincoln.

—Union Carbide continues in strong demand. Former competition from Germany in the company's export trade is now eliminated. Bids of 139½, or 8 points above the July 30 close, were reported last week.

—The Syndicate Film corporation, which recently declared extra dividends of 25 per cent. each on its \$100,000 preferred and \$200,000 common stocks, is a Delaware corporation and the capital stock is owned entirely by Chicanos. John Burnham & Co. brought out the company



# The Corn Exchange National Bank

OF CHICAGO

Capital  
**\$3,000,000.00**

Surplus  
**\$5,000,000.00**

Undivided Profits  
**\$1,500,000.00**

ERNEST A. HAMILL, President  
CHARLES L. HUTCHINSON, Vice Pres't  
CHAUNCEY J. BLAIR, Vice Pres't  
D. A. MOULTON, Vice Pres't  
B. C. SAMMONS, Vice Pres't  
FRANK W. SMITH, Secretary  
J. EDWARD MAASS, Cashier  
JAMES G. WAKEFIELD, Ass't Cashier  
LEWIS E. GARY, Ass't Cashier  
EDWARD F. SCHOENECK, Ass't Cashier

**DIRECTORS**  
CHARLES H. WACKER  
CHAUNCEY J. BLAIR  
CHARLES S. HULBURD  
BENJAMIN CARPENTER  
WATSON F. BLAIR  
CHARLES L. HUTCHINSON  
ERNEST A. HAMILL  
MARTIN A. RYERSON  
EDWARD B. BUTLER  
CLARENCE BUCKINGHAM  
CLYDE M. CARR  
EDWIN G. FOREMAN  
EDWARD A. SHEDD  
**FOREIGN EXCHANGE  
LETTERS OF CREDIT  
CABLE TRANSFERS**

last April. To date the corporation has paid dividends aggregating \$94,000, including the extra disbursements to be made on November 23. It is officially stated that after paying all of these dividends the company will have a cash balance of \$220,000 and no bills payable. The preferred stock was sold at par, carrying share for share in common stock as a bonus.

—Henry A. Blair, chairman of the board of directors and president of Chicago Railways company, said of the company's earnings: "Our traffic is now breaking about even compared with last year. It will vary from day to day a fraction of 1 per cent., according to special conditions. This record we consider fine, since 1913 was the banner year for the company. Our fiscal year will end on January 31 next. Our gross income will be slightly lower than the previous year. But owing to a decrease in operating expenses our net profits are ahead of last year and will so show for the fiscal period. Furthermore, we have spent over \$4,000,000 in building 20 miles of track and in new equipment, the latter amounting to about 200 cars. These latter cost \$6,000 apiece, so that the new car item totals around \$1,200,000. We have been enabled to meet and overcome the increased interest charges of 5 per cent. on capital expenditures and we still shall show a small gain in net. If traffic had shown normal improvement the results for the year would have been highly satisfactory. Meanwhile the city's share of 55 per cent. of the net receipts will show no diminution, since as I indicated, the net profits will be slightly larger than the previous year."

—Kennett Cowan & Co. say: "On August 1 the financial world was entirely disrupted and for many weeks after the opening of hostilities in Europe and the closing of all stock exchanges here and abroad it was impossible to determine the value of securities. For a time it was very generally expected that security prices would show an enormous shrinkage; however, by conservative and concerted action between the public and the dealers a fairly firm basis of values has now been established. In several instances securities are selling at, or above, the closing prices of July 30, and it is noteworthy that among these are many issues of public service corporations. Money is noticeably easier, the establishment of the regional reserve banks at this time will release, it is computed, some \$400,000,000 currency now held in reserve, and a substantial decrease in interest rates is generally expected. This undoubtedly forecasts higher values for all classes of securities, and we strongly urge our clients to avail themselves of the opportunity to secure sound high-grade investment bonds on present attractive income yields, which we do not believe will be duplicated in the future."

## FEDERAL RESERVE BOARD ANNOUNCES REDISCOUNT RATES.

Washington.—The Federal reserve board last week announced the following rates of rediscount to be charged by the 12 Federal reserve banks for discounting commercial paper for member banks:

Minneapolis, Atlanta, Kansas City, Dallas and San Francisco, 6 per cent. on bills running not longer than 30 days, and 6½ per cent. on the bills of longer maturity.

New York and Philadelphia, 5½ per cent. on bills and notes having maturities of not more than 30 days, and 6 per cent. on all papers having longer maturity.

Boston, Cleveland, Richmond, Chicago and St. Louis, 6 per cent. on all maturities.

The law permits the reserve banks to change the rates at any time with the approval of the reserve board.

## WILSON OPTIMISTIC OVER FUTURE.

Washington.—President Wilson is optimistic over the business outlook. "A future clear and bright, with promise of the best things," he predicts in a letter written to Secretary McAdoo, congratulating him on the opening of the Federal reserve bank system.

"The war which has involved the whole of the heart of Europe, has made it necessary that the United States should mobilize its resources in the most effective way possible and make her credit and her usefulness good for the service of the whole world," wrote the President.

"Fundamental wrongs once righted, as they may easily and quickly be now, all differences will clear away.

"We are all in the same boat though apparently we had forgot it. We now know the port for which we are bound. We shall advance and advance together with a new spirit, a new enthusiasm, a new cordiality of spirited co-operation. It is an inspiring prospect. Our task is henceforth to work, not for any single interest, but for all the interests of the country as a united whole."

## PANAMA CANAL COSTS \$353,559,049.

Washington.—Concluding chapters in the story of American pluck and perseverance that made possible the construction of the Panama canal are written by Colonel George W. Goethals, governor of the zone, in his annual report to Secretary Garrison.

The report shows the canal's cost, including the current appropriation, stands at \$353,559,049.69. More than \$374,000,000 was appropriated. Of that amount more than \$12,000,000 was for fortifications.

## SALE OF TRAVELERS' CHECKS RESUMED.

New York.—Representatives of banking institutions and companies issuing travelers' checks at a meeting this week decided that banking conditions abroad have so far advanced toward normal that the sale of travelers' checks for use in all parts of the world can be resumed. It was urged that notices authorizing banks and other agents to sell the checks for use abroad be sent out.

## RUSSIAN TAX MAY BRING \$42,500,000.

Washington.—The draft of the war income tax bill issued by the Russian Minister of Finance levies a tax ranging from \$8 on incomes between \$500 and \$550, to \$7,000 on incomes of between \$95,000 and \$100,000, while incomes exceeding \$100,000 will pay an 8 per cent. tax. The bill is expected to produce \$42,500,000.

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Capital, Surplus and Profits \$ 6,500,000  
Deposits 40,000,000

Accounts of banks and bankers received upon favorable terms.

*Thoroughly equipped to handle all business pertaining to banking and invites the accounts of banks, corporations, firms and individuals*

## A PAGE OF PERSONALS.

### W. H. Bovey in New York.

W. H. Bovey, general superintendent of the mills of the Washburn-Crosby company, left this week on a three weeks' business trip to New York, Boston and other eastern centers.

### L. F. Day Dies in New York.

L. F. Day, former vice president and general manager of the Minneapolis & St. Louis road and up to five years ago prominent among railroad officials of the Northwest, died last week in New York after a lingering illness. The body was brought to Minneapolis for burial.

### H. W. Parker at Grand Forks.

H. W. Parker, cashier of the Merchants National bank of St. Paul, and one of the representatives from the Northwest of the National Credit Mens association, was among the speakers at a meeting of the Grand Forks (N. D.) Credit Mens association last week.

### Mining Delegates Are Named.

Governor A. O. Eberhart has announced the appointment of the following delegates to the American Mining congress at Phoenix, Ariz, December 7-11: Carson Agnew, Jr., Hibbing; Mark Elliot, Virginia; G. E. Harrison, Stevenson; Frank G. Jewett, Minneapolis; J. S. Lutes, Duluth; Andrew Y. Peterson, Chisholm; John U. Sebenius, Duluth; O. B. Warren, Hibbing; Horace V. Winchell, Minneapolis, and George J. Young, Minneapolis.

### Minnesota Man Heads Seed Analysts.

Minnesota won triple recognition at the annual meeting of the Association of Seed Analysts of North America in Washington last week. The Twin Cities were decided upon as the place of meeting for next year's convention of the association. W. L. Oswald, assistant professor of agricultural botany at the Minnesota college of agriculture, was elected president, and the association adopted the Minnesota weed seed case as the best for distribution with which to acquaint people with the weed seeds of North America.

### Charles H. Scott Is Killed.

Charles H. Scott, vice president of the Strong-Scott Manufacturing company of Minneapolis, was killed in an automobile accident near the Minikahda club Tuesday night. His brother, W. J. Scott, was seriously injured. The brothers were coming from C. H. Scott's farm at Glen Lake when the machine suddenly swerved and pitched over a four-foot embankment. It was running at high speed. Defective steering gear is believed to have been responsible.

### Montana Banker Dies.

David R. Mead, vice president of the Merchants National bank of Glendive, Mont., died last week. Mr. Mead was a pioneer in this country, reaching Glendive in 1880 as a sutler to the army that was guarding the surveyors of the Northern Pacific. At that time, in partnership with H. F. Douglas, now of Minneapolis, he established the mercantile firm of Douglas & Mead, which firm is still in existence and doing business at Glendive. In 1883 the

Merchants bank of Glendive was established by Mr. Mead and others, Mr. Mead taking the position of vice president, which office he held continuously with that bank and its successor, the Merchants National bank, until the day of his death. Mr. Mead at the time of his death was 68 years old. He served a term as mayor of Glendive and was active in the development of the city, the county and the State.

### D. R. Wilkie, Head of Imperial Bank, Dies at Toronto.

Daniel Robert Wilkie, colonel of militia, president and general manager of the Imperial bank of Canada and president of the Canadian Bankers association, died suddenly in Toronto Wednesday morning, after an attack of apoplexy.

The late Col. Wilkie was born at Quebec in December, 1846. He joined the Quebec bank at Quebec in 1862, became manager at St. Catharines, Ont., a few years later, and in 1875, when the Imperial bank was organized, became general manager, taking also the post of president in 1906.

A banker first, last and all the time, with his mind wrapped up in the success of the institution which he virtually founded and had brought to prosperity, Mr. Wilkie did not diffuse his energies in other directions. He did not figure as a public man, a philanthropist, a collector or a connoisseur, all of which would have diverted his attention from the main object in view. He worked hard and persistently, content to make the bank the monument of his prowess. The Imperial Bank has a capital and surplus of \$14,000,000 and total assets of over \$72,000,000.

### Ex-Governor Hauser of Montana Dead.

Samuel T. Hauser, former governor of Montana, and one of the best known citizens of that State, died last week.

Ex-governor Hauser was one of the prominent figures in the growth of Montana. He was prominently identified with the development of the numerous water power projects in that State, and took a large part in building up the commonwealth. He was appointed territorial governor of Montana in 1885 by President Grover Cleveland. He was born January 10, 1833.

He was always prominent in financial affairs. In 1866 he organized the First National bank of Helena, the St. Louis Mining company of Phillipsburg, later the Hope Mining company, which owned the first silver mill of the territory. Other financial institutions which sprang into being through his activity were the First National bank of Butte, the First National bank of Fort Benton and the First National bank of Missoula. He then associated himself with other enterprising capitalists and built the following railroads:

Helena & Boulder Valley; Helena & Jefferson County; Drummond & Phillipsburg; Helena & Red Mountain; Helena Northern, and Missoula & Bitterroot Valley. He also organized the Helena & Livingston Smelting & Reduction company.



## The Need of the Railroads.

Can there be substantial or lasting prosperity in this country with the railroads on the edge of a grave financial crisis?

To put it plainly, precarious as their financial position was before the war, the disruption of the money market and the breakdown of credit has brought about a serious situation that demands the aid of a strong, intelligent public opinion to impress upon the Interstate Commerce commission the necessity for higher freight rates in order to re-establish the railroads upon a sound credit basis.

Railroad obligations to the amount of \$520,000,000 mature in the next 15 months. In the present state of the money market, is this not a grave problem to face? How, with reports of diminishing earnings that threaten the continuance of dividends, can they hope to attract investors or prevent further liquidation of their securities in times like these?

War, with its wholesale destruction of property, will make tremendous demands upon capital when the time of reckoning comes and the upbuilding undertaken. This means high interest rates for years to come. Into this competition for capital, the railroads are compelled to enter, which means an added burden for them to carry. It is estimated that our debt to foreign countries now engaged in war is from \$2,000,000,000 to \$5,000,000,000. These people are on the verge of poverty. They will need this money to meet their actual, pressing wants, and who but the American people is to assume the debt?

It is a stupendous demand, but not an impossible one. The investor, however, before he buys a security, wants to be assured that he is going to get a reasonable return and that his capital investment and his income are reasonably secure. Under present conditions, he has not that assurance. But there is a way that the situation can be made secure, and that is to permit the railroads to meet the emergency as any legitimate business would do, by making a legitimately profitable charge for doing business. It is already evident that war has brought about a lessened feeling of unfriendliness by the Government towards business. Crises have been met in a co-operative spirit that augurs well. The railroad crisis is as grave as any now existing, and nothing should be left undone to protect these great corporations so vital to the prosperity of the country from an impending disaster. The situation is an urgent one and can be met only by increasing the earning power of the railroads to a point where their dividends will be amply margined so that they will appeal to investors as safe investments.

The American people have never lacked a fine sense of justice. We believe they will endorse the sentiment of President Wilson, who, in reply to the appeal of the railroads, said:

"You ask me to call the attention of the country to the imperative need that railroad credit be sustained and the railroads helped in every possible way, whether by private co-operative effort, or by the action, wherever feasible, of government agencies, and I am glad to do so because I feel the need very real."—Charles E. Lewis & Co. of Minneapolis.

### ITEMS SUBJECT TO WAR TAX ENUMERATED.

Some of the items which are subject to a stamp tax and the special tax imposed by the war tax law of 1914, as furnished by Secretary George H. Richards of the Minnesota Bankers association follow:

#### Documentary Stamp Tax.

Effective from December 1, 1914, until January 1, 1916.

Bonds, debentures, or certificates of indebtedness issued on and after the first day of December, 1914, by any association, company or corporation, on each \$100 of face value or fraction thereof, 5 cents.

On each original issue of certificates of stock, whether on organization or reorganization, on each \$100 face value or fraction thereof, 5 cents.

On sales, agreements to sell, memoranda of sales, deliveries or transfers of shares or certificates of stock in any association, company or corporation, on each \$100 of face value or fraction thereof, 2 cents.

1. Where evidence of transfer is shown only by the

books of the company, stamp shall be placed upon such books.

2. Where exchange of ownership is shown by transfer of certificate, stamp shall be placed upon the certificate.

3. In cases of an agreement to sell or where transfer is by delivery of certificate signed in blank, seller shall deliver to buyer a bill of sale bearing stamp.

(Deposit of stock certificates as collateral for money loaned not subject to tax.)

Upon each sale, agreement of sale, or agreement to sell, any products or merchandise at any exchange or board of trade or other similar place for present or future delivery, for each \$100 in value of said sale, 1 cent.

(Stamp or stamps shall be affixed to bill, memorandum, agreement or other evidence of sale.)

Promissory notes, and for each renewal for a sum not exceeding \$100, 2 cents.

For each additional \$100 or fractional part thereof, 2 cents.

Goods shipped by freight or express, per bundle or package, 1 cent.

(Stamp to be affixed by shipper, consignor or agent to bill of lading.)

Bonds, except those required in legal proceedings, 50 cents.

Certificates of profits or any certificates or memorandum showing an interest in the property or accumulations of any association, company or corporation and all transfers thereof, on each \$100 of face value or fraction thereof, 2 cents.

Certificates of damage, or otherwise, and all other certificates or documents issued by any port warden, marine surveyor, or other person acting as such, 25 cents.

Certificates of any description, required by law, not otherwise specified, 10 cents.

Contracts: Broker's note or memorandum of sale of any goods or merchandise, stock, bonds, exchange, notes of hand, real estate or property of any kind or description issued by brokers or persons acting as such, for each note or memorandum of sale, not otherwise provided for, 10 cents.

Conveyance: Deed, instrument, or writing conveying lands, tenements, or other realty, etc. (mortgages excepted), when the consideration or value of the interest or property conveyed, exclusive of the value of any lien or encumbrance thereon, exceeds \$100 and does not exceed \$500, 50 cents.

For each additional \$500 or fractional part thereof, 50 cents.

Entry of goods, wares or merchandise at any custom house, not exceeding \$100 in value, 25 cents. Exceeding \$100 and not exceeding \$500 in value, 50 cents. Exceeding \$500 in value, \$1.00.

Entry for withdrawal of goods from customs warehouse, 50 cents.

Insurance of property, new or renewed policies, on each \$1 of premium, 5 mills.

1. Co-operative or mutual fire insurance companies exempt.

2. Policies of reinsurance exempt.

Passage tickets from the United States to a foreign port, costing not to exceed \$30 (tickets costing \$10 or less exempt), \$1. If costing more than \$30 and not exceeding \$60, \$3. Costing more than \$60, \$5.

Power of attorney or proxy for voting at an election of any incorporated company or association, except religious, charitable, literary societies, or public cemeteries, 10 cents. Power of Attorney to sell, convey, rent or lease real estate, or receive or collect rents, sell or transfer stocks, bonds, etc., or collection of dividends and interest thereon or to perform other acts not specified, 25 cents.

Power to collect claims from the United States for pensions, back pay or property loss in military or naval service, etc., exempt.

Protest: Upon the protest of every note, bill of exchange, acceptance, check or draft, each 25 cents.

Telegrams and telephone messages, on each message over 15 cents (payable by person paying for message), 1 cent.

On seats in palace or parlor cars and berths in sleeping cars (collected by Government from companies), each 1 cent.

### Additional Special Tax.

Effective November 1, 1914, to January 1, 1916.

Bankers, for each \$1,000 of capital, surplus and undivided profits, \$1.

Brokers who have not paid as bankers, \$30.

Commercial brokers (of merchandise), \$20.

Commission merchants, other than commercial brokers, \$20.

Pawnbrokers (accepting pledges of personal property), \$50.

Theaters, according to seating capacity, from \$25 to \$100.

Circuses, \$100.

Bowling alleys and billiard rooms, \$5.

Dealers in leaf tobacco, based on total sales, from \$6 to \$24.

Dealers in tobacco, cigars, snuff, etc., annual sales in excess of \$200, \$4.80.

Manufacturer of tobacco, based on pounds sold, from \$6 to \$2,500.

Manufacturer of cigars, based on number sold, from \$3 to \$2,500.

Manufacturer of cigarettes, based on number sold, from \$12 to \$2,500.

## PUBLIC UTILITIES AND CONSERVATION.

Address by Andrew J. Frame, President Waukesha National Bank of Waukesha, Wis., before Investment Bankers Association Convention at Philadelphia.

The American people are now wrestling with the great question of how to deal justly with and equitably settle the vexed and complex public utilities problems and at the same time conserve our natural resources in the interest, not of the classes, but of the masses as a whole.

True progress is brought about, not through special privilege, nor unbrindled radicalism, nor under a socialistic regime. On the other hand, I am fully convinced that all history proves the truth of the declaration of that great statesman, Thomas Jefferson, to-wit: "Agriculture, manufactures, commerce and navigation, the four pillars of our prosperity, are most thriving when left most free to individual enterprise."

Individual initiative; the ownership of one's own home, sweet home; the right to enjoy the fruits of one's own labors, lifts even the lowest to the right of kingship, energizes his activities and thus insures the greatest possible progress to any nation. The result of individual freedom in the United States is the most shining example of progress the world has ever known.

### Socialism Destructive to Progress.

State socialism, born, in most cases, of philanthropic intent, is destructive to human progress, because the knowledge that the state will care for us, blights the energies of the few who are born with broad powers of initiative. The masses grow indifferent if the state will care for them. To abolish poverty is, alas, beyond the power of man. For proof, read that book of books, the Bible, "The poor ye have always with you;" read the parable of the ten talents; read the three thousand proverbs of Solomon, and refutation seems impossible.

The temporary pyrotechnic displays of progress through inordinate expenditures under socialistic theories, blind many who do not study history broadly. These flights of debauchery result generally in inordinate taxation and staggering public debts, as well as blighting human energy.

The best authorities agree that the difference between private and public ownership and management of any utility or enterprise, approximates 20 per cent. in favor of individualism.

This 20 per cent. alone spells human progress as against public decay. Government ownership is a pure monopoly and destroys individual initiative and opportunity and thus hampers progress.

Public property under constant political changes of control is in a large measure considered public plunder, but, under individual ownership, the watchful eyes of the owner compel better management and greater progress.

### Greater Progress in Individual Ownership.

Our greatest progress lies in individual ownership and management of public utilities, railroads, etc., but subject to governmental supervision. Let us never forget, that such supervision must permit of reasonable profits, because profit enlarges and loss blights all progress, thus labor, as well as capital, is equally interested.

Doubtless on such a middle ground lies our greatest progress and purity. The great bulk of the masses desire justice, therefore let us reason together a little.

It may appear to be a broad claim, but I profoundly believe, after mature deliberation—coupled not with theory alone, but with actual experimental proof—that the solution herewith suggested deals equitably with capital and the people alike. All honest men and all true reformers, crave such a result. The following covers a practical outline:

### Public Utilities.

First. They should be under the control of the United States corporation bureau, or the Interstate Commerce commission for interstate enterprises and under state commissioners for state enterprises.

Second. In any corporation hereafter organized, the issues of stocks and bonds allowed by the commissioners having jurisdiction, should be limited to the actual values of all moneys or properties at fair values turned into the

corporation; also cost of incorporation and interest on money or property advanced up to the day of opening the corporation's business. To this should be added a percentage of stock to cover reasonable risk. This might be graded to not over 10 per cent. in the case of corporations promising quick returns. In no case should the amount allowed by the commissioners have the taint of "watered stocks."

Bonds should be limited to not over 75 per cent. of total costs. All in excess should be stock issues, which would cover good faith of promoters and owners.

Third. Non-competitive charters should be granted for not less than 20 years at rates of service likely to pay to investors an annual net profit of 6 to 8 per cent., according to the risk involved. The low limit of 6 per cent. set by the United States supreme court in the New York city gas case, is not a fair criterion because this is clearly a first-class risk. This rate to cover increased risks in more hazardous undertakings, in cities of the second, third and fourth class, must be increased to tempt capital.

### Upkeep From Earnings.

In arriving at the profits, deduct

(a) For salaries and labor bills.

(b) In order that the innocent holders' investments in stocks and bonds be not jeopardized, compel the corporation by adequate depreciation charges to maintain the upkeep of the property to its normal condition out of earnings; and also make reasonable reservations to cover accidents and extraordinary risks to which the enterprise may be subject. In short, create a surplus.

(c) Pay the interest on the bonds and other indebtedness; also pay dividends of 6 to 8 per cent. on the outstanding stocks, as may be agreed upon when charters are granted, keeping always in mind that the rate of dividend paid should cover the variable risks involved. Doubtless in some ventures even 8 per cent. may be too low to tempt capital.

To encourage capital to develop promptly our public utilities and natural resources for the benefit of the present, as well as future generations, make such dividends cumulative, as many new enterprises do not pay in their incipency.

(d) After all the above are provided for, should any net profits remain, divide them equally between the city, state or nation entitled to the same and the corporation stockholders.

### Commissioners Should Approve.

Fourth. For any permanent improvements or enlargements of present utilities or those hereafter incorporated, additional stocks or bonds should be allowed to be issued only on the approval of the commissioners, as indicated under the second head.

Fifth. In our search for justice, to the end that present innocent holders of stocks in existing corporations—which may not be fully paid for—be not wronged by legal enactment, allow present outstanding stocks to remain, the same to be equitably adjusted by the commissioners whenever the corporation asks for an increase of stock, all of which, if granted, must comply with the new corporation rules. Under this process in a few years practically all wrongs would be righted without doing violence to innocent investors.

Sixth. Extension of charters should be granted every 20 years, and rates readjusted for service, basing such rates upon the average annual profits for the past 20-year period. Wherever profits are large, this readjustment will reduce rates in the interest of the people as a whole and still maintain justice to all.

The average for the 20-year period is equitable, because every intelligent economist knows the maxim, that waves of prosperity follow those of adversity, therefore net profits and consequently stock values are always fluctuating. Stability of profits and stock values are practically an unknown quantity. To illustrate: The Chicago Tribune

# GRAIN DRAFTS

amounting to several million dollars daily are being sent to Minneapolis for collection. The wisdom of a banking connection in that city is apparent.

## A direct routing of these drafts saves at least twenty-four hours in final payment

No bank in the Flour City handles this class of paper more speedily or satisfactorily than the *Northwestern National*. The efficiency of its

## Grain Draft Department

is the result of forty-two years' experience gained directly at the world's largest primary market.

*By recent approval of the directors, the capital stock of this bank will be increased by the paying in of one million dollars, which, with the affiliated Minnesota Loan and Trust Co., will give a combined capital, surplus and undivided profits amounting to \$8,350,000.*

## Northwestern National Bank

MINNEAPOLIS, MINNESOTA

Total Resources

**\$41,000,000**

in 1904 gave a compilation of 120 railroad and industrial stocks, showing fluctuations as follows:

November 1, 1902 market values totaled \$8,000,000,000.

November 1, 1903 market values totaled \$6,000,000,000.

November 1, 1904 market values totaled \$7,500,000,000.

This shows a loss of \$2,000,000,000 between 1902 and 1903, the year of our depression, causing reduced profits. On the other hand, from 1903 to 1904 these same stocks increased in value \$1,500,000,000 because of a return of confidence and prosperity, bringing increased profits.

Again, from January 1, 1907, to January 1, 1908, a total of 141 stocks showed a loss of \$3,240,000,000 or about one-third their total value. This was practically recovered in 1908-'09 from the same causes as in 1903-'04.

### Nature Generous, but Business Poor.

But in 1910, the year when Nature was most generous in her gifts to the farmer and stocks ought to have risen, yet 100 of the great corporate stocks showed a loss of \$950,000,000, and general business was in a halting mood, doubtless caused by distrust.

Since 1910 Nature has been wondrously kind in her gifts to us, yet savings and other banks, trust and insurance companies—also millions of private investors in legitimate securities, have suffered losses in the vast declines of stock and bond values, far in excess of panic periods. These facts have staggered the confidence of investors generally to the extent that capital hesitates, and therefore the wheels of commerce have slowed down.

These facts, together with the daily newspaper quotations, indicating not one stock in 100 quoted at par, show conclusively to any intelligent mind, that to keep stock, or even bond values at par, whether fully paid or not, is purely mythical.

The great natural laws of supply and demand; also rise and fall of confidence, which breeds depression or prosperity, together with genius of successful business management, or lack of it, causing increased or decreased profits, practically govern the rise and fall in values, not of stocks and bonds alone, but of all property. Attempts

to regulate prices by law exploded as a ridiculous theory even in Diocletian's reign. This Emperor, about 301 A. D., issued an edict stipulating that prices on some 800 articles of necessity, including prices of labor, must not exceed certain limits. Infractions of the law made the participants subject to the death penalty. The law was soon repealed, because the application of it proved that the laws of supply and demand were stronger than statutory enactments.

In this enlightened age, we must also heed the warnings of that old Kaffir proverb, that: "He who will not profit by the experiences of the past, gets knowledge when trouble overtakes him." Let us not be carried away by the sophistical preachments of many well intentioned but superficial arguments. "Truth crushed to earth will rise again." The wrong-doer can be punished, but prices cannot be kept from fluctuations.

### Chicago Experiences.

The City of Chicago, under a similar division of net profits in excess of fixed charges on stipulated total valuations of its street railways, has received over \$10,000,000 in the last seven years as its share of profits on a straight 5-cent fare.

This, of course, is not a criterion of what to expect from all public utilities, because large profits come only in great cities of the first class, moderate profits in cities of the second class, and very small profits or net losses from operation in small cities of the third and fourth class. Excessive corporation profits—except in rare cases of superior management—is a popular fallacy. As conclusive evidence of this fact, the report of the commissioners of

(Continued on Page 48)

## GEO. B. LANE COMMERCIAL PAPER AND LOCAL INVESTMENTS

First Floor Security Bank Bldg., MINNEAPOLIS, MINN.

ESTABLISHED 1832.

# THE BANK OF NOVA SCOTIA

Capital Authorized, \$10,000,000.

Capital Paid Up, \$6,000,000.

Reserve Fund and Undivided Profits, \$11,438,500

Head Office, Halifax, N. S.

General Manager's Office, Toronto, Ont.

## DIRECTORS

J. Y. PAYZANT, President

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J. H. PLUMMER

WALTER W. WHITE, M. D.

General Manager, H. A. RICHARDSON.

Supts. of Branches: J. A. McLEOD, GEO. SANDERSON,

Branches in all the Eastern Provinces of Canada and in the Islands of Newfoundland, Jamaica, Cuba and Porto Rico, besides the following branches in Western Canada.

**ALBERTA:** Calgary, Calgary (West End), Edmonton, Lethbridge.

**BRITISH COLUMBIA:** Mission City, Vancouver (Granville St.),

Vancouver (Hastings St.), Victoria.

**MANITOBA:** Winnipeg.

**SASKATCHEWAN:** Kamsack, Moose Jaw, Prince Albert, Regina,

Regina (North End), Saskatoon, Saskatoon (West Side).

This bank, with its large Capital and Reserve Fund, and with an equipment acquired and developed during eighty years of successful operation, has unexcelled facilities for transacting all business consistent with conservative banking.

## CORRESPONDENTS IN THE UNITED STATES

NEW YORK—Bank of New York, N. B. A. BOSTON—Merchants National Bank. CHICAGO—First National Bank. PHILADELPHIA—Fourth Street National Bank. BALTIMORE—Citizens National Bank. SAN FRANCISCO—Canadian Bank of Commerce. MINNEAPOLIS—First National Bank.

CHAS. ARCHIBALD, Vice-President

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E. CROCKETT, Chief Inspector: C. D. SCHURMAN.

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Chicago . . . . . W. H. DAVIES, Mgr.

New York (48 Wall St.) . . . . . W. CALDWELL, Agent.

## INTERNATIONAL TRADE AND FINANCE.

Address by John J. Arnold, Vice President First National Bank of Chicago, before the Investment Bankers Association Convention at Philadelphia.

ment of domestic business is fundamentally based upon service rendered. In the primitive days the family within itself produced most of the things which were required for its own sustenance. As community life, however, was developed, it was recognized that greater efficiency could be attained by confining individual effort to limited lines of production—one community furnishing to others the surplus of a commodity which it produced. If any one state of our nation had been cut off from the rest of our states on the basis that it could produce everything that was needful for the well-being and comfort of her own citizenship, the growth and development of that state would have been stunted. It has been said that the United States of America could build a wall along her border lines and that her citizenship could live happy and contented because of the fact that we are in a position to produce practically every commodity needed for our consumption. I am sure that there is no room for argument on the statement that this would result in our retrogression and deterioration. The individual who serves his community best becomes the largest figure in that community. In a like manner, the nation which gives to the world the largest proportion of

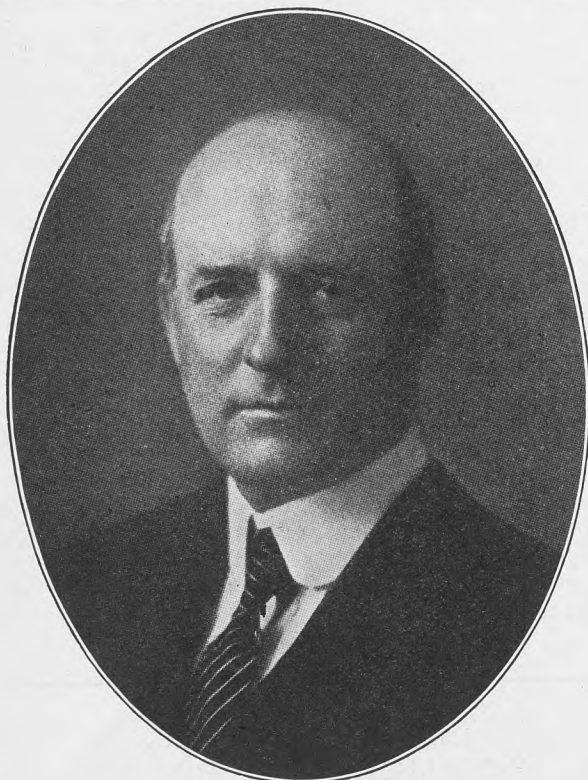
service becomes the most forceful and influential power. It is, of course, a well-understood principle that the rendering of real service is reflected in the development of the one rendering the service. The United States in this regard has made a most phenomenal record. So much so that some have already suggested that the financial center of the world will soon be transferred from Europe to America.

We must not forget, however, that we have not yet even begun to pay for our obligations to the European nations. The development of our country in so short a period of time was due largely to contributions made by the old world. In the first place she has furnished us with a most unique citizenship—the most remarkable the world has ever known. What the influx of the life blood of all of the older nations has meant to our international trade cannot be fully estimated, and although we have been the greatest of beneficiaries in this regard, we have not yet learned to appreciate that the development of our export trade with the newer nations of the world requires a similar contribution on our part. Aside from this, the European nations furnish much capital for the development of our resources, to such an extent that the settlement of interest alone produces a large proportion of the total which figures in our balance of trade. Every new nation requires outside financial assistance, and until we are in a position to furnish such service in a measure larger in proportion than that furnished by other nations, there is no excuse for the expression of the hope that this country should become the world's financial center. Our friends in South America fully understand this principle.

### South American Sympathies.

Allow me to quote a translation from an editorial in "La Razon," an evening daily of Buenos Aires, in its issue of September 24th this year, as follows:

"Against the general movement noted in commercial and industrial circles of the Union toward close business relations with South American centers, the very men who have for some time past shown the greatest zeal in the promotion of this idea, are now just as anxious to curb the enthusiasm of their countrymen, speaking to them in unvarnished terms, more or less along the lines of the opinions on the same subject expressed a short time ago by the Secretary of Commerce of the great republic. These men have reminded the Yankee business man that this is not a moment of great opportunities for commercial expansion in the Latin American republics, for they are now, without exception, passing through the depths of a financial panic, and are in no way able to offer great remuneration to the new providers of manufactured articles. Far be it from us to criticize this opportune frankness. We know that commerce does not subsist on dreams, but on realities, and we believe that it is always well to remind it of this fact. We also accept, without discussion, the truth of these reports, and we agree that this is not the proper time to sell us anything, for the very good reason



A. B. LEACH.

President A. B. Leach & Co. of New York and Chicago;  
President elect Investment Bankers Association.

# MINNEAPOLIS, MINN.

**FIRST NATIONAL BANK**  
*Capital and Surplus \$4,500,000*

**MINNEAPOLIS TRUST COMPANY**  
*Capital and Surplus \$1,200,000*



The stockholders of the MINNEAPOLIS TRUST CO. and the FIRST NATIONAL BANK are identical.

**Correspondence invited.**  
**Our Service will meet every reasonable demand of Banks and Bankers in the territory we serve.**

that we are not trying to buy, as is proven by the enormous decrease in importations. But, on the other hand, we do want to have this episode perfectly clear, and put on record, so that, some day in the future, the facts that in moments of need South America had tried to strengthen her feeble commercial relations may not be brought forward as proof of the right to claim certain privileges. Europe in the beginning of her commercial relations with us, made great and real sacrifices, which later resulted in her gain. The competition of her producing nations perhaps forced her to do this, but the fact remains that she made these sacrifices, and it is our duty to be grateful. The Yankees do not want to follow this example, or they have no reason to do it, and this is the reason that those who lead and inspire their foreign policies are warning them in time. They are quite capable of adopting this utilitarian and practical point of view, but it is up to us to also take careful note of it, so as to know whom to stick to in the future, when it comes our turn to look back and sum up the worth of these preliminaries of our new relations."

**Applies to the Orient.**

What applies to South America applies to the Orient as well. There is no question but that the financial center of the world is and always will be the place which renders the greatest financial service to the nations in need of assistance, and the question of furnishing such assistance is not always a matter of ability only, but of willingness as well. True, our own development has been of such a rapid growth that we have not even as yet taken the time to investigate and study the basic conditions of the countries which are in need of our help. That this period in our his- tory of manhood—full of life and vigor. At first our efforts were largely individualistic. Then came that period of development which to the American investment bankers has been of the greatest interest, the period which we recognize as that of corporate development of these larger movements within our own borders. We did not realize the forces which were at work in the outside world; which gradually and most unconsciously brought the United States of America to the forefront of the nations of the earth and made us a world power politically. Never before in the history of the world has a nation come to such a position as a result of sympathy extended to a suffering neighbor. Our attitude towards China, in the remis- sion of the indemnity which was awarded us as a result of the Boxer uprising, is another indication of our willing- ness and ability to serve the world generously.

Whatever the outcome of the European war may be, we as a nation must help bear the cost, and if this is true, then in my judgment the result will be a recognition of the fact that we must in the future bear our full share of respon- sibility in the development of world commerce. True, it has been said that the cause of the present slaughter across the sea is due to commercial rivalry. Then why should we endanger ourselves by a similar process. It is my belief, however, while the development of commerce in the nine-

tory is fast approaching is self-evident. All of the finan- cially strong European nations are now engaged in a con- flict which is costing them dearly, and the probabilities are that when the war is over the nations of Europe, which heretofore have been lenders of funds, will themselves be seeking financial assistance. Already many of the under- takings in South America, Australia, Canada and the Orient, for which the finances were to be furnished by European nations have come to a standstill.

The American investment banker of the future must ac- quaint himself with world conditions in a like manner as in the past he has been informed on the subject of Ameri- can investments. If this is done I am confident that Ameri- can capital will find lucrative and safe employment, and if such investments are made, commerce is sure to follow. The European nations by force of necessity have been alive to the advantages to be derived from the establish- ment of their own banking institutions in the countries where foreign trade possibilities were recognized. This has frequently worked to our own disadvantage. The question now is, will we arise to the occasion and meet the need in this regard.

**U. S. History Peculiar and Singular.**

The history of our nation as already indicated is pecu- liar and singular. We now look upon the sorrows of the American revolution as merely the birth pangs from which issued forth a new nation, through whose arteries flows the life blood of liberty, and whose breath is the breath of freedom. This to us was the greatest event in the his- tory of the eighteenth century. The nineteenth century records the development of this infant nation to the stature tenth century has been largely based upon competition, the development of world commerce in future will be based upon co-operation. This, of course, in the minds of many, is no time to advocate monopoly. I fully agree that mono- poly of service not properly controlled is dangerous, but monopoly controlled for the purpose of reducing cost of production and facilitating distribution, in my opinion, will and must come. And in this I do not mean a monopo- listic control of a commodity within any one nation, but that eventually there will be a control of products the world over.

**THE WISCONSIN NATIONAL BANK OF MILWAUKEE**  
**CAPITAL \$2,000,000**  
**SURPLUS \$1,000,000**



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*Capital and Surplus*  
*Three Million Dollars*

## INVESTMENT BANKERS AND THE RESERVE LAW.

Address by Rudolph Diamond, of A. B. Leach & Co. of New York, before Investment Bankers Association Convention at Philadelphia.

In considering the condition which the investment banking business faces under the new Federal reserve machinery we must appreciate that at the present time this business is handled by many organizations of different class and character, such as national banks, state banks and trust companies, incorporated investment companies and private bankers. All of them reach for the same field of activity, but their operations under the Federal reserve law will continue to differ exactly as their organizations differ at this time. There are, however, a number of questions which each and all of us, no matter how different our working organizations are, must face sooner or later.

Let us, for instance, consider the effect of the new conditions to be created under the law on the metropolitan banks, or rather the banks in the reserve cities, insofar as their disposition to invest in bonds is concerned. All indications point to the fact that there will be less reason for these banks to hold bonds for permanent investment.

First, because the Aldrich-Vreeland act expires and

bonds cannot be used to take out emergency circulation.

Second, because a broader opportunity will be given to these banks for the use of their funds in acceptances and other paper with which the commercial world will be financed.

A second question which will affect a very large group of the investment bankers is whether the banks in the reserve cities first, and in fact the banks in most of the principal cities of the country, will have the funds available and be disposed to make loans upon investment bonds either for the account of their customers or investment bankers who are acting as distributing agents. We fully appreciate that possibly these loans will not be looked upon, as they have in the past, as a secondary reserve, that better and broader facilities will be furnished by the reserve banks for funds which are held as reserve, but we believe that at the same time the use of the Federal reserve facilities for commercial paper will release a large amount of money which will be available for the carrying of bonds, perhaps not at the rate of 1½ per cent., which has often been the case in the past, but at a stabilized, equalized rate, and it will work to the greater benefit of the lender and the borrower. One of the great difficulties that has menaced the investment banking world in years past has been that in times of great ease of money large amounts of bonds were purchased and held by the banks in the reserve cities to be resold at the market when the demand came upon them for these funds. Consequently the markets were continually disturbed by these temporary purchases and sales which did not follow the general trend of the investment demand. We may, therefore, perhaps consider that the large banks in the reserve cities will not be as large customers for bonds as they have been in the past. On the other hand, we may also consider that as far as the carrying of these bonds in loans, or the offering of facilities, to the banking houses to handle their business is concerned, these will not be substantially restricted.

### Character of Commercial Paper Changed.

The foregoing considerations are based upon what is expected the Federal reserve system will accomplish by those who have advocated it. This system, according to its godfathers, will establish a normal discount market in the United States and thereby completely change the character of our commercial paper. It will give expansion to American banking in this country as well as abroad and it will afford better banking facilities in foreign countries for our manufacturers. It will ultimately establish an elastic currency system and create a check clearance system on a par basis throughout the entire country. It will work for economy of our gold supply, and will concentrate and mobilize our present widely scattered gold



GEORGE B. CALDWELL.

Vice President Continental & Commercial Trust & Savings  
Bank of Chicago; Retiring President Investment  
Bankers Association.

reserves. It will, furthermore, bring uniformity in reserve regulations and in general supervision of a larger number of banking institutions, if state and trust companies can be induced to enter the system in larger numbers than thus far. It is contended, in view of all this, that better accommodations will be given by the banks in aiding legitimate business, that we will get a more equitable distribution of our credit resources, coupled with a normalization of interest rates. This, in turn, will facilitate a free flow of capital and credit throughout the country while the accumulation of large foreign exchange portfolios will give our exterior gold movement a system of brakes to be used effectively when demands on our gold supply are being made. The new discount and acceptance privileges to be given to our national banks and the Federal reserve banks will give added prestige to American commercial paper and will go far toward giving the American bill of exchange a prominent place in international trade.

All this, of course, will not be established at once. Many usages in financing the needs of our country will have to be changed, while also the law might have to be altered in essential particulars before each and every one of the ideals of the advocates of the system will have materialized.

#### Broader Use for Funds.

It will be seen, therefore, that as we have stated at the outset, a broader opportunity will be given to our banks for the use of their funds in commercial paper. It must be conceded in this connection that our national banks in the past, as we all know, have invested a much larger amount in bonds than the banking institutions of any other country in the world. On June 30, 1914, United States Government bonds to the total of \$735,000,000, more than 70 per cent. of the interest-bearing debt of the country, were held by the national banks and deposited with the treasury to secure national bank note circulation, while another \$48,000,000 were owned and deposited to secure Government deposits. In addition hereto the national banks owned at that time more than \$1,000,000,000 of other securities, the total investments of our national banks footing up \$1,191,000,000, or about 17 per cent. of their aggregate liabilities. This compares with only 13 per cent. for the principal British joint stock banks and only 8 per cent. for the British discount companies. We have nothing to figure out the proportion of stocks and bonds in this investment, but it may be doubted that in any country in the world, the proportion of investment in bonds is so large as with us, where it consists of about 90 per cent. of the aggregate investments. This condition has been created through the use of Government bonds for circulation and deposit purposes and the limitations placed upon the banking operations by the usages of financing the commercial needs of our country thus far prevailing. Consequently a large proportion of the resources of our banking institutions is also invested in demand loans on stock exchange collateral. In this connection it is interesting to note that on June 4, 1913, the demand loans of our national banks secured by stocks, bonds and other personal securities aggregated over \$980,000,000, while the time loans, secured by stocks, bonds, mortgages, etc., amounted to \$1,264,250,000, making in total 37.6 per cent. of all the loans of our national banking institutions based largely on stocks and bonds. If this percentage is considered in the light of direct ownership of stocks and bonds one cannot help feeling that altogether too large a part of the resources of our national banks finds investment in fields being in close direct or indirect contact with the course of our stock exchanges.

#### Commercial Needs Rather Than Investment.

The Federal reserve system undoubtedly tends to change conditions in this respect and make of our banks institutions more designed to finance with their resources the commercial needs of the country than to use them for investment purposes. The point is frankly conceded by H. H. Parker Willis, the able secretary of the Federal reserve board:

"The Federal reserve system is essentially intended as a

commercial banking system. It is, therefore, not desirable that any bank should enter the system unless it is doing or intends to do a commercial business. All these institutions which are engaged in operations that render it unnecessary or undesirable for them to comply with the commercial requirements are, ipso facto, outside the range of banks that will be much benefited by membership."

If this is the intent of the system it is evident that another problem comes before the investment bankers. To what extent will the buying of bonds by the so-called country banker be affected? Will the banks in the smaller cities find, under the Federal reserve law, a broader opportunity for their funds at satisfactory rates than they have had in the past? It is a pretty well established fact that the amount of local loans these banks can obtain will not substantially change, nor can we see any reason why their deposits will materially change, so that the amount of money which will be available for investment outside of their particular locality will not be substantially changed. Will acceptances or such new form of securities as will be made available by the reserve system find their place in the portfolio of these banks? We feel that they will not in any broad way.

First, because the facilities for obtaining these securities will probably not be of the best—acceptances will be taken by the banks in the larger cities.

Second, because the rate of interest will probably be lower than these banks have been willing to accept.

We are, therefore, inclined to believe that the bankers in the smaller cities will find the conditions approximately the same as they have been and that such banks will be disposed to invest say 50 per cent. of their surplus moneys in bonds and 50 per cent. in commercial paper.

#### Commercial Paper Problem But Little Changed.

Perhaps this talk is directed too much at the question of the investment of bonds so that we are forgetting the question of commercial paper and the investment of stocks. In this connection the problem of commercial paper will not be materially changed as far as the country bankers are concerned. The investment in stocks will undoubtedly follow its course as it has in the past, in a certain percentage to the amount of investments made in bonds. If any important changes will come about they will cer-

(Continued on Page 47)



FREDERICK R. FENTON.  
Chicago Manager Devitt, Tremble & Co. of New York;  
Re-elected Secretary Investment Bankers  
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The business of the National City Bank is now merged with this bank. The officers of both banks will be pleased to see their banker friends from out of town at any time.

## SOIL FERTILITY.

Address by Cyril G. Hopkins, Director of Agriculture, Southern Settlement and Development Organization, Baltimore, Md., and Professor of Soil and Crops at the University of Illinois, before American Bankers Association Convention at Richmond, Virginia.

As agriculture is the basis of industry and commerce, so the fertility of the soil is the fundamental support of every form of agriculture; and a greater localized knowledge of soil fertility is the greatest need of American agriculture.

A thorough and complete investigation of the soils in a county or in a state should include three lines of work:

First—A detail soil survey showing the various kinds or types of soil with their location and boundary lines, even down to areas of five acres on every farm.

Second—The chemical analysis, or fertility content of each kind of soil.

Third—The results in crop yields, from actual field trials, as to the effect of intelligent soil enrichment in rational economic systems of farming.

Without doubt the institution best qualified from the standpoint of location, interest and local responsibility, to make these soil investigations is the state agricultural experiment station; and neither state or nation could make better use of the public revenues than by more adequate appropriation for such analyses and experiments; but because of its more liberal support there has been a strong tendency for the United States Department of Agriculture to try to do local state work, which could be far better accomplished by the state institutions, which are directly responsible for results to their home people.

### Department Reports Useless.

Thus during the last 15 years the bureau of soils of the United States Department of Agriculture has made soil surveys with more or less detail in more than a thousand different counties and in all the states; but this vast accumulation of maps and reports from large expenditure of time, energy and money is essentially unused and useless, so far as the farmer is concerned, because practically no information is given as to the abundance or deficiency of the different important elements of fertility or plant food, and local investigations are lacking as to the benefits to be derived in field practice from the addition of deficient elements or from liberating and utilizing those elements which the soil may contain in abundance or in inexhaustible supply.

These reports and conditions are not here discussed with any thought of either endorsing or criticising the Federal soil surveys, but only to call attention to the fact that 15 years' work and 1,000 county soil reports must remain (as they are now commonly and rightly considered by the farmers themselves) of little or no value to American agriculture, unless the survey is supplemented by soil analyses and local field experiments.

A properly made soil analysis will reveal at once the total stock of each important element of fertility in the soil; but this information may well be supplemented by field experiments to ascertain and demonstrate the rate at

which these plant-feed elements can be liberated and to determine at what point or under what conditions, in rational farm practice, the farmer should begin the purchase and addition of any element of fertility.

The analysis will often indicate very clearly whether the farmer's problem is to purchase plant food or to liberate it from an inexhaustible supply already existing in his soil; whereas a field trial made with no knowledge of what the soil contains may give very misleading results; and such results followed in ignorance may lead to the waste of money and to the ultimate depletion of the soil. Thus caustic lime may produce increased yields for a time when applied to a soil already well supplied with lime but deficient in nitrogen and humus. The effect of the lime in such case upon the yield of a crop of corn is due not to the lime requirement of the corn crop, but to the fact that caustic lime has power to decompose organic matter and thus to liberate some nitrogen from the meager supply of humus still remaining in the soil. It was this use, or misuse, of lime which gave rise to the proverb: "Lime makes the fathers rich, but the children poor."

### Agricultural Suicide.

On the other hand largely because of lack of local knowledge, we have been trying to commit agricultural suicide by exporting millions of tons of our highest grade phosphate rock, thus carrying away the element of fertility which is most deficient in the American farm soils and which most limits the crop yields in rational farm systems. Intelligent and profitable applications of southern phosphates and northern limestones, with liberal use of legume crops thus made possible, will check the agricultural suicide of New England and the North Atlantic states, and transform a system of gradual soil depletion into one of positive and permanent soil enrichment in the great corn and wheat states from Maryland to Minnesota.

For immediate results in one crop on soils deficient in decaying vegetable matter, the phosphorous should be applied in readily available form, such as acid phosphate; but in rational systems of permanent soil improvement where the nitrogen required for crop production is provided by liberal use of clover or other legumes, plowed under as green manure or in farm manures, finely ground natural rock phosphate may produce even more profitable and more lasting benefits.

The phosphate producers of Florida who have been robbing our own American children of a rightful inheritance by exporting this product should immediately establish adequate grinding plants either at the mines or at the northern ports and proceed to develop in the northeastern states a larger and more permanent market for their raw product than they have ever had in foreign countries; and they ought not to be dissuaded from this much-needed economic and patriotic enterprise by those who used \$8 worth of raw phosphate in the manufacture of so-called



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"complete" fertilizers that sell for \$80. Without question the more readily available highly manufactured "complete" fertilizers can be used with profit in the production of crops of high acre value, such as truck crops, tobacco and to a large extent for cotton; but that they cannot be used economically for the restoration or maintenance of fertility in general farming with the staple grain and grass crops is conclusively proven by many long-continued investigations and abundantly witnessed by the agricultural abandonment of 10,000,000 acres of "improved farm land" in states where the commercial fertilizer interests have completely covered and "worked" the territory for many years.

**Greatest Necessity and Best Investment.**

Every honest man who is familiar with the details of American agriculture must agree that as commonly practiced general farming is not a highly remunerative business, but the fact is just as clearly established that the intelligent improvement of the fertility of land in cultivation offers both the safest and most profitable investment now open in this country. But to make such investments intelligently and safely requires the definite information to be secured by soil investigations. It would be very unwise to depend solely upon chemical analysis in passing judgment on the value of land. The physical characteristics as well as the chemical must be considered, including especially the texture and structure of the top soil and subsoil, the topography and altitude with respect to possible erosion, inundation and drainage, and the relative stability of the soil after drainage as influenced by possible settling or burning.

The greatest need of the teacher of agriculture and the greatest need of the agricultural adviser or demonstration agent is for more complete, definite local agricultural information; and I would urge upon you the importance of securing adequate support for your state agricultural experiment stations, particularly for the specific purpose of investigations in soil fertility, the support of agriculture—the basis of industry.

**A. B. A. EXECUTIVE COUNCIL TO MEET AT OLD POINT COMFORT.**

New York.—The executive council of the American Bankers association at a meeting in Richmond authorized the administrative committee to select the place and name the time for the spring meeting of that body. At a recent meeting of the administrative committee it unanimously selected Old Point Comfort, Va., as the place for the meeting and the dates as May 3, 4 and 5.

**NORTHERN PACIFIC LAYS OFF 200 MEN.**

Two hundred men were laid off this week by the Northern Pacific railway, and further reductions are expected to be made next week. Most of the employees laid off worked in the shops of the company in St. Paul, Duluth and Brainerd. The retrenchment in forces in the shops inaugurates a movement of retrenchment which will place the road on its usual winter basis by December 1.

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**BANK STOCK QUOTATIONS.**

MINNEAPOLIS.

ST. PAUL.

	Div. Rate Pct.	Bid.	Asked.
Northwestern National	12	275	290
First National	12	285	290
Security National	16	490	500
Scandinavian-American National	6	150	160
St. Anthony Falls	8	150	...
Hennepin County Savings	10	265	...
German-American	8	205	...
Metropolitan National	6	130	135
East Side State	6	120	130
Merchants & Manufacturers State	6	135	140
Central State	10	...	150
National City	...	120	...
Union State	8	140	...
South Side State	12	250	...
Minneapolis State	6	135	...
Market State	...	140	...
N. W. Fire & Marine Ins.	10	205	...

Stock.	Div. rate.	Bid.	Asked.
First National	12	...	325
Merchants National	10	250	265
Capital National	6	160	...
American National	6	130	...
Scandinavian-American	10	230	...
Stock Yards National	8	150	...
East St. Paul State	10	325	...
Ramsey County State	...	120	...
Capital Trust	5	145	155
Tri-State Telephone, pfd.	6	90	92
West Publishing, com.	10	400	...
West Publishing, pfd.	6	109	...
St. Paul Fire & Marine Insurance	12	...	300

DULUTH

	Bid.	Asked.
First National	500	...
American Exchange National	400	...
City National	130	...
St. Louis County State	105	...
Western State	140	...
Northern National	130	...

CHICAGO.

Quotations furnished by Dudley A. Tyng & Co., 29 South La Salle street, Chicago:

	Bid.	Asked.
Aetna State bank	114	116
American State bank	190	195
Austin National bank	126	129
Bowmanville National bank	130	135
Calumet National bank	225	250
Capital State Savings bank	109	115
Central Mfg. District	155	160
Central Trust company	226	230
Chicago City bank	280	295
Chicago Savings bank	143	144
Citizens State of L. V.	119	122
City Nat'l of Evanston	305	315
Colonial Trust & Sav.	155	160
Continental & Commercial	260	265
Corn Exchange National	400	410
Depositors State & Savings	130	135
Drexel State bank	210	215
Drovers National bank	250	255
Englewood State bank	174	176
First National bank	395	400
Fort Dearborn National	250	255
Franklin Trust & Savings	160	165
Garfield Park State Sav.	134	137
Guarantee Trust & Savings	131	135
Halsted Street State	120	125
Home Bank & Trust company	145	150
Illinois Trust & Savings	465	475
Irving Park National bank	120	125
Kaspar State bank	256	...
Kenwood Trust & Savings	190	195
Lake & State Savings	120	125
Lake View Trust & Savings	175	180
Lincoln State bank	75	85
Lincoln Trust & Savings	120	125

Live Stock Exch. Nat'l	245	248
Madison & Kedzie State	126	128
Market Trust & Savings	112	116
Mechanics & Traders	130	135
Mercantile Trust & Sav.	161	165
Merchants Loan & Trust	420	425
Michigan Ave. Trust	135	138
Mid-City Trust & Savings	185	195
National Bank Republic	190	195
National City bank	150	160
National Produce bank	164	172
North Ave. State bank	164	166
North Side State Sav.	134	136
Northern Trust company	320	325
North West State bank	172	176
Northwestern Tr. & Sav.	272	276
Ogden Ave. State bank	90	100
Old Colony Trust & Sav.	113	115
Peoples Stock Yards St.	275	...
Peoples Trust & Savings	180	185
Pioneer State Savings	116	118
Ravenswood Nat'l bank	160	...
Sheridan Trust & Savings	154	160
South Chicago Savings	200	210
South West Merchants	135	140
South West Trust & Savings	125	135
Standard Trust & Savings	155	160
State Bank of Chicago	385	390
State Bank of Italy	125	130
Stockmen's Trust & Sav.	145	150
Stock Yards Savings	350	...
Union bank of Chicago	174	176
United States bank	115	120
Washington Park Nat'l	235	...
West Englewood-Ashland	150	160
West Town State bank	127	129
Woodlawn Trust & Sav.	230	...

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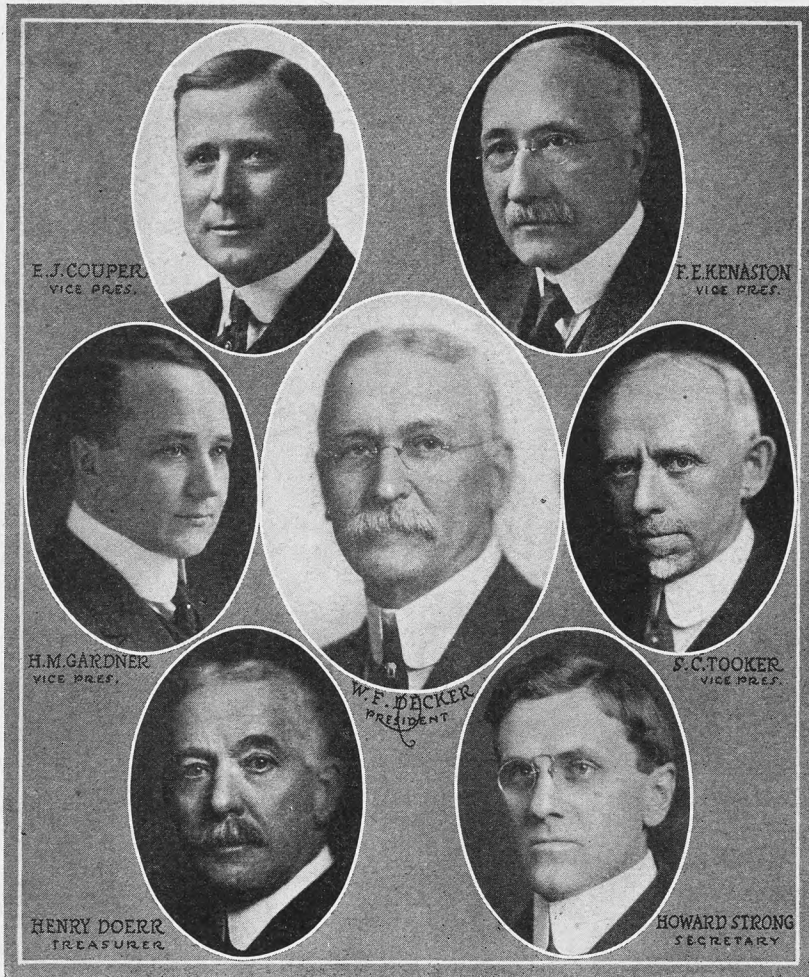
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# MINNEAPOLIS CIVIC AND COMMERCE ASSOCIATION.



W. F. Decker, president, is a capitalist and director of the St. Anthony Falls bank.

F. E. Kenaston, vice president, is president of the Minneapolis Threshing Machine company, president of the South Side State bank, vice president Union Investment company, and director in the Northwestern National bank, besides having interests in many country banks and various investment companies.

E. J. Couper, vice president, is vice president of the Northwestern Knitting company, the greatest concern of its kind in America, makers of the famous "Munsing Wear."

Henry Doerr, treasurer, is president of the Minneapolis Drug company, wholesale druggists; and vice president of the German-American bank of Minneapolis.

H. M. Gardner, vice president, is president of the Gardner Hardware company.

S. C. Tooker, vice president, is a dealer in real estate and loans.

Howard Strong is the live-wire secretary of the Civic & Commerce association.

The Minneapolis Civic & Commerce association has a membership of more than 3,100, and the work is well organized, being divided among 40 different committees. Much of the credit is due to the aggressive work of this association in locating the Ninth District Federal Reserve bank in Minneapolis. The committee in charge of this campaign published a very elaborate and comprehensive book on the trade resources and financial strength of Minneapolis, and the presentation of all this data to the Federal organization committee carried much weight.

A recent enterprise of great importance was the organ-

ization of an Industrial Site association. This company is now in working order and able to provide industrial sites of almost any size within the city limits of Minneapolis and has all the shipping and switching facilities of the Midway district, which serves both St. Paul and Minneapolis in regard to traffic.

The municipal research work is still under way and promises to be one of the most important undertakings of the Civic and Commerce association. All the different departments of the city government are being gradually reorganized on an up-to-date, business-like system, which is reducing expenses and giving much better service. Besides that, it is inspiring the workers under all the departments of city government with an ambition to make good records for themselves in improved service. With this spirit throughout the city affairs, one of the greatest and most necessary reforms in city government will be accomplished.

The traffic division of the association has done splendid work in adjusting traffic affairs and in seeing that this great market center is treated fairly in the matter of rate adjustments.

Other important activities of the association are the completion of the work of making Minneapolis the head of navigation on the Mississippi river, and carrying out the lines for the Union passenger station to be built under municipal control.

In the three years that this association has been organized the most helpful spirit of co-operation has been developed among citizens of all classes, all working with the one object in view of making Minneapolis attractive as a business center and especially desirable as a home city.

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THE BANK OF PERSONAL SERVICE

## NEW BANKS AND CHANGES.

### MINNESOTA.

Beroun.—Articles of incorporation have been filed for the State bank.

Breckenridge.—C. F. Krueger has resigned as cashier of the Breckenridge National bank.

Baudette.—Application to convert the First State bank into the First National bank has been filed.

Dassel.—The directors of the Citizens State bank elected Frank A. Carlson cashier and Albert Colberg, vice president.

New Ulm.—The Farmers & Merchants State bank has been chartered with a capital of \$50,000. Fred Aufderheide is president and Arthur L. Boock, cashier.

Mankato.—At a meeting of the directors of the Mankato State bank, Fred Kron was elected president to succeed Edgar Weaver. Michael D. Fritz was elected vice president.

### NORTH DAKOTA.

Trenton.—The First State bank has been chartered with a capital of \$10,000. A. F. Nohle, O. J. Morken and D. J. Morken of Buford are the organizers.

Braddock.—The Emmons County State bank formerly owned by the First National bank of Bismarck has been sold to H. W. Allen, William Baxter and L. M. Doerschlag.

Cogswell.—The First State bank has been reorganized and the following officers have been elected: H. F. Camp, president; Albert Peterson, vice president, and A. B. Carlson, cashier.

### SOUTH DAKOTA.

Salem.—At a meeting of the directors of the First National bank, O. Arnold was elected president and H. L. Merrick, cashier.

### WISCONSIN.

Boyd.—B. H. Matzke will succeed R. J. Schatz as cashier of the Citizens State bank.

Wayside.—Fred Teske has been elected cashier of the State bank to succeed Oscar M. Brock, who resigned.

Viola.—The following are the officers of the newly organized Farmers State bank: John Babb, president, and J. E. Kerbaugh, cashier.

Glidden.—The Glidden State bank, which was formerly run by Mrs. Kate Russell, has been taken over by a number of local citizens and will hereafter be known as the German-American bank.

### IOWA.

Centerville.—Mrs. Jennie D. Sawyer has been elected president of the Centerville National bank.

Saint Ansgar.—Application has been filed for the First National bank with a capital of \$25,000.

Marshalltown.—T. Binford has been elected vice president of the Fidelity Savings bank to succeed W. Snelling.

Vail.—Henry Stuck has resigned as cashier of the Traders bank. W. A. Maguire has been elected to succeed Mr. Stuck.

Badger.—The Badger Savings bank has been incorporated with a capital of \$25,000. C. C. Knudson, T. K. Peterson and J. S. Hough are among the incorporators.

Ogden.—At a meeting of the directors of the State bank the following officers were elected: J. H. Noyes, president; B. L. Moore, vice president, and H. R. Eaton, cashier.

Carroll.—The following are the officers of the German-American Savings bank: Van Erdewyk, president; W. R. Lee, vice president; Leo Wegman, cashier, and J. C. Arts, assistant cashier.

Waterville.—The First Farmers bank has been organized with a capital of \$20,000. The following are the officers: H. G. Hagen, president; Oliver Dahl, vice president, and Theodore Buringrud, cashier.

### MONTANA.

Boyer.—G. A. Fadness, C. T. Swenson and O. J. Helland have organized the State bank, with a capital of \$20,000.

Great Falls.—The directors of the Great Falls National bank have elected Lee M. Ford president and S. S. Ford, vice president.

### NEBRASKA.

Lewellen.—The Bank of Lewellen has taken over the business of the Garden County bank. The consolidated bank will have a capital of \$25,000.

Omaha.—The German-American State bank has opened for business. Fred R. Baker is president, E. L. Thomas, vice president, and James P. Hackett, cashier.

### IDAHO.

Kooskia.—J. L. Gross has sold his interest in the State bank and resigned as president and director. George H. Waterman, vice president, will succeed Mr. Gross.

### WASHINGTON.

Centerville.—The Farmers State bank will succeed Gilis Bros. & Co., with a capital of \$15,000.

Ephrata.—The State bank and the Grant County bank have consolidated under the title of the latter.

### CALIFORNIA.

Santa Monica.—W. S. Vawter has been elected vice president of the Bank of Santa Monica.

Stockton.—The directors of the Farmers & Merchants bank have elected Will E. Morris cashier.

Newport Beach.—Application has been filed to change the State bank into the First National bank with a capital of \$25,000.

Pasadena.—The Crown City Savings & Trust company has made application to change its title to the Crown City Trust & Savings bank.

Los Angeles.—Malcolm Crowe has been elected cashier of the Commercial National bank to succeed R. S. Heaton, who resigned to become president of the Continental National bank.

### BANKING NOTES.

Adams, Minn.—The Farmers State bank will erect a new building.

Glasgow, Mont.—The First National bank building is nearing completion.

Owatonna, Minn.—The First National bank has moved into its new building.

Rapid City, S. D.—Work has been started on the new First National bank building.

Neillsville, Wis.—The Neillsville bank has received new fixtures, which are being installed.

Los Angeles, Cal.—The Continental National bank is soon to open in the Marsh-Strong building, at Ninth and Main streets.

Grand Forks, N. D.—The work on the Scandinavian-American bank building is being rushed and will be completed in a few days, it is expected.

Great Falls, Mont.—The Ford bank block is nearing completion. The Commercial National bank and the Great Falls National bank will locate in the new building.

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

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O. H. SWAN, Assistant Cashier  
LOUIS J. MEAHL, Assistant Cashier

## GROWTH OF NATION SHOWN IN FIGURES.

Washington.—Enormous growth of the United States during the last half century is shown in a report just issued by the bureau of foreign and domestic commerce.

While the report is for the period 1800-1914, the meager statistics for the first half of the century makes them comparatively unimportant.

After pointing out that since 1850 the population of the country has more than quadrupled, being more than 100,000,000, the report says:

"In the same period, however, foreign commerce has grown from \$318,000,000 to \$4,259,000,000, and the per capita value of exports from \$16.96 to \$23.27.

"National wealth has increased from \$7,000,000,000 in 1870 to approximately \$140,000,000,000; money in circulation, from \$279,000,000 to \$3,419,000,000, and New York bank clearings from approximately \$5,000,000,000 to more than \$98,000,000,000, while for the entire country bank clearings have grown from \$52,000,000,000 in 1887, the earliest year for which figures are available, to \$174,000,000,000 in 1913.

"Evidences of improved social conditions among the people are also found in the statistical record. For example, 19,000,000 children are now enrolled in public schools and about 200,000 students in colleges and other higher institutions of learning, and the total expenditures on behalf of education now approximate \$500,000,000 a year, the result being a rapid increase in general intelligence and a marked decrease in illiteracy."

## NEW OMAHA BANK OPENS.

Omaha, Neb.—The German-American State bank of Omaha, capital \$200,000, opened for business on November 7. The new bank, the second state bank in this city, is protected by the state bank deposit guarantee fund of Nebraska. The officers are Fred R. Baker, formerly of Bloomington, Ill., president; E. L. Thomas, formerly of Fullerton, Neb., vice president; J. P. Hackett, formerly cashier of the McLean County bank of Bloomington, Ill., cashier, and E. C. Goerke, assistant cashier. The board of directors consists of the officers and the following: Frank R. Baker of Cleveland, O.; B. F. Goerke, president of the German-American bank of Burr, Neb.; H. L. Ottermeier, general manager of the Acme Harvester company of Omaha, and A. H. Fricke of Papillon, Neb.

## FOURTEEN TRESPASSERS DIE DAILY.

Chicago.—Railroads of the nation kill 5,558 persons annually—an average of 14 every day—because there are no laws penalizing trespassing on railroad tracks. R. C. Richards, general claim agent of the Chicago & North Western railroad, told delegates attending the eighth conference of the Western Economic society here this week. His address was on "Railway Accidents and Safety First."

## NEW YORK BANK DEPOSITS INCREASE.

New York.—Twenty of the largest national banks in New York City show aggregate deposits of over \$1,220,000,000 for the call of October 31, 1914. This is a gain of about \$100,000,000 over the corresponding call in October, 1913.

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Good cattle secured loans solicited from Country Banks. Cattle paper bearing our endorsement offered to banks looking for Commercial Paper investments.

**CURRENT COMMENT BY FOREMOST EDITORS.****Learn Spanish.**

For the first time in the history of the Berlitz School of Languages in Chicago Spanish has passed French. That is, there are more pupils studying the former than the latter, hitherto always the favorite.

More women take French. More men take Spanish.

These facts are significant and welcome. It is not that we should know less French, but more Spanish. Spanish is the tongue of our nearest neighbors, not English, and of the countries where for business and political reasons equally we seek to better our relations. Intercourse is virtually impossible, is at least very seriously restricted, in the absence of a mutual knowledge of our languages, and the spread of a knowledge of Spanish especially among the younger generation of Americans would do more to make possible the closer relations we seek with our Latin-American neighbors than any other single factor.

The ignorance among Americans of foreign languages is natural but deplorable. If we were hemmed in like the Dutch we might be polyglot as they are. But we have been isolated and self-centered. We have been interested exclusively in ourselves and there has been no pressing practical need or temptation to learn other tongues.

We ought by more deliberate purpose to correct this defect in our education. German and French already are taught in the public school. It is to be a demand, for Spanish will grow. The young man or woman who learns it will have both a cultural and practical resource which is likely to prove rewarding.

In this matter it is time for us to take a page from the book of German efficiency. Germany is not a neighbor of Latin America, but the German commercial agent in Latin America does not grope about with his native tongue or with picked-up Spanish as the American does. He learns Spanish in Germany and learns it correctly. It pays him well.—Chicago Tribune.

**Let Every Man Take an Oar.**

Business is feeling better. The foundations of prosperity are seen to be solid in our generally fortunate crop situation. The weak spot there, the cotton growers, is being strengthened by a nation-wide co-operation. And with due allowance for cotton depreciation the value of our crops is fully \$100,000,000 more than it ever was before.

There is an increasing conviction that the bottom of the toboggan slide on which trade, industry and credit were thrust by the European collapse into war has been reached. We Americans are seeing that it was a slide and a jar but not a smash for us. We have stopped sliding. We have overcome the jar. We are due to climb up again. We are going to climb. We have begun to climb.

The investment bankers are proclaiming it at their Philadelphia convention this week. The traveling salesmen, those soldiers of commerce right on the firing line all the time, are reporting it. Orders do not come so very easy. But they come. And more of them are coming. They hear less of the dull words "Nothing doing!" They hear more of "Next week!" "Tomorrow!" and "Yes, today!"

Just 102 days ago today the Herald printed its now historic editorial "Sit Tight! Don't Rock the Boat!" It was hailed as the wise "order of the day" throughout the na-

tion. But it admonished to what has now become merely a negative virtue. The boat has stopped rocking. The waves raised by the war tempest have been outridden by the good ship "America." She rides on an even keel, sound and well-found and ready to be driven ahead over the seas of Prosperity.

Therefore this is the time for every member of the crew to thrust out his oar, bend his back and pull! Our big crops, the demands for them, the new business thrust upon our factories by the needs of both belligerents and neutrals, the improved currency system that went into operation last Monday with the "easier money" it promises—all these will help and are helping to put power into the pull.

But all of these combined will not count for so much in the pushing forward to good times as the firm resolution of every one of us to do his part—to forget that "Sit Tight!" counsel as unmeet for the new duties that new occasions have brought—to manfully seize his oar and pull his weight and then some.

Let every man put out his oar and pull, all together! That is now the order of the day of the American spirit to all Americans. That is the word of the hour. Let every man of us show the strength that is in him. Let every man take an oar!—Chicago Herald.

**Wisconsin Votes Against State Insurance.**

The set-back given the state insurance idea in the recent election is welcome to insurance interests, not so much because of the possibility of losing business to the state funds as because of the wild-eyed attacks on the companies made by advocates of the state plan. Except in the case of state fund monopoly, state insurance gives the underwriters little concern. With free competition the private companies, experience shows, will get most of the business. State insurance will never be pushed harder than was the Wisconsin life fund by the restless commissioner of that state, but at the end of two years the number of policy-holders is a joke.

It is in the campaigns of ignorant, revengeful or ambitious agitators for state insurance that the underwriting interests suffer. Even where the campaigns fail, as, of course, most of them have failed, the exaggerated statements of insurance profits and the charges of extortion that are made have an effect in discrediting the companies before the public. It is in the quietus seemingly put upon such agitations that the companies may take satisfaction.—Western Underwriter.

**Spirit of Revenge.**

The devastation and the misery entailed by the great European war now in progress, should teach farmer grain dealers a lesson. Nothing healthful grows out of revenge. To satisfy revenge, one must destroy.

Co-operation teaches harmony and construction. If all the warring European forces would get together and employ the same amount of energy in construction, they would advance wealth, comfort and civilization many generations. These countries are now warring with each other, not because of some startling act having transpired recently, but because they have been reared to harbor ill will toward each other and have been trained in warfare for the sole purpose to wreak vengeance upon each other, as they are

now doing. And, while we dread the great onslaught of those armies, still, we must realize that there cannot be a world peace until blood has been shed, which will entirely eradicate revenge and the fostering of revenge.

At this time, while this great lesson is so vividly before us, this journal desires to appeal to all farmer grain dealers to harmonize their interests with all other interests in the grain trade. It cannot be expected that much advancement will be made, even though we have at our command a complete understanding of the great force of co-operation, unless we are at peace with all our surroundings.—Co-operative Farmer and Manager.

**Our Goods in Demand.**

The expectations that, after the first shock to business was over and facilities for exchange were renewed, the war would bring extraordinary demands for American goods are now being realized to an extent which even surpasses original expectations. It was expected, of course, that there would be a great demand for American food-stuffs, and the demand has more than come up to expectations.

It was not fully understood at the start that Europe would look to this country for vast amounts of material, of which we have never before been large exporters to Europe. Yet this unexpected demand has developed and on a large scale. That there should be in one week shipments of twelve million dollars' worth of wheat to Europe was not above expectations, but here are some unexpected demands:

French purchasing agents in this country have commissions to buy 20,000 American horses for cavalry and artillery service. Large numbers of horses have already been purchased and shipped to Canada for British army purposes. The International Harvester company has been asked to make a bid for furnishing 4,000 farm wagons. The British Government has contracted for the entire surplus of shoe leathers from a great western tannery and the plant is running 18 hours a day to care for the new business. France is in the market for many thousands of motor trucks. Greece and Holland have placed orders respectively for 30,000 and 60,000 sets of harness.

One purchasing agent of the British war office is leaving important orders for army socks, gloves, underwear, uniform cloth and practically everything an army in the field requires. A trade journal cheerfully remarks that every textile establishment in position to make blankets has assurance of orders up to capacity. New England factories are receiving large rush orders for rubber boots. Ammunition and small-arm factories in Connecticut are working day and night on orders for ammunition, revolvers, machine guns and other munitions of war. These are but samples, but they mean much as forecasts of the future.—Seattle Post-Intelligencer.

**Where Youth Is Conqueror.**

There is every reason to believe that the struggle which is now devastating Europe will be long continued, even to the length of practical extermination. There are numerous indications pointing to this.

Not in generations has the youth of France, Germany, and England been regarded with so much solicitude.

A still more significant evidence of this value of youth is that every enlisted volunteer, not attached to the regular army, is urged to marry and enjoy his honeymoon before going into active training, and this is usually done, the Government taking advantage of the situation to make the honeymoon as pleasant as possible. Some such marriages may result in the birth of youngsters to eventually take their places in the line, after this war is ended and another Europe has been established.

Another indication of the length of the war is expressed in the decision of France to place the school boys in military training. They are still mere youths, but they grow with passing years, and if trained while in school they will not have to sacrifice additional time in equipping themselves for the life of a soldier later on.

In England unusual activity is being shown in recruiting boy scouts. The boy scout was a few years ago regarded in a humorous light, but wise heads have learned that when

the time arrives for the boy scout to turn to the more serious aspects of a soldier's life he is well fitted for it.

There are now upward of 300,000 school boys in France under military guidance. The minister of public instruction is to co-operate with the minister of war, and from the ranks of youth France expects to rebuild her army after peace has been restored. Even in Russia, with its reputed capacity for huge mobilization, something similar is in progress. For the first time in many generations the exemption from service in the field which has been accorded by the Imperial Government to all students of the universities, and even in secondary schools, has been withheld, and this class of young men has been put into training for anticipated work in the field. Heretofore the Russian university student has not been regarded by his Government as the safe custodian of a musket. His revolutionary tendencies, fancied or real, have served to free him from the burden of military service.

All of this has been changed and it proves, moreover, that youth must be looked upon as a conqueror after all.—Memphis Commercial-Appeal.

**Eliminating the Turk.**

In the British prime minister's speech, at the lord mayor's banquet in London, occurs a most historically significant sentence. He said that the entry of Turkey into the war meant "the death knell of the Ottoman domination, not only

(Continued on Page 49)



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## RECENT LEGAL DECISIONS.

### Offer of Guaranty Must Be Accepted to Be Enforcible.

Defendant, while in the West Indies, was requested by an advertising agent in his employ to guarantee a bill which such agent was about to incur at plaintiff's store for \$400, whereupon defendant wrote a letter informing plaintiff of such request and reciting that he thereby guaranteed such bill, and if the same was not paid within six months he would pay it on presentation. Held, in this case of Black, Starr & Frost versus Grabow, 104 North-eastern Reporter 346, that the relation of the parties was not such as to waive acceptance, and that no contract of guaranty existed between the parties, in the absence of notice to defendant that plaintiff accepted defendant's offer of guaranty.

\* \* \*

### Personal Property Permanently Attached Is "Fixture" and Becomes Part of Realty.

A two-story and basement building was leased to one tenant, the first story and basement for manufacturing purposes, and the second story for living apartments. At the instance of the tenant a lien claimant furnished the labor and part of the material for installing a combination steam heating and power plant in the building. If the plant was a fixture in the legal sense, the freehold is lienable; if it was removable, the freehold is not lienable. Where a controversy arises between vendor and vendee or mortgagor and mortgagee, all articles originally personalty, which have been actually or constructively attached, are fixtures and part of the freehold, according to this case of Northwestern Lumber & Wrecking company versus Parker, 145 Northwestern Reporter 964. When the question arises between landlord and tenant, articles, ordinary fixtures, if attached by tenant for trade purposes, may be removed during the tenancy, so long as such removal does not result in material and permanent injury to the freehold. In no case can the tenant remove fixtures, if they are permanent in their nature, and if their removal will leave the freehold in a substantially worse plight than before the annexation was made. The evidence sustains the finding of the trial court that this plant became part of the land.

A tenant, with the assent of the landlord, gave a chattel mortgage on articles attached to the realty. The effect of this was to make these articles personal property as between these parties, but the rights of persons performing labor in annexing such articles to the freehold without knowledge of such contract could not be affected thereby. Painting a building inside and out, papering, painting, and kalsomining inside, and putting on a section of new roof, to fit premises for occupancy by a tenant, are not "repairs," within a statute which provides that, against a lessor, no lien is given for repairs made by or at the instance of his lessee. Where work done under several contracts is practically continuous and constitutes one job, only one lien statement need be filed.

\* \* \*

### Trustee Has Title in Charitable Gift Subject to Terms of Will.

A will recited testator's "desire to establish at I. an industrial training school for children and a library building to be used by the people of I.," and then named trustees who should administer the charity until a corporation could be organized to execute the trust, and also provided for the construction of a building for the school by the trustees, and that the school should be open to all persons fitted for the training offered, without regard to sex, race, color, etc. Held, that the trust was not invalid as a charitable trust on the ground of indefiniteness. A gift for charitable uses will

be effected if it is consistent with the law, and for that purpose the most liberal rules permissible will be applied, and a charitable trust will often be sustained, where a private trust would fail. A charitable trust is not invalid because of indefiniteness and is sufficient if the benefited class is designated in a general way, leaving the practical application of the gift to be made by the trustee. Gifts to establish or endow schools for the mental or moral improvement of the people, especially of the poor, are lawful public charities.

If the general nature and purpose of the charity is expressed by an instrument creating a charitable trust, or is reasonably ascertainable, the details of its practical administration may be left to the trustees, and need not be provided for in the instrument. The word "charity" includes substantially any scheme to better the conditions of any considerable part of society, and includes any gift, not inconsistent with the law, which tends to promote science or the education, enlightenment, or the amelioration of the conditions of mankind, or which is for the public convenience. A will provided that testator's bank stock should be kept in his name, and the dividends paid to his brother and sister during their lives, and on their death "the said stock is to be turned over" to a training school, for the establishment of which testator devised certain funds in trust, and the will elsewhere provided that on the death of the brother and sister the bank stock should be transferred to the board of directors of the training school. Held, in this case of Wilson et al versus First National Bank of Independence, Iowa, 145 Northwestern Reporter 948, that, since the title of the stock was in the trustee or in the corporation from the death of the testator, subject to the charge in favor of his brother and sister, it could not be claimed that the gift to the training school was invalid as against the statute of perpetuities on the ground that it was in the nature of a gift over after the lapse of a prior gift.

The fact that a will, which devised funds in trust to establish a school, and provided that a corporation should be organized to take over the stock, did not limit the time in which the corporation must be organized cannot make the gift invalid under the statute against perpetuities, where testator bound the trustees by contract to organize the corporation within a year after his death, and the will reaffirmed such contract, since the trustees could be compelled to comply with such obligations. Where, under a will giving a fund in trust for the establishment of a school, the fund was not available until the death of testator's brother and sister, the trustees or the corporation directed to be organized to take over the trust were not negligent in not attempting to establish the school before such means were available, so that it cannot be claimed that the fund would not vest in the corporation, under the statute against perpetuities, on the ground that there is no school in existence.

A charitable gift is not invalid merely because it cannot take effect as fully as the donor intended, but will be effected so far as possible, and is not necessarily void because it contemplates contributions from others which may never be made, so that it cannot be said that the gift of \$30,000 for the founding of a manual training school and public library is so inadequate in amount as to render the gift invalid as a charitable trust. A gift for the foundation of a manual training school is not invalid on the ground that such a charity has been superseded by the adoption of manual training in the public schools; it not being open to the parties or to the court to inquire whether charity in that field of education has been rendered unnecessary in that manner.



<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="font-size: 2em; font-weight: bold;">6%</div> <div style="text-align: center;"> <h1 style="margin: 0;">TABOUR REALTY COMPANY</h1> <p style="margin: 0; font-size: 0.8em;">Mc KNIGHT BUILDING, MINNEAPOLIS, MINN.</p> <h2 style="margin: 0;">Mortgage Loans</h2> <p style="margin: 0; font-size: 0.7em;">ESTABLISHED 1877</p> </div> <div style="font-size: 2em; font-weight: bold;">7%</div> </div>
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**INVESTMENT BANKERS CONVENE AT PHILADELPHIA.**

(Continued from Page 11)

every point I can think of they should readily become a profitable and natural part of the machinery for distribution of bonds in this country as they are abroad.

Naturally enough many European countries continue to look to the United States for financial assistance. Loans are being offered where the security is excellent and rates attractive. But even though the proceeds of such loans are used to buy goods in this country it is equivalent to a reduction of credit that would be otherwise available for domestic purposes; besides, we require all the proceeds of what we have to sell to offset the balance which we owed to Europe when the war broke out. Treasury notes or bonds delay, according to the time they run, the benefits we so much need right now that it is my opinion this kind of financing should be resisted at this time. Of course the time must come when the cost of this great war must be permanently financed and it will be then that we will experience the greatest strain to both our money markets and our security market.

Certainly when this time arrives it will afford European investors a sufficiently attractive yield on their investments to have a bearing upon the price of American securities. We should not lose time in our preparation for this emergency.

During the past three months we have experienced the inevitable. The cessation in the issue of new securities—whether Government, municipal or corporate—was necessary, and likewise the protecting of existing and maturing credits. In this no association of men has sacrificed more, taken a deeper interest, or been more helpful than the investment banker. I say this with all due respect to our commercial bankers, for the reason that they deal more in short time credits and could more easily and with less immediate loss adjust themselves to existing conditions. I would not have you infer that we have yet solved all of the problems. The fact remains that as long as the exchanges of a country are closed capital issues and credits are held up and securities cannot be sold. Cities, counties, states and corporations are forced to drop improvements, factory production is reduced, likewise tonnage, and most unfortunately, the employment of labor. The banks of the country have contributed to a \$100,000,000 gold pool for aiding the foreign exchange situation. The Government has lent its support, through the approval of the Federal reserve board, to the formation of a \$135,000,000 pool for relief to the cotton growers of the South.

Granting the importance of these measures for relief to business, is it not the next step to open the exchanges of the country and, if necessary, lend support to the market by forming a pool of say \$250,000,000, subscribed to by bankers and investors from coast to coast, and managed by five or seven of the ablest bankers, selected from New York, Boston, Philadelphia and Chicago? This pool may be divided into two parts, a stock pool and a bond pool, as undoubtedly some would subscribe to one and not the other, and some would subscribe to both.

**Brighter Future.**

Some people see in the present situation a long season of calamity, but with newer tools in the form of new laws to work with, the man with power of analysis and foresight, born of experience, knows that it is always possible to turn every advantage into a favorable condition for trading. Finding the way is perhaps not an easy matter and must be carefully considered, but events are rapidly transpiring to bring about conditions more nearly normal. Today perhaps half the commerce of the world is closed to us, but half of it is open to us, and to us alone. If we cannot ship our products out as quickly as heretofore, by the same

token other countries, which have hitherto competed with us, cannot ship them in. It does not require a statistician to figure out that with competition eliminated there are going to be some big orders to be filled at home and that 100,000,000 persons in the United States are at peace. That the American people have felt and are feeling "a great moral stimulation" in the events of this year is undoubted and visible. There is a realization of human fellowship that overleaps the bounds of nations and of races, and we realize what the Roman poet long ago said, "We are men and nothing human is alien to us." The investment banker has been for all time the medium through which secured credits were purchased and distributed, and by organization, his ability to mobilize capital, and through his optimism his efforts and his usefulness has long been recognized and always will be. Temporarily restrained, he will assume his activities and usefulness as quickly as the machinery can be put in order and the banks of the country give the word.

**ADDRESSES ARE EDUCATIONAL.**

Interesting addresses were delivered during Friday's session by Andrew J. Frame, president Waukesha National bank, of Waukesha, Wis., on "An Equitable Solution of Our Public Utility Problems"; William H. Coverdale, president William H. Coverdale & Co., Inc., of New York, on "Railroad Maintenance and Appreciation"; John J. Arnold, vice president First National bank of Chicago, on "Investment Trade and Foreign Exchange"; Rudolph Diamond, of A. B. Leach & Co., of New York, on "Investment Bankers and the Reserve Law," and Thomas F. Woodlock, on "Railroad Regulation at the Cross Roads."

Several of these addresses will be found in this issue.

**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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WILLISTON, NORTH DAKOTA

Capital and Surplus \$20,000

**6% FARM MORTGAGES 6%**  
TO NET THE INVESTOR

The land upon which we loan our own funds is personally inspected by our officers, and on a basis of 25 per cent. to 35 per cent. of the value of the land.

We collect and promptly remit principal and interest free, and attend to payment of taxes, insurance, etc.

**OUR CLIENTS HAVE NEVER LOST A DOLLAR ON MORTGAGES PURCHASED FROM THIS BANK.**

Every Farm Personally Inspected BY AN OFFICER of this Corporation.

**7% First 7%**  
**Farm Mortgages**

MONTANA, NORTH AND SOUTH DAKOTA

Write for List.

**The Western Guaranty Mortgage Co.**  
BOWMAN, NORTH DAKOTA

Authorized Capital, \$100,000 00

S. S. STOKES, President

OLE HANSON, Secretary

**NORTH DAKOTA ADDS TO LIST OF CORPORATIONS.**

Bismarck.—Thomas Hall, secretary of state of North Dakota, has reported the following new corporations organized in the State between October 15 and November 1 for which charters have been granted:

The Royal Lemon Washing Powder company of Devils Lake, Ramsey county; capital stock, \$100,000. The incorporators are P. J. McClory, Anna M. McClory and S. C. Brandvick, all of Devils Lake.

Hamberg Hardware & Implement company, Wells county. The incorporators are A. E. Speiser, Marie Speiser, both of Fessenden, and Ole E. Axness, Hamberg, N. D.

Hannah Hardware company, Hannah, Cavalier county; capital stock, \$25,000. The incorporators are James Balfour, S. J. A. Boyd and J. A. Thompson, all of Hannah.

Mowbray Mercantile company of Mowbray, Cavalier county, capital stock, \$45,000. The incorporators are E. I. Donovan, Ed. J. Donovan and J. B. Halloran.

Greene Drug & Jewelry company of Dickinson, Stark county; capital stock, \$25,000. The incorporators are T. J. Greene, Vernon K. Greene and Nellie E. Greene, all of Dickinson.

Masonic Building company of New England, Hettinger county; capital stock, \$10,000. The incorporators are Charles Simon, J. S. Larson and H. H. Schroeder, all of New England.

James Purdon & Co., Wahpeton, Richland county; capital stock, \$50,000. The incorporators are James Purdon, David Purdon and Annetta Purdon, all of Wahpeton.

Raleigh Co-operative Mercantile of Raleigh, Morton county; capital stock, \$10,000. The incorporators are J. C. Christenson, J. L. Johnson and A. J. Smith, all of Raleigh, N. D.

\* \* \*

Mandan.—An estate of approximately \$160,000 will be divided between the heirs of W. S. Parkin, former banker of this city, who died recently. The will has been filed for probate, naming Mrs. Parker, the widow, as sole executor. Most of the property goes to the widow and her four children, all residents of this city. The estate includes about \$100,000 worth of real estate in Morton and Emmons counties, this State, and about \$60,000 worth of personal property.

\* \* \*

Northern Pacific officials report a heavy grain movement at the present time which is supported by brisk business at the Mandan elevators, where a total of from 5,000 to 7,000 bushels of wheat has been marketed daily for some time.

\* \* \*

The Northern Pacific has not yet decided to make an extension of its Mandan-Mott line to Fort Yates, in Sioux county, according to announcement by local rail officials.

Fort Yates and the residents of Sioux county generally have been making an effort to secure such extension, but so far the plea has been unavailing.

This line would tap country that is not now directly supplied by any railroad. The extension would probably be made from Cannon Ball, Morton county, if constructed, it is said.

\* \* \*

Grand Forks.—The special stock train, carrying the blooded bulls being distributed by James J. Hill, arrived in the city last week, two of the valuable animals being

unloaded in East Grand Forks. Following the unloading of the animals, the train proceeded north, where the animals were placed in different sections.

\* \* \*

New England.—Four hundred and fifty dollars from two and a half acres of land sounds mighty large to a North Dakota farmer, but there are cases where this has been accomplished. M. C. McCaffrey, a farmer in the New England territory reports that he harvested 600 pounds of Grimm alfalfa seed and nine tons of the finest kind of alfalfa hay from a little 2½-acre patch on his farm near Midway this year.

\* \* \*

Crosby.—As a primary grain market Crosby has been forging ahead year after year, but this year it will outdistance competitive points in the State by a very large margin. Up to November 3, Crosby had billed out over 700 cars of grain which, averaging 1,470 bushels to the car, makes a total of about 1,040,000 bushels of grain shipped out up to that date. Grain is still coming in steadily all the time. There is yet a large percentage of the 1914 crop unmarketed and by the time that is all in, the amount of grain handled in Crosby will without a doubt exceed 1,500,000 bushels.

It would be difficult for any farmers' elevator in the country to show a record that would equal that of the farmers' elevator of Crosby. During the month of September alone this elevator shipped out 206,532 bushels of grain. To date it has shipped out over 315,000 bushels. It has taken in as high as 140 loads of grain a day and loaded and shipped out as high as eight cars a day. The amount of money it has paid out to farmers for grain will exceed \$325,000.

Crosby has seven elevators, a mill, one Canadian grain buyer and numerous track buyers.

The facts and statements outlined above constitute unimpeachable evidence as to the prosperity of the farming territory in the center of which Crosby is located.

\* \* \*

Williston.—A winter of active work was forecasted in the opening fall meeting of the Wild Rose Farmers club at Wild Rose. About 35 members were present at the opening meeting and much interest was shown in the several lines of work which the club proposes to follow up this winter. This club has been promoting a corn growing contest for the boys of the community.

\* \* \*

Minot.—The Minot Association of Commerce has decided to hold a midwinter fair this winter in Minot, according to Secretary D. S. Hollenga, who will have entire charge of the event.

J. Ellsberry, A. A. Robinson, J. F. Maguire, and J. M. Devine, have been appointed as a committee to look after the interests of the fair.

The dates and the place at which the fair will be held will be announced later.

\* \* \*

Garrison.—Probably the greatest corn and agricultural show held in North Dakota this year was the one held here, which has been proclaimed as the largest ever held in this part of the State, and it is doubtful if there has been anything to equal it in any other section of the commonwealth.

UNRIVALLED FACILITIES FOR COLLECTING SOUTH DAKOTA ITEMS	<h2 style="margin: 0;">SECURITY NATIONAL BANK</h2> <p style="margin: 0;">SIOUX FALLS, SOUTH DAKOTA</p> <p style="margin: 0;"><b>Capital and Surplus \$250,000.00</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">W. E. Stevens, President</td> <td style="width: 33%;">W. K. Van Brunt, Vice President</td> <td style="width: 33%;">G. C. Holmberg, Vice President</td> </tr> <tr> <td>John Barton, Cashier</td> <td>D. C. Lowe, Assistant Cashier</td> <td>C. R. Bond, Assistant Cashier</td> </tr> </table> <p style="margin: 0;"><b>SOUTH DAKOTA'S LEADING BANK</b></p>	W. E. Stevens, President	W. K. Van Brunt, Vice President	G. C. Holmberg, Vice President	John Barton, Cashier	D. C. Lowe, Assistant Cashier	C. R. Bond, Assistant Cashier	THE ENTIRE STATE HANDLED DIRECT
W. E. Stevens, President	W. K. Van Brunt, Vice President	G. C. Holmberg, Vice President						
John Barton, Cashier	D. C. Lowe, Assistant Cashier	C. R. Bond, Assistant Cashier						

## BLACK HILLS GOLD PRODUCTION \$200,000,000.

Pierre, S. D.—Two hundred million dollars of gold production for the Black Hills, is the record as given in the latest report of State Mine Inspector Ellerman. While the production for 1914 was \$17,589 less than for 1913, the total for the year stands at \$7,325,510.83, the total output of gold from that region since it was opened to miners being \$191,779,370. Most of the ore handled in that section for the year ran under \$4 per ton in gold, as some of the ore handled through smelters went at a high rate, and the average for the whole Hills' section was \$3.68 per ton. Some of the ore handled went even below that figure.

The detailed gold and miscellaneous mineral productions of the Black Hills are shown in the following table:

Homestake .....	\$6,046,000.00
Golden Reward.....	369,182.38
Trojan .....	357,229.80
Wasp No. 2.....	229,390.00
Mogul .....	141,298.28
Bismarck .....	83,919.06
Reliance .....	69,532.52
Deadwood-Standard .....	7,238.51
Placer .....	1,800.00
Gold from miscellaneous sources.....	19,920.00
<b>Total .....</b>	<b>\$7,325,510.83</b>

The production of that section in other minerals than gold for the year is given at the following:

Mica .....	\$ 6,150
Gypsum .....	59,000
Tungsten .....	400
Lithia ore.....	1,150
Lead .....	811
Beryl .....	538
<b>Total .....</b>	<b>\$68,049</b>

The report shows 3,040 employes in the mining industry in the Black Hills, of which 1,334 are underground workers, the lowest wage scale for any of them being \$3 for an eight-hour day.

The report of the State Tax commission will contain six recommendations for constitutional amendments before an adequate tax law can be enacted in this State, three of these amendments changing existing provisions, and three of them wiping out present restrictions. The first recommendation is in regard to section 17, article VI, striking from that section the "uniformity" provision, leaving it to read: "No tax or duty shall be imposed without the consent of the people or their representatives in the legislature."

The second recommendation is for the elimination of section 18, article VI, which attempts to prevent classification of property, and requires all to be taxed on the same basis.

The next is in relation to section 2, article XI, which specifically declares that all taxes shall be uniform on all classes of property. The proposed change is: "Taxes shall be levied and collected for public purposes only and shall be uniform upon all property of the same class subject to taxation within the territorial limits of the authority levying the same, and all taxes shall be levied and collected by general law. The legislature shall have power to divide property into classes and determine what class or classes of property shall be subject to taxation. Taxes may also be imposed upon incomes, privileges and occupations, which taxes may be either proportional or graduated and progressive, and reasonable exemptions may be provided; franchises and licenses to do business in the state, gross earnings and net incomes may be considered in taxing persons, firms, joint stock companies, associations, co-partnerships or corporations."

Striking out all of section 4 of article XI, this attempts to provide for taxation of moneys and credits.

Amending section 6, article XI, to read: "The legislature shall by general law exempt from taxation property used exclusively for agricultural and horticultural societies, for schools, religious, cemetery and charitable purposes." This cuts from the original provisions personal property exemptions from taxation.

Striking out all of section 7, article XI, this section makes void any tax exemptions other than expressed in section 6.

The commission, in the general bill which it will present, which codifies existing statutes on taxation, recommends among other things increased powers to the State Tax commission in regard to reassessments; changing dates of assessments of corporate property; provisions for assessment of private car lire on same plan as for Pullman cars; the wiping out of the local assessor system, and in its place all assessment work to be done by county assessors, who should be appointed by the boards of county commissioners. This system is in vogue in practically half the states of the Union, and is recommended for this State.

Changes in the law in relation to statements which are presumed to be secured from the state board of railroad commissioners are also recommended.

\* \* \*

In the late election the only county seat division proposition which went through appears to have been that in Stanley county, in which the counties of Hakkar and Jackson are created out of the western part of that county. Lyman county voted down county division, and also the question of county seat removal to Presho. Pennington county decided not to divide, with a large majority against. Meade county division lost by a close vote, and the proposition to take a part of Corsor county and attach the same to Dewey failed.

\* \* \*

Aberdeen.—Postmaster J. F. Kelley's report to the supervising architect of the Treasury department at Washington on conditions relating to Aberdeen shows: Total assessed valuation of the real estate privately owned, land, \$4,484,770; improvements, \$5,191,730. The ratio of the assessed to the actual value of the property is as three to four. The actual value of all property not subject to assessment is \$2,000,000. The capital invested in manufacturing industries is \$455,000. The annual value of manufactures is \$1,503,000.

The resources and annual business of national and state banks, savings banks, building and loan associations, etc., is given as follows: Resources, \$4,565,912; annual business \$25,041,734.

The principal lines of business of the city are: Groceries, hardware, agricultural implements, beer, fruits, meats, eggs, poultry, glass, automobiles, etc.

\* \* \*

Alpena.—The city council has granted a franchise to an eastern company to construct and operate an electric light and power system in Alpena for a period of 20 years.

<b>FARM LOANS</b>	<p style="margin: 0;"><b>DEPENDABLE</b></p> <p style="margin: 0;"><b>5½ and 6%</b></p> <h2 style="margin: 0;">FIRST MORTGAGES</h2> <p style="margin: 5px 0 0 0; font-size: small;">War cannot affect the Stability of our Securities. <i>They are better than any bonds</i>, for the basis of all wealth is land. We have placed millions of dollars during a residence of <i>thirty years</i>, without loss of a penny, or foreclosure by any investor.</p> <p style="margin: 0; font-size: x-small;">We offer you <i>absolutely safe</i> loans, prompt remittances, our personal inspection of land, and knowledge of moral hazards, best of references from private investors and large savings banks who have long been our customers.</p> <p style="margin: 0; font-size: x-small;">Let us send you sample applications.</p> <p style="margin: 0;"><b>G. L. WOOD FARM MORTGAGE COMPANY</b></p> <p style="margin: 0; font-size: x-small;">MILBANK, SOUTH DAKOTA</p>	<b>FARM LOANS</b>
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**6%**  
**FARM**

**OUR MONTANA  
FIRST FARM MORTGAGES**

**7%**  
**CITY**

Are considered as safe as Government Bonds, because the Montana farmer produces more and better wheat, oats, barley and alfalfa per acre than any other section of the Northwest.  
\* The management of this Corporation has had twenty-five years' experience in the placing of funds for investors, without the loss of a dollar.

Write for our illustrated booklet and state map, which are free for the asking.

**THE BANKING CORPORATION OF MONTANA, Box E, Helena, Montana**  
*Paid Capital, \$500,000.00*

## MONTANA WOOL GROWERS IN CONFERENCE.

Helena.—“There is a bright future in store for the sheep-men of Montana and those now in the business will be wise to continue.”

This was the message brought to the members of the Montana Wool Growers association at their annual meeting last week by Senator T. J. Walsh and John D. Holliday, president of the National Wool Warehouse and Storage company. Senator Walsh appeared before the members as a fellow wool grower, while Mr. Holliday's purpose in addressing the meeting was to advocate a movement originated by his company which he believes will raise the standard of wool growing in Montana and other western states.

The plan as set forth by Mr. Holliday is that the wool growers of this and other states in the West have their wool graded and baled in the shearing pens instead of sacking it and sending it to eastern commission houses as at the present. His plan involves the holding of public auctions in this State where eastern manufacturers and wool buyers can be apprised of the quality of the wool and purchase it by wire. If there should be no demand for the product at the time the public sale is held the company agrees to take the wool to their Chicago house, where regular monthly auctions will be held.

Senator Walsh gave a short talk in which he stated that the problem of the wool grower was now individual rather than legislative, in that the wool business was removed from the field of politics except for the activities of the Government in lending assistance through the Department of Agriculture.

“Eventually Montana will be a big sheep growing country,” said Senator Walsh. “The mountains are the natural habitat of the sheep, and even though the lands are being cut up and provided with the irrigation ditches the sheep will still remain because of the natural climatic conditions which make for big results in the sheep industry. The conditions which make good prices this year, other than the European war, will continue for many years to come, and the man who is in the sheep business in Montana today will be wise to continue.”

The business session of the association was short. The present officers, C. H. Williams, president, and Dr. T. M. Hampton, vice president, were re-elected. The president was empowered to appoint an executive committee of three to advise with the officers on various matters concerning the association.

In connection with the celebration of Montana's twenty-fifth birthday last week, Philip S. Rush of Butte, state manager for R. G. Dun & Co., unearthed some extremely interesting statistics relative to the mercantile growth of the State.

These statistics show that in November, 1899, the names of only 2,905 merchants in the entire State of Montana were reported. Of these names the greatest percentage was in the western part of the State, being grouped around the larger cities, with Helena and Butte leading. Virginia City, Bozeman, Deer Lodge and others of the older towns contributed heavily, in fact, more heavily in proportion to the grand total than they do at this time, while Great Falls and Billings, which now have hundreds of merchants listed, showed comparatively few names in 1889. At present, November, 1914, the names of 10,363 merchants in Montana, or over 350 per cent. gain in 25 years, are reported.

The growth of merchants and mercantile houses is not confined to any one line of business, but is a general and healthy growth. Territorially speaking, Mr. Rush reports the largest growth in the extreme eastern part of the state, particularly in Sheridan, Dawson and Custer counties.

\* \* \*

At the next meeting of the Helena Commercial club the question of supporting Montana-made and Helena-made goods will be brought up for discussion, following a movement which has been inaugurated by the Great Northern railway. The movement has become nation-wide to support goods “Made by United States People.” The Billings Chamber of Commerce has already taken a definite stand in the movement and the Great Northern railway is co-operating with the Montana Manufacturers and Producers association.

The slogan of “Goods Made by United States People” was started by the Hill line, which made famous several years ago the slogan “See America First,” at the time that the Government was starting to make Glacier National park a national playground. The second slogan promises to be quite as effective as the first. The United States takes up the work in a national way. Each state and city in the Union is falling in line and it is expected that the Helena Commercial club will take a definite stand. There are several manufacturing concerns in Helena that the people perhaps are not sufficiently aware of and a campaign of education may be launched.

\* \* \*

With but 150 more signers needed to the petitions and with a number of enthusiastic business men determined that their efforts shall be successful, those who are favoring the adoption of the commission form of government in Helena met last week and organized a working committee which will start in earnest from now on and seek to make the campaign a success.

**FIRST MORTGAGE LOANS ON FARMS  
THE SAFEST INVESTMENT**

We offer mortgages purchased  
with **OUR OWN MONEY**

**6% Interest**

Write

**Bankers Loan and Mortgage Co.**

*Capital \$500,000*

**BILLINGS, MONTANA**

**6% Judith Basin, Mont. 6%  
FARM LOANS**

Backed by highly-improved farms in the most productive and reliable section of the agricultural West. Always ample moisture —always maximum crops. Steadily enhancing land values. We never loan to exceed 35 per cent. cash valuation of land. From \$1,000 upwards.

*Just the security for trust funds and investors who insist on absolute safety. Interest paid promptly on the day of maturity. No charge for collection.*

**AMERICAN LOAN & INVESTMENT CO.**

STILLWATER, MINN.

*Paid-up Capital \$100,000*

REFERENCES—First National Bank, Stillwater, Minn.  
Lumberman's National Bank, Stillwater, Minn.  
Bank of Fergus County, Lewistown, Montana

## SPOKANE BANK DEPOSITS DECREASE.

Spokane.—Deposits in Spokane banks at the close of business on October 31 showed a falling since the call of a year ago of approximately \$704,000.

Comparative figures on deposits for a year ago, at the time of the last call, and on October 31 follow:

October 31, 1914.....	\$30,754,187.22
September 12, 1914.....	31,014,860.20
October 21, 1913.....	31,458,852.18

Loans and discounts are about the same as a year ago, but slightly in advance of the figures at the last call, as the following summary shows:

October 31, 1914.....	\$20,435,223.92
September 12, 1914.....	19,825,983.52
October 31, 1913.....	20,501,256.76

\* \* \*

Every farmer in the Spokane country is receiving on an average \$1,600 for this year's cereal crop alone, according to the Spokane & Eastern Trust company in its monthly review of business conditions issued this week. When this is added to the income from cattle, hogs, hay, butter, cream, eggs and fruit the letter adds that it is easy to understand why the Inland Empire farming community is enjoying a year of prosperity probably unsurpassed in the United States. High grain prices, it is estimated, have brought in at least \$6,000,000 more than could be expected in normal years. This added profit alone is nearly \$300 for every farm in the territory. The letter says in part:

"With \$1 wheat now current over practically all of the Spokane territory many farmers, who have paid up their obligations, are holding for \$1.25. In the judgment of such capable grain men as R. J. Lord of the Centennial mills, Richard J. Stephens of Stephens, Smith & Co., Sherman C. Draper, representing M. H. Houser, and William N. Patulo, agent for Balfour, Guthrie & Co., 75 per cent. of the wheat has been sold and about 25 per cent. remains in the hands of the farmers. After allowing for the grain handled in July and August on early contracts they agree that this year's crop is selling on an average at 20 cents a bushel more than last year.

"R. D. Jarboe, state grain inspector, shows the grain received in public warehouses at every shipping point in the grain belt for the year ended June 30, 1914. The warehouse men are obliged by law to submit sworn statements

of their receipts. These figures show a total of 33,620,512 bushels of wheat received in warehouses, 4,149,571 bushels of oats and 4,475,440 bushels of barley.

"Mr. Jarboe adds 1,500,000 bushels for wheat ground by interior mills, so that the total surplus wheat production may be given as just about 35,000,000 bushels. This does not include, of course, grain fed at home or saved for seed. Estimating this at 3,000,000 bushels the gross production of wheat for Washington may be given as 38,000,000 bushels, and the grain men believe that this figure does not vary 3 per cent. from the facts. They say that the total wheat production for the fall of 1914 is practically identical with that of the previous years.

"Without speculating on further profits that may be made on wheat remaining unsold, and figuring that the farmers average 90 cents a bushel for surplus of 35,000,000 bushels to be marketed this year, their cash income from that source will be \$31,500,000.

"The oat crop at 38 cents a bushel adds \$1,575,000, and the barley crop at 48 cents a bushel adds \$2,150,000, in addition to the value of oats and barley fed direct on the farm and marketed in the form of live stock. These three cereals may be depended upon, therefore, to bring over \$35,000,000 cash to the farmers this year."

\* \* \*

Word has been received by Spokane banks of the consolidation of the Ephrata State bank and the Grant County bank, both of Ephrata, Wash., in Grant county. The latter has taken over all the business of the former in the new arrangements. O. A. Kuck, president and O. B. Snead, cashier of the Ephrata State bank, drop out in the new alignment, E. C. Davis continuing as president of the Grant County bank, under which name the two institutions will operate. J. D. Bassett of Spokane is vice president of the new institution. Both were represented locally by the Old National bank.

\* \* \*

Ralph P. Kaufman, cashier of the Union Bank & Trust company of Helena, Mont., has been visiting in the city for several days, renewing old acquaintances. Mr. Kaufman is a former Spokane resident and his father at one time was a director of the Exchange National bank.

## PORTLAND BANKS REPORTS LESS DEPOSITS.

Portland, Ore.—Deposits in the leading Portland banks, as shown by reports made in response to the call of the Comptroller as at close of business on October 31, show a slight falling off as compared with the previous call on September 12, 1914. The report of deposits is as follows:

	October 31, 1914.	September 12, 1914.
First National .....	\$17,342,856	\$18,109,197
Ladd & Tilton .....	12,923,456	13,154,439
United States National.....	8,879,900	8,780,372
Lumbermens National.....	5,004,922	5,212,337
Merchants National.....	3,798,684	3,886,222
Bank of California.....	4,889,333	4,742,257
Northwestern National.....	3,450,153	3,092,986
Canadian Bank of Commerce.....	3,539,552	3,648,025
Hibernia Savings.....	2,734,728	2,824,046
Scandinavian-American.....	1,716,471	1,717,187
Portland Trust & Savings.....	1,297,124	1,278,667
Security Savings & Trust.....	665,834	.....
Geo. Bates & Co.....	662,453	700,634
Citizens bank.....	628,462	673,887
Hartman & Thompson.....	355,838	379,506
East Side bank.....	319,323	366,639
Bank of Kenton.....	176,678	158,807
Ashley & Rumelin.....	152,112	179,254
Bank of Sellwood.....	193,479	196,998
Montavilla Savings bank.....	63,131	67,181
Total .....	\$68,794,492	\$69,112,629

Portland exports for the month of October exceeded every preceding record for a like period, the aggregate being valued at \$2,179,000. This is nearly \$500,000 in excess of the value of goods shipped in October, 1913. The bulk of wheat sent abroad was greater by more than 400,000 bushels than for the corresponding month last year. Hops valued at \$42,207 were shipped to Europe for the first time in a tramp steamer, which also carried wheat, flour, barley and oats.

\* \* \*

After long and vexatious delays the first block of Multnomah county interstate bridge bonds have been sold within the last few days. Bonds having a face value of \$250,000 sold for \$253,375, a net premium of \$3,375, the bonds having been disposed of in a single block to the Harris Trust & Savings bank of Chicago.

*Interest Paid on Time Deposits*

## DALY BANK & TRUST CO.

of BUTTE, Butte Montana

(ESTABLISHED 1882) *Capital and Surplus \$400,000 00*

Charles J. Kelly, President    C. C. Swinborne,    R. A. Kunkel, Ass't Cashier  
John D. Ryan, Vice Pres't    Cashier    R. W. Place, Ass't Cashier

Transacts a general banking business; issues letters of credit and drafts payable in the United States and Foreign Countries.

We aim to extend to our customers every accommodation consistent with conservative banking.

*We respectfully solicit your business*



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**The Old National Bank**

OF SPOKANE

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J. A. YEOMANS, Cashier  
W. J. SMITHSON    G. H. GREENWOOD    J. W. BRADLEY  
Assistant Cashiers

# The Canadian Bank of Commerce

**Paid-up Capital**  
**\$15,000,000**

**HEAD OFFICE, TORONTO**  
Established 1867

**Rest**  
**\$13,500,000**

SIR EDMUND WALKER, C. V. O. L. L. D. D. C. L., President    ALEXANDER LAIRD, General Manager    JOHN AIRD, Ass't Gen'l Manager  
V. C. BROWN, Superintendent of Central Western Branches, Winnipeg    C. W. ROWLEY, Manager, Winnipeg Branch

**BRANCHES THROUGHOUT CANADA, IN THE UNITED STATES, MEXICO AND ENGLAND**

*Including the following in Western Canada:*

**ALBERTA**—Athabasca Landing, Bassano, Bawlf, Calgary (4 offices), Carmangay, Claresholm, Champion, Coleman, Crossfield, Edmonton, Gleichen, Gratum, Grouard, Hanna, Hardisty, High River, Innisfail, Innisfree, Kitscoty, Lake Saskatchewan, Lethbridge, Lougheed, Macleod, Medicine Hat, Milk River, Mirror, Monarch, Nanton, New Dayton, Olds, Pincher Creek, Ponoka, Provost, Red Deer, Retlaw, Stavelly, Stony Plain, Strathcona, Strathmore, Taber, Tilley, Vegreville, Vermillion, Vulcan, Warner, Wetaskiwin, Youngstown.

**MANITOBA**—Brandon, Carman, Dauphin, Elgin, Elkhorn, Gilbert Plains, Grandview, LePas, Neepawa, Portage la Prairie, Rivers, Swan River, Transcona, Treherne, Virden, Winnipeg (8 offices).

**SASKATCHEWAN**—Bengough, Biggar, Blaine Lake, Briercrest, Broderick, Canora, Cudworth, Delisle, Drinkwater, Edam, Elbow, Elfros, Hawarden, Herbert, Humboldt, Kamsack, Kerrobert, Kindersley, Laird, Langham, Lanigan, Lashburn, Lewvan, Lloydminster, Marcelin, Melfort, Melville, Milestone, Moose Jaw, Moosomin, Morse, Nokomis, N. Battleford, Nutana, Outlook, Prince Albert, Radisson, Radville, Regina, Saskatoon (2 offices), Shellbrook, Swift Current, Tugaska, Vonda, Wadena, Watrous, Watson, Weyburn, Wilcox, Willow Bunch, Yellowgrass, Yorkton.

**A general banking business is transacted. A savings bank department is open at all the branches named above.**

## WESTERN CANADA BUSINESS OUTLOOK IMPROVES.

Winnipeg.—There is undoubtedly a better tone in the general business situation in Winnipeg and most other western centers. The complaining and whining of a few weeks ago is not nearly so much in evidence now. The first impressions after the declaration of war were that business would be ruined, and that the transition from the financial stringency of summer to the situation accompanying the war would be like jumping from the frying pan into the fire. It so happens, however, that, while the trade of some countries directly concerned is suffering, that of Canada is in many respects benefiting.

Enough has been said regarding the stimulating effect higher grain and produce prices are having upon business. Since the crop yield in many parts was considerably poorer than a year ago, conditions would have been much worse if war had not been declared. A comparatively small crop would have no doubt sold at rather low prices on account of the large output in the United States. The situation now is that a grain yield much less than last year is worth fully as much money if not more than a year ago. This is one respect in which the country gains from the troubles of others, unfortunate as it may be to our fellowmen in other lands.

Then again, recent reports from the East show that many of the factories of the Dominion which had previously been working only part time, and that with reduced staffs, are now busy on war orders for the British and Canadian Governments; they are thus not only enabled to keep their regular employees at work, but they can take on many extra hands from the unemployed. Still another source from which the people of western Canada benefit is the cheaper prices of various commodities, the export of which from this continent is retarded by the war. Among the latter may be mentioned particularly the different kinds of green and dried fruits brought from eastern Canada and the United States. Of course, to offset this advantage, we have the enhanced values of many kinds of merchandise usually imported from the countries of our enemies, as well as lines imported from Britain and her allies, prices of the latter goods being affected by the decreased production.

Summing up all things concerned, however, there is no doubt that western Canada is faring quite well, and the outlook, too, is favorable. Business men in almost every branch of industry are taking great hope from the assurance of a very large increase in the crop area in these provinces next year, and the chances that average growing conditions next summer will result in a much greater grain output than ever before. If the war continues for another season, the grain of 1915 will sell at even higher prices than this fall. This is an inducement to manufacturers, wholesalers and retail merchants to prepare for bigger business in the months to come.

\* \* \*

Travelers on the road in western Canada are sending in very cheering reports concerning the situation throughout the country, and the optimistic tone they meet with

almost everywhere. While the immediate movement of certain kinds of merchandise is naturally a little quiet, conditions generally are satisfactory, and prospects are very encouraging.

While the inflow of outside capital to western Canada has not increased noticeably, there are some respects in which the situation is better than previously. It is said that the farm implement houses are greatly pleased with the way in which money has been coming in to them.

As far as the loaning business is concerned, there is hardly anything new. There is very little capital reaching western Canada from British sources for investment purposes, but it is expected that considerable amounts from collections of interest and principal will be available for re-investment. Leading financial men in the West state that the situation in this respect will show up more clearly in the coming weeks. A little money is being invested in mortgages right along, but loans on buildings are down to a minimum. Managers of the large companies frankly admit that they do not expect any great improvement in the investment field before the war is over.

\* \* \*

The monthly crop report of the census and statistics office of the Dominion Department of Agriculture deals with the area, yield and value of potato, root and fodder crops during the past season, with the area and condition of fall wheat sown for next year's crop and with the progress of fall ploughing and summer fallowing.

Root and fodder crops in Canada, consisting of potatoes, turnips, etc., hay, clover, alfalfa, fodder corn and sugar beets, occupied this year a total area of 9,070,700 acres, compared with 9,243,000 acres in 1913. Estimated values, \$226,668,000 compared with \$197,988,000 in 1913. Potatoes yielded 85,672,000 bushels from 475,900 acres showing the excellent average yield per acre of 180 bushels, the best since 1908, except in 1909, when the average was 193 bushels. At an average price of 49 cents per bushel, the same as last year, the total value of the potato crop is \$41,598,000, against \$38,418,000 in 1913.

As usual, estimates of the acreage sown to fall wheat this year for the crop of 1915, were collected from correspondents at the end of October. The compilation of the results shows an area estimated in the five fall wheat provinces of 1,294,000 acres, compared with the area sown in 1913 of 1,184,800 acres, and the area harvested this year of 973,300 acres. The acreage sown for 1915 represents a net increase over that sown for 1914 of 9.2 per cent.

In the three North-west provinces, the area sown to fall wheat has again decreased in continuation of a decline attributed to consecutive discouraging seasons for this crop. Alberta, however, is the only western province where fall wheat is largely grown and the area estimated to be sown is 230,000 acres compared with 262,000 acres last year. In British Columbia there is an increase from 5,500 to 6,000 acres, or 10 per cent. The condition of the fall wheat crop on October 31, is reported for the five provinces as 96.5 per cent. of the standard which upon the assumption that

average conditions prevail between now and next year's harvest, indicates a yield per acre of about 1.5 per cent. above the average of the past four years, 1910-13.

In Manitoba the condition on October 31 was 82, Ontario 99, Saskatchewan 60, Alberta 92, British Columbia 56 per cent. of the standard.

The early harvest and favorable conditions for threshing in the western provinces enabled farmers to make excellent progress with fall plowing on land intended for sowing in the spring. Measured in percentage of the total land intended for next year's crop it is estimated that in Manitoba 92, in Saskatchewan 77, and in Alberta 56 per cent. of fall plowing was completed by October 31. These figures compare very favorably with the two previous seasons, when the highest percentage was not more than 58 in Manitoba (1913), and the lowest only in Saskatchewan and Alberta at 24 (1912).

The practice of summer fallowing in the West shows further progress, an increase of about 6 per cent. being reported in Manitoba and of 3 per cent. in Saskatchewan, as compared with last year. Alberta, however, shows a decline of about 5 per cent. All the other provinces show a smaller percentage devoted to summer fallowing, resulting in a net decline for the Dominion of about 1.5 per cent.

\* \* \*

At the meeting of the Canadian council of agriculture held here it was decided to publish a booklet of outlines of studies for the branches of the three provinces. At a meeting of the Manitoba section a letter was read from the Winnipeg Grain exchange, stating that that body refused to lower the rates of commission on barley and oats. The meeting decided to apply to the Canada grain commission to fix in the grain act a clause placing the commission rates as follows: For exchanges from Port Arthur west: 1 cent for wheat and flax;  $\frac{1}{2}$  cent for oats and  $\frac{3}{4}$  cents for barley.

\* \* \*

The annual Grain Growers convention will be held January 13, 14 and 15 in Brandon. Amendments to the constitution will come up on January 14, fixing the number of directors so as to conform with the number of rural, Federal constituencies. It will also be proposed that farmers' wives and daughters be admitted to the ranks.

\* \* \*

Another satisfactory year for the Western Canada Investment company terminated on June 30, and at the meeting held at the end of last month in London a total dividend of 7 per cent. for the year was declared, as against 6 per cent. in the previous year.

\* \* \*

Vancouver, B. C.—William Murray, manager of the Vancouver branch of the Canadian Bank of Commerce, died last week.

Mr. Murray was born in Scotland, and was about 60 years of age. He lived for a number of years in San Francisco, before coming to Vancouver.

\* \* \*

Lethbridge, Alta.—According to figures prepared by the provincial department of agriculture, the value of farm products of Alberta will exceed \$65,000,000 this year, as against \$58,000,000 in 1913.

#### SAYS FARMERS HAVE MONEY.

"All lines of business seem to be thriving in southeastern South Dakota," Thomas Thorson, president of the First National bank of Canton, S. D., and Republican national committeeman, who is in Minneapolis, said.

"Southeastern South Dakota long ago gave up the exclusive raising of wheat. Corn is our staple, and alfalfa and other forage crops are gaining a foothold. Our corn crop was a big one and every ear matured. Prices at the Canton station run from 54 to 57 cents a bushel, cash. All the farmers have corn to sell or are feeding large quantities of cattle and hogs, which will go on the market a little later. Dairying has made rapid strides and creameries are in operation at nearly all the principal towns. Cattle and hog herds are numerous.

"In consequence the farmers have money and are spending it freely for the necessities. Times are generally good."

#### MORE ACTIVITY IN STEEL.

New York.—Operations of the steel mills throughout the country show a fair increase over last week. At one time production was running at the rate of less than 40 per cent. of capacity. According to one steel man it is now between 40 per cent. and 45 per cent. Some mills have closed, but mill resummptions have more than offset the shutdowns.

A good demand for pig iron has set in, and there is talk of an advance in the price. Small structural steel orders continue on the increase, and the export demand is better than it was earlier in the month. A feature of the market, which is regarded as encouraging, is the demand for miscellaneous steel products.

The increase in the demand for steel has been brought about without any assistance from the railroads. Buying from this source continues very small.

#### KRUPP COMPANY TO INCREASE CAPITAL.

Berlin.—The capital of the Krupp company, which manufactures Germany's big guns and other war material, is to be increased from 70,000,000 to 250,000,000 marks, according to proposals of the directors, which were submitted to a general meeting of the company at Essen.

The increase is justified, it was stated, by the demands of war and by earlier enlargements of the works, purchases of coal fields and so forth, which locked up considerable capital. The new stock issue will as usual be taken by the Krupp family. A part of the new capital will be paid in on December 31.

The directors proposed a dividend of 12 per cent. as against the 14 declared in the previous year. The directors also signed 3,000,000 marks towards the relief of the families of soldier employees, 2,000,000 to the employees' furlough fund and 1,000,000 to the pension fund.

#### MORE OPTIMISM PREVAILS IN COPPER TRADE CIRCLES.

New York.—In the copper trade there is a more optimistic feeling, due to buying last week, which was accompanied by an advance of  $\frac{5}{8}$  cent in the prices of electrolytic. It is estimated by one producer that between 30,000,000 and 40,000,000 pounds of copper have been sold, most of it for export. England was a heavy buyer. Incidentally, there now appears to be little danger of a corner in American copper. The advance in the price was one thing that forestalled the reported intentions of British copper agents from purchasing large tonnages of the metal at prices close to cost.

#### "GREENEST SPOT ON GLOBE."

"The Northwest is the greenest spot on the globe," F. J. Hopkins of Janney, Semple, Hill & Co., said last week, speaking before the Minneapolis Association of Credit Men at its monthly meeting at the Hotel Radisson. Business is normal, Mr. Hopkins said, and the people of the Northwest are better off because of the European war.

#### NEW NORTHWESTERN PATENTS.

The following patents were issued this week to Minnesota and Dakota inventors, as reported by Williamson & Merchant, patent attorneys, 925-935 Metropolitan Life building, Minneapolis:

M. E. Bell, Minneapolis, Minn., vacuum unit valve; E. H. Buckley, Caledonia, Minn., clutch; W. W. Buhse, Minneapolis, Minn., candy wrapping machine; P. M. Casady, Minneapolis, Minn., pressure gage; C. C. Gamm et al., Minneapolis, Minn., vehicle spring; F. F. Gotthall, St. Paul, Minn., draw bar protector; Ole Gradberg, Dunnell, Minn., bridle; D. L. Keck, Brookings, S. D., cultivator; John Zohner, Lewiston, Minn., air spring and shock absorber; John Kohner, Lewiston, Minn., acetylene gas generator; H. Lather, Huron, S. D., apparatus for engines; D. A. McCoy, Miller, S. D., fire escape; H. E. Molkenbur, St. Paul, Minn., package fastener; M. J. C. Nyborg, Minneapolis, Minn., liquid soap dispenser; G. C. Peterson et al., Stickney, S. D., weeder attachment; B. H. Pickett, Binford, N. D., belt guide and throwing device; F. J. Schisler, Winthrow, Minn., insulator; A. E. Schnose, Dell Rapids, S. D., apparatus for stretching wire fences; C. T. Schroyer, Chester, S. D., anti-rattler for doors; T. H. Sorlein, Minneapolis, Minn., coiling bed; C. C. Spenst, Munich, N. D., grain treating machine; W. Teg, Lake Park, Minn., dustless ash sifter; C. Teske, Wildrose, N. D., spectacle frame; E. Vaith, Brocket, N. D., pole tip; L. H. Wilson, Ihlen, Minn., reserve tank for liquid containers; W. W. Woodruff, Minneapolis, Minn., bottle stopper.

## Business Want Department

A medium for the sale of Stocks and Bonds, Real Estate, Farm Lands, Stocks of Merchandise; for the man who wants a Bank Position, or a Location for a Bank, Investment or other Business.

Rates for advertisements in this department are 2 cents per word each insertion. Words displayed in capitals, four cents per word. Initials, name, address, location and abbreviations count as one word each. Copy paragraphed, fourteen cents per line. **CASH OR TWO-CENT STAMPS MUST ACCOMPANY ALL ORDERS.** All answers to advertisements under key numbers must be accompanied by two-cent stamp. Address Commercial West Company, Minneapolis, Minn.

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### SITUATION WANTED.

Fully experienced man wants position North Dakota or Montana bank; has notary commission North Dakota. Address "N53," Commercial West. (81-21)

Young man, single, wants position in Montana or Idaho bank; experienced as stenographer, bookkeeper and teller; held position as assistant cashier for two years; well acquainted with country banking, and a live wire; good references. Address "T38," Commercial West. (81-23)

Wanted—Position as cashier or assistant cashier of country bank; am 27 years old and single; have had four year's general banking experience; position desired to be permanent, in Minnesota, Iowa or Dakotas; understand some German and Bohemian; best of references; can invest later. Address "S56," Commercial West. (81-21)

## U. S. CAN REPLACE IMPORTED ARSENIC.

The consumption of white arsenic in the United States in 1913 amounted to about 7,200 tons, valued at \$570,000, of which 2,513 tons, valued at \$159,236, was produced in this country as a by-product from copper and precious-metal smelters, and the remainder was imported largely from European countries. For the present imports of arsenic will probably be seriously diminished by the European war. The American smelters can save much more arsenic than they do now, for the cheapness of the product has prevented the saving of all that was practicable, and the war would seem to open the way for an increase in the American output.

Works for the exclusive production of arsenic have been erected at only two places in the United States—Brinton, Va., and Mineral, Wash. It is difficult for such plants to produce arsenic to be sold in competition with the by-product of the smelters except in periods of high prices, such as may again prevail if the war and its industrial disturbances are long continued.

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## NORTHWESTERN

AND



## HIDE FUR COMPANY

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1890

## MINNEAPOLIS

### NEW FLOUR MILL IN OPERATION.

The new flour mill of 1,000 barrels daily capacity which was erected during the summer on Milwaukee road trackage at Thirty-fifth street south and Hiawatha avenue is now operating at part capacity with a crew of 30 men. It will increase its production and gradually work into full daily capacity as the new machinery gets into form. The Yerxa, Andrews & Thurston mill, of which James C. Andrews, formerly general manager of the Pillsbury Flour Mills company, will be the head, is the name of the new addition to the milling industry of Minneapolis. The elevator that was built adjoining the mill for the purpose of carrying the grain will be known as the Nokomis elevator. The mill will grind durum wheat and will do an export business in durum flour. The new mill is the third plant to be erected in Minneapolis outside the older east side or west side milling districts. It will use steam power throughout.

### SEASON FOR ORE IS NEAR CLOSE.

Duluth.—If the weather remains favorable, the ore-shipment season from the Head of the Lakes will not wholly cease until November 25, but the three largest docks will have closed before that. The Missabe docks shut down last Monday night and by Saturday night or Monday night at the latest, it is expected that the Duluth & Iron Range docks at Two Harbors will have closed for the year. The same is true of the Great Northern docks at Allouez bay.

### GOLD IN ENGLAND IS BEING HOARDED.

London.—Gold is being hoarded in England at such a rate as to cause much discussion. About £30,000,000 sterling (\$150,000,000) has been received in gold by England from other countries in the last three months. Moreover Treasury notes have been put in circulation to the

amount of £30,250,000 in addition to £5,000,000 in Bank of England notes. Nevertheless, the increase in holdings of the Bank of England has amounted to no more than the gold actually received from abroad. This proves conclusively, it is said, that there is generally hoarding of gold.

### A SELF-RELIANT BISHOP.

That Bishop Warren A. Candler, chancellor of the new Methodist university at Atlanta, is no spineless individual, with his wishbone where his backbone ought to be, is evident from the way he spoke in a sermon in a Washington, D. C., church, in referring to the moral aspects of the cotton situation. He is quoted as saying:

"I have no sympathy with people who look to the Government to furnish them with a square meal every time they are forced to do without their breakfast. I do not believe it is the province of the Government to act as a great lunch counter, and before I would trample the constitution under foot to have the Government undertake paternalistic schemes for the material benefit of a portion of the people, I would starve."

### MILWAUKEE TO ELECTRIFY LINES IN ROCKY MOUNTAINS.

Chicago.—Here's some more cheering news along the line of renewed prosperity: The Chicago, Milwaukee & St. Paul railroad will spend \$13,000,000 within the next four years in electrification work in its Rocky Mountain district. The details of the plans were made public this week by C. A. Goodnow, assistant to the president, in charge of construction, following the signing of a contract involving the preliminary expenditure of more than \$2,000,000.





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# GRAIN & MILLING

## THE WHEAT AND MILLING SITUATION.

Commercial West Office, Minneapolis, November 18.—If the wheat market has accomplished nothing else in the last week than to reduce the bull ranks, it at least has done that, and done it well. Ten days ago there wasn't a bear in this market; today sentiment is almost an even split. There is a reason. The trade has had a taste of the adverse effects of peace in Europe, and the lesson of sufficient uncertainty in the future situation to warrant conservatism has been brought home most effectively. To come to facts, the trade has tried hard to arrive somewhere somehow, but contradictory action has put it nowhere. It is there now. The bullish influences of enormous exportations and the bearish effects of phenomenal receipts appear to have been expended, and the market is left to the tender mercies of the professional. There is just the chance that the supporting influences of export demand can be maintained until well into December, when substitutes will be plentiful in the shape of crop retrogradation here and elsewhere to counteract the ordinary effects of accumulation and the recurrent rumors of peace negotiations. One thing, however, remains certain—the legitimate influences of war are no longer the predominating factors in the wheat pit. Something fresh, possibly novel, is needed to stimulate the action of the market, and bring speculative operations out of the rut into which they have fallen. Looking back over the wheat transactions of the last week, we see feverishness and unsettlement, with prices fluctuating in a decidedly erratic fashion, small advances and declines following in rapid succession, but the average level slightly off, attributed largely to feeble support and increased pressure to sell. It is also seen that large quantities of long wheat have been dislodged and fresh short lines put out by the leaders. Speculative interest has been decidedly apathetic. The lessening of the difference between the December and May indicated a strong cash situation and an easing off in money. Looking ahead, we see a dragging market temporarily, but believe the general situation is strong and will assert itself eventually.

### Argentina and the Movement Here.

Two factors of unquestioned importance loom large in the eyes of the trade. They are the Argentine production and the supply of wheat remaining on the farms in the United States. Harvesting of wheat in the northern part of Argentina will begin early next week, and its importance as an event will be chronicled in the history of the wheat market as it never has been in the years before. Argentina has a good-sized surplus. How this surplus will be distributed remains to be solved. Berlin and Antwerp are closed, but Australia will need some of it. But—and this is where it hurts—with attractive prices in the United States it is just as liable, in fact, more than likely, to come this way. Latest reports from that country have been monotonously favorable, but it is hardly to be expected that the period of maturity and assemblage will pass without the circulation of damaged reports. All precedents would surely be shattered if such came to pass.

Now for the wheat movement. Many of the best informed people in the trade anticipate lighter receipts from now on. On this conviction the bulls are clinging to their theory of higher prices. Not a few say that wheat is not in the country, not only in the Northwest but in the Southwest as well. An estimate that 75 per cent. of the winter wheat crop has been moved is granted as true. A climax in the accumulation is also believed to have been reached this week. Greater export clearances, as a result of the large amount of tonnage arriving at the gulf and seaboard, are also pointed out. It stands to reason that faster clearances will make liberal inroads on our visible supply.

### Winter Wheat Gets Good Start.

In Europe the political outlook is pretty well as black as it can be painted, and, taking Broomhall's view of the situation, until there are some certain signs of a speedy termination of hostilities between the great powers, we must expect wheat to be firmly held, for there is no more valuable property in a time of war. Too, war and high prices are synonymous. The seed time in the northern hemisphere is going fast, so that the prospect of a normal cereal crop being raised next season is steadily becoming worse, and in the meantime the waste and destruction of the present wheat crop over a large area in Europe are proceeding apace. From our own wheat belt the reports are favorable. According to a special report on the condition of the growth in Oklahoma and Kansas the wheat crop is in fine shape. The plant has shown a vigorous growth during the last few weeks, but there are now numerous complaints of lack of moisture. However, it is said that with good rains over these states the plant will be in a better condition than it was a year ago. Some wheat is still being seeded.

### Week in Futures.

A week ago today December wheat closed in Minneapolis at \$1.13¼@¾, and May at \$1.19¼. The market ruled extremely erratic on Thursday. A sharp break followed on early showing of strength, which was followed again by a reaction late in the session and the market went up a full cent above Wednesday's close. The market looked in a good way toward improvement. Moderate northwestern receipts resulted in an unchanged opening on Friday. Foreign cables and advices were less bullish, however, and the market lacked snap. Later in the day it was rumored that Austria was asking peace terms and prices broke sharply. After a decline of 1½c, the close was at 1c lower. The market seemed to be in a rut, with traders on both sides inclined to go slow. Sentiment was quite bearish at the opening on Saturday as a result of Friday's weakness. Brokers with buying orders found it easy enough to supply their wants. There was some liquidation of long wheat by discouraged holders, but little hedging by the elevator concerns. A decline followed shortly after the opening, but offerings became scarce and prices were marked up ¾c during the subsequent heavy short covering. Another break followed the advance. And still another reaction. Firmness developed before the close, which was slightly over that of the day before. There was no feature in evidence at the start on Monday and the tone ruled steady throughout the first part of the session. Both in Minneapolis and Chicago the December ruled relatively stronger than the May. There was little of the December offered in the pit, and still less to be had. It was believed that many of the elevator companies had changed over most of their hedges from the December to the May. Liverpool was unchanged. Rumors of heavy export business were numerous, but confirmation lacking, and so, with a surprisingly large visible supply, prices commenced to take to the toboggan and a fair break from the high point of the day resulted. Liverpool was ½d higher at the opening on Tuesday. This caused a firm opening. However, with more selling orders in the pit than buying, prices receded under the pressure. The selling was mostly by brokers who traded for elevator companies and country mills. Toward noon, interest shown in the Chicago market, giving that market support on the dips, fairly ran the shorts in and prices went up 1½c from the low point. Trade was slow again today. There was a show of firmness at the start, but extreme dullness caused a sagging tendency. Liverpool was ½d higher. Later prices firmed up, with Chicago leading the advance.

The close was at \$1.14½ for the December and \$1.19½@¾ for the May, a gain of about ⅞ cent.

**Is the Wheat in the Country?**

The inevitable has happened—cold weather has at last set in in the Northwest. But it would be hard to say at this time whether the farmers will move their wheat more freely from now on. Certainly, the last week has seen some falling off in the primary receipts. Managers of line elevator companies have gone so far as to suggest that the bulk of the movement is over; that the wheat is not in the country. This remains to be seen, however. The choicest of the offerings in the market have found an excellent demand in the last week, with prices steadily hardening until yesterday, when the cash market took on a general groggy appearance, and since then there has been nothing exceptional in the demand for any grade. The basis today is from 2½@3½ over the December for good No. 1 northern bluestem. Cars with transit privileges have brought as high as 4c and over. Choice No. 2 northern bluestem is selling between 1c and 1½c over the December. Low grades have had a slow week in Duluth.

**Flour Trade Outlook Unimproved.**

Apathy and dullness were again the salient features of the flour trade. Domestic demand continues at the minimum, with the outlook anything but bright. Most of the buyers have been indifferent, even on the breaks, and trade in the aggregate disgustingly disappointing to the millers. Once or twice, not more than that, business showed some signs of activity, but it proved more imaginary than real, and no real amount of flour was worked at any time. Shipping directions were entirely unsatisfactory. A little export business was accomplished with British and Scandinavian buyers. It is altogether probable that shipments will fall off after December 1.

**New Corn Sound and Dry.**

Cold weather served to make farmers more willing to sell corn, and the local market has been somewhat swamped with offerings as a result. The feature in the market has been the quality of the new corn arriving. No one in the trade seems to remember when new corn came out so sound and dry as it is now. The moisture content, so much of a drawback in early marketing in former years, is lacking, with the result that but little drying is necessary to bring it into the commercial channel. The pressure of heavy receipts has been felt. Prices have worked lower. The demand has been comparatively slow and some concessions have had to be made to loosen up the lower qualities. The export demand for corn has not helped the market. Radically lower prices are to be expected until some letup in the marketing is in evidence; and this, it is said, will not materialize until country bankers lose some of their conservatism. These controllers of loanable funds seem to be working on the theory that heavy marketing of this cereal is the best thing for the country; that only materially lower prices will entice foreigners. They cannot appreciate that foreigners are buying the stuff irrespective of price, or even quality.

**Receipts Obstacle to Oats Advance.**

There apparently has been but one obstacle to higher prices for oats, and it is quite similar to that which has prevented price appreciation in corn; namely, heavy receipts. This is the full season for oats, but even at that, prices have held up remarkably well, not until the start of the week showing an easing off in values. Demand could not be called good either—as a matter of fact it has been draggy. Shippers were not very keen after stuff, and grinders and elevator companies conspicuously showed

preference for the heaviest and best colored oats. Local elevator stocks are heavy.

**Flaxseed Storage at Premium.**

Well-filled private storage tanks checked the ardor of the crushers in their readiness to buy all the seed they could get their hands on during the last week. Neither was it possible to rent elevator space for storing what surplus they might be willing to take. Tracks at the crushing mills are badly congested. Offerings to arrive were moderate and in more active demand than spot offerings. Prices are much higher on the week, with cash trading on December basis, due to the erratic action of the November. No. 1 seed is bringing 1½c over to 1½c under the Duluth December price.

The Paint, Oil & Drug Review had the following to say of the situation:

"The time is rapidly approaching when navigation in the Great Lakes will close, and there remains little more than three weeks to make shipments by lake. This means that eastern crushers will have to make heavy shipments within the next two or three weeks or pay the additional cost of transportation by rail.

"It is said oil should be advanced about 8c per gallon to equal the advance which has been made in seed, but such is not the case. The receipts of flaxseed at Duluth and Minneapolis for the current crop, amount to about two-thirds as much as for the same period last year. At Winnipeg the receipts have been only about one-third what they were a year ago."

**Elevators Crowded.**

Demand for barley, especially the malting, has been good, but lack of space in elevators continued to be a feature this week. Buyers were inclined to pick up the best offerings to store in the limited remaining space. In consequence, the thin and undesirable barley was slow at any price. Receipts were liberal. Shipments have also been heavy, as the handlers wanted to get as much over the lakes as possible before the close of navigation.

The rye market was strong at all times, with the demand nothing short of excellent. The milling demand was steady and several round lots were disposed of to the export trade for immediate shipment. Spot offerings were moderate and to arrive very light. No. 2 ranges around \$1 and \$1.01.

**MINNEAPOLIS FLOUR SHIPMENTS.**

	Nov. 14.	Prev. wk.	Year ago.
Monday	63,976	57,738	64,486
Tuesday	66,001	Holiday	102,230
Wednesday	51,929	122,760	66,068
Thursday	65,361	62,972	68,935
Friday	64,399	69,683	62,476
Saturday	71,295	61,855	74,119
Total	382,961	375,008	438,314
Shipments two weeks ago			321,332

**GRAIN IN MINNEAPOLIS ELEVATORS.**

	—Week Ended—		
	Nov. 13, 1914.	Nov. 6, 1914.	Nov. 14, 1913.
Wheat—			
No. 1 hard	218,899	225,779	1,936,174
No. 1 northern	4,273,932	4,222,220	9,400,692
No. 2 northern	4,209,389	3,954,211	2,046,064
Other grades	6,727,658	6,838,472	1,867,532
Total stocks	15,429,878	15,240,682	15,250,462
Increase	189,196	585,222	475,401
Corn	11,587	8,340	12,775
Oats	4,322,444	4,135,334	3,421,232
Barley	765,287	849,581	1,248,415
Rye	173,159	201,692	705,435
Flax	260,025	221,187	117,955

**At Duluth.**

Total Duluth elevator stocks, compared with a year ago, follow:			
		1914.	1913.
Wheat—			
No. 1 hard		119,058	2,474,844
No. 1 northern		3,447,213	6,632,972
No. 2 northern		2,732,445	1,018,356
No. 3 spring		527,866	30,098
No. 4 spring		219,533	1,500
Rejected		10,033	11,494
No grade		49,169	1,128
Western			123
Winter		791,477	238,107
Special bin		3,049,102	559,711
Durum		1,221,753	1,825,657
Bonded		109,752	242,362
Total wheat		12,277,401	13,036,263
Oats, domestic		2,119,603	1,100,363
Oats, bonded		25,813	1,332,878
Barley, domestic		927,012	1,954,376
Barley, bonded		30,300	329,850
Rye, domestic		254,536	388,426
Flax, domestic		1,933,022	2,079,239
Flax, bonded		28,554	107,199
Total of all grains		17,596,241	20,328,594

**The Albert Dickinson Co.**

DEALERS IN

**FLAX SEED**

GRASS SEEDS, CLOVERS, BIRD SEED,  
BUCK-WHEAT, ENSILAGE CORN, POP-CORN,  
BEANS, PEAS, GRAIN BAGS, ETC.

MINNEAPOLIS OFFICE,  
109 Chamber of Commerce

CHICAGO

**At Chicago.**

Public and private Chicago elevator stocks of wheat increased 1,015,000 bushels during the past week; corn increased 84,000 and oats decreased 455,000. Comparative totals follow:

	Nov. 14.	Prev. wk.	Year ago.
Wheat .....	6,917,000	5,902,000	8,551,000
Corn .....	599,000	515,000	1,609,000
Oats .....	12,332,000	12,787,000	14,269,000

**U. S. VISIBLE.**

The United States visible supply of wheat increased 5,535,000 bushels during the last week, corn decreased 127,000 and oats decreased 949,000. Comparative totals follow:

	Nov. 14.	Prev. wk.	Year ago.
Wheat .....	73,482,000	67,947,000	59,947,000
Corn .....	2,774,000	2,901,000	3,524,000
Oats .....	32,103,000	33,052,000	31,136,000

**World's Visible.**

Changes in the world's visible supply during the past week and the totals compared with a year ago follow:

	Nov. 14.	Year ago.
Wheat, east of Rockies .....	5,570,000	4,564,000
West of Rockies .....	514,000	25,000
Canada .....	*647,000	1,838,000
United States and Canada .....	5,637,000	6,427,000
Europe and afloat .....	3,300,000	3,100,000
World's wheat stocks .....	8,937,000	9,527,000
Corn .....	*231,000	*1,287,000
Oats .....	*1,089,000	777,000

Total Stocks—	Today.	Year ago.
Wheat .....	193,547,000	205,144,000
Corn .....	3,361,000	4,960,000
Oats .....	42,290,000	46,382,000

**Canadian Visible.**

The Canadian visible supply of wheat increased 12,000 bushels during the past week, oats decreased 278,000 and barley decreased 76,000. Comparative totals follow:

	Nov. 14.	Prev. wk.	Year ago.
Wheat .....	20,070,000	20,058,000	21,157,000
Oats .....	3,949,000	4,220,000	9,085,000
Barley .....	631,000	707,000	3,734,000

**On Passage.**

The amount of wheat and flour on ocean passage last week increased 2,496,000 bushels and corn increased 6,483,000 bushels. Comparative totals follow:

	Nov. 14.	Prev. wk.	Year ago.
Wheat .....	30,816,000	28,320,000	30,952,000
Corn .....	21,766,000	15,283,000	.....

**WORLD'S SHIPMENTS.**

Total world's wheat and flour shipments last week were 1,992,000 bushels more than the previous week and 5,029,000 less than the corresponding week last year. North America shipped 9,287,000 bushels, a big increase over both the previous week and a year ago. Of the American shipments 2,276,000 bushels were from Canada and 934,000 were from the Pacific coast. Corn shipments last week were 933,000 bushels less than previous week and 1,001,000 more than a year ago. Oats 38,000 more than previous week and 162,000 less than a year ago. Comparative details follow:

	Nov. 14.	Prev. wk.	Year ago.
America .....	9,287,000	6,747,000	7,344,000
Russia .....	None	151,000	4,344,000
Danube .....	None	None	None
India .....	320,000	16,000	224,000
Argentina .....	16,000	72,000	488,000
Australia .....	84,000	256,000	736,000
Others .....	320,000	192,000	216,000

Total wheat and flour .....	10,027,000	8,035,000	15,056,000
Corn .....	4,198,000	5,131,000	3,197,000
Oats .....	1,868,000	1,830,000	2,030,000

**WEEK'S FLOUR OUTPUT.**

(From the Northwestern Miller.)

The attached table gives the flour output at milling centers for the last two weeks, with comparisons, in barrels:

	Nov. 14.	Nov. 7.	Nov. 15, 1913.	Nov. 16, 1912.
Minneapolis .....	346,280	338,215	406,855	454,415
Duluth-Superior .....	32,355	32,000	40,025	39,900
Milwaukee .....	15,000	12,505	16,295	15,800

Total .....	393,635	382,720	463,175	510,115
Outside mills* .....	224,775	.....	263,050	.....

Aggregate spring .....	618,410	.....	726,225	.....
St. Louis .....	28,200	32,600	28,600	24,500
St. Louis† .....	38,200	44,100	37,900	43,600
Buffalo .....	116,600	110,500	123,300	135,600
Detroit .....	11,500	11,500	15,600	15,600
Rochester .....	13,800	14,400	14,500	14,500
Chicago .....	22,500	20,000	22,500	24,250
Kansas City .....	61,900	63,800	46,200	57,300
Kansas City‡ .....	200,740	223,089	143,435	153,195
Toledo .....	29,700	20,800	14,500	27,100
Toledo¶ .....	62,295	69,875	42,565	62,790
Nashville** .....	88,130	72,735	68,725	85,000
Seattle .....	20,345	18,375	.....	.....

\*Minnesota, Dakota and Iowa mills outside of Minneapolis and Duluth, average capacity 53,430 bbls.

†Flour made by mills outside of St. Louis, but controlled in that city.

‡Flour made by group of Missouri River, Kansas and Oklahoma mills outside of Kansas City.

¶Flour made by central states mills, including those of Toledo.

\*\*Flour made by southeastern mills, including Nashville.

Flour output for week ending Nov. 14 at all above points shows an increase of 5 per cent. compared with week ending Nov. 7.

**SUSPENSION OF LAKE AND RAIL RATES FOR SEASON OF 1914.**

Owing to the close of navigation on the Great Lakes for the season of 1914, lake and rail rates published between Minneapolis and eastern points via Lake Superior and Lake Michigan ports are suspended, on dates ranging from November 15 to November 30, until the opening of navigation

**A MARKET VIEW.**

(Written for the Commercial West.)

W. G. Press & Co., Chicago, November 17.—This week Chicago May wheat got back under the \$1.20 mark after selling at \$1.32 in the early war days. The continued tremendous receipts and the consequent piling up of stocks were the main causes of the setback. The receipts of wheat at all primary markets last week aggregated 15,582,000 bushels, against 15,357,000 bushels the previous week and 8,878,000 bushels last year. The export clearances for the week were also heavy, the total exports of wheat and flour, according to Bradstreet's being equal to 8,938,000 bushels of wheat. The exports and home consumption, however, were not sufficient to prevent a liberal increase in the visible supply, 5,535,000 bushels, raising the total to 73,482,000 bushels, the largest visible supply ever known at this time of the year and 13,500,000 bushels larger than a year ago. The big accumulation and continuance of the big receipts created considerable bearish sentiment amongst traders and considerable long wheat was sold out, also some short selling indulged in. The fact that wheat is not clearing from the seaboard in proportion to the export sales reported daily is causing some uneasiness among holders, but we see no reason for this because the clearances are limited only by the vessels available. There is no question but that the wheat has been sold and will be exported and in the end it makes no difference whether it goes now or later. Our surplus will be carried abroad just as speedily as vessel room is available. The export demand comes from everywhere. This week a vessel was chartered to carry 300,000 bushels of wheat to New Zealand and owing to the drought Australia will be compelled to import wheat this crop year and is already inquiring prices and terms. There will be an end to the receipts, but we see no end to the demand. Europe has got to be fed for another year at least and this country must do it. The French Government officially reports that the area overrun by the enemy is something over 1,500,000 acres and on this there has been no farm work and this constitutes the finest agricultural area. All indications point that the war is still far from over, therefore, European crops in 1915 must necessarily be short. The shipments of wheat by exporting countries are below the requirements of the importing countries, therefore, we can see no basis from which to figure otherwise than that the foreign demand for wheat must continue. We realize the visible supply and the daily receipts are big, but every bushel of it will be wanted and we think this country exceptionally fortunate in having it to sell. It spells prosperity for the wheat farmer.

**COUNCIL OF GRAIN EXCHANGES TO MEET IN JANUARY.**

Chicago.—The sixth annual meeting of the council of grain exchanges will be held in Chicago on January 21 and 22. The first regular session of the council, on Thursday afternoon, will be held in the directors' room of the Chicago Board of Trade, and the second regular session, on Friday afternoon, which will be crop improvement day, will be held in the visitors' room of the Board of Trade building.

The commercial events of the past six months have been so extraordinary and unprecedented in their nature that the coming meeting of the council will be one of especial interest to all members of the exchanges.

**MANY WILL GO TO CORN SHOW.**

Minneapolis and St. Paul business men and bankers will travel together in special cars Saturday, November 28, to the corn and alfalfa show of the West Central Minnesota Development association at Benson, Minn. The Minneapolis Civic & Commerce association and St. Paul Association of Commerce jointly will arrange the plans for the trip, the party to leave on the Great Northern road on the night of November 27.

**NEW YORK COTTON EXCHANGE REOPENS.**

New York.—Business on the New York Cotton exchange was resumed last week.

## THE CHICAGO GRAIN MARKETS.

Chicago, November 17.—The sagging tendency of the grain markets has not been checked by the export demand and Broomhall's estimate of the world's crop, the figures suggesting a yield 235,000,000 bushels less than last year, lacked influence, as wheat, corn and oats continued on their downward path this week. Corn is the weakest feature on the board, cold weather and large receipts of a remarkably fine character causing prices to drop 4 cents for spot, while futures were declining only 2 cents. So excellent is the quality of arrivals of new that it is difficult to discern the difference with the old, and, while this augurs favorably for the future demand from abroad, at the present time the crop of bears is increasing with every fraction decline. With purchases approximating 1,750,000 bushels of wheat to go to Europe, and Australia purchasing on the Pacific coast, the bears nevertheless dominate wheat prices. An increase of 5,565,000 bushels in the visible supply, which is now 73,476,000 bushels, the largest in years, and a gain of 2,000,000 bushels in world's shipments to eastern Europe, caused the market to close heavy last night after making a favorable start. Corn's weakness was in a great measure responsible for this digression, as, in addition to larger primary receipts, world's shipments were 1,000,000 bushels larger than last year, and the amount afloat for Europe was also enlarged, while the reduction of 127,000 bushels in the visible supply, compared with a loss of 1,405,000 bushels a year ago. Oats were also weak in spite of export purchases of about 500,000 bushels yesterday and today. Meanwhile eastern buyers are turning from the market, as they have been doing on every decline. At the same time the demand for barley and rye is strong and prices advanced for the week, rye reaching a new high level, \$1.05½, or only 10 cents under No. 2 red winter wheat. This unusual condition is wholly due to the tremendous export demand for rye.

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Wheat prices last week declined 3¼@4½ cents under the influence of a larger primary movement and increased visible supply. Liquidation of long wheat has been on a big scale, and there has been a change of ownership of a lot which has been held for a long time. Traders having profits did not care to have them run into losses. Technically the market, in the absence of new buying support from the outside, developed a weak situation. With such conditions there was little hope of a further advance so long as the export sales failed to imbue outsiders with bullish fever. Stop-loss selling was heavy and there was a big cleaning out of long lines. Commission houses had resting orders to pick up wheat on the breaks, and this checked the declining tendency, resulting in fair rallies. Liverpool prices have been without much change and foreign conditions are about the same as recently, Russian exports still being out of the question. It is the belief of the most conservative in the trade that, even with the war over, there will be a big foreign demand for wheat from America, and that, while the sentimental effect of a declaration of peace might make a sensational break, a big bulge will follow. All indications, however, are that the war will be a long affair, and Europe will have to be fed.

Statisticians figure a sensationally bullish situation in wheat the world over. As one puts it: "For every 100 bushels needed there are only 75 bushels available." He figures that, eliminating Germany and Austria-Hungary, and figuring on countries that can be commercially reached, requirements are 661,000,000 bushels, and available surplus of exporting countries 496,000,000 bushels, leaving a deficit of 165,000,000 bushels, of which the United States has to supply the greater part. There is a supply of 238,000,000 bushels available in this country for export and carrying over to July 1, 1915, of which probably more than 50,000,000 bushels have been sold for export. Some claim much more,

Export clearances have been 130,000,000 bushels, which with the 50,000,000 bushels sold make 180,000,000 bushels placed out of an exportable surplus of 290,000,000 bushels for the season. Primary arrivals last week were 15,363,000 bushels, a decrease of 155,000 bushels from the previous week, and were the largest known at this season, increasing 6,622,000 bushels over last year. We are exporting at the rate of almost 1,000,000 bushels a day and in the face of primary arrivals of 256,000,000 bushels since July 1, or 79,000,000 bushels more than last year, the visible supply of 68,000,000 bushels is only 11,000,000 bushels more than last year, showing an enormous disappearance the last four months.

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Corn futures fell back 2@2½ cents. Weather conditions up to this time have been ideal for handling corn, and there has been an increasing movement from the farms, primary receipts for the week being 4,862,000 bushels, compared to 2,523,000 bushels a year ago. The grain is of unusually good quality for this time of year and is meeting with a good demand, which has served to check bearish tendencies. The export demand has developed into a fair business and seaboard reports are to the effect foreign governments will be in the market for liberal quantities of corn. With good weather this week a large movement is expected, which will take an increased domestic and export demand to absorb. As the East is bare of supplies a better demand is expected, owing to the new corn being in better condition than usual. Foreigners have taken the old corn at high prices and cleared up most of the offerings. It is possible feeding operations will be curtailed to some extent by the prevalence of the foot-and-mouth disease, but this will be counteracted by the lack of other grains for substitution, which was a big factor in lowering the consumption of corn last year. The demand from the Southwest will not be so keen as last year, but the high prices for other grains, the increased number of hogs to be fed, and the export demand should offset this feature. Old crop stocks are much smaller than a year ago, and visible stocks are light, so that it will take some time for stocks to accumulate to burdensome proportions. For the week receipts were 2,693,000 bushels, or 1,232,000 bushels more than shipments. Last year receipts were 649,000 bushels and shipments 1,219,000 bushels.

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Oats last week closed 1¾ cents lower. Foreign buying was in evidence on the declines. It furnished the main support and made fair reactions. Domestic cash trade was not heavy. Sentiment more mixed. Seaboard clearances are increasing, and receipts decreasing, country sales being off sharply. The movement, however, is above the seasonable average. Primary receipts since August 1 aggregate 120,600,000 bushels, or 31,000,000 bushels over last year's, which have been partly offset by heavy exports. Receipts in the West for the week were 5,926,000 bushels, against 3,768,000 bushels a year ago. Offerings from the country show some falling off, but so far there is no lack of offerings. Clearances are increased and with more boats available it is expected the export movement will continue heavy. For the week receipts of 2,867,000 bushels decreased 385,000 bushels from the previous week and increased 1,374,000 bushels over last year. Shipments of 3,389,000 bushels exceeded receipts 522,000 bushels, and were more than double last year's.

\* \* \*

In a long review of the world's grain conditions, Bartlett-Frazier take the position that supplies of wheat will be inadequate the coming year to fill requirements. In wheat they estimate requirements at 736,000,000 bushels in importing countries, with the surplus of exporting countries 662,000,000 bushels.

# INVESTMENT BANKERS AND THE RESERVE LAW.

(Continued from Page 23)

tainly not come over night, but gradually, as conditions change under the system.

Another question coming up for consideration is in how far one will succeed in having the state banks and trust companies, whose enthusiasm to enter the system has been conspicuous by its absence, change their attitude. The point is the more worth mentioning inasmuch as the combined banking strength of our state banks and trust companies is about equal to that of the national banks, while their ownership of securities of over \$1,500,000,000 compares with about \$1,000,000,000 of securities, other than Government bonds, owned by national banks.

One may be sure that the sponsors of the Federal reserve system will not leave a stone unturned to have the state bank and trust companies enter the system. In order to attain this a movement is on foot intended to result in such changes in the law which will enable these institutions to continue enjoying a certain freedom of movement which they would not have if they entered the system under the Federal reserve system, and for a time, at least, there will be a good many will find that a considerable share of their present loans will be taken over by banks in the system; this will release a huge sum which can and will be profitably employed in carrying on the investment business of the country.

## Policy in Respect to Present Holdings.

This brings us to the question of the policy the institutions which enter the system will follow in respect to their present holdings of investments. To what extent, for instance, will the banks in the reserve cities feel called upon to sell their present investments? As we have seen, the banks in this country are very large holders of Government bonds. Under the Federal reserve act the character of service for which these Government bonds were purchased will change. In view of the rate at which these bonds are outstanding, and the price at which these bonds were bought, and in view of the fact that the law definitely prescribes the method of amortizing a large part of these holdings, we do not think that a large amount of Government bonds will come upon the market.

The question arises further whether the banks will be disposed to sell in the markets a large amount of their industrial or railroad bonds which they now own. We can readily see that opinions will differ very widely here, but our feeling is that if there will be a gradual sale of securities it will be a slow process. Unless we are unfairly reading this question it would seem to us that this Federal reserve law means redundant circulation. There will be an increase in the amount of currency which can be issued, commercial paper being made available for the issuance of currency, for which the credit of the United States is pledged, while the provisions for refunding the Government 2 per cent. bonds leave open the possibility that if 3 per cent. bonds cannot be marketed at par the Federal reserve banks will take out new circulation on the 2 per cent. bonds which they purchase from the national banks at the rate of more than \$25,000,000 per annum. There will, furthermore, be a reduction in the amount of reserves the banks are called upon to keep which will materially increase their lending power, while a large part of the general fund of the treasury and probably the moneys now held in the sub-treasuries will be placed on deposit with the Federal reserve banks.

We cannot believe, especially with business in its present depressed conditions, with the additions to the currency and the reduction in the reserves which this law brings about, that we will find the banks disposed to push back into the market very large amounts of bonds, certainly not until prices more clearly approach the figures at which they were taken into their accounts, so that perhaps in the long run there may be a change in the character of the investment of the banks in the larger cities. But this change will come slowly, it is not a problem we will have to face today, and if it comes we don't know yet whether to the investment banker as a distributor of

securities should not fall his share in this distribution of securities which ultimately must find their way to the strong box of the investor.

## Framers After Wall Street.

The framers of the reserve law have striven earnestly and tried with great care to tie in immovable bonds this "wicked" Wall street, which is supposed to represent the very last word of wickedness and speculation, which is denounced by everybody and indulged in by everybody. The sponsors of the Federal reserve act, time and again, have called attention to the fact that through the lack of an elastic currency system and other means of making the wealth of this nation more liquid, too large a part of the resources of our national banks was used as a vehicle for Wall street speculation. We doubt whether they could stop, however, speculation with this new machinery, even if it was intended to do so. For life would fail and we would be worthless if we could not express our hopes in some tangible way. This is now, with exchanges of all kinds and character closed, realized even by those who not long ago fulminated against these market places when they were open.

So anxious have been the framers of this law in their endeavor to limit speculation that the law definitely was framed to prevent the use of resources of the reserve banks available for the member banks for investment or loaning upon stocks and bonds, or paper representing these securities. This means that the investment bankers are excluded from the advantages which the Government banking and the Government act give to every citizen. We, in modesty believe, and our experience tells us that our people know that the investment banking business is a necessity for the development of the whole country. If additional charges, which must come from the refusal of the framers of the law to permit the use of the reserve banks by the investment bankers, will have to come they will be paid in the price charged for the capital. We trust that it will not go so far and that a cure will be found and saner and more sober thought will prevail when it is seen that there is definitely a need of the investment bankers' services in developing the resources of this country. When this is realized the investment banker will cease to be persona non grata. We are sure then that the door which is now slammed in his face will be opened, and that a hearty welcome will be extended to the investment banker. For, at the risk of repeating, we must again say that his services are as essential to the development and prosperity of the country as those of the farmer and the manufacturer, to whose legitimae needs the new system will so effectively cater.

## "Dumping" European Holdings.

Discussion of the action of the new reserve law is tempered and made perhaps something for tomorrow's consideration because of the tremendous upheaval caused by the war; the daily prints are constantly enlarging upon the idea that we are to have "dumped," as the phrase goes, upon our markets an unlimited number of millions of American securities as soon as our exchanges open, or before, as soon as we get in position to pay for them. Although this remains a matter of speculation, it might be well to say that it does not materially affect the viewpoint of the investment banker. Taking counsel of our fears we can work up a very serious bogey man as to the result of this disaster. But, after all, no one can say what will happen. Personally we do not believe that there is going to be any such influx of American securities from foreign countries, and if there is any these sales will come slowly. Perhaps we are saying something that had better be left unsaid, and still are we facing such a very bad situation for the country as a whole if we purchase from the world securities of this country, substantially representing its industries and progress, at bargain prices, if our foreign friends at any rate persist to rid themselves of them? We would be false to our best thoughts if we endeavored to take advantage of the needs or of the necessities of our customers on the other side of

the water, but still if these securities are to come we believe that it will build up a greater and a stronger credit position of this country in the international money market. This in the long day is for the benefit of this country. For it would seem that a rational development of this country's demands that the bogey or the real danger, whatever it may be, that millions of our securities held abroad can at any time be dumped on our markets, be removed. We know this cannot be done in a day, and that matters of prime economic import are wrapped up with it. There are two ways of meeting this condition, to buy back a large part of our securities abroad or to begin and invest ourselves in foreign enterprises, thereby decreasing our net debt to foreign countries in that manner. Whatever will be done, it seems reasonably sure that aside from the fact that we might possibly finance, to an extent, our American neighbors and thereby back up the Monroe doctrine with something of real substance, we will also buy back a considerable amount of American securities now held abroad. This will be facilitated through the commercial credit balances which we are continually piling up abroad, and which will go unabated, receiving an additional impetus from the expansion in commercial and industrial operations, especially of our dealings abroad, which the Federal reserve law will stimulate. The natural prerequisites for this expansion are available in our country. The outside world needs the products of our soil, mineral as well as agricultural, which we produce in such prodigious quantities. It needs our manufactures of various kinds and character just as imperatively as we all need salt and sunshine. And, if as an outcome of all this, and as the result of our efforts to fortify our own position in the world of international commerce, which will make the American bill of exchange in liquid and sterling character second to none in the world's markets, we will buy back a part of our securities abroad, it will undoubtedly be for the benefit of the investment bankers. For they will not only do their share in the distribution, but at the same time a question with many unsettling elements is out of the way. We personally believe the problem will be solved without a serious disturbance here.

#### Redound to Benefit of Investment Bankers.

The organization of the Federal reserve system will redound to the benefit of the investment bankers.

First, it will have a tendency to stabilize interest rates, so that we will not be called upon to face in our operations sudden changes in the rates of interest.

Second, any loss of customers or loss of purchasing power, which the Federal reserve system may bring to the investment world, will be more than replaced by the general benefits to the entire country resulting from a broader and better banking system that is going to be established without fail.

Third, it will go a long way toward eliminating serious credit disturbances and it will place thereby the legitimate operations of the commercial, industrial and agricultural community on a better and safer basis, less subject than heretofore to disturbances caused by factors outside of their respective spheres of activity and of their own making.

Fourth, the foregoing will enable us to recommend to our customers with more confidence the securities of our corporations. For the danger of many serious obstacles in the way of the development of their business and of the market position of their securities will be considerably lessened, if not entirely eliminated.

#### PUBLIC UTILITIES AND CONSERVATION.

(Continued from Page 19)

internal revenue for the year ending June 30, 1913, shows the net profits of 305,336 corporations in the United States were but 3.9 per cent. After paying interest on the bonded debts, the stock dividends approximated but 3 per cent. We must not forget that thousands of corporations paid no dividends whatever. In case where no dividends were declared, evidently labor received its reward and capital none. The Statistical Abstract of the United States indicates the average dividends paid to stockholders of all

railroads in the past 25 years was only 2½ per cent. Over 60 per cent. of the total mileage went into receivers' hands and was sold under foreclosure of mortgage. It would seem—if wrongs have been done, right them, but do not punish the millions of innocent stockholders. Those cases are cited to show the equity of the plan of dividing with the municipality or state after capital development receives its just reward, as an encouragement to progress, Capital halts under distrust. Confidence of reasonable protection ensures progress. We are now in a halting mood. Clarify the situation and progress is assured. Progress gives full employment to labor and abolishes the public soup house.

#### Conservation.

Seventh. Apply this solution not alone to public utilities, but with equal force to undeveloped water powers, coal mines, etc., belonging to the state or nation. In case of public utilities, non-competitive, time charters seem necessary, but in case of conservation of natural resources, with the necessity for improvements of a permanent character, only absolute ownership with a share of net profits to the state and corporations, as indicated, will command and ensure quick development.

Leasing of them prevents borrowing to develop and certainly would materially retard progress. Leasing would be like landlordism in Britain. Ownership upbuilds. Leasing retards development.

To illustrate our wonderful possibilities, the developed water powers of the United States are now estimated at 7,500,000 horsepower. The steam, gas and others, say at 6,500,000 more. The possibility of further water power development is estimated by the great expert engineers at 50,000,000 to 150,000,000 horsepower. Unharnessed water power is annually running to waste and all other powers are consuming forever our natural coal supplies by at least 100,000,000 tons annually, as well as other fuel resources.

Eminent authorities claim that if we should develop from our water powers now running to waste, even 10,000,000 of horsepower above present development, the saving of coal would approximate 25 per cent. of our total annual output. The value of this saving can fairly be estimated at 25 per cent. of our national debt of \$1,000,000,000.

Would not such immense coal saving be true conservation?

Is it worth while to save \$250,000,000, annually now going to waste?

Under such an increased development, the people would save annually vast sums in reduced cost to them of water power as compared to steam power, and the promoters would receive but a fair return upon their invested capital. If profits exceeded the stipulated limitations, those who have risked their capital would receive but half of the excess, and the city, state or nation the other half. If profits seemed excessive in particular cases, the horsepower rates could be reduced in the interest of the people as a whole.

#### Tax Income Would Increase.

Further, the tax income to each locality would be materially increased because of the building of the plants, including the vast developments which naturally follow in the wake of such cheapened power. We must not forget that all water powers do not make millions for their owners. We can name several large developments that are in the bankrupt court, caused by great floods and other unfortunate conditions. Risk can never be eliminated from any enterprise, therefore is it not the part of wisdom to encourage all possible development of water power resources on lines as indicated, to the end that the present, as well as future generations may thus conserve our natural resources? Also, to the end that the dense smoke and begrimed, cinder-laden atmosphere, engendered by the use of coal and other combustibles in making power, as far as possible, be supplanted by electricity generated by water power, which brings more sunshine, better health and happiness. If so, why hamper present development? We need it now and future generations under this plan are fully protected. May we quickly open the floodgates of opportunity to individual initiative, and thus will a more abundant progress await all our combined interests.



## CURRENT COMMENT BY FOREMOST EDITORS.

(Continued from Page 31)

in Europe, but in Asia." At last, Russia may place her feet in the warm waters of the Mediterranean. But, with the usual shortsightedness of German diplomacy, the alliance with Turkey means the destruction of all German hopes in the East.

As an independent entity, Turkey disappears. Russia will not own the Constantinople shore of the Bosphorus and the Sea of Marmora, but both sides. Great Britain will take over, not merely Egypt, by absolute annexation, which she is now entitled to do, but Arabia, Syria, all the German railroad concessions and sphere of influence in the Euphrates valley, all Asiatic Turkey to the frontier of Persia, making a continuous British Empire from the Italian border of Tripoli in Africa to Siam, for Southern Persia is merely a protectorate, and Beloochistan is no more.

Here is another triumph for German diplomacy. It has made mistakes which the real diplomats of the world would have deemed impossible. There is no Mohammedan "holy war," in Turkey or anywhere else. For thirty-two years the Egyptians, overwhelmingly Mohammedan, have regarded the Sultan of Turkey with contempt, as not being any lineal descendant of the Prophet. The head of the Moslem church at Mecca gives his benediction to the British. Mohammedan troops are fighting the Germans in Belgium. They are, moreover, policing the over-educated and under-trained Bengalee, who is the only possible cause of unrest in India.

And all this was done by sending two German warships to Constantinople, selling the ships and the men, and bombarding the unarmed port of Odessa, so as to involve, against the will of the people of Turkey, that country in the German struggle to dominate the earth. The earth has never needed to be dominated by anybody.

It is sometimes forgotten that the German word "kultur" does not mean refinement, intellectual superiority, good manners, and a ready understanding of one's neighbor's point of view. It means, if it knew enough to express itself, exactly "efficiency," in the sense of our own admirable Taylor school, which teaches how to get the greatest possible results with the least effort.

Will nothing but a repetition of Belgian devastation on German soil, with the deprival of all her colonies and all her foreign trade, teach Prussia this elementary lesson? And how long will Bavaria, Saxony, Wurtemberg, and the rest of the self-governing kingdoms of the German Federation, need to learn the lesson, and to enforce it upon the Prussian dynasty?—Wall Street Journal.

### A Long War.

The fatalism which led Europe to believe that a general war was inevitable, is again manifesting itself in the pessimistic conviction that it will be many a day until peace is restored. Prominent statesmen as well as leading military experts of various nations are agreed that it is to be a test of endurance, and that finance and food supplies will count for more than arms and ammunition.

Admitting the superiority of the German fighting machine, they argue that a three months' trial has been sufficient to prove that such advantage is not equal to the task of bringing the conflict to an early conclusion. The Kaiser's forces have done wonders in covering nearly the whole of Belgium, occupying a large area of France, and holding the Russian legions in check, but, for a speedy victory, it is contended that Paris, or at least Calais, should have been reached within the first three months.

The experts who reason in this way are not committed to the proposition that the allies will win, but simply to the belief that neither side can win quickly.

When Lord Kitchener talks of a three years' war, allowances must be made for the man who is anxious to enlist the last possible British recruit, but when Premier Asquith predicts a long encounter, and the first lord of the British admiralty talks more of the economic pressure of a blockade than of possible naval victories, it begins to look as though the endurance argument is well founded.

Into the merits of this reasoning it is not necessary to

enter. It would be an invasion of the domain of prophecy and, therefore, futile. But what Americans can talk about is the effect upon our commercial, industrial and financial status of a protracted war in Europe.

In terms of brutal frankness, it can be said at once that the longer the war the more certain it is that America will be benefited enormously. We are profoundly sorry for the misfortunes of Europe and are expressing that sorrow in a benevolence which removes all question as to our sincerity. But the war is not of our making and our increased trade will represent the necessities of others as much as our own advantage. The world at peace as well as the world at war must buy, and, as the world at war can sell very little, we must wherever there is a demand.

During the earlier stages, South America and other neutral countries have not been able to take such enormously increased quantities of goods from us, but that is because the war has disrupted their finances. Europe has been the world's banker, but she cannot remain so if she continues fighting. America in times of peace was rapidly undermining that financial prestige in the face of competition. With such competition removed, our progress must be much greater, and, though peace will do something toward restoring Europe's foreign trade, a considerable portion of our new customers will remain.

In regard to the greater attendance to be expected for our exposition, there is not even the suspicion of gloating over Europe's misfortune, since the chief effect of the war will be to divert large numbers of American tourists to San Francisco.—San Francisco Chronicle.

### After Tsing-Tao.

1. Port Arthur, January 1, 1905.
2. Tsing-Tao, November 7, 1914.
3. ———?

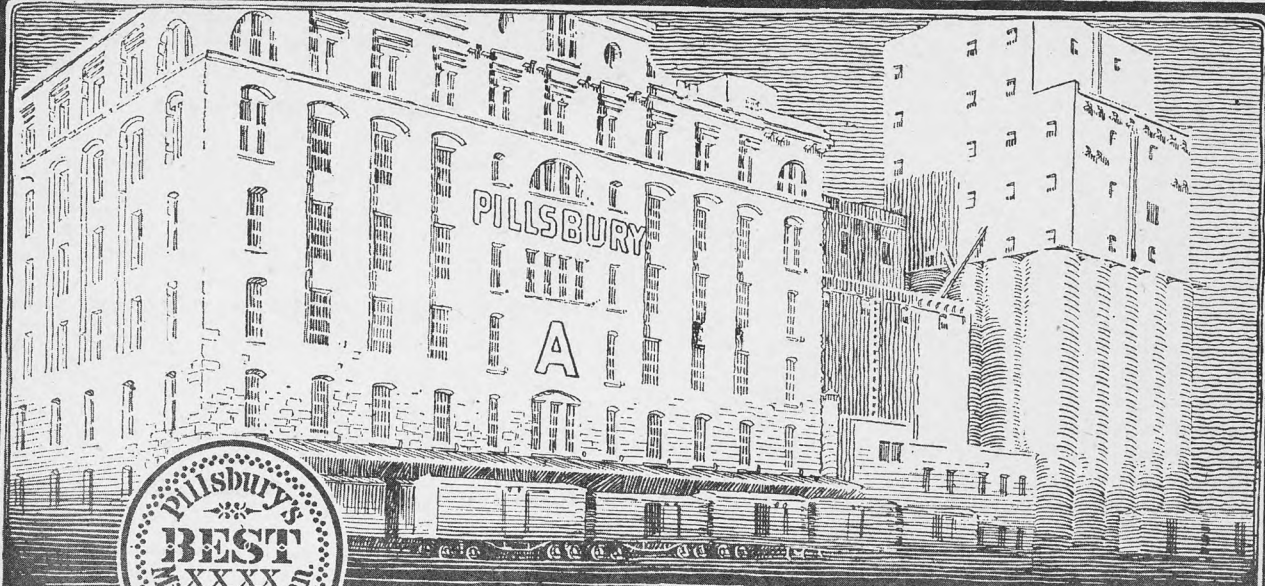
Was the taking over of Port Arthur and Talienwan by Russia the utmost mark of the advance of Europe on the Far East? Port Arthur was China's. Japan captured it. Russia took it away from the victor. Port Arthur became Russian, Russianized, the Gibraltar of Russia's empire in the Orient. Meanwhile at Tsing-Tao Germany was building another Gibraltar. Kiau-Chau was German, Germanized. England was long before then at Hong-kong, and she took another foothold at Wei-Hai-Wei.

These were outposts of Europe's farthest advance upon Asia. Then Port Arthur fell before Nogi. Was that the turn of the tide? After seven years the Germans lose Tsing-Tao. What will go next? Are the Asiatics taking back Asia?

History will have an interesting tale to tell of the invasion of the East by the West, and it would be a confident observer who would say at this moment what the course of events is now to be. If Germany triumphs and her great dream of a new Rome becomes a reality the loss of today may be canceled. But if she fail, what then? Will Japan go unpaid for her service? She has paid blood for Tsing-Tao. She has done more. Her power has been recognized; her aid has been eagerly sought by the great powers of the West. When the European conflict is over her place will be higher than ever, her prestige greater, her power in every sense augmented. In the readjustment of imperial politics which will follow peace her voice will be well nigh decisive as to the situation in the Far East. If in the course of this war she is called upon, as she may very well be, to take an even more costly and important role in events than she has thus far, as, for example, in the case of serious internal disturbances in India or Egypt, her pay will be the higher when the accounting is reached. If her hegemony in the Far East is implicitly accepted now there will be no doubt of it then, and the destiny of the Pacific, at least upon the eastern shores, will be shaped in the next period by her. With Great Britain deeply indebted to her and Russia complaisant, for the time being, at any rate, through the relief of her situation in the Near East, and Japan's strength advertised throughout Asia, the island empire of the East will tower over the Orient.



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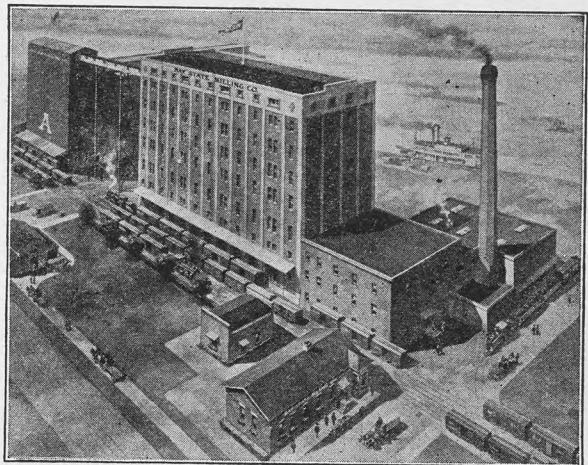
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