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WESTERN MUNICIPAL BONDS

FUTURE BOND ELECTIONS

February 10.—Monterey County, Cal. (P. O. Salinas), Reclamation District No. 1665, \$8,000 bonds.

February 10.—Perch Lake Township, Minn. (P. O. Cloquet), \$4,500 road and bridge bonds and \$500 town hall bonds.

February 13.—Toppenish, Wash., \$81,500 refunding bonds and \$35,000 funding bonds.

February 13.—Watertown, S. D., \$43,000 sewer bonds.

February 14.—Dubuque, Iowa, \$500,000 school improvement bonds.

February 15.—Long Prairie, Minn., \$60,000 high school building bonds.

February 16.—Middletown, Cal., Union High School District, \$10,000 bonds.

February 17.—Hillsboro, Ore., \$14,000 high school building bonds.

February 19.—Emmett, Idaho, \$17,000 sewer system bonds.

February 19.—Shell Rock, Iowa, \$10,000 school bonds.

February 20.—Bemidji, Minn., \$8,000 armory building bonds.

February 27.—Junction City, Ore., \$17,500 funding bonds.

March 6.—Seattle, Wash., \$100,000 thoroughfare improvement bonds.

March 6.—Seattle, Wash., \$600,000 municipal market and cold storage plant bonds.

March 10.—Norfolk, Neb., \$30,000 paving bonds.

March 15.—Bellingham, Wash., \$65,000 bonds for the construction of a municipal dock.

March 20.—McMinnville, Ore., \$90,000 water bonds.

April 3.—Buffalo County, Wis. (P. O. Alma), \$200,000 road bonds.

April 3.—Washington County, Wis. (P. O. West Bend), \$500,000 road improvement bonds.

April 3.—Eau Claire County, Wis. (P. O. Eau Claire), \$750,000 road bonds.

April 4.—Polk County, Wis. (P. O. Balsam Lake), \$400,000 road improvement bonds.

FUTURE BOND SALES

February 12.—Hastings, Neb., \$200,000 school building bonds; 1-20 years; 4½ to 5½ per cent. Henry E. Davidson, Secretary.

February 13.—Flatwillow, Mont., School District No. 158, \$650 bonds; 5-10 years optional; 6 per cent.; certified check 5 per cent. Mrs. Daisy Kepford, Clerk.

February 15.—Altona, Iowa, School District No. 38 of Clay Township, \$3,000 bonds; 3 years. A. L. Altman, Secretary.

February 15.—Lake Benton, Minn., \$50,000 school bonds; denominations \$1,000; 12½ year average; 4½ per cent.; certified check 2 per cent. Peter Anderson, President Board of Education.

February 19.—Los Angeles, Cal., \$114,000 high school bonds; denominations \$1,000; 4½ per cent.; certified check 3 per cent. H. J. Lelande, Clerk Board of Education.

February 19.—Mineral County, Mont. (P. O. Superior), \$21,000 natural pier bridge bonds; denominations \$1,000; 10-20 years; 5½ per cent.; certified check 2 per cent. J. D. Dwyer, County Clerk.

February 19.—Mineral County, Mont. (P. O. Superior), \$35,000 St. Regis bridge bonds; denominations \$1,000; 10-20 years; 5½ per cent.; certified check 2 per cent. J. D. Dwyer, County Clerk.

February 19.—Mineral County, Mont. (P. O. Superior), \$23,000 Alberton highway bonds; denominations \$1,000; 10-20 years; 5½ per cent.; certified check 2 per cent. J. D. Dwyer, County Clerk.

February 20.—Charles Mix County, S. D. (P. O. Lake Andes), \$150,000 court house bonds; 10-20 years; 4½ per cent. Frank Masur, County Auditor.

February 24.—Caldwell, Idaho, Pioneer Irrigation District, \$21,400 bonds; 8-19 years; 6 per cent. F. L. Evans, Secretary.

February 26.—Phillips County, Mont., School District No. 18 (P. O. Malta), \$450 bonds; denominations \$50. Ever A. Rood, Clerk.

February 27.—Dawson County, Mont., School District No. 61 (P. O. Glendive), \$3,000 bonds; 10-20 years optional; not exceeding 6 per cent. A. J. King, Clerk.

March 1.—Clarks, Neb., School District No. 11, \$34,000 bonds; 5 per cent. W. J. Fosburg, Secretary Board of Education.

March 1.—Oskaloosa, Iowa, \$120,000 high school building bonds; 10 years; interest bid. L. T. Shangle, Secretary Board of Education.

March 1.—Big Sandy, Mont., \$16,800 waterworks bonds and \$12,500 sewer bonds; denominations \$1,000; 6 per cent.; certified check \$4,000. Hans H. Dehgeldt, Town Clerk.

March 6.—Townsend, Mont., \$40,000 school bonds and \$30,000 road bonds; 10-20 years optional; not exceeding 6 per cent. W. G. Rogen, County Clerk.

March 7.—Carbon County, Mont. (P. O. Red Lodge), \$56,000 refunding bonds; denominations \$1,000; 10-20 years; 4½ per cent.; certified check 5 per cent. H. P. Sandels, County Clerk.

March 12.—Parma, Idaho, Independent School District No. 8, \$25,000 bonds; 5 per cent.; certified check \$2,500. J. E. Kerrick, Clerk.

March 19.—Brawley, Cal., \$17,000 water improvement bonds; 3 years; 6 per cent. J. A. Harris, City Clerk.

April 1.—Merrick County, Neb., School District No. 11 (P. O. Central City), \$34,000 bonds; denominations \$1,000; 5 per cent. W. J. Fosbury, Secretary.

April 7.—Kenmore, Idaho, \$40,000 town hall bonds; 4½ or 5 per cent. W. W. Shank, Village Clerk.

BOND NOTES

Ogallala, Neb.—An issue of \$6,000 sewer bonds has been sold.

St. Paul, Minn.—An issue of \$150,000 reservoir bonds will be offered for sale.

Manilla, Iowa.—An election authorized an issue of \$5,000 electric light bonds.

Aplington, Iowa.—An issue of \$50,000 school building bonds was authorized at an election.

Hancock, Minn.—The proposition of issuing \$6,000 water works bonds is being considered.

Enderlin, N. D., School District No. 22.—The State has been awarded an issue of \$6,500 bonds.

Bertrand, Neb.—The State was the successful bidder for \$11,000 waterworks bonds at par.

Shakopee, Minn.—The city council has authorized the issuing of \$15,000 road and bridge bonds.

Indianola, Iowa.—An election defeated the proposition to issue bonds for school building purposes.

Twin Falls, Idaho.—An issue of \$10,000 street intersection bonds will be placed on the market soon.

Deer River, Minn.—School improvement bonds to the amount of \$28,000 will probably be issued.

Walla Walla, Wash.—An issue of \$22,000 local improvement bonds has been sold to local investors.

Kossuth County, Iowa, Drainage District No. 114 (P. O. Algona).—An issue of \$32,000 bonds has been sold.

Mondovi, Wis.—An election authorized an issue of \$40,000 bonds for paving purposes by a vote of 172 to 102.

Denair, Cal.—An election will be called to vote on the question of issuing \$25,000 bonds for school purposes.

Ackley, Iowa.—An issue of \$15,000 sewage disposal plant bonds has been awarded to Schanke & Co. of Mason City.

Monroe County, Iowa (P. O. Albia).—The county commissioners have authorized the issuing of \$50,000 bridge bonds.

Omaha, Neb.—An issue of \$650,000 street, sewer and park improvement bonds will be placed on the market next month.

Evansville, Minn.—An election resulted in a vote of 82 to 6 in favor of issuing bonds for the erection of a new school.

Waverly, Iowa.—An election will be called to vote on the question of issuing \$135,000 bonds for high school building purposes.

Wheatland, Iowa.—An issue of \$35,000 school building bonds has been awarded to George M. Bechtel & Co. of Davenport.

Forest County, Wis. (P. O. Crandon).—An election will be held in April to vote on the proposition of issuing \$100,000 road bonds.

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Calumet County, Wis. (P. O. Chilton).—An election will be held in April to vote on the proposition of issuing \$500,000 road bonds.

Early, Iowa.—An election will be called to vote on the question of issuing \$7,000 bonds for the extension of the water mains.

Northwood, Iowa.—An issue of \$150,000 drainage bonds has been awarded to Schanke & Co. of Mason City at a premium of \$405.

Zillah, Wash.—A special election will be called to vote on the question of issuing \$14,000 water bonds and \$6,000 refunding bonds.

Coalinga, Cal.—An issue of \$100,000 waterworks bonds has been awarded to Carstens & Earles of Seattle at 101.00, a basis of 5.93 per cent.

Marshfield, Wis.—The proposition of issuing \$20,000 bonds for a municipal barn and rest room is being considered by the board of commerce.

Bristow, Neb.—John F. Sinclair & Co. of Minneapolis have been awarded an issue of \$4,000 water extension bonds at 100.27, a basis of 4.96 per cent.

River Falls, Wis.—The city council has authorized the issuance of \$45,000 improvement bonds. The bonds will be issued in denominations of \$500.

Pottawattamie County, Iowa (P. O. Council Bluffs).—The county commissioners have authorized an issue of \$250,000 bonds to take up outstanding warrants.

King County, Wash. (P. O. Seattle).—The Dexter-Horton National Bank was the successful bidder for \$500,000 road bonds at 100.25, a basis of 4.105 per cent.

Sac County, Iowa (P. O. Sac City).—An issue of \$36,000 road and bridge bonds has been sold to George M. Bechtel & Co. of Davenport at a premium of \$1,372.

Lincoln County, Mont. (P. O. Eureka).—A county high school is being established here. Bonds will probably be issued for an amount not exceeding \$25,000.

Lawton, N. D., Eastview School District.—Petitions are being circulated calling for an election to vote on the question of issuing \$4,000 bonds for building purposes.

San Jacinto, Cal.—G. G. Blymyer & Co. of San Francisco were the successful bidders for an issue of \$28,000 street improvement bonds at a premium of \$3,572.80 112.76, a basis of 4.67 per cent.

Olmsted County, Minn., School District No. 14.—The Wells-Dickey Company of Minneapolis were the successful bidders for an issue of \$15,000 bonds at a premium of \$59-100.39, a basis of 4.39 per cent.

Fayette County, Iowa (P. O. West Union).—George M. Bechtel & Co. of Davenport were the successful bidders for an issue of \$75,000 funding bonds at a premium of \$1,020-101.36, a basis of 4.11 per cent.

San Francisco, Cal.—An issue of \$1,000,000 harbor improvement bonds has been awarded to R. M. Grant & Co. of New York and Torrance, Marshall & Co. of Los Angeles at a premium of \$47,750-104.775, a basis of 3.76 per cent.

GREAT DEMAND FOR HARDWARE IN RUSSIA PREDICTED

In 1913 the United States sent direct to Russia only one per cent. of the hardware imported by that country, as contrasted to seven per cent. supplied by England, three per cent. by France and 75 per cent. by Germany. But abnormal demands for hardware may be looked for as soon as peace is made, asserts a report on the subject made public by the bureau of foreign and domestic commerce, Department of Commerce, and it is urged that American manufacturers and exporters begin at once their preparations for supplying an important part of these demands.

The immense resources of the Russian Empire in iron, coal, copper, silver, gold, platinum, manganese, petroleum, salt, asbestos and other minerals, in chemicals, in wood, in fertile and extensive agricultural and grazing lands and in large fishing areas suggest the possibilities with which this rich field is replete, says the report. In these possibilities must also be included the building of transportation, light and power systems, telegraphs and telephones, and other necessary accompaniments and expressions of industrial growth. In mining, in agriculture, in industry, the change from old processes to new, from handwork to machine work, has begun and will continue. All kinds of

American tools, hardware, machinery, agricultural implements, etc., should find a ready market in all sections of the Russian Empire.

GROWTH IN MINNEAPOLIS OF ELECTRICAL WIRING PERMITS

During the year 1916 a new high record was established in Minneapolis in the number of electrical wiring permits and the cost of work covered by them. Compared with 1914 and 1915 the figures are as follows:

	Number of Permits.	Estimated Costs.
1914	8,439	\$ 991,755
1915	9,927	888,950
1916	11,858	1,570,365

These figures include the wiring of new houses as well as of those already built, and the estimated costs include cost of fixtures and glassware as well as the cost of wiring.

Sales department of the Minneapolis General Electric Company during the week ended January 26 secured 197 new electric light and power customers with 172 kilowatts lighting load and 116 horsepower in motors and took contracts for wiring 29 already built houses. Electric energy output for the week shows an increase of 26.9 per cent. compared with the corresponding week a year ago.

GOVERNMENT BOND QUOTATIONS

Furnished by Stevens, Chapman Company, Minneapolis, for the week ended February 7, 1917:

	Wednesday.	Thursday.	Friday.	Saturday.	Monday.	Tuesday.
2s of 1930, reg.	99 3/4 @	99 3/4 @	99 3/4 @	99 3/4 @	99 3/4 @	99 3/4 @
2s of 1930, coupon	99 3/4 @	99 3/4 @	99 3/4 @	99 3/4 @	99 3/4 @	99 3/4 @
3s of 1908, reg.	100 1/2 @	100 1/2 @	100 1/2 @	100 1/2 @	100 1/2 @	100 1/2 @
3s of 1908, coupon	100 1/2 @	100 1/2 @	100 1/2 @	100 1/2 @	100 1/2 @	100 1/2 @
4s of 1925, reg.	110 @	110 @	110 @	110 @	110 @	110 @
4s of 1925, coupon	110 1/2 @	110 1/2 @	110 1/2 @	110 1/2 @	110 1/2 @	110 1/2 @
Panama 2s	99 1/2 @	99 1/2 @	99 1/2 @	99 1/2 @	99 1/2 @	99 1/2 @

**INCREASED IMPORT VALUES DUE IN PART TO
ADVANCE IN PRICES IN FOREIGN COUNTRIES**

High prices abroad are an important factor in the large increase in the recorded value of imports into the United States. The stated value of the merchandise imported in 1916 is 33 per cent. greater than in 1913, the year immediately preceding the war, and 31 per cent. in excess of 1912, the former high record year of imports.

A comparison by the foreign trade department of the National City Bank of New York of the details of the imports of the United States in the 11 months of 1916, for which official figures are available, with those of the corresponding months of 1913 shows that in many instances the increased valuation is chiefly, and in some cases entirely due to higher prices.

Of copper, other than that in ore, for example, the quantity imported shows a decrease of 9,000,000 pounds when compared with the same months of 1913, but an increase of nearly \$20,000,000 in value, the reduction in quantity being about four per cent., and the increase in stated value 48 per cent. Of indigo, the quantity imported shows a fall of about 50 per cent., but the valuation shows an increase of about 500 per cent. In sugar, of which the imports of 11 months of 1916 are valued at \$219,000,000 against \$95,000,000 in the same months of 1913, the quantity imported shows an increase of about 14 per cent. while the valuation shows an increase of 130 per cent. Hides and skins show an increase of 49 per cent. in quantity and 67 per cent. in valuation. Wood pulp shows an advance of 18 per cent. in quantity imported and an advance of 38 per cent. in value. Wool, when compared with the corresponding months of 1914, shows an increase of 63 per cent. in quantity and 100 per cent. in value.

A comparison of the average import prices in November, 1916, with those of November, 1913, shows more distinctly the advance in individual articles. Raw cotton imported in November, 1916, averaged 21 cents per pound in stated value against 14 cents in November, 1913; copper in pigs, bars, etc., 23.8 cents per pound against 14.7 cents in the same month of 1913; flax formerly drawn chiefly from Russia, Belgium, Scotland and Ireland, \$895 per ton in November, 1916, against \$288 per ton in the corresponding month of 1913; hemp, \$351 per ton against \$182; sisal, \$159 against \$115; goat skins, 41.9 cents per pound against 28.8 cents; tin plate, 10.6 cents per pound against four cents; raw silk, 4.54 per pound against 3.54; cane sugar, 4.7 cents per pound against two cents in November, 1913; chemical wood pulp, \$66.28 per ton against \$36.75 in July, 1914, and bleached wood pulp, \$77.44 against \$49.20.

The chief increase in total value of imports occurs in the group of raw material for manufacturing, which shows an advance in total value of 70 per cent. in the 11 months of 1916 compared with the corresponding months of 1913. Foodstuffs, partly or wholly manufactured, show an increase of 76 per cent. in stated value, this being due chiefly to the large increase in the price of raw sugar imported.

Manufactures ready for use show a decrease of 15 per cent., the value for the 11 months of 1916 being but \$313,000,000 against \$369,000,000 in the corresponding month of 1913. This decline in importation of finished manufactures is apparently due to the difficulty in obtaining this class of merchandise from the European countries which usually supplied the bulk of our finished manufactures imported. The total imports from Germany in the 11 months of 1916 were less than \$6,000,000 against \$166,000,000 in the same months of 1913; Austria-Hungary, practically nothing in 1916 against \$17,000,000 in 1915; France, \$98,000,000 in 1916 against \$121,000,000 in 1913, and Russia, \$8,000,000 against \$22,000,000; though from the United Kingdom the imports of 1916 show a material increase, being for the 11 months ending November, \$280,000,000 against \$243,000,000 in the same months of 1913.

The import prices above quoted are those of the article in the country from which exported to the United States, as required by law, and do not include the cost added by transportation or tariff duties in the United States.

RESERVE BANK EARNINGS

Total earnings of the Federal reserve banks for the calendar year 1916 were nearly \$5,000,000, while the total current expenses for the same period were approximately \$2,500,000. Of this total, \$291,500 represents the estimated expenses of the transit department for the period July 15 to December 31 of the last year. The amount is returned to the Federal banks through special charges assessed member institutions which forward checks for collection. The aggregate net earnings were thus \$2,751,000, or at the rate of almost five per cent. on an estimated yearly average paid-in capital of \$55,178,000. Three of the 12 banks, namely, Kansas City, Dallas and Chicago, report net earnings in excess of six per cent.; five banks show a rate in excess of five per cent., but less than six per cent., while two more show net earnings in excess of four but below five per cent. In the case of the New York Federal Reserve Bank, the earnings were 3.61 per cent., and the rate for the San Francisco bank was 2.84 per cent.

Of the total net earnings of \$2,750,999, the banks applied \$494,314 to charge off the balance of organization expenses carried over from 1915; \$8,441 to pay dividends accrued on stock surrendered or canceled during the year; and \$1,487,402 in payment of dividends to their members during the past year. The remainder, \$760,842, was carried to profit and loss. This amount, combined with the adjusted total of \$135,392 for January 1, 1916, gives a total profit and loss of \$896,234 carried to January 1, 1917.

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MINNEAPOLIS - MINNESOTA

NORTHWESTERN FIRE & MARINE INSURANCE CO.

Minneapolis, Minnesota

Financial Condition December 31st, 1915

Assets.....	\$1,005,241.31
Liabilities.....	381,323.47
Cash Capital.....	400,000.00
Net Surplus.....	223,917.84

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COMMERCIAL WEST

A WEEKLY JOURNAL

COVERING

BANKING, GRAIN AND WESTERN INVESTMENTS
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SATURDAY, FEBRUARY 10, 1917

Billions for Defense

Now that we are face to face with grim war, Congress will vote billions for the defense of America, and all loyal citizens will support such a program.

Those who have opposed preparedness or have been lukewarm in defending all such measures will now be forced to get in line.

All classes of citizens will have opportunity to prove their patriotism and loyalty. Bankers, regardless of their German or Austrian parentage or descent, will purchase the new issues of United States government bonds that must be sold to finance the cost of our defense.

Munition plants and the railroads will give government orders the right of way over all others, and all other great industries must cooperate with the Federal authorities in rushing the work of military preparedness.

The resources of America are vast. They are beyond the grasp of the average mind to comprehend. What is needed in this critical hour is the best of management and generalship in mobilizing them to the prompt support of the nation's defense.

Unite and Serve

This is a time for unity and service. At last the treatment of an agreement as a "scrap of paper" has directly struck the United States. Germany's threat to violate pledges previously made to this country has led to the severance of diplomatic relations with Germany. Ambassadors Gerard and von Bernstorff are now private citizens, about to sail for neutral countries. War with Germany awaits only an overt act, only an actual violation by Germany of previous pledges. The gravity of the situation is inexpressible.

It is none too soon to undertake as widely and thoroughly as possible financial and industrial preparedness. Unity and service must be the watchwords.

Those like W. J. Bryan and Mayor Van Lear of Minneapolis, who call peace mass meetings, forget

that President Wilson exercised patience until that virtue was no longer possible. They forget that this country has not sought and does not now seek war, but even they should see the insult and intimidation meant by Germany's proposal to prosecute relentless and indiscriminate warfare against vessels of commerce in violation of international law.

Advocates of ill advised peace mass meetings in this hour of emergency should take a lesson from the German born citizens of the United States who are showing themselves as true, loyal Americans.

Peace talk by Messrs. Van Lear and Bryan could be viewed with amusement in a less critical time, but neither should be left long in doubt regarding the real sentiment of the American people.

Citizens of the Northwest should resolve to do their utmost to obtain bumper crops in 1917, bankers should place their institutions in the soundest possible condition, and all of whatever age or sex should consider their best none too good.

Unite and serve.

Another Investigation of Grain Trading Proposed

It is a pity that thus far no body of legislative or congressional investigators has been able to set before the public the true function of grain exchanges, the value of future trading and the nature of speculation in such a way as to put an end to costly and innumerable investigations.

We are witnessing a congressional "leak" inquiry which is really an investigation of the New York Stock Exchange. Minnesota has caught the fever. The state House of Representatives has adopted a resolution to investigate the Minneapolis Chamber of Commerce, the Duluth Board of Trade and the Equity Cooperative Exchange of St. Paul. As yet the speaker has not named the special committee of investigators, awaiting the action of the committee on rules to which has been referred provisions to appropriate money for the expenses of the investigation, such as employment of counsel, stenographers and clerical help. At the same time the House is considering a measure to levy taxes on trade in grain futures.

In another column will be found an excellent address by John G. McHugh, secretary of the Minneapolis Chamber of Commerce, as well as an article by the secretary of the Chicago Board of Trade. Mr. McHugh in his address shows the need and value of the grain exchange, the usefulness of speculation in the movement and distribution of a crop and the importance of a free and broad market for trading in futures.

Every one who reads that article should observe that the Minneapolis Chamber of Commerce merely furnishes a room where buyers and sellers can meet, stipulates rules and regulations for the transaction of the business and furnishes financial information of use to the buyer or seller, but is not engaged in the grain business in the slightest way. It should be noted that future trading enables a farmers' elevator to sell for future delivery in Minneapolis grain that it purchases from the farmer. Speculation arises as soon as the grain exists. Some one assumes the business risk of ownership until it

reaches the final stage of consumption. The farmer speculates by holding his grain. The farmers' elevator speculates by purchasing the grain from the farmer. If it hedges the grain by immediately selling for future delivery on the grain exchange, the farmers' elevator passes the risk on to the purchaser of the future, who must accept delivery or sell the contract to some one else. Whoever owns the grain speculates.

It is obvious that future trading aids the farmer, because selling the future enables the elevator to take the grain from the farmer and to pay cash for it at once. Its most important function, however, lies in fixing a fair value of wheat at a time when supply greatly exceeds demand and when the uninfluenced law of supply and demand would depress the price below cost of production. At the outbreak of war, the New York Cotton Exchange was closed, trading in cotton futures abandoned and the unaffected law of supply and demand caused cotton to bring an absurdly low price, because the cotton planters had to market in a short time great quantities of cotton and the distributive channels were closed.

That is a fair picture of what would happen to wheat if future trading were done away with. Generally speaking, grain producers want to convert their crop into cash in a short period after harvest. Between September and January 1 grain receipts are far in excess of consumptive demand, which is spread over an entire year. Some one has to assume the risk or speculation of carrying that wheat until it is actually needed. Hence the speculator and the trader in futures. The system of trading in futures is an economic necessity, an evolution of business, and a factor vitally necessary to the regulation of the law of supply and demand, which unchecked would make too low a price for grain at a time close to harvest and too high a price at a time just before the next harvest.

The only evil connected with grain exchanges and one that the exchange is very anxious to remove is the incompetent speculator. He is the man who expects something for nothing, who has no cognizance of the business risks run by those who buy or sell wheat futures. To him a small loss is serious. Nevertheless he blindly speculates. To remove the incompetent speculator, who does little in aiding the movement or distribution of grain, is a very real problem.

The incompetent unfortunately cannot be removed and cannot be barred from speculation under present conditions. The only real remedy is education and experience. Any grain exchange official who aids in making clear to the youth the business risks and hazards of speculation, the possibility of big losses in the venture, as well as profits, is performing a real service for his institution no less than for the sake of the general public.

America Facing War

Announcement by Germany that on February 1 submarine warfare would be extended and would include all merchant vessels, even of neutrals, stunned the American public. A counter shock awakened us all on February 3 when President Wil-

son announced that diplomatic relations with Germany had been severed.

After the experience of the past two and a half years, our sensibilities have become calloused and hardened and are no longer so easily shocked as they were prior to July, 1914. This warlike news, therefore, will not stupify but arouse the nation to an activity never before witnessed.

Americans will give solid support to the Federal government in whatever measures are needed to provide for adequate defense, no matter what the nationality of their ancestors. Those whose sympathies are with the Central Powers will mourn, but all sane Americans are sad today that this country has been forced to take this step. Our attitude, ever since the sinking of the Lusitania, has made it impossible for us to do otherwise. Germany knew this and Count von Bernstorff was prepared for his dismissal.

Has Germany played her last trump in the desperate hope of bringing the war to an end? Chancellor von Bethman-Hollweg infers as much when he says, "We are staking everything on this final move." If Germany fails now to accomplish her purpose, and all neutrals unite against her, she will have good reason for making peace terms that will be acceptable and that will insure an early settlement of the war.

The duty of all loyal Americans is clear. Keep cool, don't argue, don't be suspicious of anybody, attend to your daily task and support the Federal government in every possible way. We are all in the same boat for better or worse, and no one in his or her right mind will attempt to scuttle the boat.

Time for Business to Organize

In the matter of taxation Congress seems to act on the principle that each direct tax should add the largest possible burden to the smallest possible percentage of people. First came the special corporation tax, second the income tax and now the excess profits tax.

Statistics show that practically all the income tax is paid by less than four per cent. of all the peoples of this country. Equally strong as regards class legislation is the special corporation tax, which was not opposed by business. More vicious from the point of view of class legislation is the proposition to tax all amounts earned by corporations and partnerships above \$5,000 and eight per cent. on the capital invested, exempting from taxation agricultural classes, professional classes and labor.

Under the caption, "Taxing Success," the Bache Review says in part:

Congress is about to make a levy on the business brains and energy of the country, so that the enormous extravagance with which government is conducted will be paid for by a few, and the great body of voters upon whom the congressmen depend for reelection will not be touched. They have also opened the way so that no matter how much they may increase their expenditures, the same single class of people will pay for them.

The bill is outrageous and indefensible, and business men should rise all over the country against it. The United States Chamber of Commerce is the proper organization to act. If they would send out a referendum it would be demonstrated what disapproval business men

give to this unjust and dishonest scheme. But it may be too late for this. Here is where labor organizations have the better of the Chamber of Commerce. Their officers are authorized to act quickly in the interest of labor, and they do it.

This vicious method of taxation is a continuing alluring incentive to the greatest extravagance. The great masses of the people do not feel it and are consequently benumbed as to its effects. Government revenues must be obtained in some way and it is for the people to provide them. A just tax levied upon all alike in proportion to their means would not be felt. A stamp tax for instance is equitable and economic. If such taxes are increased too heavily the people are put to it to inquire as to whether government is being conducted on business principles and without waste and extravagance. The legislators are curbed by

their constituents and by this sense of responsibility made careful and wise in their conduct of affairs. Under the present methods they become heedless and lawless. They make enormous levies upon an unresisting class, and extravagance increases unrestrained.

It is time for business to organize and to intelligently and boldly fight these vicious political raids.

The worst feature of class taxation is the stamp of approval given to unfairness and injustice. Taxation based on such principles or rather lack of principle is unsound. There should indeed be organized protest not only of business men, but of all who believe in fairness and justice, against the further progress of vicious legislation and taxation.

THE BULL'S-EYE BY THE SHARPSHOOTER

Some financial authorities (whatever that word may mean) are convinced that the greatest commercial and industrial activity the world has ever seen will spring up in the wake of the world war like green oats around a threshing ground. Such authorities hold that the credit inflation that accompanies war stimulates speculation; that the mending of war wrecks will call for great industrial activity, and that for years to come we shall be both merchant and banker for all Europe with power to fix prices of merchandise and rates of interest. Maybe so.

* * *

But while we are waiting to see, let us look at a few patent facts and principles. I once had a team of mares, well matched and good workers. On an unlucky morning one of these animals broke a leg and had to be shot. After she was shot she was dead to all practical intents and purposes. We never hitched her up again. Now if some veterinary authority had come to the farm and declared that the remaining one mare, having the stimulus of a double load, of double feed and of two, welts of the whip where she had one before, would develop two and a half horsepower and so put the farm ahead of where it was before the other mare was slain, I should have listened respectfully to his opinion. But three facts would still have stood out like a cedar stump in a rye field, namely these: (1) A dead horse pulls no freight; (2) a dead horse rears no colts; (3) a dead horse once dead continues dead. Let us hold these facts in mind while we study a few trade principles.

Other things being equal, two able bodied, financially unembarrassed men will buy and pay for more things I have to sell than will one dead man, and one cripple who is paying a funeral bill in installments. This cripple, if his home was burned in the catastrophe, may hurry to get his wooden shelter built, and may order the lumber and nails of me, but the order will be a charge account. When he gets his shelter and his grocery credit established, he will have to be excused from the limelight of trade for a spell, while he works off his accumulated bills. What seems like postbellum prosperity is only the green September oats around the threshing yard. October's first frost makes its luxuriance look like litter.

* * *

If a man must live on little he can. Nearly any garment will keep the wearer warm twice as long as it will adorn him. Men who must have warmth can dispense with adornment. Half a meal chewed half an hour may nourish as well as a full meal chewed half that time. Men in need can learn to chew. Liquor, tobacco, jewelry, theatre tickets, frills, joymobiles, confectionery and like trifles that cost in America possibly ten billion a year could be neglected for a time without injuring either the health or happiness of America. They will be neglected. If the war leaves America rich and Europe wise, we must not expect to sell many of these foolish trifles to the sore and serious remnant of humanity over there. If we ourselves shall be called to do some suffering and economizing on the tail end of this world fight, it may after all be a wholesome antidote for some of our foolish boasting and reckless feasting. Wisdom is more nearly priceless than wealth.

DONALD MACKERCHAR, VICE PRESIDENT FIRST AND SECURITY NATIONAL BANK OF MINNEAPOLIS, DIED FEBRUARY 4

Donald Mackerchar, vice president of the First and Security National Bank of Minneapolis, died February 4 at Eitel hospital, where he had been a patient since December 29. He had been in poor health for some time previous to the date he entered the hospital. Death followed an operation which was attempted as a last resort to bring about his possible recovery from intestinal troubles.

Mr. Mackerchar's early banking experience in England and Scotland made him, according to his associates, the best posted man west of Chicago in foreign exchange. This knowledge enabled him to give great assistance to millers, grain dealers and other foreign shippers of the Twin Cities in straightening out their overseas credits when foreign exchange was disrupted by war conditions.

Mr. Mackerchar was 61 years old and was unmarried. He is survived by one brother, in Glasgow, Scotland, banker, and a sister, living near Glasgow. He was born in Aberseldy, Perthshire, Scotland. When he crossed the Atlantic he first obtained a position in a Canadian bank, but later entered the service of the British North American Bank of New York and was transferred to the Chicago branch of that firm.

From Chicago he came to Minneapolis in the early 90's and began work for the old First National Bank as a clerk. He worked his way to the vice presidency, attaining that position several years ago.

He was a member of the Minneapolis and Minikahda clubs.

JANUARY BUILDING AND ENGINEERING OPERATIONS

Comparative statistics of building and engineering operations in New York, New England, New Jersey, Pennsylvania, Maryland, Delaware, District of Columbia, Virginia, Ohio, West Virginia, Illinois, Indiana, Iowa, Wisconsin, Michigan, Minnesota, North and South Dakota and portions of Missouri and eastern Kansas, as compiled by the F. W. Dodge Company, show contracts awarded in January 1917 \$90,849,000, against \$62,784,500 in 1916, \$43,257,000 in 1915, \$51,102,000 in 1914, \$62,810,500 in 1913, \$38,910,000 in 1912, \$66,892,000 in 1911 and \$39,005,385 in 1910.

Comparative statistics of building and engineering operations in Minnesota and North and South Dakota, as compiled by the F. W. Dodge Company, show contracts awarded in January, 1917, \$2,034,000, against \$3,834,000 in 1916 and \$2,435,000 in 1915.

W. K. CLEVERLEY ELECTED A DIRECTOR OF SEABOARD NATIONAL BANK OF NEW YORK

New York—At a meeting of the board of directors of the Seaboard National Bank William K. Cleverley, cashier, was elected a director.

Sears, Roebuck Company's sales in January were \$13,183,812, increase of \$3,633,561, or 38.4 per cent.

SPECIAL BUSINESS BRIEFS

According to "Journal of Commerce," financing in January amounted to \$447,582,400, compared with \$192,776,200 in same month last year, increase of \$254,806,200. Domestic railroads contributed \$50,224,000, against \$62,283,500 last year, decrease of \$12,059,500, and industrial corporations accounted for \$132,358,400, contrasted with \$130,492,700, increase of \$1,865,700, making total domestic financing of \$182,582,400, compared with \$192,776,200 in 1916, decrease of \$10,193,800. Increase for month was accounted for by foreign government loans involving \$265,000,000. A year ago no foreign loans were placed during January.

American Beet Sugar declared extra dividend of \$12 a share on common stock. Regular rate on common was raised from \$6 to \$8 a share, and regular quarterly dividend of \$1.50 on the preferred was also declared. Extra \$12 cash dividend is payable on March 1 to stock of record February 17. Regular dividend is payable in quarterly installments of \$2 each as follows: On April 30, to stock of record April 14, on July 31 to stock of record July 14, on October 31 to stock of record October 13, and January 31, 1918, to stock of record January 12, 1918. Preferred dividend is payable April 2 to stock of record March 17.

Trade of United States with South America in 1916 far exceeds that of any earlier year. Imports from South America show gain of about \$100,000,000 over largest previous import record, and exports to that continent show gain of about \$70,000,000 over former high record. Total imports from South America in 1916 were in round terms \$425,000,000 against \$322,000,000 in 1915, and \$198,000,000 in 1913, the year preceding the war. Exports to South America were about \$215,000,000 against \$144,000,000 in 1915 and \$146,000,000 in 1913, the former high record year in exports to that country.

Republic Iron and Steel Company, one of many industrial corporations which have profited largely by war contracts, reports net earnings of \$16,544,636 in its annual statement for 1916. This is increase of \$11,105,038 over previous year. Balance available to common stock after deduction of preferred dividends and charges is equal to 47.95 per cent. on that issue, compared with 8.56 per cent. last year. Company's surplus was increased to \$18,256,252, or by almost 100 per cent.

"Daily Bond Buyer" reports sales of long term municipal bonds in January at \$40,305,671, against \$51,410,817 in January last year, \$31,366,878 two years ago and \$84,206,933 in 1914. Sales of municipal securities in January were \$5,928,500, compared with \$33,710,465 in same month a year ago, \$7,023,333 two years ago and \$48,134,002 in 1914.

Increase of 25 per cent. in the grazing fees on all national forests, instead of 33 1-3 per cent. as was originally contemplated, will be made for the season of 1917, according to the plan announced by Secretary Houston. Subsequent increases will be based on a study of the local conditions on the individual forests and will vary in accordance with the facts thus obtained.

New York Stock Exchange dealings in railroad and miscellaneous bonds amounted to par value of \$90,857,500; in government bonds to \$33,439,300; in state bonds to \$137,000 and in city bonds to \$965,000, a total in all classes of bonds of \$125,398,800, increase of \$28,690,800 as compared with previous month and of \$9,851,300 as compared with corresponding month last year.

Minneapolis bank clearings for January made phenomenal gain of \$5,000,000 over clearings for same month last year, despite interference with business due to freight car situation and loss in clearings total of amounts which pass through Twin City and country clearing systems of Minneapolis Federal Reserve Bank. January total was \$126,531,503.

Minnesota began February business in better financial condition than ever before at this time of year, according

to state treasurer Henry Rines. His books at close of January showed balance of \$3,055,075 cash on hand in treasury. Treasurer said of February 1 all other years "state has had temporary loans outstanding against it."

Dividend and interest disbursements in February will amount to \$154,778,982, largest on record for that month, and compared with \$128,262,516 in same period last year. Dividend payments will be \$78,028,982 by 201 corporations, increase of \$15,286,464, while interest aggregating \$76,750,000, increase of \$11,250,000, will be paid.

Award of contract for construction of 200-mile railway in China to the Siems-Carey Company of St. Paul was announced in a dispatch from the American legation in Peking. The line will run from Chowkia-Kow to Siang-Yang, traversing some of richest agricultural land in China.

Eastern Steel has declared initial quarterly dividend of 2½ per cent. on its common stock, payable April 16 to stock of record April 2. Regular quarterly dividends of 1¾ per cent. on first and second preferred stocks were also declared, payable March 15 to stock of record March 1.

Ohio Oil Company has declared stock dividend of \$75 a share, extra cash dividend of \$4.75 a share and usual quarterly dividend of \$1.25 a share, all payable March 20. Books close February 15 and reopen March 15. On December 20 last an extra dividend of \$3.75 a share was paid.

Copper importations into United States from South America in 1916 are double in value those of preceding year. From Chile alone they are about \$22,000,000 against \$11,000,000 in preceding year, and from Peru, about \$15,000,000 against \$7,500,000 in preceding year.

Exports of agricultural products during December were valued at \$168,187,506, as compared with \$159,721,594 in November, and \$106,441,691 in December, 1915. Breadstuff shipments increased \$11,304,614 and cotton exports were larger by \$41,446,000.

Transactions in stocks on New York Stock Exchange for January aggregated 16,423,790 shares, decrease of 15,287,709 shares as compared with previous month, but increase of 483,529 shares as compared with corresponding month last year.

Concession by Brazilian government for construction of 600 miles of railway to connect Cuyaba, capital of interior state of Matto Grosso with Rio de Janeiro and Santos, has been signed, and construction of road is to begin during current year.

Authority has been granted Chicago, Milwaukee & St. Paul Railway by Illinois Public Utilities Commission to issue \$25,000,000 in bonds to replace in road's treasury money expended for extension and improvement of its lines.

American Radiator Company has declared 50 per cent. dividend on its common stock. President C. M. Woolley said dividend would be payable March 15 and would apply to present \$8,185,600 common stock outstanding.

Merchandise from United States formed 27 per cent. of imports of Argentine in first nine months of 1916, against 13.4 per cent. in 1914, and average of about 14 per cent. in years immediately preceding the war.

E. M. Herr, president of the Westinghouse Electric and Manufacturing Company, announces that company has decided to build plant to cost from \$5,000,000 to \$7,000,000 at Essington, Pa., on Delaware bay.

Increase of \$100,000,000 in imports to United States from South America in 1916 occurs chiefly in wool, hides, copper and cacao, though there is also slight increase in India rubber and coffee.

Substantial Prosperity in Minneapolis Federal Reserve District

The monthly report of crop and business conditions in the ninth Federal reserve district says in part: In some respects January was a month of surprises. The usual lull in business after the holidays was less pronounced than in former years, and January retail trade was satisfactory, both in the cities and at country points. The usual falling off of bank deposits and loans and discounts was less marked than usual, and the demand, although rates continued low and showed but little change, was satisfactory.

Over the district as a whole there is evidence of substantial prosperity. The poor crops have evidently had little effect in impairing the purchasing power of the farmers and there has been a continued and noticeable disposition to make investments in the kind of permanent farm improvements that contribute to production and to better farm methods. From all parts of the district reports show that since the last crop was out of the way farmers have been putting up dairy barns, silos and hog houses and have been buying freely of good stock. This was especially noticeable in December and January in eastern Montana, where the war demand has taken thousands of head of horses and where farmers have been buying freely of first class breeding stock from the breeding farms of southern Minnesota, Iowa and Illinois.

It is predicted that an indirect result of the war will be a very substantial improvement in Montana breeds, resulting from the ability of stock men to clean up their old stock and employ the proceeds in reorganizing their business on a better basis. Much the same process is in progress with respect to cattle and a large amount of good breeding stock has moved during recent weeks into the Dakotas and Montana.

The spring outlook is favorable. Whatever unfavorable influences may come from the present serious international situation can hardly affect, to any great degree, the substantial prosperity of this district. The next crop will probably go into the ground under very favorable conditions. There has been excellent preparation of the soil, and while there is danger of heavy spring floods, the district as a whole has the promise of good moisture conditions.

Industrial enterprises are doing a large business and have satisfactory orders ahead. Merchants are not overbuying and from the evidence available seem to have taken stock of the general situation, with the result that they are exercising prudence. Individuals are buying freely, but not recklessly. Collections are good. Savings bank figures indicate that a large section of the public is exercising commendable thrift.

Sudden unfavorable developments may create lower price levels for farm products, but in that case are almost certain to bring recessions in the present extremely high prices of all the things that enter into the cost of living, and it is therefore evident that with a satisfactory crop year agricultural prosperity will continue, although there may not be the heavy flow of money into the hands of the farmers that has continued for more than a year.

BIG AUTOMOBILE BUSINESS EXPECTED IN TWIN CITIES THIS YEAR

The Twin Cities are expected to cross the \$100,000,000 line in 1917 in total volume of business done locally in the automobile trade. These figures, so large that to many people they will be astonishing, represent not only what the most conservative and well informed men in the trade believe can be attained, but that which they believe will be passed by a considerable margin if the Northwest runs into a big crop year.

The total business done here in 1916 ran above \$65,000,000, and probably closer to \$70,000,000, and the year 1917 has opened with indication that it will show not only the greatest percentage increase, but the greatest actual money gain ever recorded.

Lest the figures \$100,000,000 for the volume of business that the Twin City automobile trade in all its branches will do next year be thought extravagant, some sidelights into it may be obtained by a glance at a few index facts.

Minnesota has, in round figures, 130,000 licensed automobiles. This is an increase of 40,000 in a year. If \$1,000 be taken as the average value for a car, this alone would give an added value of \$40,000,000. But Twin City distributive agencies cover Minnesota, North Dakota, South Dakota, Montana and western Wisconsin. There was a big sale of high priced and low priced cars in this territory last year and it will be bigger than ever in 1917, dealers predict.

The auto truck is increasing in use everywhere in the Northwest and the Minneapolis manufacturers and Minneapolis dealers who handle trucks made elsewhere are looking forward to a banner year.

The distribution of auto trucks in 1916 showed even a greater increase relative to the number in use than the increase in automobiles proper.

Montana is looked to this year for increased purchases of automobiles. This business will take the form of purchases of high grade, high priced cars by business and professional men living in the larger cities and towns, probably a bigger demand for the motor truck, which is becoming known favorably in the Far West, and a keen general demand for the small, moderate priced car, that the country merchant, the small town resident and the prosperous farmer or rancher will buy for "knock about" service. Cars that will stand hard usage and that the buyers expect to get service out of rather than style will be wanted. The North Dakota and South Dakota demand is expected to run more to the higher priced cars.

LAW AND ORDER IN MINNESOTA

Mr. Sutherland of Fairmont need not be so seriously disturbed as to whether the committee investigating the I. W. W. is wasting its time. We are inclined to think that it spent some time quite profitably Monday afternoon when it furnished the I. W. W. leader a chance to explain to the people of the state some of the so-called "allegories" in which that organization indulges. It is worth while for the general public to find out what sentiments are controlling in that organization and what its songs express.

Through the newspaper reports of the House labor committee's investigations, the public have had an opportunity to form a tolerably correct idea of what the I. W. W. stands for and how utterly blasphemous and profane are some of its utterances and how anarchistic are its purposes.

It is worth while, too, for the public to know, particularly the farming public, that it is just as likely to be up against violence and destruction from this element in the next harvest time as the lumbermen and the mine owners are at other times. If we understand the theory of the I. W. W. organization, it is just as hostile to the ownership of the farm by the farmer as it is to the ownership of the mine by the mine owner or the ownership of factories and mills by those who have built them.

There is a kind of preparedness which belongs to the state not unlike in principle to that which has been urged upon the nation. Minnesota, by state authority if necessary, must preserve order, protect lives and property, suppress violence and maintain the law. We have not been doing it. This has nothing to do with strikes conducted in an orderly and lawful manner, but it has to do with systematic terrorism, the demoralization of industry, the destruction of life and property and the loss of wages, all inflicted upon helpless communities by a lawless element.

It is time for Minnesota to equip herself to deal with this element effectively, guaranteeing to labor and capital full protection. If we can get it without a thoroughly organized and efficient state constabulary, why have we not had it heretofore? If we cannot get it without a state police force, why shouldn't we have one? Is there any reason why the protection of life and property in the cities should be any more complete and adequate than it is in the country?—Minneapolis Tribune.

Canadian government plans appropriation for war purposes of \$500,000,000 for year ending March 31, 1918. The government also will ask for power to raise domestic war loan of \$100,000,000.

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INVESTMENT SECURITIES

MEMBERS NEW YORK, CHICAGO AND PHILADELPHIA STOCK EXCHANGES

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PHILADELPHIA

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BOSTON

CHICAGO STOCKS SUFFER BIG LOSSES

Chicago, February 6—Last week's break in local securities caught many stop-loss orders which gave the Chicago exchange its most reactionary day since the reopening of the bourse more than two years ago. The maximum break was 29 points in Union Carbide, Sears-Roebuck, with a loss of 15 points, was a close second, although its decline was of less importance since its market price is more than twice that of Stewart-Warner. Many customers with stop-loss orders in the market saw them executed from two to four points below the mark set in the order and considerable confusion resulted. Several brokers absorbed all or part of their customers' losses on this account rather than stand on their certain rights and attempt to explain the exchange regulations relating to stop-loss orders and incidentally the folly of them in such a market as yesterday's. Swift was surprisingly strong in the face of market tendencies. The maximum decline was $7\frac{1}{2}$ points. From this point there was a recovery of $2\frac{3}{4}$ and there were orders for several thousand shares at the close at prices slightly under the market. Stewart-Warner fell to 78, a loss of 29 points. Tool lost $8\frac{1}{2}$ points, Prest-O-Lite 27, Wilson $6\frac{1}{2}$, Connecting Railways preferred $7\frac{1}{4}$ and United Paperboard $6\frac{3}{4}$. The amount of business was the largest in any week in some time. Quite an aggregate of scattered small lots of stock went overboard during the decline.

Bonds in Active Demand

Drastic declines in securities were accompanied by expanded buying of bonds in La Salle street last week. Preference was given to public utilities, and packing house emissions were an active feature also. On the Chicago Stock Exchange listed bonds showed considerable activity in the early part of the week, with trading materially subsiding toward the end. The volume of transactions was well distributed and prices were quite irregular. In the traction issues Chicago Railway 5s B declined $1\frac{1}{2}$ points to $68\frac{1}{2}$, Chicago Railway income 4s losing $1\frac{1}{4}$ points to $41\frac{1}{2}$, while Chicago Railway 5s receded $\frac{3}{8}$ to $97\frac{1}{2}$. Chicago Railway 5s A made a gain of a point to $90\frac{1}{2}$. Swift 5s lost $\frac{3}{4}$ at $101\frac{1}{8}$. Armour $4\frac{1}{2}$ s declined $\frac{5}{8}$ to 94, with Morris $4\frac{1}{2}$ s advancing $\frac{3}{8}$ to 94. Booth Fisheries 6s fell off $\frac{3}{4}$ to 92 and Ogden Gas 5s ruled $\frac{3}{4}$ higher to 98.

Unlisted Stocks Erratic

Chicago unlisted securities were erratic in sympathy with the listed markets. American Fork and Hoe common remains steady at 126 bid, offered at 130; the preferred was wanted at 126. Automatic Electric declined about five points, closing at 45 bid, offered at 50. Butler Brothers changed hands as high as 281, but reacted to 275 with 272 bid, closing $274@279$. Consumers common was offered at 27, with little interest on the buying side. The preferred was steady at $82\frac{1}{2}$ bid and offered at $88\frac{1}{2}$. Northwestern Yeast was steady at 308 bid, offered at 316. Otis Elevator common was unchanged at $59@61$, with the preferred 88 bid, offered at 91. United States Gypsum common was 42 bid, offered at 44, while the preferred was a trifle easier with offerings at 100 and 99 bid. The implement stocks were fairly active. Avery common was traded in at 89, exdividend 7 points, reacting somewhat at the close to 85 bid and offered at 88. The preferred was unchanged at $95@96\frac{1}{2}$. Deere & Co. preferred sold at 99, closing $97@100$, preferred Brantingham preferred sold at 47, closing 39 bid,

offered at 42. The common was also slightly easier at $11\frac{1}{4}@13$. Moline Plow preferred was firm at $98@99$. The motor issues were one to three points lower. Continental Motors new stock changed hands at 10, closing $9@10$. Packard was offered at 155, a decline of some five points. Paige-Detroit was quoted $38\frac{1}{4}@39\frac{1}{2}$; Reo Motor Car sold at 35; Hupp Motor sold at $5\frac{1}{4}$, reacting to stock offered at $4\frac{1}{2}$ with bids of four.

Barber Controls Strawboard

Ohio C. Barber acquired absolute control of the American Strawboard Company. Herman Grossman resigned as a director and Fred Davenport, who represented the old United Boxboard interest, will leave the board. Barber gained his position after Grossman accumulated a large lot of stock, and sent the market up from 20 to 60, at which figure Barber bought out Grossman and his associates. The annual report of the company showed net earnings of \$550,000, or 18.4 per cent. on the stock, compared with a deficit in the previous year.

Radiator Melon Divided

Directors of the American Radiator Company declared a stock dividend of 50 per cent. on the common shares, payable in the junior issue March 15 to stock of record March 7. This is in addition to the regular cash disbursement for the quarter of three per cent., which is payable March 31 to stock of record March 21. As the cash dividend of three per cent. is payable after the payment of the 50 per cent. stock dividend, it will therefore apply to the increased issue, being the equivalent of a quarterly payment of $4\frac{1}{2}$ per cent. on the old issue. The authorized common stock will be increased from \$9,000,000 to \$22,000,000. The directors declared the regular preferred dividend of $1\frac{3}{4}$ per cent.

Sales by Sears, Roebuck & Co. for January totaled \$13,000,000 as compared with \$9,550,251 for January, 1916. This total was exceeded by only three months in 1916, the record year. These months were: October, \$16,212,095; November, \$17,680,999; December, \$18,239,210.

Sign Directorate Enlarged

At a special meeting of the stockholders of the Federal Sign System Corporation, the membership of the board of directors was increased from seven to 12 members. Frank J. Baker, William A. Fox, John H. Gulick, Martin J. Insull and Charles A. Monroe are the new members elected to the board. The other members are James M. Gilchrist, John F. Gilchrist, John H. Cochet, Samuel Insull, Herbert I. Markham, Edward P. Russell and W. Warren Tower. The officers of the company are: John H. Cochet, president; James M. Gilchrist, secretary; John F. Gilchrist, treasurer; Herbert I. Markham, general manager; J. S. McPherson, auditor; W. Warren Tower, assistant secretary; Samuel Insull, chairman of the board of directors.

An issue of \$1,700,000 Chicago Railways first mortgage five per cent. bonds is being offered at $97\frac{1}{2}$ by the Harris Trust and Savings Bank, the National City Bank, Northern Trust Company, and the Illinois Trust and Savings Bank. The valuation of the company's property as fixed by the city is about \$30,000,000 in excess of the first mortgage issue. The bonds have been active on the local exchange

Bank Investments

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The Rookery
Chicago

New York

with the first mortgage bonds of the Chicago City Railway Company.

Inland Steel Prospers

Inland Steel reports net earnings of more than 100 per cent. on \$10,000,000 capital for the year, after all charges. Earnings in the last half of the year ran at the rate of more than \$1,000,000 a month, or 120 per cent. Net profits amounted to \$11,365,000 as compared to \$4,493,000 in 1915. After interest and depreciation charges, the surplus was \$10,450,787, as compared to \$3,782,414 in 1915. Total surplus now is \$6,708,530, or 163.59 per cent., against \$6,708,530 a year ago. The board of directors declared a cash dividend of \$5 per share, payable March 1, to stockholders of record February 10. At the stockholders' meeting the recommendation of the directors relative to reorganization was approved. It is proposed to form a corporation in Delaware, with an authorized capital of \$30,000,000, to take over and carry on the business, \$25,000,000 capital stock is to be issued to the present stockholders, two and one-half shares of the new stock, par value, in exchange for one share of the capital stock. The remaining \$5,000,000 will be held in the treasury. To facilitate the exchange of stock the First Trust & Savings Bank of Chicago will act as depository. Directors and officers were reelected.

James L. Martin and Hathaway Watson have formed a partnership under the firm name of James L. Martin & Co. and opened offices in the Rookery for a general business in securities.

Halsey, Stewart & Co., Chicago, and G. H. Walker & Co., St. Louis, announce that the \$600,000 Laclède Gas Light Company of St. Louis five per cent. debentures, due February 1, 1919, recently purchased from the company, have been sold. The debentures are a part of an authorized issue of \$5,000,000 of which there are now outstanding \$3,850,000.

Speedometer Surplus Big

The annual report of the Stewart-Warner Speedometer Corporation for the year ended December 31 shows net surplus after all charges and dividends of \$2,105,968. This makes the total surplus \$4,195,441. The latest report puts total assets at slightly more than \$100 a share behind the stock, regardless of the \$9,132,000 of good will shown in the balance sheet. The surplus amounts to nearly half this intangible account. The report discloses that the company added \$358,671 to its surplus account by a revaluation of its properties. From manufacturing profits the balance available for dividends on the \$10,000,000 common stock was \$2,176,486, or 21.76 per cent.

The Avery Company's balance sheet shows that net profits for 11 months were \$771,831, as against \$445,722 for the 12 months of 1915. The 1916 earnings were at the rate of over 10 times the preferred stock dividend requirements, and after deducting this dividend there is left approximately 30 per cent. for the common. The book value of the preferred in net quick assets is \$306 per share, and in total assets \$491. The book value of the common in net quick assets is approximately \$100 per share and in net total assets \$200. Accrued dividends on the preferred stock were paid during 1916, and the regular seven per cent. dividends resumed. The company also declared a seven per cent. dividend payable February 1 on the common stock out of

the 1916 earnings.

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LA SALLE STREET NOTES

At the annual meeting of the Bond Mens Club of Chicago the following were elected officers: President, William E. Colt, Jr., Illinois Trust & Savings Bank; vice president, Bowman C. Lingle, Harris Trust and Savings Bank; secretary, Culbert C. Adams, Merchants Loan and Trust Company, and treasurer, Walter S. Brewster, Russel, Brewster & Co.

The Emerson-Brantingham Company reports for the year show net profits of \$351,173, as compared to \$201,625 in 1915. A balance sheet deficit of \$273,089 was turned into a surplus of \$78,084. The position of the company as to working capital and net assets was materially improved.

At the annual meeting of the board of directors of the Chicago Utilities Company, S. W. Tracy was elected president of the company to fill the vacancy caused by the death of C. W. Hotchkiss. Since Mr. Hotchkiss' death Mr. Tracy, who was vice president and treasurer, had been acting as president, in charge of the company's affairs, Messrs. Tracy and Payton were elected president and secretary of the three subsidiary companies, the Chicago Tunnel Company, the Chicago Warehouse and Terminal Company and the Illinois Telephone and Telegraph Company.

(Continued on Page 17)

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THIRD: We are in position to offer attractive terms upon well secured loans in developing agricultural regions.

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MINNESOTA

Continental and Commercial National Bank

OF CHICAGO

Capital, Surplus and Profits \$33,000,000.00

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RALPH VAN VECHTEN, Vice President
ALEX. ROBERTSON, Vice President
HERMAN WALDECK, Vice President
JOHN C. CRAFT, Vice President
JAMES R. CHAPMAN, Vice President

GEORGE M. REYNOLDS, President
WM. T. BRUCKNER, Vice President
JOHN B. WASHBURN, Vice President
NATHANIEL R. LOSCH, Cashier
HARVEY C. VERNON, Assistant Cashier
GEORGE B. SMITH, Assistant Cashier
WILBER HATTERY, Assistant Cashier
H. ERSKINE SMITH, Assistant Cashier

W. W. LAMPERT, Assistant Cashier
DAN NORMAN, Assistant Cashier
GEORGE A. JACKSON, Assistant Cashier
JOHN F. CRADDOCK, Mgr. Credit Dept.
JOSEPH McCURRACH, Mgr. Foreign Dept.
R. G. DANIELSON, Mgr. Transit Dept.

Continental and Commercial Trust and Savings Bank

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 \$1,500,000

PRIVATE BANK CONTROL NEEDED

Chicago, February 6—Illinois has more private banks than any other state in the Union and more than one-fourth of all the private banks in the United States. These facts will be impressed upon the House committee on banks and banking by representative William G. Thon when private bank legislation comes up for consideration at a public hearing February 13. There are 1,951 private banks in the United States, and of this number 551 are in Illinois and many lack supervision. Of the 1,951 private banks in the nation 1,280 are under no supervision at all. Of these 1,209 are in Illinois, Iowa, Michigan and Texas. Private banks exist in 32 states. In 18 they are under state supervision. Figures show that supervision acts as a check on private banks and as a stimulant to encourage banking by incorporated companies only.

Aids State Banks

The Thon bill, while imposing new restrictions on private banks, lightens the burden on state banks. All banks, except those under Federal supervision, become state banks under the bill. The capital required under the bill for state banks in Chicago is \$50,000, instead of \$200,000 as at present. Private banks will be forced to go out of business unless they can incorporate with \$50,000 capital stock. The capital stock required for cities from 10,000 to 100,000 in population is fixed at \$35,000, for those from 500 to 10,000 at \$25,000, and villages of less than 500 at \$10,000. The requirement for state banks outside of Chicago at present is \$25,000.

Loan Limit Opposed

One of the provisions to which the down state members object is a limitation which would be placed upon the amount of money which a bank could loan to one person. They insist that in a small community where the assets and reliability of the borrower are well known and his grain furnishes ample security there is no need of imposing conditions such as are admitted to be necessary in a larger city. The bill provides that private banks need not publish a statement of their assets and liabilities until two years after the act becomes effective, and are allowed three years in which to convert their assets. No amendment to the banking law becomes effective until approved by the voters in a referendum. This would mean that a bill passed at this session could not become operative until after the November, 1918, election.

Fenton Discusses Crops

W. T. Fenton, vice president of the National Bank of the Republic, says there is a world wide shortage of the principal products of agricultural and pastoral origin which bids fair to outlast the war for a considerable period. Foodstuffs of all kinds, leather, cotton and wool, are notable examples. He adds: "While every producing locality of the world has experienced other conditions peculiar to itself, there are two almost universal factors that are responsible for this result—first, a decreased production due to the shortage of labor and to the draining off of farm labor and to the recruiting or by the greater needs of industry, and, second, a greatly enhanced rate of consumption brought about by the exigencies and waste of war and by the larger purchasing power of the prosperous neutral world. A repetition of the short 1916 harvests of the world would be nothing less than a catastrophe, as the

only thing that prevented a dangerous scarcity of edible grains in the present season was the large supplies saved from preceding crops."

Gard Bankers' Guest

The next meeting of the Bankers Club of Chicago will be held on February 17 in the gold room of the Congress Hotel. Judge Warren Gard, member of Congress for some years from Ohio, who will be the guest of honor and speaker of the evening, was prominently identified with the Clayton act legislation and served on many important committees of the House. The club has invited as its special guests these prominent bankers from some of the large cities of the Central West, who will give short addresses on general conditions and prospects in their territory: Arthur V. Brown, president Union Trust Company, Indianapolis; F. A. Chamberlain, president First & Security National Bank, Minneapolis; Breckenridge Jones, president Mississippi Valley Trust Company, St. Louis; J. T. Keena, president Peoples State Bank, Detroit; J. W. Perry, president Southwest National Bank of Commerce, Kansas City; Embury L. Swearingen, president First National Bank, Louisville, and Colonel John J. Sullivan, president Central National Bank, Cleveland. Judson G. Rosebush of Appleton, Wis., will discuss the paper industry.

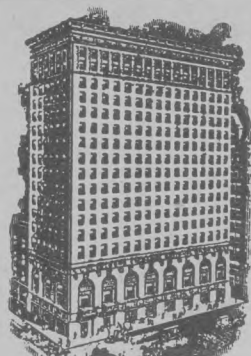
"Bonds Active"—Boisot

E. K. Boisot, president of the First Trust & Savings Bank, says of the bond market situation: "The year 1917 in the bond business has opened in a most active manner. There is a large demand for securities of all classes. Our January business has exceeded the business of any January in recent years. The proposed legislation in regard to income tax sharpened the demand for municipal bonds, putting the larger and better known issues below a four per cent. basis return, a condition which has not existed for several years. The recent collateral foreign loan has been oversubscribed and was put out on a basis so attractive that it should show a profit to the investor. The demand for railroad bonds is not as strong in the East as in the West. Local investors prefer public utility or good industrial bonds. The recent successful flotation here of issues of both of our traction companies shows the opinion of investors in Chicago on this class of securities."

John J. Mitchell, president of the Illinois Trust and Savings Bank, who returned from the East, said: "The belief obtains among certain of the banking interests in New York that the war will not last through the year. This view appears based, among other things, on the attitude of Austria, which is declared to be out of line with the dominant theories of the kaiser. It is the further impression that peace conditions have been largely discounted and that, while a few industries would show receding profits from those now ruling, the general welfare of the country would be improved by return to normal conditions. The bankers do not look for much in the way of a good money market. They are pleased, however, with the reception accorded the \$250,000,000 British loan. It was oversubscribed and is being well taken."

Money Rates Easy

Chicago money rates continue easy, with little to suggest a hardening at this time. Commercial paper of the best grade readily sells on a 3½ per cent. basis. In a few



The Corn Exchange National Bank

OF CHICAGO

Capital
\$3,000,000.00

Surplus
\$5,000,000.00

Undivided Profits
\$2,220,000.00

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J. EDWARD MAASS,
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Ass't Cashier
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Ass't Cashier
Ass't Cashier

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instances this rate is shaded. The makers of paper are availing themselves of the present position to secure favorable consideration from the banks. The country banks have pretty much retired from the paper market, according to their correspondents in Chicago. Anything less than four per cent. does not appeal to the banks west of here. Their balances flow to the reserve centers and accentuate easy conditions.

Chicago Deposits Increase

Deposits of the Continental & Commercial National Bank made the high record in its history last week at \$278,500,000. This is an increase of \$49,000,000 over the corresponding date last year. The figures one year ago were about \$40,000,000 ahead of the previous year. Of the increase in deposits about \$19,000,000 was in country banks and \$30,000,000 individual deposits. Deposits in the various banks continue to increase, and the totals are reaching new high levels. The First National holds \$190,500,000; the Corn Exchange National, \$108,400,000; the Fort Dearborn National, \$46,000,000; the National Bank of the Republic, \$35,000,000, while the deposits of the National City, the Illinois Trust and Savings and the Northern Trust show increases, but have not broken their previous records. The increases are natural at this season of the year, as money is released from agricultural requirements and seeks the centers. This usually reaches a culmination around March 1.

District Reserve Enlarged

From reports of bankers, manufacturers and merchants in the Chicago reserve bank district, Chairman W. A. Heath of the board of directors announces that the banks throughout the district have increased their deposits and reserve and that the investment of these funds is a problem, since in many instances the local demand is short of the supply. Interest rates continue low, and country banks, which ordinarily have a good outlet at home for their money, are buying brokers' paper. Mr. Heath says further: "The railroad situation is one of the most serious problems before the district, and the car shortage has not been alleviated to any great extent. Comments on this subject come in from all sides. In certain sections the farmers have been unable to secure cars to ship grain to market, and the delay has brought about slow collections where the payments were dependent on the marketing of crops."

Dawes Sees Recession

Charles G. Dawes, president of the Central Trust Company of Illinois, says: "Although business totals for December show a continuance of the advance made throughout 1916, it is believed that the opening month of the new year has witnessed some slight recessions. These are largely seasonal, however, and perhaps have not been as marked as is usually the case. In some leading industries few new contracts are being made, but present bookings extend many months ahead and insure unusual activity over the major portion of this year."

In the annual compilation of the earnings of Chicago banks in 1916 recently issued by Babcock, Rushton & Co., the percentages as shown for the Central Trust Company of Illinois are based on the present capitalization. Unintentionally this does not do justice to the bank. Had the per cent. earned on stock and the per cent. earned on aggregate assets been figured on the capitalization as it was prior to November 24, 1916, they would be 19.25 and 14.75 respectively instead of 14.44 and 11.75.

capital employed been figured on the capitalization as it was prior to November 24, 1916, they would be 19.25 and 14.75 respectively instead of 14.44 and 11.75.

The ^{B/L} COLLECTION BANK of CHICAGO

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Central Trust Company of Illinois

125 WEST MONROE STREET, CHICAGO

Capital	-	-	-	-	-	\$ 6,000,000
Surplus and Profits	-	-	-	-	-	2,500,000
Deposits	-	-	-	-	-	50,000,000

Accounts of banks and bankers received upon favorable terms.

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United States Firmly Entrenched Financially

Washington—The annual report issued by John Skelton Williams, Comptroller of the Currency, concludes with a reference to this country's financial preparedness and its readiness to encounter and deal with all financial, domestic and international problems as follows:

"Since the beginning of the European war, a little over two years ago, our country has passed swiftly and definitely from the ranks of the debtor countries and has become the most potential of the creditor nations. Practically the whole world is in debt to us and steadily increasing its obligations.

"Our financial condition in relation to other peoples and the world at large becomes stronger from week to week and from month to month. As the figures show so conclusively, our wealth is piling up with wonderful rapidity; but to do our proper work in the world and to protect and enlarge our own interests we may before long need every dollar of these resources, gigantic and inexhaustible as they now seem to be.

"From present indications it is probable that we will be required to finance not only our own enterprises, our preparations to make ourselves a formidable and therefore a respected power, and the commerce which is unfolding for us on this hemisphere, but also the endless complications and demands of readjustment and reestablishment that will follow the close of the great war.

"To meet these enormous drafts and strains on our resources, the most tremendous requirements and the widest opportunity that any nation in the world's history has ever faced, we are now strong and ready.

"We have gained in a year and four months, from June 23, 1915, to November 17, 1916, over \$6,000,000,000 in the resources of our banks, counting all banks. This means that we have added to the resources of our banks in this brief space of time an amount exceeding by a billion dollars the entire resources, as recently reported, of those citadels of financial strength the Bank of England and the Bank of France combined. As a further comparison the increase for this period also represents an amount twice as great as the total resources of the Reichsbank of Germany, plus the resources of the Bank of Italy, according to their latest reports.

"We have now the Federal reserve system, which we believe assures us against panics and fears such as have in the past, at intervals, disturbed our commerce and paralyzed our industries. The rural credits, or Federal farm loan system, will aid in securing permanent commercial strength and safety based on the sure foundations of prosperous and thriving communities of farmers, held to the soil by ties of ownership and encouraged and aided to secure constantly increasing results per man, per acre and per day.

"In reviewing our banking and fiscal situation we seem now to be entrenched financially almost as firmly as it is possible for any human government to be. We are well prepared for preparedness, and ready and able to provide for whatever increases of army and navy the Congress may think to be necessary.

"Our preponderating power in world finance is fast being recognized in all countries. As an illustration of the opin-

ions now held abroad as to this country, it may not be amiss to quote in conclusion the following extract from an editorial entitled 'American Banks and the Future,' which appeared recently in one of the leading English newspapers, the Manchester Guardian:

"European financiers in general would be well advised to face the fact that the war has radically transformed the relations between the United States and Europe. The American Comptroller of Currency in his latest report indicates how greatly American banks have developed in recent years. Their resources on November 17 amounted to 3,104 million pounds. They have grown by 800 millions since 1913 and doubled since 1906.

"The Federal reserve act and other legislation under Mr. Wilson's auspices have given them, for the first time in their history, a really sound organization. The United States has wiped out, or by the end of this war will have wiped out, most of its debt to foreign investors. It will have a currency of unimpeachable soundness, fortified by a gold reserve of unprecedented magnitude.

"The American bankers will have acquired the experience they have hitherto lacked in the international money market. And all this strengthened financial fabric will rest upon an economic fabric which the war will have much expanded. It can hardly be doubted that under these circumstances New York will enter the lists for the financial leadership of the world."

The Comptroller repeats all of his recommendations for amendments to the national bank act as contained in the last annual report, and adds several additional ones as follows:

To provide a penalty for making false financial statements for the purpose of obtaining credit from national banks.

To provide punishment for breaking and entering a national bank for the purpose of theft or robbery.

To limit funds invested by a bank in its own building to the amount of its capital stock.

To authorize the United States Treasurer to sell bonds securing circulation 30 days after a bank goes into liquidation.

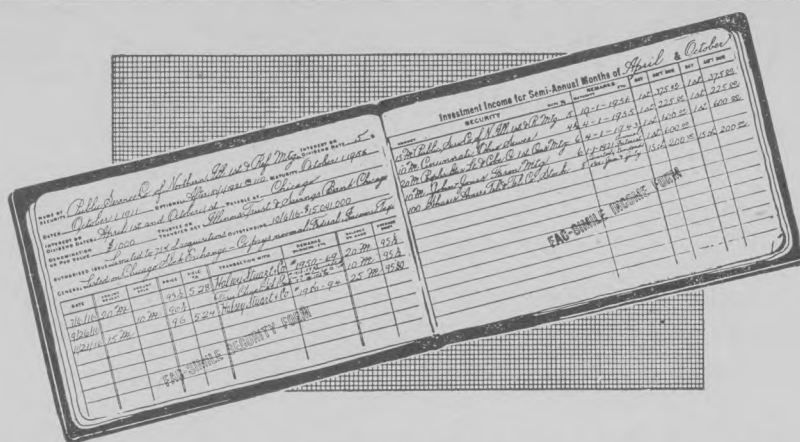
Clearing house figures for the entire country—embracing 173 clearing houses—shows aggregate transactions for the year to be \$241,407,541,000, an increase for the year of \$78,233,404,000.

New York leads in increases with \$56,338,001,000. Other notable gains were Philadelphia, \$4,050,121,000; Chicago, \$3,725,285,000.

IRON ORE ROYALTIES NET MINNESOTA NEARLY \$1,000,000 LAST YEAR

Minnesota's 1916 income in royalties on iron ore from state owned mines was within \$30,000 of the \$1,000,000 mark, and broke all previous records, according to final official figures made public by state auditor Preus.

State revenue from this single source totals nearly \$4,370,000 to date, the figures show, royalties at 25 cents a ton having been collected on a grand output of 17,470,540 tons from the time the mines were worked until January 1. The state mines last year yielded 3,887,743 tons, compared with 2,436,790 in 1915 and 806,901 in 1914.



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WHAT ARMOUR THINKS OF ENTHUSIASM

Chicago—J. Ogden Armour of Armour & Co. recently wrote the following to the employes of his concern:

"Enthusiasm is the dynamics of your personality. Without it, whatever abilities you may possess lie dormant; and it is safe to say that nearly every man has more latent power than he ever learns to use. You may have knowledge, sound judgment, good reasoning faculties, but no one—not even yourself—will know it until you discover how to put your heart into thought and action.

"A wonderful thing is this quality which we call enthusiasm. It is too often underrated as so much surplus and useless display of feeling, lacking in real substantiality. This is an enormous mistake. You can't go wrong in applying all the genuine enthusiasm that you can stir up within you; for it is the power that moves the world. There is nothing comparable to it in the things which it can accomplish.

"We can cut through the hardest rocks with a diamond drill and melt steel rails with a flame. We can tunnel through mountains and make our way through any sort of physical obstruction. We can checkmate and divert the very laws of nature by our science.

"But there is no power in the world that can cut through another man's mental opposition, except persuasion. And persuasion is reason plus enthusiasm, with the emphasis on enthusiasm.

"Enthusiasm is the art of high persuasion.

"And did you ever stop to think that your progress is commensurate with your ability to move the minds of other people? If you are a salesman this is preeminently so. Even if you are a clerk it is the zest which you put into your work that enkindles an appreciation in the mind of your employer.

"You have a good idea—don't think that other people have a better one. Columbus had a good idea, but

he didn't get 'across' with it without much of this high persuasion."

"If you would like to be a power among men, cultivate enthusiasm. People will like you better for it; you will escape the dull routine of a mechanical existence and you will make headway wherever you are. It cannot be otherwise, for this is the law of human life. Put your soul into your work, and not only will you find it pleasanter every hour of the day, but people will believe in you just as they believe in electricity when they get into touch with a dynamo.

"And remember this—there is no secret about this 'gift' of enthusiasm. It is the sure reward of deep, honest thought and hard, persistent labor."

LA SALLE STREET NOTES

(Continued from Page 13)

The Hotel Sherman Company reported net earnings of \$450,000, an increase of \$140,000 for the year. Unusually heavy charges were made for depreciation, but the income of the company was the largest in its history. At the annual meeting stockholders and directors were reelected.

THREE HUNDRED BANKS in thirty-six states employ me as advertising manager,—not because they care about me nor because they think I'm a "good fellow", but because their advertising is made a paying investment under my plans. I will gladly tell you how we handle the work for these three hundred banks. Are you interested?

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(ADVERTISING MANAGER FOR 300 BANKS)

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THE FUNCTIONS OF A GRAIN EXCHANGE

John G. McHugh, Secretary Minneapolis Chamber of Commerce, before Convention of Washington State Growers, Shippers and Millers Association at Pullman

The thing that I am here to talk with you about is a matter which is attracting large attention, and that is—the services rendered and the nature of organizations through which grain can be distributed. The Chamber of Commerce of Minneapolis is one of the largest of the grain exchanges of the country; in fact, it should be called a grain exchange, and this same term should be applied to many of the Chambers of Commerce and the Chicago Board of Trade, etc. Now these grain associations are probably among the most highly organized and effective pieces of machinery that have ever been invented, and yet their nature is very much misunderstood. Its purposes are not clear. Some features of our operation meet with very severe criticism, and so we are very glad to accept an invitation such as was extended to us to come out to this meeting and to explain to you as far as we are able the nature of the grain exchange, its character, its purpose and its strong and weak points.

Why Grain Exchanges Are Necessary

These grain exchanges became necessary as soon as the grain markets became of large importance. There had to be terminal markets and in the nature of things those who were engaged in some branch of the grain and milling business got together and organized these grain exchanges. The first thing I want you to bear in mind is that they are private market places, and a number of men can associate themselves together and form such an organization. These grain exchanges have been called "monopolies" and that idea sticks in the minds of many. Nothing is more in error. The laws under which the Chamber of Commerce of Minneapolis is organized would permit any three or five men of the state of Minnesota to organize another grain exchange and these laws permit individuals to get together and form these organizations. Now the necessity for these organizations is: First—if business is to be transacted in the grain terminal market with any facility at all, there has to be provided a grain exchange room, and the first thing for these grain exchanges to do is to furnish these necessary facilities. They furnish a room in which buyers and sellers can meet. Second—they furnish rules and regulations under which business is transacted. They provide all the rules and regulations. Third—they gather from all the markets of the country by wire all of the information regarding values, etc., and supply this information to the buyers and sellers, all of which is necessary in the transaction of business. In other words, the organization is the means by which the members are able to secure all this information very much more cheaply than the individuals could themselves.

The Service of a Grain Exchange

Of course, the grain exchange is not engaged in the grain business in the slightest degree. The organization has one purpose, and that is to provide a market place with everything that that means, for the benefit of the buyers and sellers alike. In doing so, they are performing a great service to the general public, and all of this information gathered from all these other markets by wire is a great expense. Some years ago the bill for quotations was something like \$23,000 a year, and that information was given free of charge to the newspapers, and every afternoon the newspapers throughout the country print this information for the benefit of the general public. These market places are not engaged in any way in the grain business, but their functions are to provide the conveniences necessary for the grain business, to provide rules and regulations under which grain business shall be done, and third, to get information from all markets necessary to enable the men who are engaged in the grain business to transact business on a small margin of profit, and that is made possible by certain features which have been developed in the grain business. Among these features of grain exchanges which meet with criticism is the system of future trading, and one of the things I wish to make

clear as far as possible, is exactly what this means and just what service is performed.

Future Trading Explained

In the first place, a visitor to the exchange looking down and seeing the large grain tables with pans containing samples of the different cars, and the pit, is more interested in the spectacular. The casual visitor's attention will be focused on the pit, for the natural reason that the pit is a much more noisy and spectacular affair. And so a casual visitor going into the grain exchange gathers the impression that the grain exchange is a highly speculative proposition and consists mostly of this trading in the pit. The future trading taking place at the grain exchange is a contract for the sale of a lot of wheat for future delivery. Now, in order to have a future market, you must have contract grades. When an individual buys or sells 5,000 bushels of wheat in Minneapolis, he buys or sells 5,000 bushels of one northern wheat, which has been inspected by the state of Minnesota, to be delivered some time in May. Now this contract grade must exist in order to make the basis for the future trading. For instance, there is no future trading in barley, for barley does not lend itself to a description sufficiently accurate to furnish a basis for a contract grade. The state of Minnesota grades all barley, but so far as the buyers and sellers are concerned, they might as well not. It is all sold on its merits. In order to make future trading possible, it was necessary that the total volume of the contract grade bear a reasonable relation to the total crop. In other words, if a contract grade was too narrow it would be dangerous to hedge low grades of wheat in the contract grade and a corner might be developed and so the hedge would be a poor investment. The contract grade once established, trading takes the form of a contract for delivery in four months—May, July, September and December. Any month could be fixed as the month of delivery under the contract, but these four months lend themselves readily to the movement of the crops. Therefore most of these contracts call for delivery in the months mentioned previously. Practically all the northwest farmers' elevators hedge by a sale for future delivery in the Minneapolis market. This hedging opportunity results in securing the "trade" profit on which it buys and sells to the producer. We will say three cents a bushel. However, if it has sold all this grain for future delivery and the market should advance it would make nothing by that advance. On the other hand, if it declines, it would lose nothing. If a man in the country buys 5,000 bushels of wheat today based upon Minneapolis market at \$1.50, he buys it, we will say, at a margin of four cents. If the market should advance and when that grain reached Minneapolis the market was five cents higher, it would be sold on the market at an advance of five cents as compared with the market on which it was bought, but the loss or hedge would offset the profit on the grain.

Speculation Is Assumption of a Business Risk

And now I think the word speculative needs a little explanation. I think a great many people confuse it with the word "gamble," and yet the difference is absolutely clear. Speculation consists in the assumption of a business risk or hazard which exists in the nature of things and which somebody has to assume. The minute that the crop is produced and threshed, from that time on somebody necessarily has to speculate on it. That is, they have to assume the risk of loss through a decline in the price and they also stand to gain through an advance in the price, and it doesn't make any difference who it is, whoever owns that grain until it is finally consumed in the form of bread, somebody must at all times assume that risk. The farmer who holds his grain is speculating. The country grain dealer after purchasing from the farmer may also be a speculator. The terminal elevator man might speculate after buying this. Whoever owns grain speculates upon it. The bulk of the crop is marketed in four months, from September to January 1. Last year in

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This bank is in the market for cattle and other live stock loans. Write us about our service.

Northwestern National Bank

MINNEAPOLIS, MINNESOTA

Resources

\$52,700,000

these months in Minneapolis there were received 1,000 cars of grain a day for every day for four consecutive months. A million and one-third bushels of grain arrived for four solid months every day, representing \$1,000,000 worth of value. Receipt of grain during that time is naturally very much in excess of the demand. The demand for wheat flour is more or less continuous throughout the year. The annual demand is spread over the whole year. On the other hand, the producers in the Northwest desire to market their crop and convert it into cash in a comparatively short time. If things continue in the future as they have in the past, it is going to be necessary for someone to carry that grain until it is actually needed. Now, the speculative risk therefore must be assumed by someone as soon as it exists. Now, whenever an individual assumes a risk which somebody has to assume, he is a speculator. I wish to make this distinction clear. A gambler is a man who assumes a risk or hazard which is created for the purpose of being assumed and has no connection with business. Individuals who bet on horse races are assuming risks that do not exist in the nature of things. It is created for the purpose of being assumed. Another thing to be clear upon is that the individual who engages in this sort of risk is performing no useful service to the community. In a bucket shop, for instance, the proprietor simply bets the customer that he is wrong. This does not have any connection with the movement of the crop. They are absolutely useless in every sense of the word. They are about as bad a form of gambling den as exists, and transactions therein do not affect the distribution of the crop. Now the thing which we regret and the thing which brings upon the grain exchanges of the country very severe criticism is that this useful function of future trading is made use for speculative purposes, by a number of individuals who are entirely incompetent to engage in speculation. The speculation of these incompetent individuals in the future markets of these grain exchanges actually do broaden the market. They actually do assist in moving the crop, but they do so at so serious a loss to

these individuals as to far outweigh any value which these individuals may give to the market.

The Great Problem Before the Grain Exchange

In other words, the greatest problem which the grain exchange has today to solve, is how to permit farmers' elevators to hedge grain in the future market in a small way and at the same time prevent incompetent individuals from taking part in these speculative transactions. The small individuals enter the market, they operate on a small margin and their losses are serious losses to them, and the general public seeing these losses, condemn the grain exchange. Nothing brings upon us so much criticism as this fact, that in small towns throughout the country and in all sorts of places, incompetent individuals are making use of a very useful function in a very incompetent way, and one of the questions that the grain exchange has to solve, is how that class of individuals can be barred from the market. Their ventures are all of small value to us, but their losses are serious to them and bring upon the organization undue criticism.

Value of Boards of Arbitration

Another feature of grain exchanges is the fact that boards of arbitration are organized to settle questions.

(Continued on Page 49)

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SHORT SELLING

New York—Short selling is the sale of stock which is not at the moment owned by the seller. The seller makes a contract with the buyer to deliver to the latter, say, 100 shares United States Steel at 113. The operation is analogous to that of the contractor who undertakes to deliver a finished building at a certain price within a certain time, although at the moment he enters into the contract he does not own a stick of timber, a piece of steel, or a brick that will eventually go into the building. He exercises his judgment as to the prices at which he can buy these materials, the cost of labor that will be involved, and all the other elements, and figures that he can make a profit by undertaking the obligation. The man who sells stock short believes that he can buy the stock to fulfill his contract at a lesser price than that at which he has undertaken to make delivery.

The main difference is in the matter of time. A building may not need to be delivered for six months, but under the rules of the Stock Exchange, stocks sold under contract must be delivered by 2:15 o'clock on the day following that of the sale. If A, at 11 a. m. on Thursday, sells to B 100 shares of United States Steel at 113, he merely undertakes to deliver that 100 shares by 2 o'clock on Friday. If, before the close of business on Thursday, he is able to buy 100 shares of Steel at 110, he does so, and theoretically delivers the 100 shares which he has bought by way of fulfilling the contract for the 100 shares which he has sold earlier in the day. Practically, this transaction is taken care of through the operation of the Stock Exchange clearing house, just as checks between banks are used as offsets against each other in the banking clearing houses.

In the majority of cases the seller may not be able to buy the stock at the lower price on the day on which he entered into his contract; in other words, he may not be able "to cover" immediately, which is the technical term for buying the stock needed to complete his contract. As the rules of the Stock Exchange require that delivery must be made by 2 o'clock Friday to complete a Thursday contract, the seller, A, borrows the stock necessary to make delivery from some one, C, who is not immediately anxious to sell. As security for this stock, A deposits with C, who owns the stock, money to its full market price, as shown by the closing bid quotation of Thursday; and A receives from C, who lends him the stock, but who temporarily has the use of A's (the seller's) money, interest on that money.

In case the stock which A borrows is particularly scarce, A may be willing to forego exaction of interest from C, who advances the stock on the security of the money, and in extreme cases A may be willing not only to let his money go without interest, but to pay a premium to C, the lender of the stock, in addition to the privilege of using the money.

In any case, the contract has been entered into between responsible parties, and the opportunity for profit or loss is no different from that which will arise where a man bought stock in the expectation of an advance in the price. The seeming complication comes merely in the necessity

which the seller is under to borrow stock for delivery. In the case of the contractor who does not own the materials which go into the building, he obligates himself to produce, there is also generally a need for borrowing, but in this case the contractor borrows money on the strength of the engagement which the buyer has entered into with him to pay when delivery is made. He gets credit because the buyer is a responsible person. In the case of short selling of stock, the seller assumes all the responsibility by putting up his own money to secure his loan of stock.—The Wall Street Journal.

Otto H. Kahn's View of Short Selling

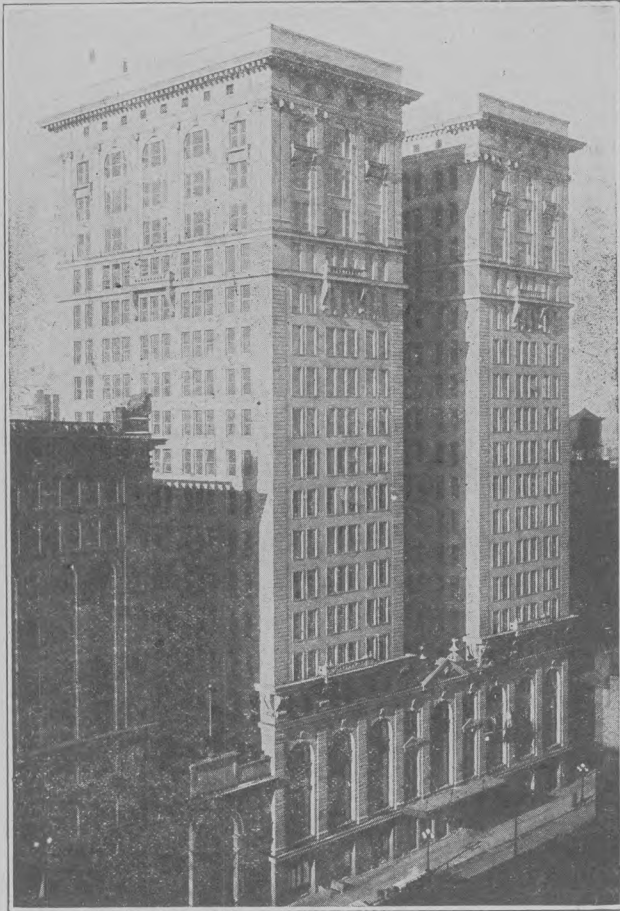
Otto H. Kahn of Kuhn, Loeb & Co. recently gave the following exposition of the use and necessity of short selling:

"Short sellers are born not made, but if there were not people born who sell short, they would almost have to be invented.

"Short selling has a legitimate place in the scheme of things economic. It acts as a check on undue optimism, it tends to counteract the danger of an upward runaway market, it supplies a sustaining force in a heavily declining market at times of unexpected shock or panic. It is a valuable element in preventing extremes of advance and decline.

"The short seller contracts to deliver at a certain price a certain quantity of stocks which he does not own at the time, but which he expects the course of the market to permit him to buy at a profit. In its essence that is not very different from what every contractor and merchant does when in the usual course of business he undertakes to complete a job or to deliver goods without having first secured all of the materials entering into the work or the merchandise. The practice of short selling has been sanctioned by economists from the first Napoleon's minister of finance to Horace White in our day. While laws have at various times been enacted to prohibit that operation, it is a noteworthy fact that in every instance I know of these laws have been repealed after a short experience of their effects. I am informed on good authority—though I cannot personally vouch for the correctness of the information—that there is no short selling on one nowadays fairly important Stock Exchange, that of Tokyo, Japan. You will have seen in the papers that when President Wilson's peace message became known in Tokyo, the Stock Exchange there was thrown into a panic of such violence that it had to close its doors. It attempted to reopen a couple of days later, but after a short while of trading was again compelled to suspend. Assuming my information to be correct, you have here an illuminating instance of cause and effect.

"Short selling does become a wrong when and to the extent that the methods and intent of the short sellers are wrong, just as, for instance, the practice of thrift becomes a vice when it degenerates into avarice and miserliness. The short seller who goes about like a raging lion (or bear) seeking whom he may devour, he who deliberately



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of the Board of Directors January 9, 1917.*

- Mr. F. M. Prince, Chairman of the Executive Committee
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smashes values by dint of manipulation or artificially intensified selling amounting effect to manipulation or by spreading alarm through untrue reports or even through merely unverified rumors, does wrong and ought to be punished. Perhaps the Stock Exchange authorities are not always alert enough and thorough enough in running down and disciplining deliberate wreckers of values and spreaders of evil omen; perhaps there is altogether not enough energy and determination in dealing with the grave and dangerous evil of rumor mongering on the Stock Exchange and in brokers' offices, but even Congress, with the machinery of almost unlimited power at its hands, does not always seem to find it quite easy to hunt the wicked rumor mongers to their lair and subject them to adequate punishment. Yet the unwarranted assailing of a man's good name is a more grievous and heinous offense than the assailing, by dint even of false reports, of the market prices of his possessions."

An Editorial View of Short Selling

The Wall Street Journal editorially discusses short selling as follows: After the manner of congressional committees set to investigate the financial center of the country, that which was recently with us exhibited the customary confusion upon the subject of short selling. It cannot be said the Stock Exchange witnesses were particularly illuminating, and no doubt we shall be favored with recommendation on a practice which the members of the committee can hardly pretend to have understood.

There is in many minds an impression that some moral obliquity attaches to selling something you do not possess at the moment. It is also believed in such quarters that this is a practice confined to the stock market, and that in some way the public will be protected by prohibiting such sales altogether. Berlin, in fact, thanks to over-regulation by a paternal government, went through the experience, with the result of diverting all business to other centers or into the hands of a few favored banks.

Short selling is an essential part of all markets and of many other relations of industry. The contractor for the construction of the subway in effect sells short all the

materials he may require, and often "covers his shorts" at a loss by paying more for them than he had anticipated. The market man who sells the Waldorf 500 cantaloupes for a forthcoming banquet may not have a single one in his shop. He expects an arrival from the Southwest. That arrival may be held up by floods or snow, in which case he fulfills his contract by covering his shorts, that is, by buying from other traders in the same line of business.

The holder of stock traveling in California whose securities are locked in the safe deposit vault in New York becomes alarmed at some unexpected news which may affect the market. He telegraphs his broker to sell the stock and borrow it from some holder until his own certificates become available. Is he to wait until his return to New York and thus miss his market?

Short selling is an invaluable market stabilizer and a great convenience to the public, because for every sale there must be a delivery. What does it matter to the buyer whether the stock is sold short or not, provided he receives what he buys? That it requires professional judgment to trade successfully on the bear side in stocks is neither here nor there. The same is true of corn or cabbages or any other commodity. If the congressional committee had only made these facts clear to itself, it would at least have achieved something of value in its trip to New York.

STEVENS-CHAPMAN CO.

COMMERCIAL PAPER

INVESTMENT BONDS

FARM MORTGAGES

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JOHN LIND, Attorney

W. J. LOUDERBACK, Financial Agent
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EDGAR L. MATSON, Vice President
JOHN R. MARFIELD, Marfield Grain Co.
S. J. MEALEY, President State Bank of Monticello, Minnesota
CHARLES E. MILLS, Vice President
GEORGE F. ORDE, Vice President
ED. PIERCE, Banker, Sheldon, N. Dak.
GEORGE H. ROGERS, Vice President Rogers Lumber Co.
GEO. J. SHERER, Sec'y and Treas. Northern Display Adv. Co.
C. J. SWANSON, President Northwestern Fireproofing Co.
EUGENE TETZLAFF, Pres. Flour City Ornamental Iron Works
A. UELAND, Attorney and Vice President
H. B. WAITE, President H. B. Waite Lumber Company
STUART W. WELLS, Vice President Wells and Dickey Company

Willard Straight Predicts Rapid Improvement in Our Foreign Investment Market

New York—Willard Straight, vice president of the American International Corporation, in an article in "The Americas," comments in part as follows, on the improvement of our foreign investment market: "Loans backed by tangible collateral are the easiest type for our investors to understand and by comparison with those other offerings are judged.

"So it comes about that for a time at least our lendings abroad must be at what may seem hard terms to those who have borrowed from England, France or Germany before the war, and who do not fully realize that these great nations are paying over twice as much for their money as they did a few years ago and are themselves offering terms which no one could have asked of them in the past except at the risk of appearing ridiculous. Interest rates today to the great countries of Europe are in many cases higher than the rates paid before the war by the countries of South America.

"Thus the aspect of the investment market has entirely changed in the past three years in two of its most important features—our investors are being offered opportunities which used to go to the financial centers of Europe, and the great nations of the world are bidding for credit in enormous amounts at unheard of rates and offering unimpeachable collateral as security. There is no doubt that our investors are willing to risk their money abroad but the return must be high, the security tangible, and the transaction carried out and endorsed by concerns of the best reputation and with facilities for making the exhaustive studies necessary as a basis for sound judgment.

"The accompanying table illustrates the radical change which has occurred in the basic features of government financing since the outbreak of the European war:

GREAT BRITAIN

	Life, Years	Off'd in	To Yield
Consols, 2 1/2 %	Perpet.	1902	2.68 %
5 % war loan sec.	2	1916	5 1/2 %
Secured loan, 5 1/2 %	3	1916	5.75 %
Secured loan, 5 1/2 %	5	1916	5.85 %
Secured loan, 5 %	1 & 2	1917	6.00 %

FRANCE

Rentes, 3 %	Perpet.	1901*	2.97 %
Rentes, 3 %	75	1901*	3.00 %
City of Paris 6 %	5	1916	†6.3 %
American foreign sec., 5 %	3	1916	5.3 %

RUSSIA

Gold loan, 4 %	81	1888	4.65 %
Gold loan, 5 %	50	1906	5.67 %
6 1/2 % credit	3	1916	†6 1/2 %
Internal 5 1/2 %	10	1916	†5 1/2 %
Treasury gold bonds, 5 1/2 %	5	1916	6 3/4 %

ANGLO-FRENCH

5 % external joint loan	5	1915	6 %
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*Market quotations.

†Based on existing exchange. Possibility of greater yield through return of exchange to normal.

"Now the start is made the expansion of this phase of business is likely to be rapid. There will be opened for foreign countries an almost unlimited source of capital for deserving enterprises, in connection with a source of raw and manufactured products such as no other country can offer. In years to come we will stand in a splendid posi-

tion to aid in the development of the world, for we can supply from a single source every need. It is therefore to the interest of all that the new attitude of our investors toward other lands should be encouraged.

"There are a few people who, perhaps conceding that we have a theoretical economic reason for placing our money abroad, ask if, nevertheless, it is desirable for us to do so. They feel that perhaps we will stunt our own growth, that there will not be money enough for our own undertakings, if we invest heavily in foreign securities. It is more logical, however, that foreign investment should be considered a national service of the highest order because such investments, not being susceptible to the same influences as our domestic undertakings, would strengthen us and give us the reserve and balance which we need; other lending nations recognize in their investing power a great national asset.

"We can take England as an example. Her industrial investments alone in South America represent roughly \$2,850,000,000. And they cover every field of activity—banking, real estate, railroads, steamships, public utilities, manufacturing, merchandising, mining and the exploiting of other natural products. In addition England has loaned large sums to national, state and municipal governments. No one can feel that she is not stronger for this and no one can contend that her own possessions have been neglected. All this money placed abroad has brought a two-fold return to the nation in that it has earned good profits of itself and has moreover brought a vast trade to English manufacturers and merchants.

"Today the United States uses over 61 per cent. of the world's output of rubber and yet nearly all of it must be bought through London. This activity in every country made London the financial center of the world and it is only recently and because of war conditions that New York has, for the time being at any rate, become a lender sought by all. This represents a great national resource which will grow in value as time goes on, for each foreign offering on our market adds to our stability and improves our position in world finance; with our new opportunities comes a broader vision and our machinery for helping world progress improves."

NATIONAL CITY BANK OF NEW YORK PROMOTES TITUS

New York—Directors of the National City Bank have created the new position of general superintendent of South American branches and selected A. H. Titus, an assistant cashier, to fill the place. Mr. Titus has been with the bank for about 20 years, and only recently returned from South America, where he spent about nine months, during most of which he was manager of the Buenos Aires branch.

Mr. Titus expects to sail for South America in about a month and he will remain there permanently, visiting New York every now and then to make reports. He will have general supervision over all of the six South American branches.

Acceptances

New York—Rapid increase in the use of bank and trade acceptances marks the development of a new form of financing in this country, which is attracting the attention of bankers, business men and investors. Opportunities for trade expansion, increased credit and desirable investment all accompany it and invite study.

Prior to the passage of the Federal reserve act, one of the particular objections to our existing banking system was the absence of a discount market like those of London, Paris, Berlin and other continental centers where bankers' acceptances could be readily sold. Owing to a construction of the national banking act by the Supreme Court, our national banks were not permitted to issue acceptances, because an acceptance is in effect the lending of a bank's credit; and that the Supreme Court decided national banks could not do. Accordingly, this country had no open discount market.

Today that situation is radically altered. There is in this country a healthy and constantly expanding market for acceptances. According to the combined statements of the report of December 27, 1916, national banks in New York City had issued acceptances to the volume of \$60,218,800. The combined reports of New York trust companies, as of November 29, 1916, showed a total of \$77,540,200 for customers' liabilities on acceptances. And, according to the November statements last year, national banks and trust companies of New York City showed an aggregate acceptance volume of \$126,850,800.

Although the acceptance business in the United States has been in operation only about two years, or since shortly after the outbreak of the European war, it is being developed energetically both by bankers and business men. In an interesting booklet issued by the Guaranty Trust Company of New York, that institution explains the details of this method of finance and the rise of the acceptance market. In the fall of 1914 the Guaranty Trust Company of New York was the only institution in New York City accepting sterling drafts payable at a future date. When the London market had to restrict its acceptances owing to conditions arising from the war, the Guaranty Trust Company immediately began using dollar letters of credit available in New York instead of London.

When bills were offered from abroad, drawn under these letters of credit, the Guaranty Trust Company bid for them. So did other banks. As a result, discount rates were lowered. With a clearing of the situation in the American money market in the beginning of 1915, bankers and brokers began to bid freely for acceptances and gave every indication of an approaching discount market. The acceptances, however, were wanting and the Guaranty Trust Company supplied this deficiency with its own acceptances. So rapidly were these absorbed that the discount rate fell to about 2½ per cent. Soon the possibilities in this new line of financing were seen throughout the country and a discount market was quickly developed.

The superiority of the trade acceptance over the open account for the purchase or sale of goods is now perceived; in fact its power to broaden the buying field of the merchant, and to enable the seller to handle his business at smaller operating cost, is being fully recognized throughout the country. Briefly, the trade acceptance is everything that the open account is not. It gives the buyer credit for a definite instead of an indefinite time. It is of service to the seller, for he can take the acceptance to his bank and discount it at a lower rate than is accorded to any other commercial paper. The bank—not the seller—carries the credit, and all parties to the transaction are placed on an equitable basis. Because the trade acceptance is an acknowledgement of the receipt of the goods, and a proof of the validity of the debt, it gives stability to commercial credit and transforms deferred obligations into definite assets and liabilities.

Another form of acceptance is the bank acceptance, which consists of the extension of a bank's credit to a customer upon an agreed basis. When Brown, in New York, buys of Doe, in Galveston, and arranges with a bank in New York to accept on presentation the drafts of Doe, with documents attached, Doe's draft on the bank becomes

a bank acceptance. Again, the customer can draw his own draft directly on the bank, the latter accepting it for payment at a future date. In this form the acceptance is a commercial credit bill. The accommodation given the customer under an acceptance is merely a loan of the bank's credit responsibility until he can procure the funds elsewhere.

Issued for commercial purposes or against actual business transactions, banks and trust companies can finance through acceptances legitimate business transactions of their customers properly and conveniently; while they can also invest their surplus money therein, at profitable rates, and with the certainty of being able to convert them at any time in the open market. For short term investments acceptances of well known banking institutions are highly desirable since they are guaranteed by the standing and credit of the bank.

CUBAN MARKETS FOR ELECTRICAL GOODS

Cuba imports about half a million dollars worth of electrical supplies a year, of which 80 per cent. comes from the United States. A report on this market just issued by the bureau of foreign and domestic commerce of the Department of Commerce states that there has never been any serious competition in any electrical line except lamps. Before the war the Germans actually sold more lamps in Cuba than American manufacturers did.

In summing up the future of the market, special agent Philip S. Smith, author of the report, states that the field for motors and other small devices, such as portable tools, is limited primarily to the sugar mills or to cities where a day circuit is available. As the mines develop, however, the demand for power will grow and this may eventually become an important market for the larger motors. There is a surprising number of small shops, any one of which is a prospective user of electric motors, and though the individual shops are small, the aggregate power used is considerable.



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FARRELL DISCUSSES FUTURE OF OUR FOREIGN TRADE

Pittsburgh—In an address on "The Future of Foreign Trade," delivered at the dinner of the Fourth National Foreign Trade Convention, James A. Farrell, chairman of the National Foreign Trade Council and president of the United States Steel Corporation, said, in part:

"When the period of hectic industrial activity, of inflated prices and pay rolls of unheard of amounts comes to an end with the conclusion of peace, we shall have to reckon with conditions in Europe imperatively demanding the speedy resumption there of a foreign trade which experience has shown to be inseparable from domestic prosperity. Though hampered by the tragical reduction of man power, the advent of women into the ranks of the workers in machine shops, the gain in efficiency from the wider and freer use of automatic tools, and the intensive cooperation both in production and distribution which will be universal, instead of partial in its application, all these will go far to reinforce the reduced vigor of European competition in the markets of the world. With us, entry into foreign trade is no longer a matter of choice.

"The opportunities of the near future are sufficiently alluring. There will be a period of industrial reconstruction for Europe, and the retarded development of neutral countries is likely to resume at least its former rate of progress. In this latter field there is room enough for all, the more so because in countries still bare of the appliances of modern civilization the process of equipment is apt to be a cumulative one. The new facilities of transportation, production or public convenience not only create a demand for more, but help to create the wealth needed to pay for them.

"We have seized unfairly the commerce of no people; we have taken no mean advantage of the industrial extremity of others, but we have accepted the responsibility of carrying on enterprises which had been begun by European capital whose further supplies were interrupted. Our entrance into new fields of business enterprise abroad has been of signal benefit, not only to the countries where the investments have been made, but to the original investors whose work we have taken up at the point where they were compelled to lay it down."

Mr. Farrell discussed at some length the probable requirements of Europe after the war. At least \$5,000,000,000 worth of property would have to be replaced, he said. Then he continued:

"In presence of the gigantic needs of the war swept territories in Europe and of their poverty stricken populations, any application of the old time methods of competition sounds trivial.

"Cooperation on the broadest and most generous scale, and in the most sympathetic spirit, must be the rule, if economic recovery is to be quick and thorough. We shall greatly facilitate international cooperation for the general welfare of the world by establishing a cooperative system of selling in foreign trade among ourselves."

Discussing the attitude of America to world trade after the war, Mr. Farrell said:

"We shall greatly lessen the possibility of perpetuating in the domain of commerce the bitterness and hatred engendered by the war if we refuse to be drawn into any convention, agreement or understanding that would make us parties to a boycott of the commerce of any of the nations now arrayed against each other.

"It is a debatable question," Mr. Farrell continued, "whether the United States can become a member of any international league of peace for the prevention of further war, but it is not at all doubtful that we can render an invaluable service to the establishment of lasting concord among the peoples of the earth by setting our face against anything that looks to the perpetuation of commercial war in peace."

In closing his address Mr. Farrell said: "In sober truth, the motto of this convention, 'Greater Prosperity Through Greater Foreign Trade,' might with entire correctness be made to read, 'No Enduring Prosperity Without Foreign Trade.'"

TO EXTEND FOREIGN TRADE

New York—Another step in the development of this country's foreign trade has been taken in the formation of the Pacific Development Corporation, to take over the Pacific Commercial Company, the largest American commercial agency in the Philippines, and Anderson Meyer & Co., Ltd., one of the leading American commercial houses in China. The new company has been organized under the laws of New York with an authorized capital of \$5,000,000, of which \$1,000,000 has been subscribed in cash at par to provide working capital. Additional stock will be issued for the acquisition of the two established concerns.

The directors of the new company are Galen L. Stone of Hayden, Stone & Co., chairman; Guy W. Currier of Currier, Young & Pillsbury; William Endicott of Kidder, Peabody & Co., H. H. Fleischhacker of the Anglo-London Paris National Bank of San Francisco; Francis R. Hart, vice chairman of the Old Colony Trust Company of Boston; M. F. Loewenstein, president of the Pacific Commercial Company; V. Meyer, president of Anderson Meyer & Co., Ltd.; Andrew W. Preston, president of the United Fruit Company; Chester P. Siems of Siems & Carry; Wallace D. Simmons, president of the Simmons Hardware Company of St. Louis; Royall Victor of Sullivan & Cromwell; Herbert H. White of the University Press, Cambridge, and Edward B. Bruce, president of the new company.

Mr. Stone said that the organization of the new company was a logical development of 18 years of work in the building of an American trading business in the Orient. A beginning was made in 1899 through the organization of the California Corporation of Castle Brothers, Wolf & Stone. The Pacific Commercial Company was formed in 1911, and Anderson Meyer & Co. in 1915, the latter taking over the business which V. Meyer of Shanghai had built up.

Anaconda's January production totaled 28,550,000 pounds of copper, against 29,000,000 pounds in December and 25,500,000 pounds in November.

Bankers Trust & Savings Bank

Capital \$1,000,000

of MINNEAPOLIS

Surplus \$200,000

Country Bank Accounts

Checking Accounts

Savings Accounts

Farm Loan Department

Bond Department

Trust Department

Officers

Harry W. Parker, President
William Mitchell Lewis, Vice President

Frederick E. Bryan, Sec'y-Treas.
Harry S. Quiggle, Cashier

FAVORS CONCENTRATION OF THE COUNTRY'S GOLD STOCK

New York—Commenting on the recommendations of the Federal Reserve Board for amendments to the Federal reserve act, the National City Bank, in its monthly circular for February, says:

In the main, these recommendations are in line with the arguments which have been offered in this publication upon the desirability of concentrating a larger share of the gold stock of the country in the reserve banks, where it will serve either as a basis for domestic credit, within the discretion of the reserve authorities, or as a fund from which gold may be drawn for export as occasion requires. The effectiveness of the reserve system is very largely in its psychological influence, and this will be greatly enhanced by the presence of a stock of gold which beyond all question is sufficient to meet any possible demands upon it. There are wide differences of opinion as to how much gold will be wanted for export after the war; it depends largely upon how much more comes to us before the war ends, and upon various other factors, indeterminate with any degree of accuracy at this time. It is inevitable that there should be apprehension on the subject, and important that they be as completely allayed as possible.

At present the gold held by a reserve agent against notes outstanding is treated as having practically accomplished the redemption of the notes, and neither the gold nor the notes appear in the balance sheet of the bank. It is in this respect the dual organization of the Bank of England, but illogically so, because in the case of the latter new issues are permitted only against gold, while with our reserve system only a 40 per cent. gold reserve is required, and it need not be in the hands of the reserve agent. The commercial paper held by the reserve agent is treated as collateral, and included in the balance sheet of the bank. There is no good reason for this difference between the treatment of the paper and gold in the hands of the agent. Both are a form of collateral, pledged specifically for the security of the notes, and both should be included in the statement of assets with the notes included in liabilities. The statement would then be comparable to that of the Bank of France, Bank of Germany, Bank of the Netherlands and others.

The present division of the gold reserves deprives them of their full value. There is no real distinction between the notes outstanding against gold in the hands of the reserve agents and notes outstanding against gold in the vaults of the bank, and the bank will redeem either from its vault holdings.

The board recommends this change, and that the reserve agent be authorized to issue the reserve notes directly against deposits of gold, but the House Committee has voted against it. The advisory board supports the proposal.

ADVANTAGE OF LOANS TO NATIONS AT WAR

Pittsburgh—The enormous loans made to the warring countries of Europe are good investments, Festus J. Wade, a banker of St. Louis, said at the afternoon session of the fourth annual convention of the National Foreign Trade Council, which convened here. He asserted that to develop foreign trade American business men must develop credit among foreign nations.

"There is misconception in the minds of the public concerning the loans to the warring nations of Europe, for beyond the peradventure of a doubt the loans will be paid

at maturity and they will prove prime investments for the public," Mr. Wade said.

"The warring nations have at this time only borrowed three-fourths of one per cent. of their national wealth.

"To develop foreign trade you must develop foreign credit, and you must not fear for the faithfulness and fidelity of the warring nations. It is your duty as American citizens to sustain the credit of the nations at war as well as the neutral nations and to advise your friends and constituents to lend their money to these nations for two reasons:

"First, because they are absolutely sound, and second, because it will do more to develop the credit of this nation than anything else."

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STOCK AND BOND QUOTATIONS

MINNEAPOLIS STOCK EXCHANGE QUOTATIONS

ST. PAUL STOCK EXCHANGE QUOTATIONS

	Div. Rate	Bid	Asked
	Pct.		
Northwestern National	12	269	273
First and Security National	12	273	...
Scandinavian-American National	6	181	...
St. Anthony Falls	8	...	165
Hennepin County Savings	10	270	...
German-American	12	220	...
Metropolitan National	6	125	...
Mercantile State	6	133	138
Merchants & Manufacturers State	8	175	...
Central State	10	...	150
Union State	8	140	...
South Side State	12	250	...
Camden Park State	8	160	...
Minneapolis State	10	175	...
Millers & Traders State	6	145	...
State Institution for Savings	...	70	...
N. W. Fire & Marine Ins.	10	...	180
Minneapolis Brewing, com.	7	60	...
Minneapolis Brewing, pfd.	6	90	...
Minneapolis Threshing, com.	7	150	180
Minneapolis Threshing, pfd.	7	103	...
Tri-State Tel. & Tel, pfd.	6	90	...
Twin City Telephone, pfd.	7	100	103
Rogers Lumber, pfd.	7	105	...
Crown Iron, pfd.	7	101	...
North American Telegraph	6	90	94
N. W. Knitting, pfd.	7	105	...
Minneapolis Steel & Mach., 1st pfd.	6	93	...
Minneapolis Steel & Mach., 2nd pfd.	8	100	...
Minneapolis Steel & Mach., com.	...	164	...
Pillsbury-Washburn, pfd.	...	100	...
Pillsbury Flour Mills	...	110	...
Northern States Power Co., com.	...	103	104 1/2
Northern States Power, pfd.	...	100	101
Cities Service, pfd.	...	90	92 1/2
Cities Service, com.	...	320	323
Real Estate Title Ins.	...	115	...
Minneapolis Syndicate	...	110	...

Bonds

	Pct.	Bid	Asked
City of Minneapolis	4	100	...
N. W. Cons. Milling	5	100	...
Minnesota Transfer	5	100	...
Twin City Rapid Transit (1919)	5	102	103
Twin City Rapid Transit (1928)	5	102	...
Twin City Rapid Transit (1938)	5	102 1/4	102 1/2
Minneapolis General Electric	5	102	103
Minneapolis Gas Light (1930)	5	100	101
St. Paul Gas Light (1918)	6	100 1/4	102
Donaldson Realty	6	100	...
First National-Soo Bldg.	5	100 1/2	...
Shevlin-Clarke	5	99 1/2	...
Minnesota & Ontario	6	100 1/4	...
Powell River	6	...	101
Pillsbury & Washburn (1928)	5	84	87
St. Paul Gas Light (1944)	5	99 1/2	...
Twin City Telephone	5	6 per cent.	basis
Northern States Power (1941)	5	97 1/2	98
Northern States Power (1926)	6	99 1/2	100

	Div. Rate	Bid	Asked
First National	12	...	325
Merchants National	10	...	250
Capital National	6	150	160
American National	6	135	...
National Bank of Commerce	6	155	...
Scandinavian American	10	232	...
Stock Yards National	8	...	200
St. Paul State	20	450	...
Ramsey County State	...	140	...
Capital Trust & Savings	5	275	...
Peoples Bank	...	125	...
Tri-State Telephone, pfd.	6	90	95
West Publishing, com.	10	400	...
West Publishing, pfd.	6	110	...
St. Paul Fire & Marine Insurance	12	500	550
Twin City Rapid Transit, com.	...	96	98
St. Paul Cattle Loan Co.	...	160	...

Bonds

	Pct.	Bid	Asked
Minneapolis Street Ry, Con., 1919	5	101	...
Mpls. St. Ry. & St. P. Ry., Con. 1928	5	101 1/4	...
St. Paul City Ry., 1932	6	111	...
St. P. City Ry., Cable, Cons., 1937	5	102	...
St. P. Gas Light Co., Con., 1918	6	101 1/2	...
St. P. Gas Light Co., Gen., 1944	5	99	100
St. Croix Power Co., 1929	5	94	97
St. P. Un. Stk. Yds. Co., 1946	5	101	...
St. Paul Union Depot, 1930	6	113	...
Pillsbury-Washburn, 2nd col. 1928	5	80	90
Minn. Trans. Ry. Co., 1956	5	102	102 1/2
City of Minneapolis, 1941	4	100	...
County of Ramsey, Minn., 1918	4 1/2	...	100
Minneapolis Gas Light Co., 1930	5	...	100
Minn. & St. P. Sub. Ry., 1924	5	101 1/2	...
Minn. General Electric, 1934	5	102	103

DULUTH

	Bid	Asked
First National	300	...
American Exchange National	500	...
City National	140	...
St. Louis County State	105	...
Western State	140	...
Northern National	150	...

CHICAGO BANK STOCKS

Quotations for February 6, 1917, by John Burnham & Co., 41 South La Salle street, Chicago:

	Bid	Asked	Book Value
Aetna State Bank	106	110	116
American State Bank	190	194	153
Atlas Exchange National	117	125	116
Austin Avenue Trust & Savings	...	100	119
Austin National Bank	150	156	132
Austin State Bank	215	...	131
Bowmanville National Bank	165	...	142
Calumet National Bank	205	...	183
Calumet Trust & Savings Bank	180	200	132
Capital State Savings Bank	109	112	116
Central Manufacturing District	155	160	132
Central Trust Company	198	202	142
Chicago City Bank	250	260	212
Chicago Savings Bank	145	148	129
Citizens State of L. V.	127	130	120
City National of Evanston	325	...	314
Continental & Commercial	272	275	200
Corn Exchange National	430	435	342
Depositors State & Savings	157	...	134
Drexel State Bank	180	185	147
Drovers National Bank	220	230	151
Drovers Trust & Savings	320	...	217
Englewood State Bank	163	168	127
First National Bank	474	478	342
First National (Englewood)	340	345	288
Fort Dearborn National	240	245	140
Fort Dearborn Trust	175	182	141
Franklin Trust & Savings	166	170	168
Fullerton & Southport	110	115	117

Garfield Park State Savings	133	136	133
Greenebaum Sons Bank & Trust	...	290	146
Guarantee Trust & Savings	140	145	144
Halsted Street State	125	130	120
Harris Trust & Savings	575	...	271
A. H. Hill & Co. State	140	...	135
Home Bank & Trust Company	170	175	135
Hyde Park State Bank	140	142	138
Illinois Trust & Savings	480	485	335
Irving Park National Bank	147	150	128
Jefferson Park National	168	...	144
Kaspar State Bank	290	...	180
Kenwood Trust & Savings	225	235	198
Lake & State Savings	117	120	131
Lake View State Bank	105	108	103
Lake View Trust & Savings	186	190	141
Lawndale State Bank	250	161	201
Liberty Trust & Savings	161	170	128
Lincoln Trust & Savings	119	123	119
Live Stock Exchange National	245	251	164
Madison & Kedzie State	124	127	135
Market Trust & Savings	100	105	120
Marquette Park State	130	136	133
Mechanics & Traders	127	131	138
Mercantile Trust & Savings	150	154	132
Merchants Loan & Trust	464	470	375
Michigan Avenue Trust	123	126	143
Mid-City Trust & Savings	210	215	139
National Bank Republic	170	176	167
National City Bank	152	156	150
National Produce Bank	164	168	131
North Avenue State Bank	117	121	135
North Side State Savings	122	125	107

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MUNICIPAL BONDS

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CORPORATION SECURITIES

ST. PAUL

MINNEAPOLIS

Northern Trust Company.....	274	277	250	Goodyear Tire & Rubber, pfd.....	107	108
North West State Bank.....	164	168	131	Great Lakes Dredge & Dock.....	114	116
Northwestern Trust & Savings.....	280	290	161	Hercules Powder Co., com.....	295	305
Oak Park Trust & Savings.....	245	255	160	Hercules Powder Co., pfd.....	116	117 1/2
Peoples Stock Yards State.....	298	305	153	Hotel La Salle, pfd.....	110	120
Peoples Trust & Savings.....	280	285	163	Hotel Sherman, pfd.....	100	102
Phillip State Bank.....	119	123	119	Inland Steel Company.....	435	440
Pioneer State Savings.....	107	109	116	Ins. Exch. Bldg. Corp., pfd.....	103 1/2	105
Pullman Trust & Savings.....	250	...	211	*Kellogg Switchboard & Supply.....	250	260
Ravenswood National Bank.....	150	160	124	Linde Air Products Co., com.....	285	290
Schiff & Co. State.....	275	300	153	McCord Mfg., pfd.....	100	101
Security Bank of Chicago.....	263	270	234	Middle West Utilities, com.....	60	63
Sheridan Trust & Savings.....	165	170	131	Moline Plow Co., com.....	86	91
63rd & Halsted State.....	119	123	119	Moline Plow Co., 1st pfd.....	97 3/4	98 3/4
South Chicago Savings.....	225	230	165	National Grocer Co., com.....	100	103
South Side State Bank.....	159	163	125	National Grocer Co., pfd.....	96	98
South West State Bank.....	105	110	127	Northern States Power, com.....	103	106
South West Trust & Savings.....	123	126	116	Northern States Power, pfd.....	98	100
Standard Trust & Savings.....	154	157	149	Northwestern Yeast Company.....	308	316
State Bank of Chicago.....	430	435	337	Otis Elevator Co., com.....	56	60
State Bank of Evanston.....	320	325	291	Otis Elevator Company, pfd.....	88	91
State Bank of West Pullman.....	200	...	121	Oxweld Acetylene Company.....	...	170
Stockmens Trust & Savings.....	150	160	145	Pick, Albert & Co., com.....	135	140
Stock Yards Savings.....	350	...	189	Pick, Albert & Co., pfd.....	104	106
Union Bank of Chicago.....	142	150	132	Public Service Co., com.....	108 1/2	109
United State Bank.....	114	118	122	Public Service Co., pfd.....	99	100
Washington Park National.....	250	...	146	Safety Car Heating & Lighting.....	99 1/2	102
Wendell State Bank.....	350	...	262	W. W. Shaw Corporation, pfd.....	93	94
West Englewood-Ashland.....	150	154	124	John M. Smyth Company, pfd.....	103	105
West Side Trust & Savings.....	300	325	141	Standard Gas & Electric, pfd.....	40	41
West Town State Bank.....	120	124	125	Sullivan Machinery Company.....	139	145
Woodlawn Trust & Savings.....	230	240	192	Tri-City Ry. & Light, pfd.....	93	96
				United Light & Rys., pfd.....	76	78
				United States Gypsum Company, pfd.....	98	100

CHICAGO SECURITIES

Quotations for February 6, 1917, by John Burnham & Co., 41 South La Salle street, Chicago:

	Bid	Asked
Albaugh Dover Company.....	48	52
American Chiclé Co., com.....	59	62
American Chiclé Co., pfd.....	75	79
American Fork & Hoe Co., com.....	125	129
American Fork & Hoe Co., pfd.....	126	...
American Hominy Co., com.....	43	46
American Hominy Co., pfd.....	73	76
American Laundry Co., com.....	50	55
American Laundry Co., pfd.....	120	125
American Public Utilities, com.....	...	42
American Public Utilities, pfd.....	...	72
American Type Founders, com.....	40	42
American Type Founders, pfd.....	90	92
Atlas Powder Co., com.....	160	167
*Atlas Powder Co., pfd.....	100	101 1/2
Aurora, Elgin & Chicago, pfd.....	...	21
Automatic Electric Company.....	51	54
Avery Company, com.....	85	88
Avery Company, pfd.....	95 1/2	97
Babeock & Wilcox Company.....	114	120
Barnhart Bros. & Spindler.....	90	93
Beatrice Creamery Co., com.....	225	232
Beatrice Creamery Co., pfd.....	107	109
*Bordens Cond. Milk Co., com.....	107	110
Bordens Cond. Milk Co., pfd.....	103 1/2	105 1/2
Brunswick-Balke Coll. pfd.....	109 1/2	111 1/2
Bucyrus Company, com.....	11	12
Bucyrus Company, pfd.....	59	61
Butler Brothers.....	274	277
*By-Products Coke Corporation.....	163	167
Chalmers Motor Co., new.....	33 3/4	34 3/4
Chicago Railway Equipment.....	105 1/2	108
Chicago Mill & Lumber, pfd.....	105	106 1/2
*Cities Service Co., com.....	275	285
Cities Service Co., pfd.....	88	92
Commonwealth Power, Ry. & Lt., com.....	58	60 1/2
Commonwealth Power, Ry. & Lt., pfd.....	80	83 1/2
Consumers Company, com.....	...	27
Consumers Company, pfd.....	83	84
Continental Motor Company.....	9 1/2	10 1/2
Creamery Package Co., com.....	80	81 1/2
Deere & Company, pfd.....	99	100
Du Pont Powder Co., com.....	275	283
*Du Pont Powder Co., pfd.....	103	104 1/2
Elgin National Watch Co.....	149	152
Emerson Brantingham Co., com.....	10	12
Emerson Brantingham Co., pfd.....	40	43
Federal Sign System, com.....	7	12
Federal Sign System, pfd.....	45	55
Firestone Tire & Rubber, com.....	135	139
Firestone Tire & Rubber, pfd.....	107 1/2	109
First State Pawnors Society.....	115	118
Fox River Butter Co., com.....	190	...
Fox River Butter Co., pfd.....	102	105
German American Sugar Co.....	26 1/2	27 1/2
Goodyear Tire & Rubber, com.....	266	270

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NEW BANKS AND CHANGES

MINNESOTA

Northrop.—A bank is reported to be organizing here under the title of the Peoples State Bank.

Brewster.—The First National Bank has been chartered with a capital of \$25,000 to succeed the Farmers State Bank.

Blackduck.—The Blackduck State Bank, which was recently organized, will open for business soon. I. J. Hauge will be the cashier.

Augusta.—At a meeting of the directors of the Augusta State Bank Ernest Poppitz was elected vice president to succeed G. Lenzen, who resigned.

Winona.—S. A. Steffen has been promoted from cashier to vice president of the Merchants Bank. W. F. Brandt, formerly assistant cashier, was elected to succeed Mr. Steffen as cashier.

Cass Lake.—The Cass County State Bank is being organized with a capital of \$25,000. O. C. Lowe of Bisbee, N. D.; C. L. Hansen and W. W. Prichard of Thief River Falls are among the organizers. The new bank is expected to commence business about May 1.

NORTH DAKOTA

Orrin.—J. F. Augustin has been elected cashier of the Farmers State Bank.

Marion.—Lewis Baertsch has resigned as cashier of the First National Bank.

Nortonville.—The following are the newly elected officers of the Nortonville State Bank: J. R. Hollingsworth, president; V. W. Steele, vice president; George Steele, cashier, and H. L. Buck, assistant cashier.

Langdon.—At a meeting of the directors of the Citizens State Bank J. D. Milne was promoted from cashier to vice president and J. P. Tembreull was elected to succeed Mr. Milne as cashier. M. J. O'Brien was elected assistant cashier.

SOUTH DAKOTA

Murdo.—The title of the First State Bank will be changed to the Jones County State Bank and the capital stock will be increased from \$10,000 to \$15,000.

WISCONSIN

Racine.—M. E. Erskine has resigned as assistant cashier of the Manufacturers National Bank.

Appleton.—John Hollenbach has been elected assistant cashier of the Outagamie County Bank to succeed Wilham Campbell, who resigned.

Freedom.—Claude Gallagher, who has been connected with the Farmers Exchange Bank of Green Bay, has been elected cashier of the Freedom State Bank.

Friesland.—Walter Blochwitz has been elected cashier of the Friesland State Bank to succeed Henry Pritchard, who resigned to accept a position with a bank at Randolph.

Francis Creek.—The State Bank has opened for business with a capital of \$10,000. John Ewen of Kossuth is president, Joseph Krubel of Gibson, vice president, and Fred Baugneit, cashier.

Evansville.—At the annual meeting of the directors of the Grange Bank the following officers were elected: T. C. Richardson, president; J. P. Porter, vice president, and Leonard P. Eager, cashier.

Racine.—The American National Bank has opened for business with a capital of \$100,000. The following are the officers: William C. Hood, president; H. L. Thornburgh, vice president; S. M. Harbridge, cashier, and E. L. Osborn, assistant cashier.

IOWA

Riverton.—The Nishna Valley Bank will be incorporated as a state bank.

Volga City.—At a meeting of the directors of the Volga Savings Bank A. E. Olinger was elected president to succeed W. A. Smith.

Tracy.—The Farmers & Merchants Bank has opened for business. J. S. McCrillis is president; P. Hines, vice president, and W. G. Maddy, cashier.

Perry.—The organization of the Peoples Trust & Savings Bank has been completed. The following are the officers: E. D. Carter, president; M. O. Laughlin, vice president, and L. D. Henry, cashier.

Des Moines.—Clyde E. Benton has been elected to succeed J. G. Rounds as president of the Citizens National Bank. John H. Blair has been elected vice president.

Des Moines.—At a meeting of the directors of the Des Moines National Bank John A. Cavanaugh was advanced to

first vice president, succeeding J. H. Blair, who became vice president of the Citizens National Bank.

Farragut.—W. B. Cox has purchased the stock of H. B. Bates in the Commercial Savings Bank. The following are the officers: W. B. Cox, president; W. R. Martin, vice president; F. E. Rubey, cashier, and Earl Gudgel, assistant cashier.

MONTANA

Rapelje.—The First National Bank has applied for a charter with a capital of \$25,000.

Plains.—C. H. Rittenour has been elected as second vice president of the First National Bank.

Danvers.—Application has been filed for a charter for the First National Bank with a capital of \$25,000.

Sweet Grass.—The First International Bank has been organized here by F. H. Worden, cashier of the Farmers State Bank of Cut Bank.

Windham.—L. W. Letterman has been promoted from vice president to president of the State Bank, succeeding H. C. Thompson. John S. Riley was elected vice president.

Livingston.—The Treasure State Bank is being organized by L. R. Nye and his associates. The new bank will be associated with the Union Bank & Trust Company of Helena.

Stanford.—At a meeting of the directors of the Basin State Bank the following officers were elected: N. B. Matthews, president; W. C. Plitcroft and H. H. Thompson, vice presidents, and R. R. Matthews, cashier.

White Sulphur Springs.—James T. Wood has been elected president of the First National Bank to succeed George Harmon, who resigned, and M. B. Hampton was advanced from assistant cashier to cashier, succeeding Mr. Wood.

NEBRASKA

Hershey.—Application has been filed for a charter for the First National Bank with a capital of \$25,000.

David City.—L. W. Mittendorf has resigned as cashier of the First National Bank and will move to Corning, Iowa, where he has accepted the position of vice president of the Farmers National Bank.

OREGON

Vale.—C. W. Nelson has been elected president of the First National Bank.

Hillsboro.—The Shute Savings Bank and the American National Bank will be consolidated.

Ashland.—O. Winter has been elected president of the First National Bank to succeed G. S. Butler, who resigned, and F. D. Wagner was elected vice president.

COLORADO

Trinidad.—J. H. Thatcher has been elected vice president of the First National Bank.

Limon.—Porter A. Thompson has purchased the interest of J. M. Bailey in the Limon State Bank.

Limon.—The Farmers State Bank & Trust Company has been organized with a capital of \$50,000.

Denver.—W. H. Kistler has been elected chairman of the board of directors of the Hamilton National Bank. J. C. Burger, formerly cashier, becomes vice president, and E. J. Weckbach has been promoted from assistant cashier to cashier.

UTAH

Ogden.—The following are the newly elected officers of the Utah National Bank: David C. Eccles, president; Ralph E. Hoag, W. H. Wattis and Charles E. Kaiser, vice presidents; A. V. McIntosh, cashier, and Paul M. Lee, assistant cashier.

WASHINGTON

Tacoma.—D. A. Young has resigned as assistant cashier of the National Bank of Tacoma.

Othello.—H. Siemens has been elected president of the Othello State Bank, succeeding William Snyder.

Seattle.—The title of the Northwest Trust & Safe Deposit Company will be changed to the Northwest Trust & Savings Bank.

Oakville.—E. I. Landstrom, who has been connected with the First National Bank of Lebanon, Ore., has purchased the stock of C. C. Scates in the Oakville State Bank and has been elected to succeed Mr. Scates as cashier.

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WM. B. LAVINIA, Ass't Cashier

THOS. D. ALLIN, Ass't Cashier
LOUIS J. MEAHL, Ass't Cashier
WM. C. FREEMAN, Ass't Cashier

CALIFORNIA

San Bernardino.—H. H. Weir has been elected assistant cashier of the San Bernardino National Bank.

Long Beach.—C. E. Akers has been elected vice president of the City National Bank.

Long Beach.—Ben H. Smith has resigned as cashier of the Marine Commercial & Savings Bank.

Ceres.—T. H. Kewin, E. C. Peck, C. D. Swan, O. P. Miller and W. N. Steele have purchased the controlling interest in the Bank of Ceres from W. P. Clarke and L. M. McDonald.

Winters.—T. T. Laugenour and I. A. Morris have purchased the stock owned by M. C. Wyatt in the First National & Savings Bank, which gives them the entire control of the institution.

Richmond.—Charles J. Crary has been elected president of the First National Bank, succeeding Clinton E. Worden. L. J. Younce was elected cashier and Fred Candle was elected assistant cashier.

IDAHO

Cottonwood.—The Cottonwood State Bank has been incorporated with a capital of \$25,000.

Kimberly.—Application has been filed for a charter for the Farmers & Merchants National Bank with a capital of \$25,000.

ARIZONA

Tucson.—At a meeting of the directors of the Consolidated National Bank Charles E. Walker was elected vice president and Leslie F. Rice, cashier. Mr. Walker was formerly cashier of this bank.

ILLINOIS

Rock Island.—B. J. Mitchell has been elected assistant cashier of the State Bank.

Chicago.—Fred Klotz has resigned as assistant cashier of the West Town State Bank.

Cicero.—The West 22nd Street State Bank is being organized with a capital of \$50,000.

Aurora.—George W. Bird has been elected assistant cashier of the First National Bank.

Burgess.—Frank D. Greenwood has been elected assistant cashier of the Farmers Bank of Burgess.

Beardstown.—E. M. Dunn and Paul P. Winholdt have been elected assistant cashiers of the First National Bank.

Chicago.—Application has been filed for a charter for the West Side National Bank with a capital of \$200,000.

Chicago.—James Peterson has been elected to succeed Ira C. Baker as vice president of the Marquette Park State Bank.

Morrisonville.—C. M. Seaton, J. Campbell and Edward Diller are among the incorporators of the Farmers State Bank.

Farmer City.—W. E. Reid has been elected vice president of the Weekman National Bank, succeeding the late John McDonald.

Sullivan.—Mrs. Mary R. Shuman has been elected president of the First National Bank, succeeding her husband, the late Charles Shuman.

Paris.—Robert Nevins Parrish has been elected president of the Edgar County National Bank, succeeding his father, the late James E. Parrish.

Chicago.—The directors of the North West State Bank have recommended that the stockholders change the name of the bank to the Noel State Bank.

INDIANA

Tell City.—A. R. Schaerer has been elected assistant cashier of the Citizens National Bank.

Indianapolis.—L. C. Breunig has been elected assistant cashier of the Continental National Bank.

BANKING NOTES

Crivitz, Wis.—The State Bank will erect a new building.
Marshfield, Wis.—The Marshfield State Bank will enlarge its building.

Glenwood City, Wis.—The First State Bank will remodel its building.

Mosinee, Wis.—The State Bank plans the erection of a new building.

Seattle, Wash.—The German American Mercantile Bank has been closed.

Harmony, Minn.—The Peoples State Bank has moved into its new building.

Scobey, Mont.—The Citizens State Bank plans the erection of a \$12,000 building.

Catawba, Wis.—The new building of the Catawba State Bank has been completed.

Barron, Wis.—The new building of the First National Bank has been completed.

Altoona, Iowa.—The Altoona Savings Bank will increase its capital stock to \$15,000.

Columbus, Wis.—The First National Bank has opened for business in its new building.

Grey Eagle, Minn.—The Farmers State Bank will erect a new building the coming spring.

Berkeley, Cal.—The First National Bank will remodel its building at a cost of about \$15,000.

Milwaukee, Wis.—The capital stock of the Marshall & Isey Bank will be increased from \$500,000 to \$1,000,000.

Minneapolis, Minn.—The Millers & Traders State Bank will increase its capital stock from \$40,000 to \$100,000.

Green Bay, Wis.—The new building which is being erected by the Citizens National Bank will be completed next month.

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Poorer Class of Farms Behind Loan Bonds

New York—That Federal farm loan bonds, to be issued by the Federal land banks and joint stock banks against farm mortgages, will have the tendency to be secured by the less desirable of farming property in the country appears to be the opinion gaining ground among those who have given the matter some attention. The aim of the Federal farm loan act is to cheapen loans to farmers on mortgages. Evidently, therefore, those borrowers who have heretofore had to pay the highest rates because of their less desirable property will be those most attracted by the new facilities. On the other hand, farmers with the highest class of property have been able to command the most favorable rates in their community and hence they will not be the farmers whose properties will generally underlie the Federal farm loan bonds, because they will not be attracted to the system.

This seems to be the one feature of Federal farm loan bonds that will militate against them as investments and will offset the other attractive qualities and attributes which they bear, such as the diversified security and the fact that they bear the common responsibility of all the land banks, etc. In other words, holders of Federal farm loan bonds will always have before them the fact that the farm property by which the bonds are secured and which they represent are of more or less an inferior class of farm property. This, of course, does not, necessarily, question the stated value of the properties. They may be still worth the prescribed 200 per cent. of the mortgage upon them.

An authority on real estate and farm land mortgages has made an interesting analysis of the varying agricultural conditions in the different Federal land bank districts and has compared the effect of the general 5½ per cent. mortgage rate, contemplated at first by the act, with the average rates of interest prevailing on farm mortgages in the respective districts. In some districts the farm property will offer a better security for investors in farm loan bonds than in others. Inasmuch as the districts include within their boundaries a number of states where farming conditions vary, farms in certain states or sections of states may have more potential value than in other localities. Hence, investors in farm loan bonds will be inclined to discriminate between the issues of the various land banks. His findings in the case of three representative districts selected are as follows:

District No. 1, comprising New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey. Present average rate of interest 6.01 per cent.

There is offered to the borrowers here, on the average, a saving of ½ of one per cent. per annum under present systems of borrowing. In order to have made an average of 6.01 per cent., it is therefore obvious that at least one-half of the borrowers in this district are already supplied with money at 5½ per cent. or less and there is no incentive whatever for them to avail themselves of the new facilities; only those who pay as high as the average rate of interest have any opportunity for personal advantage and they must obviously be the least desirable of borrowers or offer the least desirable of securities. A purchaser from this district should recognize this.

District No. 4: Ohio, Indiana, Kentucky, Tennessee. Present average rate of interest, 7.17 per cent.

Here is an interesting district for each one of the

states comprising it contains lands equal to both the very best to be found anywhere within the United States and lands not better than the worst that can be found in any other district; so this average rate of 7.17 per cent. represents the average of borrowing on the best and the poorest. Within two states any good borrower with good collateral can today obtain readily all the credit that he is entitled to at less than 5½ per cent. Within the other two states, like borrowers on similar security can obtain their accommodations at six per cent., and neither of these would accept the cumbersome methods of the Federal act in preference to their present credit facilities. The bonds, therefore, that will be issued by this district may be reasonably expected to be secured only by the less desirable lands offered by the less desirable borrowers within the four states mentioned.

District No. 6: Illinois, Missouri, Arkansas. Present average rate of interest, 7.41 per cent.

Here again is an interesting district, with the northern half of Illinois and Missouri representing the best of agricultural security, already in position to borrow at rates better than those proposed under the act. The southern half of these states and Arkansas fall distinctly within the other class and this accounts for the high average of the area as a whole. The collateral back of bonds issued by this district, therefore, may be expected to arise largely, if not entirely, within the southern half of Missouri and within the state of Arkansas, and a careful inquiry on the part of investors will doubtless develop the fact that they should place no additional confidence in the district as a whole under the thought that the best of Illinois and Missouri are contributing their share of guarantee.—The Wall Street Journal.

NORTHERN STATES POWER COMPANY

The completion of the 40,000 kilowatt dam of the Wisconsin-Minnesota Light & Power Company at Chippewa Falls, Wisconsin, means much to the Northern States Power Company. The greatly increasing electric demands from new business secured in communities served and from new communities connected made it necessary that power sources be enlarged or new ones provided. Increased capacity at the company's water power development at Cannon Falls, Minnesota, from 1,470 to 2,540 horsepower, and the installation of 20,000 horsepower additional capacity at the Minneapolis Riverside station were not sufficient to care for present and anticipated increases.

An advantageous contract was entered into with the Wisconsin-Minnesota Corporation whereby the Northern States Power Company secures, under a 30-year contract, energy from the Chippewa Falls development and provision for the immediate future needs of the company is assured.

The line connecting the dam to Northern States Power transmission system runs from South Stillwater to the Wisconsin-Minnesota line and there connects with the Chippewa Falls line. Besides giving the Northern States Company a large additional power source it gives additional insurance to the company's customers of uninterrupted, reliable service. It is expected that current will begin to be generated at the Chippewa Falls development early in the spring.

Argentine imports in first nine months of 1916 show slight increase despite the fact that exports for same period are about \$70,000,000 below last year.

CALLS TRADE BALANCE A PERIL TO BRITAIN

London—Sir Felix Schuster, speaking at the annual meeting of the Union of London and Smiths Bank, Limited, of which he is the governor, discussed the British financial situation. Regarding operations in the United States Sir Felix said:

"In addition to loans, a great many American securities have been sold. It has been estimated that £350,000,000 of American securities have been sold, but it is impossible to speak with certainty of the figures, which, however, are very large.

"It must be remembered we are financing not only our own but our allies' requirements, and that the whole burden falls on our exchange. After the war all efforts must be directed to developing our industries to enable them to compete successfully in all markets of the world.

"Our economic position will be assisted by loans which we are now making to the allies, and these will, in a great measure, take the place of the foreign securities sold and should in a short time enable us to redeem the foreign indebtedness incurred.

"Although the short term paper with which we have financed the war largely in the past is somewhat dangerous and must not be carried to excess, it must be remembered that the treasury bill is an instrument particularly suited to our methods of finance, replacing to a large extent the commercial bill which has disappeared owing to the war.

"The country's foreign trade has maintained itself remarkably well, but the adverse balance of trade is staggering and constitutes one of the most serious and most urgent questions which may entail considerable sacrifices on the part of the community. It is a factor which threatens the whole economic position of the country and can be rectified only by a serious reduction of our imports and by the elimination of everything not essential."

NORTHWESTERN BANKS GAIN \$100,000,000 IN TOTAL RESOURCES

Washington—That the Northwest is growing by leaps and bounds financially is shown by the latest statements of the condition of national banks just compiled by the Comptroller of the Currency. The abstracts of reports of their condition of the banks in Minnesota, North and South Dakota and Montana, show that their total resources are \$684,000,000, a gain of nearly \$100,000,000 in 12 months.

In Minnesota the gain in deposits was more than \$127,000,000, in North Dakota \$19,000,000, in South Dakota about \$17,000,000 and in Montana about \$27,000,000. Loans and discounts of the Minnesota national banks increased \$64,000,000, of the North Dakota banks \$9,000,000, in South Dakota \$7,000,000 and in Montana \$8,500,000.

Following is a statement of the three principal items for the four states for November, 1916, compared with November, 1915:

Four States—	1916.	1915.
Loans and discounts.....	\$418,453,000	\$329,688,000
Deposits	574,385,000	383,544,000
Total resources.....	684,587,000	589,821,000
Minnesota—		
Loans and discounts.....	\$287,732,000	\$223,461,000
Deposits	382,776,000	255,037,000
Total resources.....	453,471,000	404,957,000
North Dakota—		
Loans and discounts.....	\$47,692,000	\$38,810,000
Deposits	63,427,000	44,154,000
Total resources.....	77,104,000	63,877,000
South Dakota—		
Loans and discounts.....	\$43,171,000	\$36,038,000
Deposits	57,996,000	40,444,000
Total resources.....	69,900,000	59,257,000
Montana—		
Loans and discounts.....	\$39,858,000	\$31,379,000
Deposits	70,186,000	43,909,000
Total resources.....	84,106,000	61,730,000

Minnesota banks gained nearly \$50,000,000 in resources, but Montana's increase was relatively larger, from \$61,700,000 to \$84,100,000, more than one-third.

Last year United States Steel Corporation added \$201,945,749 to surplus after all charges, including common and preferred dividends. Since organization it has added to surplus after all charges \$594,242,927, equal to \$116.90 a share on common. This gives one good idea of book value of common stock at present time, based on contention that when U. S. Steel was organized common stock represented water only.

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Capital \$1,000,000.00
Surplus 1,000,000.00
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**FARM LOAN
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RECENT LEGAL DECISIONS

Misuse of Collateral Security With Indorser's Knowledge Does Not Discharge Indorser's Liability on Note

Action to recover on seven promissory notes, aggregating \$6,000, and interest. The notes were dated May 1, 1913, payable four months after date, signed by the defendant, Heller Piano Company, payable to the order of the defendant securities company at the plaintiff bank, endorsed by such company and defendant Gether, and, for value, delivered to such bank. They were alike in form, and contained a provision for pledging collateral security for their payment in this form:

"Having deposited with said bank as collateral security for payment of this or any other direct or indirect liability or liabilities of us to said bank, due or to become due, or that may be hereafter contracted or existing, however, acquired by said bank, the following property," describing conditional sale contracts covering pianos, and followed by appropriate provisions for realizing on the collateral as necessary and application of the proceeds.

Defendants Gether and the Securities Company answered, separately, admitting the making and delivery of the notes as stated in the complaint, that they had not paid them, that the notes were possessed by plaintiff and that they, in writing, waived protest for nonpayment and notes of protest, and pleading as defenses, that the notes were delivered to the plaintiff upon conditions which were not performed, and that the maker delivered to it collateral security for payment of the notes, and that it had, in due time, in its hands and under its control the means of complete or partial satisfaction of the indebtedness of the piano company upon the notes; but applied the same to other purposes than such payment.

The jury found, in brief, as follows:

1st. Before the execution, endorsement and delivery of the notes to plaintiff, it was agreed, between Gether, on behalf of himself and the securities company, and plaintiff that the latter should make the loan to Gether and the securities company.

2d. The notes in suit were given and endorsed to carry out said agreement.

3d. When the waiver of protest was made, Gether, for himself and the securities company, agreed to pay the notes.

4th. Gether knowing of the disposition of the securities, held by the bank for the indebtedness of the piano company, and, after the maturity of the notes in suit, for himself and the securities company, promised to pay the same.

5th. Gether, knowing that the collateral parted with by the plaintiff in the transaction with Nelson was also collateral to the indebtedness in suit, advised and aided in such transaction.

6th. The value of the collateral so parted with did not exceed \$15,000.

7th. The plaintiff, in September, 1913, did not apply to other purposes collateral security applicable to the notes in suit.

8th. The notes in suit were not delivered to Hugo Heller with knowledge of plaintiff's cashier that they were not to be delivered to the bank until after the collateral therewith had been approved by H. P. Nelson.

9th. The market value of the collateral to the notes in suit was \$9,063 when deposited with plaintiff.

10th. The agreement to pay the \$20,240.90 which was paid to plaintiff was in consideration of an agreement by plaintiff to discount notes of H. P. Nelson and the companies controlled by him, aggregating \$60,000.

11th. It was understood that the loan of \$60,000 was not to be made until approved by the board of directors of the plaintiff.

The court held in this case of Union Bank of Milwaukee versus Commercial Securities Company et al, 157 Northwestern Reporter 510, that a bank holding notes indorsed by defendants had collateral security and other means of satisfying the notes, but applied the collateral and such other means of satisfaction to other purposes than the payment of the notes, did not affect defendants' liability, where, with full knowledge of the disposition made by the bank of the collateral and other securities, defendants promised after the maturity of the notes to pay them, and participated in the transaction whereby the collateral was used for other purposes.

That defendants' promise to pay the notes was without consideration was immaterial where the promise was made to induce the bank to look to them and not to the collateral, or other means for satisfaction of the indebtedness and the bank acted thereon.

Where it appeared that during negotiations relative to turning the collateral over to N., who paid or purchased certain other notes of the H. Co., the maker of the notes, defendants participated in the negotiations and urged the bank to deal with N., stating that they would take care of the notes indorsed by them; that thereupon the transaction was concluded; that defendants N. and H. Co. were closely related in business, and the arrangement was thought necessary to keep the company a going concern; that it was necessary to this arrangement that the bank should leave the notes indorsed by defendants out of the transaction with N.; that the business between the bank company including the handling of the company's account was thereafter conducted without reference to such notes, on the theory that defendants would care therefor according to their promise; that the company was permitted to deposit drafts and draw against them to meet its necessities; and that real estate held by the bank for H. was sold by H.'s direction and the proceeds applied on indebtedness of the company other than the notes in question—the facts showed that the bank relied on defendants' assurances that they would pay the notes.

If a person acts in his business relations with another under such circumstances as to charge him with knowledge that such other may probably rely thereon to his damage in case of such person's conduct thereafter being inconsistent with his former actions, and such other does in good faith so rely, such person cannot so change his position to such other's prejudice.

In an action on notes indorsed by defendants, it appeared that collateral security was transferred by plaintiff to N., who paid or purchased certain other notes of the same maker; that defendants participated in this transaction and with full knowledge thereof promised after the maturity of the notes to pay them; that it was a part of the transaction whereby N. purchased or paid such other notes for \$60,000 on condition that the matter should be approved by its board of directors after investigation as to the truth of representations concerning the value of his paper; and that upon investigation the representations found to be materially untrue, and the bank declined to take or handle the paper. Held, that where it appeared that the matter of making the payment to the bank and taking over the other indebtedness of the maker of the notes was closed up without waiting for action by the board of directors upon the \$60,000 matter, and that the closed matter was not thereafter rescinded, the bank's refusal to discount N.'s notes was immaterial as to de-



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defendants' liability on their promise to pay the notes indorsed to them.

It is not the law in this state (Wisconsin) that parties placing their names on the back of notes before delivery to give credit thereto are liable as makers.

BANK TRANSACTIONS

The following cities report totals of bank transactions to Bradstreet's for the week ended January 31, with percentages of change shown this week as compared with this week last year:

	Amount	—Per Cent—	
		Inc.	Dec.
San Francisco	\$ 187,700,000	57.6	.....
Kansas City	*203,321,000	.....	.....
Cincinnati	138,375,000	50.8	.....
Richmond	123,942,000	104.8	.....
Detroit	116,041,000	40.0	.....
Minneapolis	104,292,000	30.4	.....
Omaha	79,464,000	56.0	.....
St. Joseph	67,602,000	48.2	.....
New Orleans	61,822,000	20.0	.....
Los Angeles	51,263,000	28.8	.....
Memphis	47,472,000	39.8	.....
Toledo	42,534,000	16.7	.....
Seattle	37,736,000	48.4	.....
Indianapolis	37,930,000	44.6	.....
Des Moines	23,364,000	22.0	.....
Providence	21,431,000	1.6	.....
Hartford	14,807,000	5.3	.....
Spokane	12,350,000	33.8	.....
Scranton	9,409,000	14.7	.....
Trenton	6,061,000	.....	16.5

*Last week's.

BANK CLEARINGS

Bank clearings in the United States for the week ended February 1 aggregated \$5,146,679,000, against \$5,375,790,000 last week and \$4,762,242,000 in this week last year. Canadian clearings aggregated \$189,287,000, as against \$188,263,000 last week and \$160,242,000 in this week last year. Following are the returns for this week with percentages of change shown this week as compared with this week last year, as reported to Bradstreet's:

	Amount	—Per Cent—	
		Inc.	Dec.
New York	\$3,016,880,000	.....	1.6
Chicago	446,803,000	26.7	.....
Philadelphia	290,883,000	23.7	.....
Boston	201,181,000	5.6	.....
Kansas City	120,855,000	59.7	.....
St. Louis	117,665,000	37.7	.....
San Francisco	83,763,000	50.9	.....
Pittsburgh	73,275,000	20.4	.....
Cleveland	60,433,000	39.1	.....
Detroit	49,636,000	48.5	.....
Cincinnati	44,002,000	26.3	.....
Baltimore	40,521,000	.....	10.3
Twin Cities	37,673,000	4.2	.....
Milwaukee	31,553,000	67.9	.....
Omaha	30,916,000	55.1	.....
New Orleans	29,443,000	12.5	.....
Los Angeles	28,959,000	43.6	.....
Minneapolis	25,764,000	7.6	.....
Louisville	22,547,000	18.3	.....
Richmond	21,925,000	32.4	.....
Atlanta	21,544,000	26.8	.....
Seattle	16,496,000	62.6	.....
Buffalo	16,083,000	22.6	.....
Denver	12,955,000	29.5	.....
St. Joseph	12,406,000	39.3	.....
St. Paul	11,909,000	.....	1.8
Portland, Ore.	11,787,000	33.8	.....
Houston	11,458,000	20.7	.....
Indianapolis	11,450,000	28.6	.....
Des Moines	6,643,000	25.6	.....
Duluth	4,553,000	4.4	.....
Spokane	4,505,000	4.6	.....
Sioux City	4,340,000	32.1	.....
Grand Rapids	4,499,000	19.3	.....
Lincoln	2,981,000	29.3	.....
Topeka	2,335,000	45.7	.....
Tacoma	2,032,000	40.8	.....
Waterloo	2,070,000	7.1	.....
Davenport	1,817,000	2.9	.....
Cedar Rapids	1,684,000	14.4	.....
Fargo	1,287,000	.....	17.6
Helena	1,546,000	64.1	.....
Sioux Falls	1,076,000	64.1	.....
Boise	1,064,000	59.8	.....
Grand Forks	813,000	.....	.....
Billings	726,000	58.8	.....
Aberdeen	561,000	.....	14.8

Total United States.....\$5,146,679,000 8.1
 Total outside New York.....2,129,799,000 25.8

Canada

Montreal	\$ 66,613,000	16.9	.....
Toronto	50,641,000	23.4	.....
Winnipeg	36,683,000	18.2	.....
Vancouver	5,387,000	15.3	.....
Ottawa	5,040,000	10.6	.....
Calgary	4,289,000	27.1	.....
Hamilton	4,109,000	17.6	.....
Quebec	3,581,000	16.6	.....
Halifax	2,134,000	.....	12.0
Regina	2,097,000	31.1	.....
Edmonton	2,118,000	11.5	.....

Total.....\$ 189,287,000 18.1

BIG INCREASE IN EXPORT OF U. S. MANUFACTURES

Washington—American manufactures sent abroad last year were double in value those of 1915.

Manufactures ready for consumption were valued at \$2,625,686,208, the Commerce Department announced, compared with \$1,315,105,552 in 1915.

They formed more than half of the year's increase in exports, which aggregate \$5,421,269,162, against \$3,493,230,532 in 1915.

Crude materials for use in manufacturing exported amounted to \$719,760,877, an increase of \$152,000,000 over 1915; foodstuffs in crude conditions and food animals were valued at \$421,279,570, a decrease of \$39,500,000; foodstuffs partly or wholly manufactured totaled \$648,059,813, an increase of \$97,500,000, and manufactures for further use in manufacturing were valued at \$912,202,629, an increase of \$436,600,000.

Horses exported were valued at \$62,752,826 and mules at \$28,009,048.

NORTHERN WISCONSIN 15,000-ACRE TRACT TO BE CUT UP AND SOLD TO COLONISTS

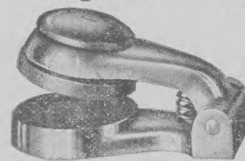
Couderay, Wis.—The O. O. Whited Company of Minneapolis and Radisson has sold for \$200,000 about 15,000 acres of cutover hardwood lands to the Faast Land Company of Eau Claire. The land is in the towns of Radisson and Weirgor, Sawyer county, and will be subdivided and put on the market for settlers. The Whited Company still holds about 15,000 acres in this county.

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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NORTH DAKOTA'S LIVE STOCK EXPORTS

Edmund Pennington, president of the Soo Line, has received from North Dakota a statement covering in part the results attained by the North Dakota Better Farming Association which was organized five years ago in Minneapolis. The record cannot be equaled, it is believed, by any instance of agricultural development along similar lines in the history of the United States.

The statement is the first to be issued that shows what has resulted in the five-year period in live stock, dairying and poultry production. The North Dakota Better Farming Association was a business men's move for farm method betterment and live stock increase.

Minneapolis drew the attention of the world of scientific agriculture when it was announced, in October, 1911, that a group of merchants, manufacturers, bankers and railroad men was going to undertake the improvement of agriculture in a neighboring state. Most of the agricultural colleges in the United States and Canada and many abroad watched the detailed working out of the plan.

Minneapolis, for three successive years, or until the state of North Dakota took over the work, contributed \$45,000 a year of a total fund of \$90,000 a year. In raising the remaining half of the fund, St. Paul, Duluth and North Dakota men participated.

Mr. Pennington's figures represent the first estimate made, at an authoritative source, of the extent to which the live stock industry of North Dakota has been advanced. It shows, in valuation figures, for shipments outside the state in 1916, a total of \$28,000,500, as compared with a high total of \$9,000,000 for any year prior to 1912.

This is an annual increased outturn from the farms of North Dakota, in the form of live stock marketed and shipped, of \$19,000,000 and represents that much additional money going back to the farmers every year.

No effort ever has been made, because it has been considered impossible, to follow the widely ramifying effect of the teaching of better agricultural methods by the North Dakota Better Farming Association. It has been estimated

that the business men's annual expenditure of \$90,000 has resulted, after five years maintenance by them and by the state in a grain production and other crop betterment and increase that means \$25,000,000 to \$30,000,000 a year more in the annual wealth of North Dakota. But the live stock, dairying and poultry figures are definite. As against the \$9,000,000 maximum, prior to 1912, the 1916 figures, for valuation of live stock shipped outside the state show:

Cattle	\$10,513,920
Hogs	9,861,520
Calves	102,520
Sheep	822,540
Horses	1,200,000
Butter fat and cream.....	4,000,000
Poultry and eggs.....	1,500,000
Total	\$28,000,500

The "Minneapolis experiment," as some agricultural experts called it, took form October 18, 1911, after discussion by a small group of local men of the fact that with a wholesale trade in that state of \$25,000,000 annually, the city ought to be prepared to help North Dakota, this being coincident with the appearance here of a group of North Dakota men seeking assistance for their state.

Thomas Cooper, then assistant in the department of farm management at the Minnesota Agricultural College, was selected to carry out the work in the field. Mr. Cooper made his headquarters at Fargo and started January 1, 1912.

DICKINSON TO HAVE CLEARING HOUSE

Dickinson—A clearing house for Dickinson, making the fourth in the state, will be established this year, according to W. C. Macfadden, secretary of the North Dakota Bankers Association, who was a visitor here last week. The three clearing houses in the state are located at Fargo, Grand Forks and Minot.

Business men here have compiled figures which show that five and one-half million dollars will be spent this year in buildings and other improvements.

HOW CHECK COLLECTION SYSTEM AFFECTS BANKS AT BEACH, NORTH DAKOTA

In a letter from Thomas E. Hayward, cashier of the Golden Valley State Bank of Beach, North Dakota, the position of the Beach clearing house for four banks regarding check collections is stated as follows:

"On August 28, 1916, the banks of Beach, in response to the circular of July 26, 1916, from the Minneapolis Federal Reserve Bank, signified to said bank their willingness to come into the check clearing system. Although close examination of the circular above referred to disclosed that any advantages accruing were implied rather than specified, the banks of Beach were urged to their action by a desire to show their good will towards the Federal Reserve Bank of Minneapolis and their willingness to give the scheme a fair trial without arbitrarily refusing to countenance it. There was one advantage claimed, namely, that banks coming into the scheme would be allowed to print on their checks, 'Collectible at par through the Federal Reserve Bank of Minneapolis,' but this was negligible as allowing us to print such a statement on our checks would not make it actually true as events afterwards proved, for we found on trying it that checks came back to us just the same through the regular channels.

"Immediately upon Beach's acceptance of the new sys-

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<p>SOUTH DAKOTA'S LEADING BANK</p>		

INCREASED CORN ACREAGE AT SISSETON, SOUTH DAKOTA

Henry S. Morris, vice president of the First National Bank of Sisseton and a Twin City visitor the past week, says: "There will be an increased acreage planted this spring to coarse grains, especially corn, in the vicinity of Sisseton. On the other hand there will be a considerable decrease in the acreage of small grains, including wheat. "Conditions in our section are prosperous. While beef cattle bring in splendid revenue to the farmer, there has not been the increase in dairying that should have developed. Our bank is doing considerable work with individuals in an effort to promote dairying, but will not make any effort with farmers generally until the farmers themselves make adequate preparation for dairy increase."

tem, as far as we can learn, the large city banks put into effect a system of exchange which exceeded any charges we had made prior to that time. Further, instead of the scheme being really a par collection system, we found that customers of ours who visited the Twin Cities were subjected to all sorts of exchange charges for the cashing of checks that had not obtained theretofore. Still further, customers locally who had been in the habit of remitting to their Twin City houses by personal checks were, in some instances, notified not to remit that way but by bank draft because of the exchange on checks. In other words, as we saw it, instead of establishing a par collection system 'to benefit the nation's commerce,' the Federal Reserve Bank had established a par collection system only so far as the country banks were concerned that came into the scheme and had enabled the large city banks to build up, if they so desired, and many of them were quick to seize the opportunity, a system of exchange charges that surpassed anything heretofore thought of in that line; this, mind you, at the expense of the country banks who had thrown off their exchange charges and who could derive no benefit from it. However, we are not objecting to exchange charges in the Twin Cities except that we don't understand why having got us to par all checks, the Federal reserve bank should not make it unanimous and force its own member banks in the large cities to par all checks.

"As so aptly expressed in an article in the January number of Successful Banking, 'the pivotal point in the discussion of the check collection problem is the question whether or not banks are entitled to be paid for converting into funds current at some distant place their customers' checks which have been sent to pay their customers' debts. In point of value to the public this service ranks equally with the facilities for railway transportation and should be considered in the same general light. Banks are not the only agencies that transmit money for credit and of these agencies two are offered by the United States Government—money orders and registered mail. That the government should charge for transmitting money and credit is entirely legitimate and recognizes that this is a public service that should receive remuneration. Why, then, should the government deny compensation to banks for rendering the same service, a service created for the convenience of the general public, safe, quick and accurate and, prior to the Federal reserve act, the most economical the world has ever seen extended over so wide an area where local conditions vary so widely?"

"On January 20, 1917, the banks of Beach decided to return to the old system, each bank having previously notified its correspondents and the Federal Reserve Bank, having arrived at that decision because they felt, individually and collectively, that the par collection system was one in name only; because it was a system that operated to the disadvantage of the country banks: and because it deprived the country banks of a source of revenue which was not replaced by any promised and implied advantages offered by the Federal Reserve Bank.

"Immediately upon receipt of our notice of withdrawal from the par collection system, the Federal Reserve Bank of Minneapolis, without further notice to us, began collecting their checks on Beach through the local express office, the national bank located in Beach having declined to accept without exchange any checks on Beach other than its own. This was a situation not unexpected and prepared for. But do not such methods savor of unfair and unjust coercion? The express company's rates for collecting the checks and shipping back the currency paid for them are higher than our exchange would be. Why pay the express company's rates instead of allowing us to have our exchange unless the reserve bank is actuated by a dog in the manger attitude—that is, 'if you won't give us this service for nothing, at least, we won't let you get the profit from it.'

"Obviously, banks cannot abandon their function of clearing the country's commercial transactions. They must go ahead, collecting checks and remitting for checks, whether they make any money out of the service or not. However, the banks of Beach would like to know why, having tried the scheme of the Federal Reserve Bank and having found that it worked to their disadvantage, they cannot be allowed to withdraw in the same spirit in which they entered it and be shown the same consideration by the Federal Reserve Bank that actuated them when they entered the par collection system?"

"While not wishing to be arbitrary or obstinate, the banks of Beach cannot see that the par collection system of the Federal Reserve Bank offers any advantages or in-

(Continued on Page 49)

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upon lands outside of your own locality you are obliged to rely upon the other fellow's say-so. In such case, most investors prefer to deal with a farm mortgage banking concern which is strong financially, efficiently organized and equipped, ably and conservatively managed.

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NORTHERN PACIFIC EXPENDITURES IN MONTANA

Billings—This year will see more construction work done by the Northern Pacific Railway than any year in the past decade, a local railroad official says. In the neighborhood of \$4,000,000 will be spent in construction and improvements in Montana during 1916, the official said and Billings will get a share of it in the construction of a \$50,000 addition to the Northern Pacific freight house on Montana avenue and Twenty-ninth street.

Other construction work in the eastern part of the state which will be done this year is the erection of a \$50,000 passenger depot at Glendive, an addition to the Laurel yards approximating between \$100,000 and \$200,000, and the construction of the Lake Basin branch line at a cost of \$1,700,000. The remainder of the construction work will be double tracking the main line between Bozeman and Logan at a cost of \$500,000, the construction of a branch line in the Flathead district between Polson and Dixon, to cost \$1,000,000, and large improvements and additions to the Butte yards.

This construction program has been tentatively decided upon by the railroad owners, the local official said, and activity will commence with the arrival of spring.

Locally, the erection of the new addition to the Billings freight house will be looked forward to with the greatest interest. The proposed structure will be of concrete and cement, two stories high and will extend from Twenty-ninth street to the present freight house, a length of approximately 175 feet.

The improvements to be made at Laurel will greatly increase the capacity of the yards there, the official said.

The improvements contemplated are a number of additional tracks, equipment and increased roundhouse room and facilities.

"Billings is bound to come in for a large share of the money that will be spent near this city during the coming summer," the official said. "The hundreds of men who will be employed in the construction work will make this city their headquarters and will come here to spend their earnings."

AMERICAN INSTITUTE OF BANKING ACTIVITIES AT GREAT FALLS

Great Falls—The local chapter of the A. I. B. held a dinner January 25 at the Hotel Rainbow. A number of officials and directors of the local banks were present as well as Dr. H. E. Smith, head of the department of business of the University of Montana at Missoula.

Larue Smith, an attorney, spoke on "Insufficient Funds." Harry Yeager, vice president of the Great Falls National Bank, spoke in explanation of the purposes and aims of the American Institute of Banking. Dr. Smith spoke briefly on his experiences with the Seattle chapter of the institute and then devoted his time to explaining the intention of the university to offer a correspondence course in banking and the farm loan law.

Gordon O. Shafer, president of the Shafer Investment Company and secretary of the Great Falls Building and Loan Association, is now taking charge of the chapter's study class.

MONTANA STOCK SHOWS INCREASE

Montana reported 227,828 cattle in 1916, an increase of 53,892 head over 1915, according to the annual report of D. W. Raymond, secretary of the state board of stock commissioners. He says the increase is not surprising in view of the natural increase of the Montana herds and the importations that have been made in the past few years.

He points out all the herds are increasing, the assessor's figures in 1913 showing 591,973 head and in 1916 1,042,006 head.

As a result of the passage of the estray law two years ago, affecting estrays in Montana, sales of this class of stuff totaled \$50,000. There were 102 head sold last year and 377 head recovered for their owners.

He indorses the reorganization of the stock detection department under Frank C. Lavigne as chief detective. Several large gangs of rustlers have been wiped out because the new system permitted the use of secret men who gathered the evidence that sent rustlers to prison. The expense is less than under the old system.

(Continued on Page 39)

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FARM LOANS

American Loan & Investment Co.
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REFERENCES—First National Bank, Stillwater, Minn., Lumberman's National Bank, Stillwater, Minn., Bank of Fergus County, Lewistown, Montana.

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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

6% MONTANA FARM MORTGAGES

Our first mortgage farm loans are carefully selected and secured by farms in the most desirable localities in Montana. We loan our own funds. Every loan is personally inspected by an officer of this company.

Write for list of offerings

First Mortgage Loan Company of Montana

Capital \$500,000.00

REFERENCES

First National Bank, Great Falls
American Bank & Trust Co., Great Falls
Stanton Trust & Savings Bank, Great Falls

GREAT FALLS, MONTANA

Washington Bankers to Meet at Spokane

Olympia—The executive committee of the State Bankers Association in Olympia has decided to hold the next meeting of the association in Spokane, June 14, 15 and 16. Members of the committee present were R. S. Stacy, Tacoma; O. M. Green, Spokane; W. K. Martin, Ritzville; John P. Duke, Colfax, and Frank M. Kenny, Olympia.

SEATTLE BANKING FLURRY ENDED

Seattle—After the failure of the Northern Bank and Trust Company and German American Mercantile Bank, temporarily forced to close their doors owing to failure to realize promptly on certain of their securities, a run started on the Peoples Savings Bank but quickly subsided.

Normal conditions were speedily restored by the announcement that the Seattle Clearing House Association stood behind each institution and by the telegram from the Federal Reserve Bank of San Francisco offering \$68,000,000 to the member banks of Seattle. It then became generally realized that Seattle financial institutions were on a sound basis and that the trouble was localized to two small institutions.

PUGET SOUND SAVINGS NOW IN NEW QUARTERS

The Puget Sound Savings & Loan Association is now in its new home at the southeast corner of Pike street and Third avenue, where it has fitted up handsome and appropriate quarters in the banking rooms formerly occupied by the Mortgage Trust & Savings Bank.

The new home of the association provides quarters commensurate with the increase in its business, which has so developed in the last few years as to completely outgrow the former quarters at 222 Pike street.

Established in 1901, the Puget Sound Savings & Loan Association has progressed with a steady and substantial growth until it now has resources of more than \$1,400,000, with more than 2,200 members participating in its benefits.

TACOMA NOTES

Tacoma—The Todd Shipbuilding and Dry Dock Company has secured a contract from the government for one cruiser and several destroyers. Construction of the Pacific Coast Ship Building Company's plant has been started. Looking toward the development of Tacoma as a ship building center the Stadium High School is emphasizing the classes in mechanical drawing which it offers, laying the foundation for marine drawing, which branch will be taught later. Tacoma's foreign commerce for the year 1916 shows an increase of 100 per cent. as compared with the previous year. Announcement has been made that six large steamers are now under construction at Kobe and Nagasaki, which will replace the smaller freighters now operating between Tacoma and Japan.

IMPORTANCE OF FOREIGN MARKETS FOR CANNED GOODS

Washington—Dr. Edward Ewing Pratt, chief of the bureau of foreign and domestic commerce, Department of Commerce, at the annual meeting of the National Canners Association, Cleveland, said in part: As a nation we are inclined to be improvident and thoughtless for the future. Just now we are at the peak of prosperity. We are altogether too apt to think that things will continue as they are and that we can make our business calculations accordingly. Nothing could be farther from the truth, for of necessity the present period of intense prosperity cannot go on forever. We do not even wish it to go on forever. This does not mean that we are going to have a panic or anything approaching a panic. It does mean, however, that there is coming a period when business will have to be conducted on a more normal basis.

How long the present period of prosperity will continue no man can say. It is the part of wisdom for every manufacturer, no matter in what industry he may be engaged, to have a care for the future, and to prepare for a less congested period.

There is perhaps no industry that is more subject to ups and downs than the canning industry. It depends in

the first instance upon agriculture and upon products that are, therefore, seasonal in character and fluctuating in quantity and quality. In the second place, it is a manufacturing industry and, in addition to the problems of agriculture, has to solve the problems of manufacture. In this connection it is interesting to note that the tomato pack in 1914 amounted to 15,222,000 cases, but in 1915, the next year, it dropped to little more than half—8,469,000 cases. The pack of corn has in recent years varied from as little as 5,787,000 cases to as much as 14,301,000 cases. I doubt if such extreme variations could be found in the product of any other industry of equal or greater importance.

Foreign trade ought to act as an effective lever in offsetting a recession in the industry or certain parts of the industry caused by particularly large packs. It is easy to see how a company organized exclusively for the export trade could carry over the surplus pack from one year to another, thus keeping a constant supply of goods for the export market. The development of this foreign market would tend to equalize prices in years of surplus stock, because the distribution would be over a wider territory and there would be less congestion in the home market.

But in addition to its importance as a stabilizing influence, foreign trade is needed for its own sake. The foreign market is a market of considerable size. It is not only a large market, but it is intrinsically a large market for the sale of American canned goods. Under the term canned goods I include everything that may be canned—fish of all descriptions, oysters, meats, fruit, vegetables, milk, fruit juices, pickles and sauces and anything else which can be preserved on the canning principle. As nearly as it can be roughly estimated the United States produces annually about 110,000,000 cases of canned goods. Of this amount 6,000,000 cases are exported. That is just as important as selling so many million cases at home, and the foreign market can be developed almost indefinitely.

I believe it is a fact that a much larger market can be developed abroad for American canned goods. I believe that a market for many kinds of goods, particularly canned goods, can be most effectively maintained if we revise our tariff policy with a view to promoting and developing the use of commercial treaties, and if we permit our manufacturers to form such combinations as may be necessary for the development of foreign trade.

I am optimistic as to the future, but I am only optimistic as to those industries in which the manufacturers themselves take the necessary steps for the development of their foreign trade.

HIDE AND FUR MARKET

Review of the market for hides, furs, etc., by the Northwestern Hide & Fur Company follows: The hide and skin market is in a rather dilapidated condition at present. Tanners or dealers do not care to make any offerings until the war situation is settled.

The receipts of fur have fallen off in the last few days on account of the heavy snow and extreme cold weather. The market holds steady on most articles, except skunk and rats, which declined some in the sales.

★
★

Northwest Items

ITS direct connections throughout the "Inland Empire" enable The Old National to handle Pacific Northwest items with exceptional promptness



The Old National Bank OF SPOKANE

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W. D. VINCENT, Cashier
J. A. YEOMANS, Cashier
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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 JOHN AIRD, General Manager H. V. F. JONES, Ass't Gen'l Manager
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BRANCHES THROUGHOUT CANADA, IN THE UNITED STATES, MEXICO AND ENGLAND

Send Your Collections on Points in Canada to The Canadian Bank of Commerce. It is especially well equipped to render efficient service to American correspondents.

Every facility afforded banks, corporations and individuals for the conduct of their banking accounts on reasonable terms.

A General Banking Business Transacted at Every Branch

GRAIN CONGESTION IN WESTERN CANADA SERIOUS

Saskatoon, Sask.—With the embargo against inward shipments to Port Arthur, Fort William, Saskatoon and Moose Jaw, in effect by government order because of the congestion in those centers, Grand Trunk Pacific Railway officials in this city declare that there are enough loaded cars in the yards to fill every corner of the 3,500,000 bushel government storage elevator here and that more than 100 cars are loaded at various points along their line west of this city, waiting the chance to get into the elevator yards. The big elevator is getting no cars except as chance presents to get a few thousand bushels away to the head of the lakes.

Grain congestion in the West has reached the serious condition, in the opinion of J. R. Wilson, superintendent of the elevator, who declares that unquestionably there is far more grain in the country than any one had any idea at harvest time. While there are not actually 3,500,000 bushels (maximum capacity) in the elevator, there are 61 varieties of grain occupying all the bins to the exclusion of any more shipments that may come in. At the same time, wheat can only be shipped south of the line in American cars, which are almost inaccessible because of the American car shortage.

The total value of the field crops of the three western provinces in 1915, according to advices from the Grand Trunk Pacific, reached the astonishing figure of about \$500,000,000, and last year's crop at higher prices represented a similarly huge sum. One official in this city who desired not to be quoted, said that with the three western provinces out of the nine, able to produce from their field crops alone, a sum of half a billion dollars per annum, that the yearly interest even at a maximum guess of seven per cent., on the war loan of \$400,000,000 would amount to but \$28,000,000, a sum almost negligible in comparison with such productiveness.

SASKATCHEWAN'S REMARKABLE DEVELOPMENT

Regina—The Canadian Pacific offers the following statistics to show the development of the province of Saskatchewan during the 10 years from 1905 to 1915:

	1905.	1915.
Railway mileage.....	1,176	5,936
Population	195,000	700,000
Cities	3	7
Towns	16	72
Villages	63	297
Rural municipalities.....	2	297
Schools	896	3,639
Banks	53	408
Postoffices	212	1,632
Telegraph and telephone lines, pole miles	1,700	18,000
Area under crop (in acres).....	1,638,281	10,543,796
Crop returns (in bushels).....	42,612,136	262,800,000
Grain elevators.....	298	1,500
Elevator capacity (in bushels).....	8,934,000	50,370,000

MORE LAND UNDER CULTIVATION

Calgary—A bulletin of the Canadian Pacific Railway shows that there will be much more land under cultivation in Canada in 1917 than in 1916. The basis for this conclusion is reached by comparison of the areas under summer fallow in the two seasons. According to the report, the area under summer fallow in Manitoba in 1916 was 104 (on the basis of 100 last year); in Saskatchewan, 103, and

in Alberta, 90. The figures for 1915 were 77, 71 and 74 respectively.

POTASH DISCOVERY REPORTED

Edmonton—An expert of the Dominion geological department is now in the Peace River country, the Grand Trunk Pacific Railway agent in this city reports, investigating the possibilities of the potash deposits that have been discovered in the North. It is said that potash exists in considerable quantities, a discovery that, if true, is of momentous import to both Canada and the United States. It will be revealed in the brine and it is by tests of this kind that the investigations will be made.

The significance of this research will be realized when it is stated that the United States has been buying in the past some 20 million dollars' worth of potash fertilizer every year from Germany and that the supply is now cut off with no assurance for the future. That Canada must be quite as much interested goes without saying, for the market price of potash will be between \$40 and \$100 a ton.

PROVINCIAL SURVEY IN ALBERTA

A provincial wide survey by the Institute of Technology and Art is shortly to be undertaken with a view to securing information about industries, trades and business conditions of general economic value, and at the same time complement the present survey under way by the Department of Education for boys and girls between 14 and 18 years of age. The information will also be applied in solving the problem of retraining the soldiers who return from the war.

With definite and accurate information at hand in regard to all the skilled and unskilled trades and the opportunities in them, the problem of reabsorbing the returned soldiers into the civic and economic life of the country will be less pressing, it is asserted by officials of the Grand Trunk Pacific Railway, and the industrial advancement of western Canada after the war will go forward with the least friction.

MANITOBA'S BILL TO ESTABLISH RURAL CREDITS

Winnipeg—Edward Brown, provincial treasurer of Manitoba, has made the following brief outline of the rural credits act now under consideration by the government of Manitoba. It is just possible that some changes may be made before the bill is finally passed by the House, but this, Mr. Brown points out, will not be of a very material character. It will be interesting for bankers in the United States to compare the Canadian measure with their newly created Federal farm loan system.

The Manitoba Rural Credits Association will have authorized capital of \$1,000,000, which, however, can be increased by order in council from time to time as required. The capital will be divided into 200,000 shares of \$5 each, and one-half of these shares will be subscribed for by the government of the province, and the other half will be subscribed by the borrowers as money is loaned, it being a condition of every loan that the borrower must subscribe for five per cent. of his loan. In this way the control of

the organization is always vested in the government and the borrowers, and any profits that may arise will be devoted toward further reducing the rate of interest paid by the borrowers by way of dividend on their shares.

It is proposed that the municipalities of the province shall be units of the organization, and no money shall be loaned in any municipality until such time as a bylaw has been submitted to the rate payers in the form of a money bylaw. The bill will provide, further, that the government shall have power to levy against all the rateable property in any municipality to cover any losses that may arise from year to year.

Only one form of mortgage will be issued, viz., a 30-year mortgage. It is proposed to lend the money at cost, plus one per cent. for expenses. The cost will be determined by the rate at which the government is able to borrow. The money will only be loaned to farmers who are cultivating their own land, and up to 50 per cent. of the value, for the following purposes only:

1. To purchase land for agricultural purposes.
2. To pay off prior mortgages.
3. To make improvements on the lands in the erection of buildings, etc.
4. To increase the farmer's holding of live stock.
5. To pay for floating liabilities that have been incurred previous to the application.

All loans shall be made on the amortization plan, i. e., the entire amount of principal and interest is spread over a period of 30 years, and is repaid by a fixed amount to cover both principal and interest in the form of an annual payment. Thus \$1,000 for 30 years will require an annual payment of \$72.65, which amount will retire the loan at maturity.

How the money is to be raised:

The capital will be used for the purpose of providing a margin of 10 per cent. between the mortgages and the bonds which will be issued. Thus, on a paidup capital of \$1,000,000 bonds up to \$9,000,000 may be issued, giving the association a total of \$10,000,000. These bonds will be guaranteed by the government of the province, both principal and interest.

It is proposed to offer the bonds of the association within the province, hoping that we may secure, to a large extent, the necessary capital by our own people. To make the bonds more attractive, they will be made as near to a liquid security as possible.

A portion of the annual payments which the farmer makes from year to year is paid into a sinking fund, and the primary purpose of this sinking fund will be to purchase the bonds of the association wherever they are offered for sale.

In addition to the capital which may be secured locally it is proposed to establish an agency in the city of Chicago for the sale of these bonds, and also an agency in the city of Toronto.

The mortgages of the association will be hypothecated to a trustee, so that the security of the mortgage is directly available, in the first instance, to the bondholders. The bonds will be issued in two forms:

1. A regular coupon bond for 10, 15 and 20 years, with a clause providing for recall by giving six months' notice.
2. An amortization bond for the same periods issued on a monthly plan and a yearly plan, for the purpose of encouraging thrift within the province.

In suggesting this legislation, there is no desire on the part of the government to affect in any way the large investments at present current within the province by mortgage corporations. It is proposed, however, to not only reduce the risk the loan companies are at present taking, but further, to reduce the expense of lending money.

CANADIAN BRANCH BANKS SEEK TO AID FARMERS

Canada's branch banking system lends itself readily to educational campaigns, and it would surprise most American bankers to know how extensively and effectively the Canadian banks perform other than normal banking functions, especially in the newer agricultural districts.

A recent Canadian Bank of Commerce circular says: "We now feel that our managers have reached a point of

every possible effort to build up their business with farmers. The past two or three years has been a period for destructive criticism. Whenever a policy of securing and liquidating loans has to be extensively and efficiently pursued, the inevitable tendency is unconsciously to produce an attitude of mind in a branch manager unconducive to the acquisition of new business. Recognizing this, we think it time to say that we are as desirous as ever of developing our clientele of intelligent and industrious farmers to the fullest possible extent. We recognize an unusual opportunity not only to accomplish results for the bank, but also to render a national service in the matter of credits to farmers for breeding and feeding live stock. We are confidently counting on our managers in live stock districts to make a thorough canvass of their customers of the better class with a view to encourage farmers to go into live stock whenever they show any disposition to do so."

The banking reform in Canada, like the railroad reform in the United States, was forced by public resentment and agitation, but not to the same extent. Canadian bank managers saw the light sooner. Self interest was more responsive to public sentiment. The necessity for a change in attitude was more obvious. Canadian newspapers lambast the western banks and petty politicians still try to make capital out of the agitation, not realizing that it is now mostly an echo from the past. The agitation for rural credits legislation is different—no less genuine in this country than that which recently focused in the American farm mortgage bank act. It is predicated not upon banking negligence or public hostility, but a determination to give the farmers new and artificial advantages, cheaper money than they could get from the banks on a business basis.

ANOTHER CANADIAN LOAN

Minister of Finance White has asked Parliament for authority to float a government loan of \$100,000,000 to meet maturing obligations, to carry on public works and for general purposes. Minister White will try to raise the funds in Canada about March, but if the condition of the exchange is not favorable he will try to place the loan in New York. Canada's revenue in the present year is only sufficient to pay ordinary and capital expenditures.

IRRIGATION PLANS

Ottawa, Canada—A dispatch from London, England, says that application is to be made shortly to the treasury for permission to raise capital necessary to complete the irrigation of 500,000 acres of land in the Medicine Hat, Alberta, district, adjoining the Canadian Pacific's Bow River project. It is also proposed that the owners of the land—the Southern Alberta Land Company, the Canadian Wheat Lands, Ltd., and the Alberta Land Company—shall amalgamate. Over \$5,000,000 has been spent in construction but the war prevented raising the additional money necessary to complete the canal system.

The same dispatch says that the Cooperative Wholesale Societies of Manchester and Scotland have purchased 10,000 acres at Hughton, Sask., on the Goose Lake line of the Canadian Pacific. All but 1,200 acres are under cultivation and the syndicate proposes to ship grain from this land direct to the company's mills in Great Britain through their own elevators.

MONTANA STOCK SHOWS INCREASE

(Continued from Page 36)

Mr. Raymond recommends a law regulating the price of live stock killed on railroad rights of way; disinfection of stock cars used for horses and cattle; licensed butcher law, and an act imposing a penalty for using, holding or killing an estray.

Statistics compiled from the assessors' offices in the various counties and published in the state veterinary surgeon's report show that the total value of the horses, cattle, swine and sheep within the boundaries of the state of Montana has increased over six million dollars during the last year. Greatest gains have been made by cattle, which in 1916 were assessed at \$4,594,475 more than in 1915. Sheep decreased about 340,000 in number but were worth \$515,961 more than last year. Swine was the only class of live stock to show a decrease both in number

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.

BUSINESS CHANCES

FOR SALE.—Burroughs duplex adding and listing machine; excellent condition, \$275.
(99tf) **FIRST STATE BANK,**
Crosby, N. D.

Wanted—Practical banker to invest in country bank with me and take active management. Address "R69" Commercial West. (3-5)

Wanted—Controlling interest in North Dakota or northern Minnesota country bank; cashiership not essential. Address "Z76" Commercial West. (4eow8)

and in total value. High grain prices which have made hog raising unprofitable are undoubtedly the reason for a slump of 9,441 from the total number of hogs assessed in 1915.

Cattle rank first in importance with a total money value of \$24,911,528, with horses second at \$19,516,004.

While Fergus county is not generally thought of as the center of the horse raising industry of the state, yet the records show that Fergus county with 25,378 horses has more horse flesh than any other county in the state. Custer county is second with 24,884, and Dawson third with 23,159.

Beaverhead, Custer, Fergus and Big Horn are leaders in the cattle industry, Beaverhead taking first place with 69,159, valued at \$1,897,000. Meagher, Beaverhead, Madison and Blaine all have over 140,000 sheep, Meagher leading with 205,035.

Park county leads in number of swine with 28,260.

A CHAT WITH A FARMER

Ashland—"Times and customs certainly do change," said a farmer customer a few days ago, as he leaned upon the ledge of the teller's window.

"I remember," he continued, "when we farmers in the community I came from wanted a bank we had to hunt around for it. Forty years ago I never saw banks advertise. It seemed to me they did not care for business. But now it is different; we know a bank by its advertising.

"We farmers are a cheerful lot of men as a rule. We like to do business with people who want our business enough to ask for it. And when we come to the bank we like a smile and a pleasant word.

"I know I used to keep my money in the house. I didn't think a bank would care anything about handling it. I

Wanted—Bank Cashiers

One for small Minnesota bank, and two for North Dakota. Salary \$1,200 to \$1,500. Investment of \$2,000 or \$3,000 required.

M. G. Reynolds

738 Plymouth Building, MINNEAPOLIS, MINN.

SITUATION WANTED

Wanted.—Position in country bank by capable young man, with three years' experience in Canadian banks; All references. Write C. E. Kimberly, St. Vincent, Minn. (4-9)

Position wanted as bookkeeper in small country bank; experience main object; can speak Scandinavian and can operate typewriter; A No. 1 references. Address "H84" Commercial West. (4-7)

Wanted.—Bookkeeper with bank experience desires position in a country bank; 28 years of age and speaks German fluently; references furnished. Address "E81" Commercial West. (4-6)

GREATEST COAL PRODUCTION

Coal production records were smashed in 1916, when the output was around 597,500,000 tons, compared with 570,000,000 tons, the previous high record established in 1913. The quantity of bituminous coal mined was 509,000,000 tons, an increase compared with 1915 of 66,500,000 tons, or 15 per cent., according to estimates by C. E. Leshner of the United States Geological Survey, Department of the Interior. The quantity of Pennsylvania anthracite was about 88,312,000 net tons, a decrease of 600,000 tons.

lost a lot of money before I really got the idea of how to use a bank.

"My wife fixed up a sort of pocket behind a mirror, where we kept bills. Silver dollars, gold coin, and the like we kept in the bureau drawers under the paper. My wife had a couple of fancy little jars on the bureau, filled with knickknacks. She used to keep several hundred dollars in \$5 and \$10 gold pieces hidden away with the rest of the stuff in these jars.

"We had hired a young girl who discovered what these jars contained and it didn't take her long to create a shortage in that crop of gold pieces. She took them to school and generously gave \$5 gold pieces to her companions. That's how it came out.

"The bills behind the mirror I lost, too, but in a different way. We had a stovepipe running up through our room. One cold winter morning we got out very early and I built a roaring wood fire. The bed clothing had got against the stovepipe in the room above and the first thing we knew it was all in flames.

"Yes, we managed to save the house—but everything in that room was destroyed, my bills along with the rest. Gone forever, of course.

"That occurred a good many years ago and the incident had one good feature. I took the lesson to heart, and the rest of my money went right into the bank and stayed there.

"My account has not been what you would call an active one. I just keep my money in the bank and let it pile up. For some reasons, since I've had a bank account I don't seem to need so much money and I have heard others say they have noticed the same fact."

Just then the gentleman's wife came in, ready to return home, and, bidding the teller a pleasant good-bye, they left and drove away.

As he turned again to his work, the thought came into the teller's mind that there were many others, who, like the farmer of whose experience you have just read, would lose hard earned cash by theft and fire before they would learn that the bank is the safest and the proper place to keep the money they have saved by dint of denial and economy.—Bank of Ashland.

For the 12 months ended December 31, 1916, Atchison earned 6.66 per cent. on its property investment compared with 5.37 per cent. for 12 months period ended December 31, 1915.

Nicholson Brothers

See our exclusive lines of fall and winter styles before placing your order.

**TAILORS
FOR PARTICULAR PEOPLE**

709 Nicollet Ave.,
Second Floor

MINNEAPOLIS,
MINN.

Ship your Hides, Furs, Pelts, Wool,
Ginseng, and Seneca Root
to the Old Reliable



TELEPHONE CONSTRUCTION

MINNESOTA

Nevis.—The South Nevis Telephone Company will extend its lines and rebuild its old lines.

Hutchinson.—The local telephone company will improve its system at a cost of about \$10,000. A new switchboard will be installed.

Welcome.—Harry Sheppard has been elected president and J. W. Wolford, secretary and treasurer of the Welcome-Triumph Telephone Company.

Chokio.—At a meeting of the directors of the Chokio Telephone Company S. Burt was elected president, O. Pederson, vice president, and L. L. Larson, secretary.

Pratt.—The following are the newly elected officers of the Pratt Telephone Company: William Hines, president; Carl Prestegard, vice president, and L. A. Dogner, secretary.

Hallock.—At a meeting of the directors of the Kittson Telephone Company the following officers were elected: John Ross, president; Andrew Anderson, vice president, and A. L. Bennett, secretary and treasurer.

WISCONSIN

Ludington (R. F. D. from Augusta).—The Ludington Telephone Company will be reorganized.

Hammond.—George Knipfel has been elected president and L. J. Webster, secretary, of the Hammond Telephone Company.

Stevens Point.—The following are the newly elected officers of the Amherst Telephone Company: A. I. Rounds,

president; C. A. Smith, vice president; Bert Shanklin, secretary, and C. P. Sommers, treasurer.

NORTH DAKOTA

Dodge (P. O. Golden Valley).—The Golden West Telephone Company, which was recently incorporated, will build 50 miles of line out of here.

Mandan.—The North Dakota Independent Telephone Company has leased a building on First street and will take possession about February 15.

McKenzie.—A. Madland, E. A. Bloomquist, S. R. Day and P. P. Bliss are among the directors of the Sibley Rural Telephone Company which was recently incorporated.

SOUTH DAKOTA

Owanka.—F. B. Stiles has sold his telephone interests here to The Homestead Telephone Company.

IOWA

Gilmore City.—The Farmers & Merchants Telephone Company will overhaul and remodel its entire system the coming spring.

Hubbard.—The following are the newly elected officers of the Hubbard Telephone Company: R. R. Swallum, president; A. W. Joelscher, vice president, and Gus Lage, secretary.

Ferguson.—At a meeting of the directors of the Ferguson Telephone Company the following officers were elected: Charles Sexton, president; O. A. Finders, vice president, and J. A. Workman, secretary and treasurer.

FARM LAND TRANSFERS

MINNESOTA

Pipestone County.—S. B. Dueda to A. D. LaDue, nw ¼ 28-106-44, \$4,800.

Brown County.—Helmer J. Mellum to Peter Renberg, nw ¼ 24-108-34, \$8,800.

Polk County.—Millard C. Banks to Joe Kovar, nw ¼ of 35-153-49, \$8,000.

Mower County.—John G. Handke to P. H. Friend, w ½ se ¼ 32-103-17, \$8,000.

Nobles County.—A. W. Fagerstrom to Joseph Gordon, se ¼ 12-102-40, \$21,600.

St. Louis County.—Charlotte Clark to Fred Forsell, w ½ se ¼ 4-50-15, \$1,440.

Pennington County.—Seven Thoreson to Sven Lindquist, se ¼ 8-153-44, \$3,000.

Roseau County.—Christian J. Falven to Ole J. Anderson, sw ¼ 27-160-43, \$4,500.

Ottertail County.—Wm. N. Nelson to Ernest H. Cordes, w ½ ne ¼ 24-133-38, \$3,200.

Swift County.—H. S. Halvorson to T. C. Peterson, n ½ sw ¼ nw ¼ 33-120-38, \$7,000.

Winona County.—August Klaviter to Gustave Klaviter, n ½ nw ¼ Sec. 14, \$4,500.

Crow Wing County.—August H. Holst to Hannah E. Austin, e ½ sw ¼ 21-134-28, \$2,000.

Renville County.—Anton Geray to Mathias Walser, se ¼, e ½ ne ¼ 31-113-32, \$27,600.

Jackson County.—Lars Peterson to Christian F. Hartman, e ½ sw ¼ Sec. 5, Alba, \$3,200.

Anoka County.—Florian A. Mochlriski to Frank and Anton Meister, e ½ se ¼ 1-31-23, \$4,000.

Meeker County.—John Lang to Math. H. Schriefels, 275 acres Sec. 12, Manannah, \$16,000.

McLeod County.—Harry W. Brinkman to J. L. T. Danek, 140 acres Sec. 28, Glencoe, \$4,600.

Faribault County.—Loretta F. Cline to William H. Waldren, s ½ sw ¼ 15-104-27, \$12,000.

Kandiyohi County.—Frank Eklof to Anderson Land Co., n ½ sw ¼ Sec. 32, Willmar, \$6,000.

Blue Earth County.—Mary J. Thomas to John E. Lloyd, sw ¼ se ¼ Sec. 32, Cambria, \$2,000.

Martin County.—Christian N. Petersen to Edward L. True, n ½ sw ¼ Sec. 5, Center Creek, \$10,000.

Douglas County.—Farmers National Bank, Alexandria, to Fred M. Pomeraz sw ¼ 9-130-38, \$11,000.

Lyon County.—James W. Williams to T. M. Unterberger and Charles McKigney, sw ¼ 34-111-41, \$10,400.

Waseca County.—Lula M. Goodspeed to Edward Peterson, 10 rods on north side nw ¼ sw ¼ Sec. 7, Woodville, \$1,050.

Fillmore County.—Jennie McMaster to John C. Turner, sw ¼ se ¼ Sec. 28, and w ½ ne ¼ Sec. 33, all in Amherst, \$15,000.

Isanti County.—Wm. Rouvel to Elizabeth Hendricks, n ½ ne ¼, se ¼ ne ¼ n ½, sw ¼ ne ¼ Sec. 19, w ½ nw ¼ 20-35-22, \$10,000.

Rice County.—Charles Demann to Thomas Skluzacek, ne ¼ and except most southerly 15 acres, and except to town of Forest, Sec. 20, Forest, \$10,300.

WISCONSIN

Trempealeau County.—Sever H. Dahl to O. Joseph Dahl, n ½ sw ¼ 35-20-7, \$4,000.

Burnett County.—Erick Lundin, Sr., to Erick Lundeen, Jr., e ½ ne ¼ 15-37-18, \$2,000.

Barron County.—William Rachut to Martin Bretl, s ½ nw ¼ and ne ¼ nw ¼ 31-36-11, \$9,000.

Langlade County.—J. C. Lewis to E. A. Morse, ne ¼ sw ¼ and n ½ se ¼ 17-31n-11e, \$5,500.

Jefferson County.—Ralph R. Duning to Frank Thorndyke, 30 acres in Sec. 12, Farmington, \$15,470.

Polk County.—August Darth to Robert Weesder, nw ¼ ne ¼ and east 30 acres ne ¼ nw ¼ 25-34-18, \$8,000.

Sheboygan County.—Mary Abbink to John Van Der Laan, 64 acres se ¼ Sec. 14, and 5 acres Sec. 34, Holland, \$9,000.

Racine County.—Abraham Ebert to Eric Vorpahl, ne ¼ nw ¼ and w ½ sw ¼ 28-4-20, also part of se ¼ and sw ¼ 21-4-20, \$8,900.

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NORTH DAKOTA

Barnes County.—Wm. H. Flory to H. Krause, 17-141-56, \$44,800.

Lamoure County.—John A. Jones to Henry T. Olson, ne ¼ 9-134-63, \$4,800.

Towner County.—Clyde L. Nelson to Nils T. Hovick, se ¼ 32-162-65, \$8,000.

Mercer County.—Calvin S. Denniston to Orville G. Neville, nw ¼ 10-144-89, \$5,400.

Hettinger County.—August Borchard to Carl Borchard, nw ¼ 33-135-96, \$3,000.

Foster County.—J. N. King to Albert Erickson, ne ¼ and sw ¼ 6-147-67, \$33,606.

Stutsman County.—Geo. A. Warner to John H. Aure, n ½ se ¼ 10-141-64, \$21,600.

Burke County.—H. E. McCready to Ida K. Algeo, se ¼ Sec. 1, s ½ nw ¼, s ½ nw ¼ 33-160-92, \$8,000.

Emmons County.—George L. Flaherty to Clara R. Carter, an undivided interest in s ½ 7-134-76, \$4,000.

Cass County.—Joseph W. Sullivan to Murray Bros. & Ward Land Company, all 22-140-52, \$57,200.

SOUTH DAKOTA

Lyman County.—M. Solomon to D. A. Ostertag, sw ¼ 9-108-79, \$6,200.

Tripp County.—Elsie S. Thompson to G. M. Atwell, se ¼ 4-97-75, \$8,000.

McCook County.—Matilda Kaskie to John C. Kappenman, se ¼ 34-101-55, \$13,552.

Hutchinson County.—Christian Ulmer to John C. Hackenlaible, nw ¼ 22-97-56, \$20,000.

Codington County.—Edward S. Bailey to John Welch, se ¼ ne ¼ Sec. 28, sw ¼ sw ¼ Sec. 27, nw ¼ nw ¼ Sec. 34, and ne ¼ ne ¼ 33-117-54, \$5,280.

IOWA

Osceola County.—W. M. Roth to Louie Helman, ne ¼ 33-99-39, \$24,000.

Emmet County.—G. E. Haney to Addie L. Force, nw ¼ 29-93-33, \$21,600.

Winnebago County.—W. A. Fox to Olof Johnson, sw ¼ sw ¼ 29-98-23, \$6,000.

Sioux County.—F. H. Davis to F. H. Davis, nw fraction of ¼ 18-97-46, \$40,000.

Buena Vista County.—J. W. Dodson to F. C. Lovrien, ne ¼ Sec. 34, Lee, \$20,800.

Wright County.—T. A. Thompson to Ole Thompson, e ½ sw ¼ 3-92-24, \$8,000.

Clay County.—Jane E. Bender to George M. Hales, sw ¼ nw ¼ 1-97-36, \$4,125.

Mills County.—H. B. Rosenbaum to Clara Schultz, nw ¼ nw ¼ 19-73-43, \$3,000.

Pocahontas County.—Wm. Giesy to Mary Giesy, n ½ nw ¼ nw ¼ 26-90-34, \$4,000.

Cherokee County.—A. S. Winslow to George W. Bieg, s ½ se ¼ 22-91-40, \$10,000.

Madison County.—Esther Garland to J. G. Shriver, 80 acres Sec. 28, Lincoln, \$8,800.

Howard County.—Harriet T. Mitchell to Howard S. Martz, ne ¼ 27-100-14, \$20,000.

Chickasaw County.—Henry S. Bruner to I. H. Bruner, s ½ sw ¼ 16-96-14, \$12,000.

Woodbury County.—Edward E. Simon to L. R. Stonosheck, e ½ sw ¼ 12-88-47, \$16,000.

Boone County.—J. E. Herman to Frank Hannum, w ½ sw ¼ and s ½ e ½ sw ¼ 22-85-26, \$23,000.

O'Brien County.—Willis Albert to Wilson G. Warrick, und. 1-3 nw ¼ and w ½ ne ¼ 16-97-39, \$12,800.

Keokuk County.—Eugene E. Austin to George E. Steele, 85 ½ acres in Sec. 3, Washington, \$20,925.50.

Poweshiek County.—Clement DeMenlencere to John Bartack, n ½ nw ¼ and nw ¼ ne ¼, 13-81-14, \$21,000.

Carroll County.—John Heider, Sr., to Henry J. Heider, sw ¼ sw ¼ Sec. 22, and w ½ sw ¼ and se ¼ nw ¼ 27-83-33, \$28,000.

Mahaska County.—W. J. Nicholson to M. S. Downey, sw ¼ nw ¼ and w ½ sw ¼ Sec. 8, also w ½ nw ¼ and nw ¼ sw ¼ 17-76-16, \$28,812.50.


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ROSENBAUM REVIEW The "Rosenbaum Review" is a weekly publication, edited by Mr. J. Ralph Pickell, and published by this Company. Its Table of Contents is as follows:

Business and Trade Conditions	Washington Correspondence	Letters From Our Patrons
Review of the Markets	Current Weekly Price Statistics	Current Commercial News Forum
Crop Reports and Estimates	Cable Reports	Miscellaneous Information Transportation

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GRAIN AND MILLING

Commercial West Office, February 7.—The wheat markets have responded liberally to the reaction following the severance of diplomatic relations with Germany. Prices February 6 closed exactly where they were on January 31, but there was a moderate decline today. Fluctuations today were more even and feverishness in the wheat market was less apparent. Nevertheless the changes in prices were comparatively wide.

There is no doubt that the hazards of speculation have been multiplied many fold by the dangers of the present situation and by the hazards of war. At the moment outside of wide swings in prices there is only one matter in the wheat situation that is certain to ensue, and that is Europe's increasing necessity to get great supplies of grain from North America owing to the wholesale destruction of ships. The more boats sunk the more dependent Europe will be on American grain. Since February 1 a tonnage of 90,000 has been sent beneath the waves.

At the moment Great Britain seems powerless to cope with the submarine problem. It is now a question not of the small percentage of traffic and steamers sunk, but of how large a tonnage can reach destination. The Rosenbaum Review, published in Chicago, contains these interesting paragraphs:

"A war in which the United States is involved, or the duration of the war beyond a few weeks means but one thing—abnormally high prices. The activities of the submersibles of the central powers may, for a time, exert a depressing effect, and other influences may and will tend to lower prices because action and reaction are always equal, but fundamentally prices should remain high.

"The history of every modern war shows accelerated business and prosperous times. There is no exception and if the United States is involved there seems no good reason for an exception now. Depression has always followed peace, but peace is not now in sight.

"To attempt by speculation just now to profit by investments in grain is something which should be left to the professional speculator.

"The business man who waits is wise!"

Wheat Prices Compared

May wheat closed February 7 at \$1.73½ against \$1.76¼ on February 6, \$1.76¼ on January 31, \$1.86½ on January 24, \$1.90½ on January 17, \$1.88 on January 13, \$1.92¼ on January 6, \$1.78¼ on December 27, \$1.69¾ on December 20, \$1.75¾ on December 13, \$1.88 on December 6, \$1.81 on November 29 and \$1.95 on November 1. July wheat closed February 7 at \$1.70½ against \$1.73 on February 6, \$1.72½ on January 31, \$1.88¼ on January 24, \$1.81½ on January 17, \$1.78 on January 13, \$1.88¾ on January 6, \$1.72¼ on December 27, \$1.64½ on December 20, \$1.71¼ on December 13, \$1.83 on December 9, \$1.71¼ on November 29, \$1.85½ on November 22, \$1.88¾ on November 25 and \$1.80½ on October 24. September wheat closed February 7 at \$1.41½ against \$1.44½ on February 6, \$1.45½ on February 5 and \$1.41¼ on February 3.

Winter Wheat Conditions Worse

Severe cold weather the past week throughout the entire winter wheat belt even to far points in the South and Southwest must have caused some damage, as the greater part of the area had slight or no snow protection. Complaints are numerous from Kansas and Nebraska. Generally speaking, February is too early a time to base any predictions regarding the winter wheat crop, but such reports as have come to hand are distinctly bullish.

Flour Output Seriously Low

The output of flour is seriously low. On February 6 only 12½ of the 25 mills in Minneapolis were in operation. Today the Russell Miller Milling Company, which had been idle, resumed operation, but the output for the week ending February 10 will not greatly exceed 200,000 barrels, compared with 223,995 barrels in the week ended February 10 and 355,395 barrels in the same week a year ago.

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There isn't any doubt but what flour is wanted, but the seriousness of the car shortage makes it next to impossible for mills to carry out shipping instructions. Some interests hold that the car shortage is now more serious than it has been, and that it is not possible for car conditions to become worse than they are at present. As stated in these columns for the past few weeks, it will take time to secure the free movement of cars. Further reduction of ocean traffic capacity by reason of the increased warfare leaves eastern railroads and terminals clogged with cars laden and impossible to empty. So long as the big trunk lines in the vicinity of the export points of the United States hold thousands of cars belonging to western roads the situation will remain serious. Efforts of divers interests to improve the car situation have thus far been futile.

Spring Wheat Movement at a Standstill

Wheat deliveries by farmers in the Northwest are practically nil, owing to the prolonged severe cold and stormy weather. Farmers have been fairly free sellers of wheat previously placed in stock, but many line companies received no wheat whatever during the past week.

Although offerings are light some Pacific coast wheat is being worked in Minneapolis and about a dozen cars daily of Canadian wheat, provided it arrives in cars that can be reloaded for eastern shipment, are being handled. Hard winter wheat from the Southwest finds a ready market in this center, but offerings are exceedingly small.

Government Crop Report March 8

Farm corn and wheat reserves of March 1 as well as other grain reserves will be reported by the United States Government on March 8.

Flaxseed Trading Heavy

Flaxseed during the past week has shared with wheat in exciting and violent price fluctuations. On any reduction in the price level crushers were buyers. Outside of the political situation there is no special news in the market other than opinion of linseed oil men that there will be a heavy demand for flaxseed as soon as spring opens. The atrocious car situation has interfered with the receipts of flax in the same manner as it has with wheat. Expert traders now estimate that the supply above seeding requirements does not exceed 2,000,000 bushels. This has led dealers to endeavor to obtain a close line upon stocks of linseed remaining in growers' hands throughout the Northwest.

May flax closed in Duluth at \$2.85½ compared with \$2.92¼ on January 31. During the violent fluctuations flax sold much lower, but the price today is believed to be somewhat under the figure warranted by the real supply and demand situation.

Flaxseed Calls Exceed Supply

There is an increasing demand for Minnesota No. 25 flax, according to reports from the Minnesota Crop Improvement Association. Farmers who know they have this variety and have seed for sale should write the association, University Farm, St. Paul, and give full particulars as to where the seed was secured and how long it has been since the original stock was bought from the experiment station. The association is receiving inquiries for No. 25 flax and cannot give authentic information leading to a pure supply.

Farmers who raise this variety in 1917 should save all the crop for seed and then get in touch with the association for its disposal. Minnesota No. 25 is too valuable for seed purposes to be sold for common flax.

General Chemical in year ended December 30, 1916, earned 87.51 per cent. on \$13,110,600 common stock, as compared with 46.01 per cent. on \$11,400,500 common stock in previous year.

CROP COMMENT

Chicago—For the past week the wheat market has been under the influence of political developments, other news being almost entirely ignored. Between peace and war traders have had all the uncertainty that they could ask for and all the fluctuation. In the early part of the week the trade had strong hopes of peace, all of which were shattered Saturday by the dismissal of the Germany ambassador and the recall of ours. Saturday in the excitement attendant upon the dismissal of the German ambassador May wheat broke to \$1.54½. The trade had expected that this action by President Wilson would precipitate a smash. On the contrary wheat jumped 14 cents a bushel, because the long interest had been thoroughly liquidated before hand by the break in the market and the uncertainty over what might happen and instead of there being a long interest to sell out, it turned out that there was a short interest which had been accumulating as the price had declined and this interest had to cover in a market almost bare of offerings.

The action of all speculative markets—grain, stocks and cotton—after the action of our Government was made public, was splendid and shows the strong basic conditions underlying all markets. With all the rumors of peace and war, threats of submarine activities and everything that could happen in the way of news to depress prices, wheat sold off about 40 cents from top, Saturday being the low point and the market recovered 14 cents of the decline before Saturday's session closed, Monday it sold 19¾ cents above Saturday's low and Tuesday 22 cents above Saturday's low. In other words the market recovered in two days one-half the total decline. If this be not a bull showing for a market to make, then our understanding is poor. It seems almost impossible in the light of Saturday's events for us to keep out of the war.

If we do actually come to hostilities with Germany, another break in speculative markets would undoubtedly occur, but we doubt if it would be at all severe, because it has been well discounted in the minds of the speculative public. If we have such a break, we think all the speculative markets will be a great purchase. There will be bargains to be picked up, but the bargains will in our judgment be before the declaration of war, not after.

There are some pessimistic reports from the growing wheat, but we give little heed to crop reports in mid-winter. Two months from now will be time enough to be forming opinions about next crop, but we are emphatically bullish on May wheat, because that is last crop. The supplies available cannot be increased. We know what they are, the demand that will be made upon these supplies can be gauged with considerable accuracy and they indicate to us today, as they have for several months, that before next crop becomes available, there will be an actual scarcity of wheat and, therefore, we expect higher prices and think \$2 not an unreasonable price.—W. G. Press & Co.

IMPORTANCE OF THE CROPS

New York—Great importance will attach to the crops of the coming season. If they are fortunately abundant, the costs of living, now oppressively high, will be reduced, and the entire industrial situation correspondingly relieved. It is assumed as a matter of course that the farmers, being fully as much interested as anybody in large crops, will exert themselves to the uttermost, and that the rest hangs upon the favor of Providence, but when so much depends upon a good outcome it is not out of place to suggest that every public and private agency which can give aid to the farmer should feel an obligation to do so. It is particu-

larly desirable that every locality should so far as practicable make itself independent in such food supplies as it can produce. It is usually the case that a one crop region can grow a moderate variety of foodstuffs with labor that would otherwise count for but little, and if more attention was given to making each section self supporting in this respect, the net results the country over would be very important.

There never was greater encouragement to the farmers to do their utmost for the production of a large yield. The country will be swept practically bare of all grain before another crop is harvested. The accumulations of wheat from the big crops of 1914 and 1915 will all be gone, and present prospects are that old wheat will sell up to \$2 per bushel before July. Cattle have been sacrificed freely rather than feed corn worth nearly \$1 per bushel. Live hogs have been selling this month on the Montreal market above \$14 per hundred weight, and in the principal markets of this country at \$11.50 to \$11.90. The stock of cotton will be low and whether war or peace is to rule next year, a good crop of that staple will be wanted. The farmers of the United States have a great opportunity before them this year; the situation is such that they can hardly fail of good prices for every product.—February letter of National City Bank.

POSSIBILITIES OF INCREASED FARM PRODUCTION OUTLINED

Edmund Pennington, president of the Soo line, speaking at a dinner in his honor at the Minneapolis Club in Minneapolis, said that in the fact that 30,000,000 acres of undeveloped land lie along the Soo line alone and practically at the doors of the Twin Cities is the big future possibility for growth of Minneapolis and St. Paul and the Northwest.

Mr. Pennington read figures giving the acreages of undeveloped land along the Soo line in Minnesota, Wisconsin and North Dakota. He said that what applied to the railroad of which he is the executive head, is found also in the case of other roads and that there is approximately 85,000,000 acres of land that presents future possibility for development.

"The existence of so great an extent of arable, tillable land, within easy reach of great urban population centers is the most striking factor one comes upon in any effort to estimate the future of the Northwest," Mr. Pennington said.

"Unless one has given it study and is familiar with its main features, the Northwest, from the viewpoint especially of one who lives in a large city, is like to be thought of as fairly developed already. How far this really is from being true and how great the possibilities are for increased grain and other crop production, for greater livestock production, for the creating of all the things that support population and make new wealth and prosperity, the figures for the untilled land show."

Mr. Pennington spoke flatteringly of the outlook for the Northwest if there shall be no artificial impediment to the development of agriculture and business. He said the future of the greater cities lies with the country and argued for better understanding of the mutual problems and greater cooperation for the general good.

MARCH CROP REPORT

Washington—On March 8, at 2:15 p. m., the bureau of crop estimates, Department of Agriculture, will issue a report relating, mainly, to stocks of grain in farmers' hands. The report will give an estimate of the amount of wheat, corn, oats and barley of the 1916 crop on farms in the United States on March 1; the proportion of each of these crops which will be shipped out of the counties where grown, and the percentage of the 1916 crop which was of merchantable quality. The March monthly crop report will contain the usual statistics of prices of agricultural products. No crop report will be issued in February.

Exports from port of New York in week ended January 27 totaled \$50,337,464 against \$36,109,432 a year ago, \$26,272,091 two years ago and \$20,521,489 three years ago.

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MINNEAPOLIS WHEAT STOCKS

Wheat in Minneapolis public elevators was reported as follows by the Chamber of Commerce on dates given, in bushels (000's omitted):

	Feb. 3	Jan. 27	Feb. 5, 1916	Feb. 6, 1915
No. 1 hard	530	527	663	164
No. 1 northern	1,891	1,911	4,604	4,489
No. 2 northern	2,292	2,320	2,914	4,787
Other grades	7,674	7,664	5,346	6,879
Totals	12,386	12,423	13,527	13,319
In 1914	19,887	19,987		
In 1913	20,436	20,157		
In 1912	15,664	15,366		

At Duluth

Duluth-Superior wheat stocks, February 3 (000's omitted), in bushels, and receipts by weeks ended Saturday:

	Wheat Stocks			Receipts by Grade		
	1917 bus.	1916 bus.	1915 bus.	1917 cars	1916 cars	1915 cars
No. 1 hard	36	169	108	6	25	26
No. 1 northern	754	2,595	2,605	1	28	155
No. 2 northern	649	1,437	2,698	5	21	62
No. 3	479	135	1,077	8	22	28
No. 4	88	36			4	2
Rejected					4	
Mixed grain				1	2	1
No-grade		10		3	1	1
Sample grain						
Special bin	2,404	2,538	2,235			
Totals	4,332	6,992	8,759	28	103	275
Macaroni	747	4,428	384	38	100	49
Southwestern	817	819	795	25	14	3
Western	4	8	8	1	2	
Mixed				22	77	11
Totals	5,890	12,247	9,946	86	296	338
Bonded	1,479	577	127	352	259	59
Totals	7,369	12,824	10,073	438	555	397
Afloat		758				
Totals	7,369	13,582	10,073	438	555	397

At Chicago

Wheat stocks in all positions in Chicago decreased 184,000 bushels last week, corn increased 465,000 bushels, oats decreased 52,000 bushels, rye decreased 57,000 bushels and barley increased 5,000 bushels. Wheat in public elevators decreased 95,000 bushels, corn increased 152,000 bushels and oats 39,000 bushels. Wheat in private elevators decreased 89,000 bushels and oats 227,000 bushels, while corn increased 250,000 bushels. Corn afloat increased 63,000 bushels and oats 136,000 bushels. Details follow:

	Public.	Private.	Total.	Last yr.
Wheat	2,499,000	1,541,000	3,990,000	5,372,000
Corn	783,000	2,806,000	*3,858,000	4,574,000
Oats	9,572,000	9,534,000	*21,345,000	6,115,000
Rye	65,000	198,000	263,000	91,000
Barley		542,000	542,000	294,000

*Includes 269,000 bushels corn and 2,239,000 bushels oats afloat.

At Canadian Ports

The following table shows stocks of grain in store at above points for week ending February 2, in bushels (000's omitted):

Elevator—	Wheat	Oats	Barley	Flax
C. P. R.	4,100	2,013	225	
Empire	838	334	40	250
Consolidated	1,052	343	30	152
Ogilvie	1,233	154	37	
Western	895	382	35	452
G. G. G. Co.	1,323	845	93	
Fort William	819	579	28	63
Eastern	1,804	702	26	
G. T. P.	3,184	2,160	128	84
Canadian Northern	4,657	2,591	416	163
Horn & Co.	230	146	41	140
Government	2,029	807	100	146
Thunder Bay	656	489	65	65
D. & S.	313	217	5	
Totals	22,413	11,763	271	1,515
Year ago	22,279	8,369	1,379	788
Receipts	79	216	13	56
Shipments	384	249	9	21
Storage afloat	89	101		

STOCKS BY GRADE (000's omitted)

	Bushels.
Wheat—	
No. 1 hard	15
No. 1 northern	1,932
No. 2 northern	3,676
No. 3 northern	3,792
No. 4	3,035
Others	9,963
Total	22,413
Oats—	
No. 1 C. W.	20
No. 2 C. W.	3,098
No. 3 C. W.	1,093
Extra No. 1 feed	2,010
Others	5,541
Total	11,763

MINNEAPOLIS-DULUTH-WINNIPEG RECEIPTS

Wheat receipts in carloads at Minneapolis, Duluth and Winnipeg for six days were:

	Minneapolis.		Duluth.		Winnipeg.	
	1917	1916	1917	1916	1917	1916
January 31	241	251	16	43	370	51
February 1	89	272	33	44	305	179
February 2	7	196	8	60	272	262
February 3	8	278	12	32	266	76
February 5	57	512	8	37	224	121
February 6	28	30	14	83	277	313
Totals	430	1,539	91	299	1,714	1,002

CROP-YEAR RECEIPTS

Receipts of wheat in Minneapolis and Duluth from September 1, 1916, to February 3, 1917, were as follows, with comparisons, in bushels (000's omitted):

	1916-17	1915-16	1914-15	1913-14
Minneapolis	63,621	105,766	75,648	64,433
Duluth	18,564	86,025	49,696	53,019
Totals	82,185	191,791	125,344	117,452
Duluth, bonded	3,144	4,161	1,299	3,002
Totals	85,329	195,952	126,643	120,454

WORLD'S GRAIN SHIPMENTS

World's shipments of wheat were larger than expected. Details follow:

	This Wk.	Last Wk.	Last yr.
Wheat—			
America	7,102,000	6,390,000	11,920,000
India	656,000	440,000	
Argentina	1,720,000	2,417,000	1,032,000
Australia	1,600,000	1,186,000	752,000
Others	136,000	96,000	156,000
Total, bushels	11,215,000	10,529,000	13,860,000
Corn—			
America	1,325,000	1,269,000	596,000
Argentina	1,772,000	1,408,000	3,052,000
Others	56,000	112,000	162,000
Total, bushels	3,153,000	2,789,000	3,810,000
Oats—			
America	1,570,000	2,030,000	1,806,000
Argentina	50,000		1,060,000
Total, bushels	1,620,000	2,030,000	2,866,000

UNITED STATES VISIBLE GRAIN SUPPLY

Visible supply of grain in the United States in bushels (000's omitted):

	Feb. 3				
	Wheat	Corn	Oats	Rye	Barley
Baltimore	1,574	667	303	229	528
Boston	44	163	413	85	1
Buffalo	2,037	52	1,274	128	818
Afloat	1,067		1,138	76	48
Chicago	3,990	3,589	19,106	263	542
Afloat		269	2,239		
Detroit	492	232	258	49	
Duluth	5,890		1,252	415	464
Galveston	2,223	12			
Indianapolis	271	466	613	5	
Kansas City	8,392	348	3,586	107	
Milwaukee	1,103	187	1,290	127	360
Afloat		203	326		
Minneapolis	12,386	197	7,004	562	1,017
New Orleans	1,720	1,169	77		109
Newport News	36	120	10	3	
New York	1,887	992	578	50	494
Omaha	1,038	1,078	1,101	95	
Peoria	14	165	824		
Philadelphia	1,666	182	187	16	52
St. Louis	1,567	295	686	12	10
Toledo	1,324	285	410	8	
Totals	48,721	10,761	42,675	2,230	4,443
January 27, 1917	49,659	9,882	43,975	2,369	4,232
February 5, 1916	67,118	16,171	19,573	3,055	3,506
February 6, 1915	56,944	36,601	32,665	1,455	4,195
February 7, 1914	59,349	16,802	23,148	1,983	5,094

Changes for the week: Decreases—Wheat, 938,000 bushels; oats, 1,300,000; rye, 139,000. Increases—Corn, 789,000 bushels; barley, 211,000.

Canadian Visible

Canadian visible supply of wheat decreased 2,941,000 bushels last week and oats 937,000 bushels. Last year wheat decreased 1,604,000 bushels and oats 294,000 bushels. Details follow:

	This Wk.	Last Wk.	Yr. ago.
Wheat	42,962,000	45,903,000	39,000,000
Oats	23,200,000	24,137,000	15,733,000

WEEK'S FLOUR OUTPUT

(From Northwestern Miller)

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

	Feb. 3	Jan. 27	Feb. 5, 1916	Feb. 6, 1915
Minneapolis	223,995	200,905	372,620	347,030
Duluth-Superior	7,555	11,235	16,370	22,490
Milwaukee	11,000	6,000	16,500	9,000
Totals	242,550	218,140	405,490	379,055
Outside mills*	66,725		111,615	
Aggregate spring	309,275		517,105	
St. Louis	26,300	36,000	30,200	33,400
St. Louis†	48,400	48,900	39,700	44,000
Buffalo	103,250	72,200	135,100	130,500
Rochester	10,400	9,900	15,600	15,000
Chicago	21,500	23,250	17,000	22,000
Kansas City	58,900	60,900	68,000	53,400
Kansas City‡	176,950	196,460	212,500	195,240
Toledo	20,400	33,000	33,700	31,300
Toledo§	54,850	63,700	75,985	71,960
Nashville**	85,515	87,055	85,360	92,970
Seattle	24,370	18,800	10,495	26,200
Tacoma	27,640	37,160	32,925	12,870

Flour output for week ending February 3 at all above points shows an increase of 3 per cent. compared with week ending January 27.

*Minnesota, Dakota and Iowa mills, outside of Minneapolis and Duluth.

†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.

MINNEAPOLIS FLOUR SHIPMENTS BY BARRELS

	This Wk.	Last Wk.	Yr. ago.
Monday	22,038	38,185	61,559
Tuesday	26,822	23,413	60,651
Wednesday	30,800	44,923	59,305
Thursday	40,378	19,643	69,378
Friday	41,129	48,316	68,736
Saturday	40,565	21,305	57,847
Totals	201,742	195,785	377,476

THE CHICAGO GRAIN MARKETS

Chicago, February 6—Grain traders experienced one of the most exciting weeks since the European war started. Prices covered a sensationally wide range and closed on Saturday with wheat 7c lower for May to $\frac{1}{2}$ @1c higher on the distant futures. Corn was 2@2 $\frac{1}{2}$ c lower. Oats were 2 $\frac{1}{4}$ @3 $\frac{3}{8}$ c lower. Tonight, however, all losses were regained. Sensational fluctuations characterized the trade in wheat, political news developments causing the wildest fluctuations at times, with the majority of the traders at sea as to the ultimate effect of the German blockade operations and to the severance of diplomatic relations between this country and Germany. Shorts increased their lines and there was heavy liquidation of long lines by the bulls. The heavy selling for both long and short account caused a tremendous shrinkage in values. On Saturday attempts on the part of some of the leading shorts to cover caused a big reaction, the upward swing in prices being as violent as some of the declines. On Thursday the market had the worst break of any day since the beginning of the war.

What La Salle Street Now Believes

La Salle street now believes the United States and Germany will be at war before the end of the current month, and, on this supposition, is going long on wheat, corn and oats. Top figures at the close February 6 were 21 $\frac{3}{4}$ cents higher for wheat than Saturday's low, corn was 8 $\frac{1}{4}$ cents higher and oats showed a gross gain of 2 $\frac{3}{4}$ cents. Crop reports on Tuesday were extremely bullish, Kansas, Nebraska, Oklahoma and Missouri contributing the most specific statements that winter wheat had been seriously damaged by cold weather. The big traders believe more fully than ever that American exports will be facilitated by an armed American convoy which will clear Atlantic seaboard warehouses of clogging cereal grain stocks.

Spots Not Dislodged

The break failed to bring out any material quantity of cash wheat in any section. Millers who were here last week from states east of the Mississippi river said the last bulge to \$1.91 for May witnessed the end of the movement of the soft variety. The Oklahoma report indicated farm holdings of 2,100,000 bushels, against 6,217,000 bushels a year ago, and government returns of 4,750,000 bushels on March 1 last year. Reports from Illinois and other states show even smaller reserves and there is no pressure of cash wheat in any section. Chicago stocks would be reduced rapidly were the transportation situation cleared up. Bids at May price in store were made for old No. 2 hard, but shipment had to be guaranteed. None of the local shippers were in a position to accept such terms.

Scalpers More Bullish

A more friendly feeling toward the buying side of wheat on breaks was in evidence tonight. The decline of 17 $\frac{1}{2}$ c on May from the recent top and 9 $\frac{3}{4}$ c on July were regarded by some of the local professionals and commission houses as about enough for the time being. A large short interest has been accumulated on the way down, especially for eastern account, and it has shown little evidence of covering as yet. Bulls say the break failed to dislodge any material amount of cash wheat and while receipts at primary markets increased, it is mainly the result of the grain that was sold on the bulge to \$1.91 for May two weeks ago.

Opinions of grain traders shifted about as fast as prices did last week. The first impression of the announcement of the break with Germany was bearish and prices declined. The big buying on Saturday by Wagner, attributed to the German speculative syndicate at New York, took the surplus out of the pit and made a bulge of 14c within almost as many minutes. Sentiment at times was radically bearish, and even traders who are pronouncedly bullish on the supply and demand situation believe liquidation will continue. Wide fluctuations in prices are anticipated and public participation in the market is frowned on. Great caution is being observed by all classes of traders.

Cash Premiums Recede

Premiums on cash wheat have been gradually declining. No. 2 red was quoted at 3@4c over May. The fact that farmers in Indiana, Ohio and Michigan sold considerable

grain on the recent bulge made millers rather independent at the moment. The transportation situation is becoming more serious. New York Central Lines are not accepting eastbound freight, either carload or less than carload, from connecting lines, with exception of live stock, perishables, food for human consumption, etc. The Belt Railway embargoed several of the eastern roads. Local receipts for the week were 1,136,000 bushels, while shipments were 873,000 bushels.

Corn Support Good

Considering the decline in wheat, corn held up well, and at the low point was off only 7@8c from the high figures made early in the week, in the face of a break of 10 $\frac{1}{2}$ @25 $\frac{1}{4}$ c in wheat. The public has not been speculating in corn to any great extent and the leading longs are men who do not have to worry over a few cents decline. Oklahoma February reports showed that farmers in that state held about 20,000,000 bushels on February 1, against 55,000,000 bushels last year and government estimate of 37,000,000 on March 1 last year. Prices are high and farmers have had every incentive to market freely. Primary receipts for the season to date exceed last year's. The drought in Argentina has been broken but in many sections rain came too late to be of any material benefit. The crop is estimated at 100,000,000 bushels, or 60 per cent. of the previous year's. Broomhall's agent makes the exportable surplus 70,000,000 bushels. Local receipts last week were 2,813,000 bushels, while shipments were 922,000 bushels.

Exporters Own Oats

Local stocks of oats, which are the largest on record at this time, are said to be practically all sold for export, the main question now being to move the grain out. Long grain was sold freely following the break in other grains. Available supplies in North America are large and prices broke 6 $\frac{1}{2}$ @8 $\frac{3}{8}$ c from the best figures of the week. Big shorts bought heavily on the decline and made numerous small rallies. Local receipts last week were 2,216,000 bushels, with 952,000 bushels shipped.

Tax Case Appealed

Two cases of the government, one involving the right of the government to collect taxes on transfers and offers, and the other involving the right of the government to collect the 200 per cent. penalty from those who did not affix their stamps to the memorandums at the time of the transactions, were appealed to the United States Court of Appeals, and orders entered enjoining the collectors from collecting pending an appellate decision. Joseph P. Griffin, president of the Board of Trade, said it was not the intention of the Board of Trade to attempt to evade any law, but he maintained that a wrong interpretation has been placed on the act. The law, which was repealed in September, 1915, cannot be construed as making it imperative that the traders should pay a tax on any except regular sales. The transfer sales are not regular sales.

In a sweeping opinion, which directly affects each transaction on every exchange in the country, Judge Evans upheld the contention of the internal revenue office that all Board of Trade sales are taxable. The decision means an increase in revenue of many million dollars and will result in suits being started to collect back taxes, which in Chicago alone is estimated to be between \$3,000,000 and \$10,000,000. The decision covers all the points raised by the Chicago Board of Trade, which sought a ruling on payment of the stamp tax imposed by an act of Congress in 1914.

The board members contended that the government officials had misinterpreted the purpose of the act. District Attorney Clyne, his first assistant, Joseph B. Fleming, collector of the port Julius Smietanka, and Daniel J. Chapin, chief of the internal revenue office, who attempted to enforce the provisions of the act, were recently restrained from making collections or making forcible examinations of board member's books by an injunction obtained by the board. The intermediate sales are called "scratch sales" and board members said the court could not hold them as bona fide transactions. The government officers maintained that all sales were taxable at a rate of one cent for every \$100 involved, whether it was a scratch sale or a final sale.

REVIEW OF THE LIVE STOCK MARKETS

South St. Paul, February 7—Weather conditions and not the international situation have been the predominating influence in the live stock markets the past few days. Severe temperatures and a heavy storm the last few days of last week and the first of this one almost put the markets out of business. Receipts were cut to a minimum and advancing prices were the rule in all divisions. The market was hit in two ways: receipts were cut down to a bare handful a day and shipments were impossible. Prospects at this moment are that the worst of the trouble is over and that normal conditions will soon be restored.

The effect of the United States-Germany diplomatic break on the live stock industry is pretty much conjecture as yet. The sudden shutting off of receipts by the storm has prevented a reliable test. A few facts stand out, however, as a basis of calculating the possibilities. Everyone knows that the neutral position of the United States thus far has been the main factor in creating the enormous demand and high prices for live stock the past year. First it has made this country the source of supply for meat and provisions used by several of the warring nations and only a glance at the export tables is necessary to realize what this has meant to the industry in this country. But in addition to the foreign demand for meats the domestic consumption has increased enormously due almost entirely to the improved industrial conditions brought about by the European war.

Figures Tell the Story

The following exports table gives an idea what the war trade has meant to the United States live stock farmer:

	1916.	1914.
Beef products (pounds).....	227,000,000	48,000,000
Pork and other meats.....	1,180,000,000	690,000,000
Dairy products	257,000,000	22,000,000
Total	1,664,000,000	760,000,000

Taking the latest figures, those for the month of January, it is found that exports of meats and meat products last month were far ahead of the corresponding period in January, 1916. The figures for the week of January 27 this year compared to the week of January 29 last year follow:

	Jan. 27, 1917.	Jan. 29, 1916.
Pork, barrels	1,440	1,300
Pork, pounds	273,600	187,000
Meats, pounds	18,308,000	10,671,000
Total meat	18,581,600	10,858,000
Lard	12,280,000	8,801,000
Total product	30,861,600	19,659,000

Practically all of these exports have gone to the allies, England, France and Belgium taking the bulk of them. The balance has gone to the neutral nations. The demand from these countries will be none the less from now on regardless of developments between the United States and Germany, but with unrestricted submarine warfare resumed by Germany, shipments from this country will be hazardous and this may cut down exports of meats and meat products materially.

Cattle Values Advance

Prices paid for cattle this week do not represent the real condition of the trade. A near famine of supplies forced sharply higher levels all around, but as soon as the normal flow of stock to market is resumed a reaction is certain. In four days, including a Monday, only about 2,500 cattle showed up here, a small run for a Monday alone at this season. Consequently packers were a little uneasy for a few days and had to step lively for their killing material. Refusal of railroads to accept any stock for shipment kept outside buyers from the market and reduced the competition to local packers and city butchers, who, however, had plenty of use for the small quota of cattle that showed up daily. Prices advanced 10@25 cents the first two days.

Hog values are likely to feel the most effect from foreign developments. Unquestionably the heavy exports of lard and pork products to Belgium, France and England have been a big factor in making hog prices so high the past six months. In the panicky hours last week preceding the actual break with Germany, the local market dropped precipitately, but steadied the following day and has since advanced steadily. Prices are now astride the \$11.50 mark with top hogs so far this week at \$11.60. A top of \$11.70

was reached last week. Receipts have been the smallest the past week in several months, due entirely to interrupted rail service and severe weather. Outside markets have been similarly affected and prices fully as strong as at South St. Paul.

Sheephouse trade has been the narrowest in the market. A handful of sheep and lambs arriving daily barely makes a market. Prices have been strong and are the highest in the history of the yards. Choice spring lambs are bringing \$14 a hundredweight with slightly inferior grades at \$12@13.25. Fat sheep are selling up to \$10; yearling wethers at \$12 and aged wethers at \$11. There is not likely to be much volume to sheep and lamb trade for the next few weeks in the opinion of the trade.

CHICAGO

Chicago, February 7—Light receipts in all divisions the first of the week sent prices sharply higher. The disrupted railway service more than offset any bearishness caused by the international developments. A scant 5,000 head of cattle Monday following light runs Friday and Saturday put packers in a tight place and they were lively bidders on the slim quota available. The market was rated strong at an advance of 15@25 cents. Recessions in values the past few days have been variable and depending upon qualities and weights. So scarce have choice heavy beeves been that they have held good strong levels. Tops are commanding a market all their own with the January top already beaten by 15 cents. Price widening is due to continue. Dressing sheets are showing up poorly in the case of the intermediate grades of steers and the new international difficulties which may endanger beef shipments abroad can only have a bearish effect on cattle of the class which have recently been taken for foreign demand. The severe drop in temperature of the past few days has stimulated consumption at home. Scarcity of supplies here and throughout the West the first of the week forced a big advance in the hog market. Price started the week 20@35 cents higher than at the close of last week. The sheep market is also on a strong basis this week. Mid-week quotations follow:

Hogs, bulk, \$12.10@12.40; light, \$11.65@12.25; mixed, \$11.80@12.45; heavy, \$11.85@12.50; rough, \$11.85@12; pigs, \$9.75@11. Cattle, native beef cattle, \$7.90@12.25; western steers, \$7.90@10.30; stockers and feeders, \$6.10@9.35; cows and heifers, \$5.15@10.50; calves, \$10.25@14.25. Sheep, wethers, \$10.50@11.85; lambs, \$12.10@14.75.

SIoux CITY

Sioux City, February 7—This market has been a victim of the weather the past few days with receipts of all classes of stock at a minimum and prices strong. The week started out with cattle and hogs on a higher basis. With the coming of milder weather there should be a good call for beef of all kinds unless the international situation entirely disrupts the live stock markets. It is also likely that by the time the railroads are running on schedule time again there will be developments at Washington that will give some idea of the kind of hog markets to anticipate. Less than 1,000 hogs showed up here Monday and a 10@15 cents advance sent bulk of sales to the \$11.60@11.70 spread. Sheep and lamb trade has been on a strong basis with supplies light. Mid-week sales and quotations follow:

Hogs, bulk, \$11.65@11.80; range, \$11.50@11.90; light, \$11.50@11.70; mixed, \$11.70@11.85; heavy, \$11.80@11.90. Cattle, beeves, 13, 814 lbs., \$8; 12, 1,010, \$10; 13, 1,476, \$11.40; cows and heifers, 13, 1,026 lbs., \$6; 18, 1,307, \$8; 12, 1,245, \$10; stockers and feeders, 10, 704 lbs., \$7; 58, 867, \$8.25; 22, 924, \$9; calves and yearlings, 19, 640 lbs., \$7; 12, 476, \$8.50; 20, 350, \$10; feeding cows and heifers, 16, 801 lbs., \$6.50; 16, 715, \$7.50; 14, 680, \$8.25.

Soo Line in six months ended December 31, 1916, decreased net after taxes \$1,070,000, or nearly 20 per cent., while Chicago division increased net after taxes \$424,000, or 20 per cent.

CHICAGO BOARD OF TRADE AND THE PUBLIC

J. C. F. Merrill, Secretary Chicago Board of Trade, in Cooperative Manager and Farmer

The grain produced in the year 1915 amounted to:

	Bushels.
Wheat	1,011,505,000
Corn	3,054,535,000
Oats	1,540,362,000
Rye	49,190,000
Barley	237,009,000

A total of..... 5,892,239,000

Hogs produced during the same year numbered 68,047,000 head.

The last census gave the number of farms as 6,333,000. On them is produced the food necessities of our 100,000,000 people.

The farmer does not, nor could he if he would, graduate or adjust his selling to just meet the wants and needs of the populace.

His principal function is producing, each in his own way, the very most he can, not as a philanthropist but from motives dictated purely by self interest, his only object being the gaining of money. Self interest propels the great service of providing food for all.

Self interest and his own convenience controlling his choice of time of selling, it happens quite naturally that the offerings at central markets largely exceed all requirements, with the result that someone must assume ownership of the surplus quantities.

This raises the question of risk of ownership and its assumption by the owner, or its passing to another by means of a hedge sale whereby he insures himself against it.

The Risk of Ownership of Products

The risk of ownership is of importance in proportion to the quantity of the several commodities in storage. Someone must take the risk. The risk incidental to production has been widely disseminated through the farming class, each farmer's risk being in proportion to the quantity of grain he possesses and the number of hogs he has. The risk he assumes is not only that of drought and frost affecting the grain, but that of cholera and other diseases affecting hogs. The whole risk is an enormous item. Carried by many thousands of farmers the risk assumed by each is small. Loss, if any, is thus widely disseminated.

In unity and numbers there is strength.

When the grain and the hogs become products, the risk remains just the same until it is consumed.

Were it feasible or possible to immediately distribute it to retailers or consumers, this large risk would again be disseminated and again there would be strength to bear the risk and its burden, in unity and numbers.

Unfortunately or otherwise, the fact is the great consuming public, that large portion of our people who live elsewhere than on farms, buy in small quantities for obvious reasons. Therefore, the stock of grain and cured product scattered about the country in elevators and cold storage is of sufficient magnitude to make its ownership, with its inseparable risk, a matter of tremendous importance. It is insured against injury or loss by fire. The ownership risk of segregated or individual lots at times is equivalent to the making or the loss of a princely fortune. The owners are very few in number compared with the number who owned the grain and the hogs.

Compensation for risk is a legitimate charge against any property involving risk.

If the owner of the grain and the cold storage product must assume this risk, he must add the compensation therefor to the price. Those who eliminate the risk by hedge trading can undersell those who do not, unless the latter practice reckless conduct of business by carrying a risk to save the cost, which, when passed to another, involves a charge.

As well assume the fire risk as assume that of ownership.

Movement along lines of least resistance is a prime order of nature. Merchandising of staple commodities gives plenty of evidence to those who look for it of unwillingness to assume risk needlessly.

The great service rendered by the Chicago Board of Trade is here made plain. Here buyers and sellers come

in great numbers from all over our own and foreign countries, not only to buy or sell grain and cured products, but to insure themselves against the risks of ownership.

Not an insurance company, but a speculator supplies their wants. His is also a numerous class; he is cosmopolitan; he may be found if carefully looked for in most unexpected places, remote from central markets. As a type he is inclined to take but a moderate risk. Because of his numbers, as a class, he does what the farmers because of their number did, in assuming the risk while the commodities were in the stage of production; so congested risk is again spread widely and thinly, and merchandising of the products may proceed daily at a merchandising profit without the addition of compensation for risk.

As before stated, because some do this, all must do it, or carry the risk without receiving pay for it. Competition enforces this.

The speculator is thus brought into prominence.

According to the intelligence or the temper of individual he is called by sundry names. Quite commonly the service he renders is unrecognized. Indeed, it may with truthfulness be said that he himself very often is ignorant of rendering service. Whether he does or does not know is immaterial; the service remains.

Like the farmer and like all classes of trade, self interest and not the rendering of a great and valuable economic service is the impelling motive.

This is true in all activities of men, the returns for which are insured in dollars.

The Course of Speculation

The competent and the incompetent are found in all paths of life walking side by side. Strength is everywhere applauded and, unconsciously, imitated. Certainly the first place to be searched for an absence of this instinctive nature will not be the market place.

So it naturally happens that some not well qualified either mentally or financially imitate those who are better endowed than they, and frequently with, to them, disastrous results. They have rendered a service, however, by assuming a risk another did not wish to carry.

Not infrequently may be heard unbridled denunciation of the market place because of such. The important economic service of the joint service of the competent and the incompetent in assuming the risk of ownership of a vast quantity is unrecognized, the good thereby being lost sight of, and the natural consequence of incompetency alleged to be the fault of the market place.

The question in fact is one of perversion of the functions of a great market; a market where last year more than 420,000,000 bushels of grain were received and sold. The receipts on one day being equal to the entire production of every acre of more than 300 square miles.

A Classification of Speculators

The hum and buzz of commerce is much too loud to make audible the intent and purpose of any one who enters the market place. Those who come to it in possession of a full knowledge of the world's needs and the available supply to meet those needs, balancing one against the other and determining if a little surplus or a little shortage will result, come with an opinion or conviction.

Their action will express their judgment.

They are speculative investors assuming ownership of a fluctuating commodity. They take a chance—just as an insurance company takes a chance on property they insure they do it intelligently.

This is true speculation.

Those who because of indolence or lack of mentality and perhaps financially disqualified also, come without knowledge of conditions and blindly seek an opportunity to get money without labor or toil, in short, try to reach a desired goal in the possession of wealth along the line of least resistance and determine to take the chances with a fond hope of good luck, cannot be so classed.

They but express the same attitude toward the movement

ment and course of commodity values that they would express towards an event which may or may not happen.

A given horse may win; a house may or may not burn from lightning.

Human judgment cannot forecast with any degree of probability such happenings.

Speculation vs. Gambling

Call the assumption what one may, the fact remains that speculation is based on calculation and gambling is based on chance.

The market place being a prime requisite, it cannot be dispensed with.

Commodities must have ownership until consumed. Ownership cannot be eliminated nor can its risk be removed.

Commerce is satisfied with less profit where risk is removed.

The speculators as a body accept the risk of ownership gladly.

They are ever ready to buy or to sell at a small fractional difference in price.

They are in the main as separate and distinct a class as are the insurance companies.

The surplusage of the nearly 6,000,000,000 bushels of grain and the product of the 64,000,000 hogs of the country yearly produced, nearly all is owned by the speculator as the year passes from the time of production to another crop. Without him there could be no great market. He alone keeps it from being the business of a few very financially strong concerns.

He is much misunderstood and much abused.

Whether he enters the market to avail himself of its opportunity or enters it to pervert its functions to a sporting use matters not in the service he renders in freeing merchants from carrying the risk.

If the sheep and the goats could be separated, it would be well, but who is to judge competency and incompetency.

The Board of Trade Is Indispensable

The Chicago Board of Trade is the one market place where transactions can be made in any quantity of any of the commodities dealt in under its rules or where they can be bought or sold at any time at a small fractional difference of price.

A large part of all the time contracts entered into in other markets are hedged there.

The arbitrage business is a large business at all times; it is a market of such importance that its quotations influence, if indeed, do not practically fix basic prices everywhere the world around.

To the grain producers, dealers and packers it is indispensable.

It is the only place where the trade at all times can make time contracts in or sell for cash any quantity of oil or packing house products.

It is a world's market, and the value of its relation to the marketing of soil products cannot easily be comprehended nor overestimated.

THE FUNCTIONS OF A GRAIN EXCHANGE

(Continued from Page 19)

Take the average case or dispute arising in the grain market and if left to an ordinary jury such as would be drawn in court, it would represent a problem which that jury, for the reason that it was absolutely unfamiliar with the problems of the grain market, could not be expected to understand, and so these market places have men—a board of arbitration—for the purpose of settling disputes that arise between members, and the result is that when the facts are given to them these men are thoroughly familiar with the problems of the grain market and their decisions are from every standpoint likely to be accurate and just. One thing that the general public should appreciate is that these boards of arbitration are just as much open to the general public as to the members. I presume that quite a proportion of cases are disputes between nonmembers, shippers and millers. I recall one individual living some 100 miles from Minneapolis who had a dispute with a member. The case was placed before the board and he could hardly be convinced that he would get a square deal before that board in a contest with other members. I

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assured him that nothing was more certain than the fact that the members of the grain exchange would have no advantage. If the board of arbitration showed any tendency to lean in any direction it would be in favor of the non-member. He won the case.

A Square Deal Assured

Grain exchanges have this distinct advantage and that is that being engaged only in the business of furnishing a market place the organization is naturally desirous of seeing that the members maintain a high standard of integrity and transact their business on the square. In consequence, an individual can call upon the organization to investigate any matter in which there seems to be some dispute and be assured of a square deal. Grain exchanges have certain restrictions with reference to membership and this has sometimes been criticised, but it would seem evident that some restrictions were desirable from every standpoint. The organization insists upon the individual having a record for square dealing and it also insists that he shall have reasonable financial stability. These are necessary and no one has any trouble in getting into the exchange with these prerequisites.

The fact is that grain, taking times like this, represents such value that it is very necessary that the shipper be able to rely upon the fact that the individual to whom they consign their grain is square and is financially sound. The small losses sustained by shippers, taking into account the annual quantity of grain handled, has been entirely due to the fact that the organization has exercised reasonable care in the admission of members.

HOW CHECK COLLECTION SYSTEM AFFECTS BANKS AT BEACH, NORTH DAKOTA

(Continued from Page 35)

duancements commensurate with those of the old system nor that they should be expected to continue membership in a system that pars checks only to the advantage of one side of the situation. Further, we would like to know what justice there is in this attempt of the Federal Reserve Bank to coerce country banks by invoking the aid of the Northern Express Company simply because after trying out the Federal Reserve Bank's scheme we want to return to our former method of charging for the transfer of money for credit in the same way that the United States postoffice does?"

ELEVATOR SURVEY

Bismarck—Governor Frazier and his associates can perform a real service for the farmers by securing a fair and unprejudiced survey of marketing conditions in North Dakota. Professor James E. Boyle of the Agricultural College, in an article published in the Quarterly Journal of the University of North Dakota, points out some defects in the present system that are interesting now that attention is focused upon the problem of distribution, one of the most vital issues that confronts the state today.

He finds that while most of the farmers' elevators are called "cooperative," probably only half of them are based upon strict cooperative principles.

Professor Boyle states that the elevators are weak in the matter of bonding the managers. We quote his own words:

"Many farmers' elevators employ a local farmer for manager and then refuse to place him under any kind of surety bond, on the ground that they know him to be honest in advance. The pay of a good manager is often inadequate. The compensation ranges from \$75 to \$175 a month. An almost universal weakness in the farmers' elevators is the financial reserve or surplus. Very few maintain any reserve fund whatsoever. Many are heavily mortgaged and provide no sinking fund. Indeed, some with a heavy mortgage soon maturing and with foreclosure staring them in the face, declare big dividends and let the crash come. An increasing number are adopting the government bookkeeping system. Perhaps the most vital need at the present time is a uniform accounting system. As is well known our state banking department maintains a careful audit of all state banks through a force of bank examiners. Our railroad commission has supervision over grain elevators, their storage tickets covering deposits of grain, and other matters pertaining to the elevator busi-

ness, but thus far the state has made no adequate provision for a financial examination of the elevator. Line elevators are audited from the central house in a thorough manner. But thus far the farmers' elevators have neither a state system nor a self developed system of auditing. This stands today as their unsolved problem.

"The farmers produce grain from fields which, year by year, show a marked increase in foul weeds. Yellow mustard, kinghead, cockle and wild oats are the commonest kinds. Elevators now 'dock' the grain a certain number of pounds per bushel, thus allowing for the foreign matter found in it.

"But with the increase in the cost of feed stuffs, there has come to be a great market value for the 'screenings,' consisting chiefly of the weed seeds screened out of the wheat and other grains. This situation has caused the farmer no little concern over the dockage and screenings question. There are now four ways of meeting this problem. (1) The local elevator cleans the grain, giving the farmer the screenings and charging him one cent a bushel and in some cases two cents a bushel for the work. But this can be done only in slack seasons, for during the wheat movement, the elevator is swamped with its own business. The farmer receiving his screenings returns them to the farm and grinds them for stock feed.

"If the screenings are not ground, they may scatter foul seed about the place. (2) The local elevator may clean the grain, ship the screenings in carload lots to the terminal market. In this case the farmer is docked on the foul matter in his grain, and allowed nothing for the screenings. One manager last year made \$2,000 on his screenings; another made \$5,000. The screenings were sold at \$15 a ton. If the elevator is a farmers' cooperative elevator, these earnings are prorated back at the end of the year. If it is a line or independent house the farmer gets nothing back. (3) The farmer may ship his own grain to the terminal market, have it cleaned there and the screenings sold. In this case he gets full price for his screenings and escapes with little or no dockage on his grain. (4) The farmer may ship his own grain to the terminal market and sell it there uncleaned. In this case he suffers the dockage which the state inspection department finds he deserves, is out of pocket the freight on the screenings, and may also lose one grade in his grain by reason of the foul matter in it.

"While failures among farmers' elevators are numerous, these failures will doubtless prove to be the stepping stones to success in the future. The farmers' elevators are now gaining in number much faster than the other kinds of elevators."—Bismarck Tribune.

CLOSING WHEAT FUTURE PRICES

		May Wheat					
		Feb. 1	Feb. 2	Feb. 3	Feb. 5	Feb. 6	Feb. 7
Minneapolis	1.66	1.65 3/4	1.71 3/4	1.76 1/2	1.76 3/4	1.73 5/8	
Year ago	1.31	1.32	1.30 3/4	1.26 5/8	1.29 1/4	1.26 1/2	
Chicago	1.63 1/4	1.61	1.68 3/4	1.74 1/4	1.73 3/4	1.70	
Year ago	1.33	1.34	1.32 3/4	1.27 1/4	1.30 1/4	1.27 3/4	
Duluth	1.65 3/4	1.65 1/2	1.71 1/2	1.76 3/4	1.76 3/4	1.73 3/4	
St. Louis	1.63 1/4	1.68	1.74	1.73 3/4	1.70		
Kansas City	1.60 1/2	1.67	1.72 5/8	1.71 1/2	1.68 1/2		
Winnipeg	1.62 3/4	1.63 1/4	1.69 3/4	1.73 3/4	1.73	1.70	

		July Wheat					
		Feb. 1	Feb. 2	Feb. 3	Feb. 5	Feb. 6	Feb. 7
Minneapolis	1.63 1/4	1.63 1/2	1.69 1/2	1.73 1/4	1.73	1.70 1/2	
Year ago	1.28 3/4	1.29 3/4	1.28 3/4	1.25 1/4	1.27 5/8	1.24 3/4	
Chicago	1.41 3/4	1.43 3/4	1.48 1/4	1.49 1/4	1.47 3/4	1.46 5/8	
Year ago	1.24 3/4	1.25 1/2	1.24 3/4	1.21	1.22 3/4	1.20 5/8	
Duluth	1.63 3/4	1.62 1/2	1.69	1.72 1/2	1.72 1/2	1.70 5/8	
St. Louis	1.38	1.45	1.46 1/2	1.44 1/2	1.44 1/2	1.44 1/2	
Kansas City	1.37	1.44 5/8	1.45 1/2	1.43 5/8	1.43 1/2	1.43 1/2	
Winnipeg	1.61	1.61 3/4	1.68 3/4	1.72 1/2	1.71 1/2	1.68 1/2	

Minneapolis Cash Wheat Official Close

	Feb. 1	Feb. 2	Feb. 3	Feb. 5	Feb. 6	Feb. 7
No. 1 hard	1.75	1.74 3/4	1.80 3/4	1.85 1/2	1.85 3/4	1.82 5/8
No. 1 northern	1.69	1.68 3/4	1.74 3/4	1.79 1/2	1.79 3/4	1.76 3/4
No. 2 northern	1.67	1.67 3/4	1.73 3/4	1.78 1/2	1.78 3/4	1.75 3/4

Duluth Cash Wheat

	Feb. 1	Feb. 2	Feb. 3	Feb. 5	Feb. 6	Feb. 7
No. 1 hard	1.75	1.68 1/2	1.74 1/2	1.79 3/4	1.79 5/8	1.76 5/8
No. 1 northern	1.69	1.67 3/4	1.73 1/2	1.78 3/4	1.78 3/4	1.75 3/4
No. 2 northern	1.67	1.64 3/4	1.70 1/2	1.75 3/4	1.75 3/4	1.72 3/4

DURUM WHEAT Minneapolis Closing Prices

	No. 1	No. 2
February 1	178 1/4	177 1/4
February 2	178 3/4	176 3/4
February 3	185 1/2	183 1/2
February 5	190 1/2	188 1/2
February 6	190 3/4	188 3/4
February 7	188	186

Duluth Closing Durum Prices

	On Track		
	No. 1	No. 2	May
February 1	174 3/4	170 3/4	174 3/4
February 2	181 1/2	177 1/2	181 1/2
February 3	186 1/2	182 1/2	186 1/2
February 5	186 3/4	182 3/4	186 3/4
February 6	184	180	184
February 7	184	180	184

WHEAT RECEIPTS—CHICAGO

	Minneapolis		Duluth		Chicago		Winnipeg	
	1917	ago	1917	ago	1917	ago	1917	ago
February 1	89	272	33	44	40	67	305	57
February 2	7	196	8	60	56	67	272	151
February 3	8	287	12	32	19	96	266	174
February 5	57	512	8	37	32	41	224	261
February 6	28	30	14	83	70	145	277	127
February 7	124	172	1	34	29	87	137	...

MINNEAPOLIS DAILY SHIPMENTS OF COARSE GRAIN

	Oats	Barley	Rye	Corn	Flax
	Cars.	Cars.	Cars.	Cars.	Cars.
February 1	14	20	1	2	10
February 2	..	1	1	..	..
February 3	..	1	..	..	..
February 5	6	12	3	5	..
February 6	2	2	4	..	..
February 7	17	29	10	11	14

DULUTH DAILY RECEIPTS OF COARSE GRAIN

	Oats	Barley	Rye	Flax	Year
	Cars.	Cars.	Cars.	Cars.	ago
February 1	..	..	..	..	..
February 2	3	4	1	8	18
February 3	4	2	1	4	2
February 5	1	2	..	3	14
February 6	9	8	..	3	25
February 7	1	1	..	..	..

CLOSING FLAX PRICES

	Feb. 1	Feb. 2	Feb. 3	Feb. 5	Feb. 6	Feb. 7
Minneapolis cash	2.86	2.80	2.80	2.83 1/2	2.83	2.85 1/2
Duluth cash	..	2.78	2.78	2.80 1/2	2.80	2.82 1/2
May	2.87	2.81	2.81	2.83 1/2	2.83	2.85 1/2
July	2.87 1/2	2.82	2.81 1/2	2.83 1/2	2.83 1/2	2.85 1/2

CLOSING OATS PRICES

Daily Closing Prices of No. 3 White Oats in Minneapolis

February 1	49 1/2 @ 50 1/2
February 2	50 1/4 @ 51 1/4
February 3	51 1/4 @ 52 1/4
February 5	52 1/4 @ 53 1/4
February 6	52 @ 53
February 7	51 3/4 @ 52 3/4

CLOSING RYE PRICES

No. 2 Rye in Minneapolis

February 1	135 @ 136
February 2	135 @ 136
February 3	135 @ 136
February 5	136 @ 137
February 6	135 1/2 @ 136 1/2
February 7	134 @ 135 1/2

CHICAGO CASH WHEAT

February 1.—Wheat, No. 2 red, nominal; No. 3 red, \$1.63; No. 2 hard, nominal; No. 3 hard, \$1.64.
 February 2.—Wheat, No. 2 red, \$1.67 3/4; No. 3 red, \$1.64 3/4; No. 2 hard, nominal; No. 3 hard, nominal.
 February 3.—Wheat, No. 2 red, \$1.67 3/4; No. 3 red, \$1.64 3/4; No. 2 hard, nominal; No. 3 hard, nominal.
 February 6.—Wheat, No. 2 red, nominal; No. 3 red, \$1.72 @ 1.77 1/2; No. 2 hard, nominal; No. 3 hard, \$1.78.
 February 7.—Wheat, Nos. 2 and 3 red and Nos. 2 and 3 hard, all nominal.

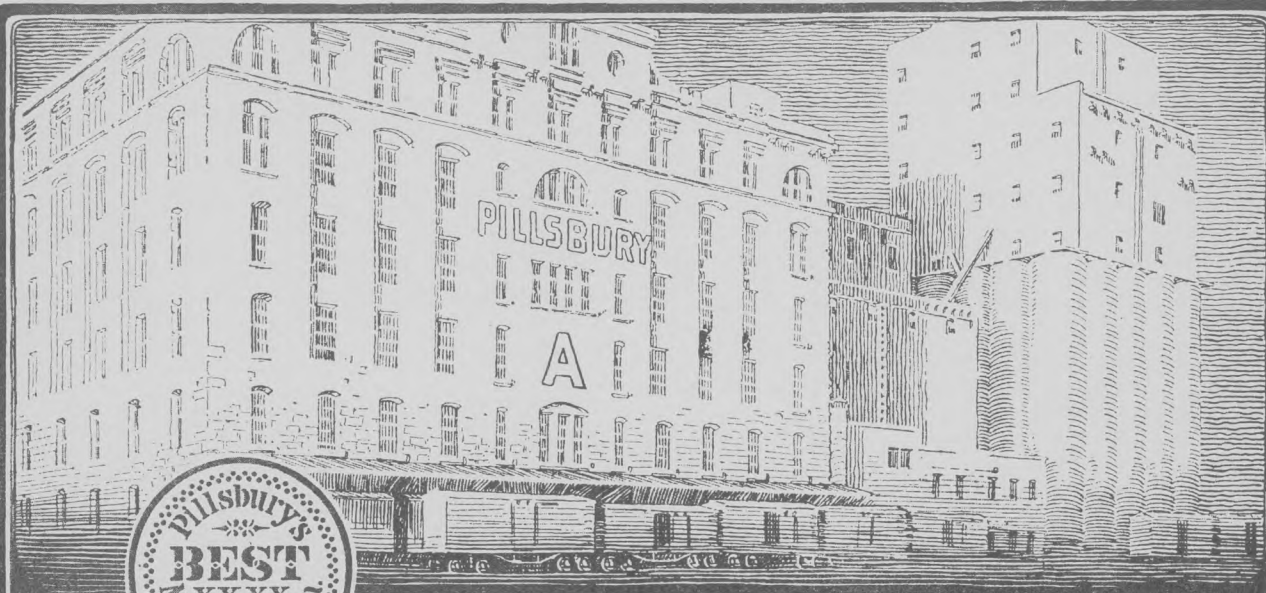
CHICAGO COARSE GRAIN

February 1.—Corn, No. 2 yellow, 96 1/4 @ 97c; No. 4 yellow 93 @ 95 3/4 c; No. 4 white, 94 @ 95 1/4 c.
 Oats, No. 3 white, 51 1/2 @ 53c; standard, 52 @ 53c.
 February 2.—Corn, No. 2 yellow, 95 1/2 c; No. 4 yellow, 93 1/4 @ 95 1/4 c; No. 4 white, nominal.
 Oats, No. 3 white, 51 @ 53c; standard, 51 1/4 @ 53 1/4 c.
 February 3.—Corn, No. 2 yellow, 95 1/2 c; No. 4 yellow, 93 1/4 @ 95 1/4 c; No. 4 white, nominal.
 Oats, No. 3 white, 51 @ 53c; standard, 51 1/4 @ 53 1/4 c.
 February 6.—Corn, No. 2 yellow, \$1.01 1/4; No. 4 yellow, 98c @ \$1.00 1/2; No. 4 white, 98 1/2 @ \$1.00 1/4.
 Oats, No. 3 white, 55 @ 55 1/2 c; standard, 55 @ 56c.
 February 7.—Corn, No. 2 yellow, nominal; No. 4 yellow, 99c @ \$1; No. 4 white, 99c @ \$1.
 Oats, No. 3 white, 54 1/2 @ 54 3/4 c; standard, 55 @ 56c.

WINNIPEG CASH WHEAT

February 1.—Wheat, No. 1 northern, \$1.57 5/8; No. 2 northern, \$1.54 3/4; No. 3 northern, \$1.49 5/8; No. 4, \$1.38; No. 5, \$1.17 3/4; No. 6, 92 3/4 c; feed, 80c. Oats, No. 2 C. W., 51 3/4 c; No. 3 C. W., 49 3/4 c; extra No. 1 feed, 49 3/4 c; No. 1 feed, 48 3/4 c; No. 2 feed, 47 3/4 c; Barley, No. 3, 89 3/4 c; No. 4, 84 1/2 c. Flax, No. 1 N. W. C., \$2.57 1/4; No. 2 C. W., \$2.54 1/4.
 February 2.—Wheat, No. 1 northern, \$1.58 1/4; No. 2 northern, \$1.55 3/4; No. 3 northern, \$1.50 3/4; No. 4, \$1.41 1/4; No. 5, \$1.19 1/4; No. 6, 69 3/4 c; feed 85c. Oats, No. 2 C. W., 52c; No. 3 C. W., 50c; extra No. 1 feed, 50c; No. 1 feed, 49c; No. 2 feed, 48c. Barley, No. 3, 85 1/2 c; No. 4, 80 3/4 c; rejected, 70c; feed 70c. Flax, No. 1 N. W. C., \$2.54; No. 2 C. W., \$2.51.
 February 3.—Wheat, No. 1 northern, \$1.64 3/4; No. 2 northern, \$1.61 3/4; No. 3 northern, \$1.56 3/4; No. 4, \$1.47 3/4; No. 5, \$1.26 3/4; No. 6, \$1.01 3/4; feed, 85c. Oats, No. 2 C. W., 54c; No. 3 C. W., 52c; extra No. 1 feed, 52c; No. 1 feed, 51c; No. 2 feed, 50c. Barley, No. 3 C. W., 90c; No. 4 C. W., 85c; rejected 72c. Flax, No. 1 N. W. C., \$2.51; No. 2 C. W., \$2.48.
 February 5.—Wheat, No. 1 northern, \$1.68 3/4; No. 2 northern, \$1.65 3/4; No. 3 northern, \$1.60 3/4; No. 4, \$1.51 3/4; No. 5, \$1.30 3/4; No. 6, \$1.05 3/4; feed, 94c. Oats, No. 2 C. W., 54 3/4 c; No. 3 C. W., 52 3/4 c; extra No. 1 feed, 52 3/4 c; No. 1 feed, 51 3/4 c; No. 2 feed, 50 3/4 c. Barley, No. 3, 91 1/2 c; No. 4, 86 1/2 c; rejected 72c. Flax, No. 1 N. W. C., \$2.54 1/2; No. 2 C. W., \$2.51 1/4.
 February 6.—Wheat, No. 1 northern, \$1.68; No. 2 northern, \$1.65 1/4; No. 3 northern, \$1.50; No. 4, \$1.51; No. 5, \$1.30; No. 6, \$1.05; feed, 93c. Oats, No. 2 C. W., 54 3/4 c; No. 3 C. W., 52 3/4 c; extra No. 1 feed, 52 3/4 c; No. 1 feed, 51 3/4 c; No. 2 feed, 50 3/4 c. Barley, No. 3 C. W., 93c; No. 4, 88c. Flax, No. 1 N. W. C., \$2.53 3/4; No. 2 C. W., \$2.50 3/4.

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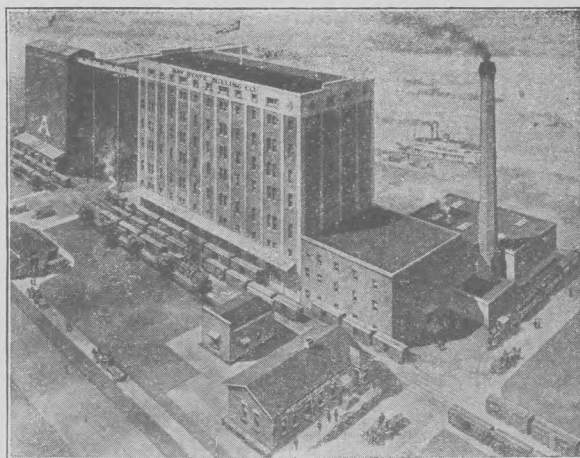
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