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INVESTMENT SECURITIES

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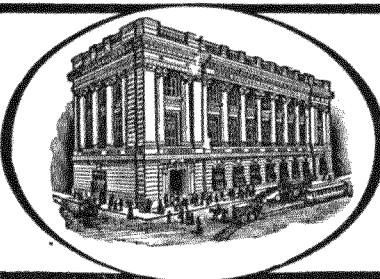
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Minneapolis, Minnesota
Financial Condition January 1, 1917

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Liabilities.....	524,805.92
Cash Capital.....	400,000.00
Net Surplus.....	232,893.90

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WESTERN MUNICIPAL BONDS

FUTURE BOND ELECTIONS

- September 8.—Pipestone, Minn., Independent School District No. 1, \$132,000 building bonds.
- September 8.—Strahan, Iowa, Consolidated Independent School District, \$50,000 building bonds.
- September 10.—Allen, Neb., \$30,000 school bonds.
- September 10.—Eureka, Mont., \$16,000 water bonds.
- September 11.—Ord, Neb., \$30,000 electric light bonds.
- September 11.—Mineral County, Mont. (P. O. Superior), \$9,000 road bonds.
- September 12.—Adele, Iowa, Consolidated School District, \$20,000 building bonds.
- September 12.—Waukee, Iowa, Consolidated Independent School District, \$20,000 bonds.
- September 18.—Bremerton, Wash., \$60,000 water system bonds.
- September 18.—Hermosa Beach, Cal., \$10,000 harbor improvement bonds.
- September 18.—Idaho Falls, Idaho, \$47,500 municipal improvement bonds.
- September 18.—Morton, Minn., Independent School District No. 55, \$35,000 building bonds.
- September 25.—Neola, Iowa, \$18,000 school bonds.
- September 26.—Dubuque, Iowa, \$465,000 school bonds.
- October 15.—Polk County, Iowa (P. O. Des Moines), \$100,000 hospital bonds.
- September 21.—Van Wert, Iowa, Independent School District, \$20,000 building bonds.
- September 26.—Nevada, Iowa, \$8,000 waterworks extension bonds.
- October 27.—Stites, Idaho, Stites-Clearwater Highway District, \$100,000 bonds.
- October 29.—Bemidji, Minn., \$25,000 bridge bonds.

FUTURE BOND SALES

- September 8.—Tacoma, Wash., School District No. 7, \$5,000 bonds; 2-20 years; 6 per cent. Address, County Treasurer.
- September 8.—Luverne, Minn., School District No. 17, \$2,000 bonds; denominations \$400; 2-6 years; 6 per cent. C. B. Davis, Clerk.
- September 8.—Vaughn, Mont., School District No. 74, \$3,000 bonds; denominations \$1,000; 5-10 years optional; not exceeding 6 per cent. Jesse H. Rutledge, Clerk.
- September 8.—Pierce County, Wash., School District No. 12 (P. O. Tacoma), \$5,000 bonds; denominations \$100; 1-5 years optional; not exceeding 6 per cent. William Turner, County Treasurer.
- September 8.—Pierce County, Wash., School District No. 7 (P. O. Tacoma), \$21,500 bonds; denominations \$100; 2-20 years optional; not exceeding 6 per cent. William Turner, County Treasurer.
- September 10.—Ogilvie, Minn., Consolidated School District No. 3, \$30,000 bonds; denominations \$1,000; 11-15 years; 5½ per cent.; certified check \$1,500. G. Fjerstad, Clerk.
- September 10.—Winona, Minn., \$100,000 water and sewer bonds; denominations \$1,000; 29-34 years; 5 per cent.; certified check 2 per cent. G. W. Hofman, City Recorder.
- September 10.—Hennepin County, Minn. (P. O. Minneapolis), \$20,000 road improvement bonds; denominations \$1,000; 5-10 years; 4½ per cent. A. P. Erickson, County Auditor.
- September 10.—Lohman, Mont., School District No. 10, \$600 bonds; denominations \$100; 5-10 years optional; 6 per cent.; certified check 10 per cent. John Bastrack, Clerk.
- September 10.—Malta, Mont., School District No. 17, \$2,500 bonds; denominations \$100; 5-10 years optional; not exceeding 6 per cent. W. E. David, Clerk.
- September 10.—Minneapolis, Minn., \$50,000 auditorium bonds; 10, 20 and 30 years; 4½ per cent.; certified check 2 per cent. Henry N. Knott, City Clerk.
- September 10.—Lincoln County, Minn. (P. O. Ivanhoe), \$139,600 ditch bonds; denominations \$1,000; 1-15 years; 5 per cent. Karl A. Hansen, County Auditor.
- September 10.—Ronan, Mont., \$16,800 water bonds; denominations \$100; 10-20 years optional; 6 per cent.; certified check \$1,000. E. T. Crawford, Town Clerk.
- September 10.—Wanetta, Mont., School District No. 9,

\$2,800 bonds; denominations \$700; 5-20 years optional; not exceeding 6 per cent.; certified check \$250. G. N. Cook, Clerk.

September 10.—Shepherd, Mont., School District No. 46, \$1,500 bonds; denominations \$250; 10-20 years optional; not exceeding 6 per cent.; certified check \$250. E. N. Tenny, Clerk.

September 10.—Pompeys Pillar, Mont., School District No. 43, \$5,000 bonds; denominations \$500; 10-20 years optional; not exceeding 6 per cent.; certified check \$500. James E. Carlisle, Clerk.

September 10.—Grass Range, Mont., School District No. 118, \$1,200 bonds; denominations \$100; 5-10 years optional; not exceeding 6 per cent.; certified check \$60. J. H. Ryan, Chairman of the Board of Directors.

September 10.—Yellowstone County, Mont., School District No. 3 (P. O. Lock Box 654, Billings), \$1,600 bonds; denominations \$400; 5-20 years optional; not exceeding 6 per cent.; certified check \$200. Mrs. B. B. White, Clerk.

September 11.—Greeley Center, Neb., \$13,000 electric light bonds; denominations \$500; 5-20 years optional; 5 per cent.; certified check 5 per cent. P. J. Barrett, Village Clerk.

September 12.—Park River, N. D., refunding bonds; 15 years; 5 per cent.; certified check \$300. F. J. Prochaska, City Auditor.

September 12.—Miles City, Mont., School District No. 71, \$3,000 bonds; denominations \$500; 5-10 years optional; not exceeding 6 per cent.; certified check \$300. Tolley Hartwick, Clerk.

September 12.—Boundary County, Idaho (P. O. Bonners Ferry), \$40,000 road and bridge bonds; denominations \$1,000; 10-19 years; not exceeding 6 per cent.; certified check \$4,000. J. V. Stanley, County Clerk.

September 13.—Glendale, Ariz., \$2,000 cemetery bonds; denominations \$500; 10 years; 6 per cent.; certified check 5 per cent. Harry G. White, City Clerk.

September 14.—Waverly, Iowa, \$15,000 light and water bonds; denominations \$1,000; 20 years; 5 per cent.; certified check \$300. F. A. Lee, City Clerk.

September 14.—Plentywood, Mont., School District No. 31, \$1,200 building bonds; 5-20 years optional; 6 per cent.; certified check \$100. H. W. Barner, Clerk.

September 15.—Mitchell, Neb., \$11,000 water bonds; 5-20 years optional; 5 per cent.; certified check \$300. G. E. Mark, City Clerk.

September 15.—Hasper, Mont., School District No. 47, \$1,500 bonds; denominations \$500; 5-20 years optional; not exceeding 6 per cent.; certified check \$75. Frank Buchanan, Clerk.

September 15.—Glasgow, Mont., \$6,700 sewer bonds; denominations \$100; 10-20 years optional; 5½ per cent.; certified check \$600. M. Murray, Mayor.

September 15.—Stacey, Mont., School District No. 26, \$750 bonds; denominations \$75; 10 years; not exceeding 6 per cent.; certified check \$100. George Warner, Clerk.

September 15.—Highwood, Mont., School District No. 58, \$800 bonds; denominations \$100; 10-15 years optional; not exceeding 6 per cent.; certified check \$800. Mrs. W. F. Curl, Clerk.

September 15.—Highwood, Mont., School District No. 79, \$1,000 bonds; denominations \$100; 5-10 years optional; not exceeding 6 per cent.; certified check \$1,000. F. J. York, Clerk.

September 15.—Portage, Mont., School District No. 41, \$1,000 bonds; denominations \$100; 5-10 years optional; not exceeding 6 per cent.; certified check \$1,000. John H. Good, Clerk.

September 15.—Seattle, Wash., \$350,000 water extension bonds and \$390,000 light and power plant bonds; denominations \$1,000; 6-20 years; 5 or 5½ per cent.; certified check 2 per cent. H. W. Carroll, City Comptroller.

September 17.—Stanton, Neb., \$15,000 bonds; denominations \$1,000; optional after 10 years; 5 per cent.; certified check \$150. Louis Dern, City Clerk.

September 17.—Phillipsburg, Mont., \$10,000 bonds; denominations \$100 or multiples thereof; 20 years; 6 per cent.; certified check \$500. William Neu, City Clerk.

September 17.—Billings, Mont., School District No. 44, \$1,900 bonds; denominations \$100; 10-20 years optional; not exceeding 6 per cent.; certified check \$200. Gertrude J. Blake, Clerk.

September 17.—Hennepin County, Minn. (P. O. Minneapolis), \$150,000 tuberculosis sanatorium bonds; denominations

COUNTY—CITY—SCHOOL BONDS

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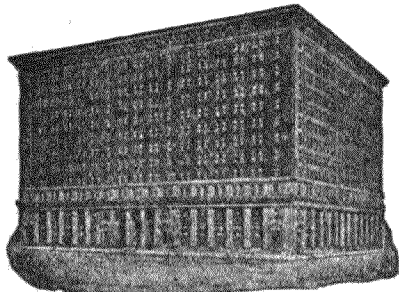
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THE FIRST NATIONAL BANK OF SAINT PAUL

Capital and Surplus, Five Million Dollars

\$1,000; 5-11 years; not exceeding 5 per cent. Al P. Erickson, County Auditor.

September 18.—Mower County, Minn. (P. O. Austin). \$46,660 ditch bonds; 6-9 years; not exceeding 6 per cent.; certified check 5 per cent. O. J. Simmons, County Auditor.

September 19.—State of Minnesota (P. O. St. Paul), \$115,000 historical society building certificates of indebtedness; denominations \$500 or \$1,000; 12-13 years; 4½ per cent.; certified check 2 per cent. State Board of Control.

September 22.—Whitlash, Mont., School District No. 4, \$800 bonds; denominations \$50; 8-10 years optional; not exceeding 6 per cent.; certified check \$40. Mrs. Murray Johnson, Clerk.

September 24.—Thompson Falls, Mont., School District No. 2, \$8,000 bonds; denominations \$1,000; 7-20 years optional; 6 per cent.; certified check 5 per cent. T. A. Bruner, Clerk.

September 29.—Monticello, Wis., \$12,000 electric light and power bonds; denominations \$500 and \$1,000; 1-12 years; 5 per cent. Henry M. Marty, Village Clerk.

At Once

Cass County, Minn. (P. O. Walker).—\$100,000 ditch bonds; denominations \$1,000; 5-19 years; 5 per cent. C. D. Bacon, County Auditor.

Indianola, Neb.—\$11,400 electric light bonds; denominations \$500 and one for \$400; 5-20 years optional; 5 per cent.; certified check \$500. C. S. Quick, City Clerk.

BOND NOTES

Vinton, Iowa.—An issue of \$18,360 bonds has been voted for municipal improvements.

St. Paul, Minn.—An issue of \$600,000 school bonds will be offered for sale November 15.

Downing, Wis.—An election resulted in favor of issuing \$8,500 municipal building bonds.

Mason City, Iowa.—The city council has authorized the issuance of \$70,000 bridge bonds.

Minneapolis, Minn.—An issue of \$125,000 bonds has been authorized for park improvements.

Stanley, Wis.—An issue of \$10,000 water improvement bonds has been sold to local banks.

Chappell, Neb.—An election resulted in favor of issuing \$10,000 water and light plant bonds.

Stellacoom, Wash.—An issue of \$20,000 waterworks bonds has been awarded to the State at par.

Centralla, Wash.—The city council has authorized the issuance of \$22,150 refunding sewer bonds.

Caldwell, Idaho.—An election will be called to vote on the question of issuing \$40,000 hospital bonds.

Minden, Iowa, Independent School District.—An election defeated a proposition to issue \$10,000 bonds.

Talent, Ore., Talent Irrigation District.—Improvement bonds to the amount of \$600,000 has been voted.

Duluth, Minn.—The First National Bank of Duluth was the successful bidder for \$150,000 school bonds at par.

Douglas County, Wash., School District No. 113.—The State was the successful bidder for \$1,000 bonds at par.

Exira, Iowa.—An issue of \$5,000 waterworks bonds has been sold to George M. Bechtel & Co. of Davenport.

Pend Oreille County, Wash., School District No. 5.—The State was the successful bidder for \$2,100 bonds at par.

Colesburg, Iowa.—A vote of 229 to 104 carried the proposition to issue \$20,000 bonds for school building purposes.

Milroy, Minn., Consolidated School District.—An election resulted in favor of issuing \$25,000 bonds for building purposes.

Yellowstone County, Mont., School District No. 8.—An issue of \$5,000 bonds has been sold at 100.70, a basis of 5.94 per cent.

St. Paul, Minn.—George S. Ring of St. Paul was the successful bidder for \$63,000 refunding bridge and park bonds at par.

Groton, S. D., Independent School District.—An election resulted in favor of issuing \$86,000 bonds for building purposes.

Kenosha County, Wis. (P. O. Kenosha).—The Merchants Savings Bank of Kenosha has been awarded \$45,000 highway bonds.

Forest River, N. D.—An election has been called to vote on the question of issuing \$4,000 bonds for the erection of a town hall.

Lincoln County, Mont., School District No. 1.—The \$11,000 issue of bonds which were offered for sale last June were not sold.

Toledo, Ore.—Morris Brothers of Portland were the successful bidders for \$27,000 water bonds at a premium of \$202.50.

Warren, Minn.—Kalman, Matteson & Wood of St. Paul have been awarded an issue of \$1,000 water, light and power plant bonds at par.

Alameda County, Cal. (P. O. Oakland).—An election resulted in favor of issuing \$1,000,000 hospital bonds and \$900,000 bridge bonds.

Porterville, Cal.—An election has been called to vote on the question of issuing \$30,000 bridge bonds and \$25,000 fire department bonds.

San Luis Obispo County, Cal., Templeton School District (P. O. San Luis Obispo).—An election defeated the proposition to issue \$20,000 bonds.

Pacific County, Wash. (P. O. South Bend).—The National City Company of Seattle was the successful bidder for \$274,000 highway improvement bonds at par.

Merced County, Cal., Riverside School District.—An issue of \$5,000 bonds has been sold to F. M. Brown & Co. of San Francisco at 101.36, a basis of 5.50 per cent.

Santa Barbara, Cal.—McDonnell & Co. of San Francisco were the successful bidders for \$85,000 sewer plant bonds at a premium of \$698-100-82, a basis of 4.88 per cent.

Dubuque County, Iowa (P. O. Dubuque).—The board of supervisors have authorized the sale of \$188,000 bridge refunding bonds to George M. Bechtel & Co. of Davenport.

WEALTHY NOT RUSHING TO BUY MUNICIPALS

Boston—Municipal bond market is not being generally availed of as a haven of refuge for the tax ridden rich. There is a fairly steady demand for municipal securities, but the wholesale switching from taxable securities into tax exempt municipals which might logically be looked for in view of the contemplated taxation program, has not materialized.

As it stands at present, the income tax bill proposes, in addition to a normal tax of four per cent., supertaxes running up to a maximum of 63 per cent. It can readily be calculated that the very wealthy would have a larger net return from four per cent. or 4½ per cent. municipals than from higher yield, but taxable, industrial or railroad securities.

Undoubtedly the reason why such conversion is not being accomplished on a large scale is because this is not a sellers' market. There is the thinnest kind of demand for investment securities of the high grade railroad type,

as witness the decline from 97 to 87 in the average price of 10 bonds of the highest class since the first of February. Thus an attempt to take advantage of the exemption from tax of municipals by liquidating other securities would probably result in a loss of principal greater than the saving in taxes.

Moreover, investors do not forget that Secretary McAdoo not long ago proposed taxing the interest on municipal securities, although highest legal authorities declare that it cannot be done without violating the Constitution. In any event, it is significant that in casting about for new sources of revenue Congress has not resurrected the proposal to tax municipal bond interest.

OMAHA LAND BANK TO ISSUE BONDS

Omaha, Neb.—The directors of the Federal Land Bank of Omaha have voted to issue \$500,000 in bonds to bear 4½ per cent. interest. Subscriptions of \$450,000 have been received in anticipation of the issue.

Railway Records Being Broken

"All previous records of American railways for volume of traffic moved, for earnings made, for expenses incurred and for taxes paid are rapidly being broken," the Railway Age Gazette shows in an article in its current issue, analyzing the results for the first five months of the calendar year 1917, which include the last results for which statistics are available. The only records not being broken are those for net operating income, which shows a large decline as compared with 1916.

"In the five months January to May, 1917, Class I roads—those earning over \$1,000,000 gross each—earned a total of \$1,548,348,314. This was an increase of \$156,000,000, or 11.2 per cent., over the same months of 1916; an increase of \$348,000,000, or 29 per cent., over the same months of 1913, which was the banner year prior to 1916, and an increase of 48.7 per cent., over the same months of 1911.

"Operating expenses were \$1,118,300,000, an increase of \$171,400,000, or 18 per cent., over the same months in 1916; \$232,000,000, or 26 per cent., over the same months in 1913; and 50 per cent. over the same months of 1915. Taxes paid in these months amounted to \$71,780,000. This was an increase of \$9,900,000, or 16 per cent., over the same months of 1916; of 38½ per cent. over the same months in 1913, and of 66 per cent., over the same months of 1911.

"While the increase in total earnings over 1916 was \$156,000,000, the increase in operating expenses and taxes together was \$181,650,000. In consequence, in spite of the much larger business handled, the railways in these months received \$25,900,000 less operating income. The proportion of total earnings required to pay operating expenses and taxes shows a sharp increase. In the first months of 1916 it took 72½ per cent. of each dollar of total earnings to pay expenses and taxes while in the same months of 1917 it took 77 per cent. The bulk of the increase in total earnings is being derived, of course, from the handling of freight. Freight earnings in the first five months of the year were over \$97,000,000 greater than in the same months of 1916 and about \$160,000,000 greater than in the same months of 1913.

"The month of May was a record-breaker in numerous ways. The total earnings of \$345,773,079 were greater than those ever made in a single month before in the history of American railways. The record was previously held by October, 1916, but earnings in May were \$7,470,000 greater than in October, 1916. The operating expenses incurred in May also broke all previous records for a single month. They amounted to \$238,682,000, which was about \$9,500,000 more than they were last March, in which they reached the previous high record. It is a notable fact, however, that while both operating revenues and operating expenses broke all records in May, the record for net operating income was very far from broken. Net operating income in May was \$92,079,000. There were five individual months in 1916, three in 1915 and one in 1912 when it exceeded this amount. In October, 1916, with total earnings \$7,400,000 less than in May, 1917, the railways had net operating income \$22,000,000 greater than in May. These figures show in a striking manner how much faster relatively increases in operating expenses and taxes have been occurring than increases in total earnings. Reports to the Railroads' War Board show that in May, 1916, railways having 173,105 miles of line handle 29,522,870,109 ton miles of freight, or 16 per cent. more than in May, 1916. This undoubtedly is the largest freight traffic ever carried.

"The railways of the three large territories, East, West and South, have benefited in widely differing degrees by the increases in total earnings. The eastern lines had an increase of \$50,700,000, or 7.9 per cent. in total earnings, in the first five months of 1917 as compared with the same months of 1916, but the increases in their operating expenses and taxes were so large that their net operating income declined \$44,200,000, or 25 per cent. The southern lines with an increase of 12.2 per cent. in total earnings had an increase of 2.6 per cent. in net operating income, and western lines with an increase of 14.8 per cent. in total

earnings had an increase of 9.6 per cent. in net operating income.

"It is a truism of railway economics that a railway on which maintenance expenses are large compared with transportation expenses is in a healthy condition, while one on which transportation expenses are large compared with maintenance expenses probably is not in a healthy condition.

"The increases in transportation expenses during the present year thus far have been so great as to be alarming. While the increase in total earnings in five months of 1917 over 1916 was 11 per cent. and the increase in total operating expenses was 18 per cent., the increase in transportation expenses was \$120,750,000 or 25 per cent. The importance and ominousness of this increase becomes more apparent when it is realized that it has taken place in spite of unusual increases in the average trainload and the average carload. It reflects chiefly, first, the advance in the wages of train service employes due to the Adamson law, and second, the large advances which have occurred in the prices of fuel. The increase in expenditures for maintenance of equipment over 1916 was only 12 per cent. and the increase in expenditures for maintenance of way, eight per cent.

"In the first five months of 1913 transportation expenses were 51.4 per cent. of total operating expenses; in the same months of 1916, 50.9 per cent.; and in the same months of 1917, 53.2 per cent. In other words, the general tendency has been for operating expenses to increase faster in proportion than total earnings, and for cost of conducting transportation to increase faster than expenditures for maintenance. The expenditures for maintenance of way have shown an especially small increase relatively.

"While absolutely the increases in expenditures for maintenance, and especially those for maintenance of equipment, have been large, appearances indicate that they have been due entirely to advances in the wages of labor and in the prices of materials and supplies. In fact, the increases in expenditures for maintenance of way have been so small relatively as to suggest forcibly that railway properties are not being as well maintained on the whole as is desirable. Probably this is in a large measure due to the inability of the roads to get enough labor for maintenance and partly to fear that if they spend any more now they may regret it in the future, when they may need the money worse."

GUARANTY TRUST COMPANY OF NEW YORK ELECTS NEW OFFICER

New York—John A. Terrace has been appointed an assistant manager of the foreign department of the Guaranty Trust Company of New York, with which institution he has been connected since March, 1916. Before coming to New York he was acting manager of the Royal Bank of Canada, in Montreal, and prior to that was with the Bank of Scotland in Edinburgh and London. Mr. Terrace is 34 years of age, and was born in Dysart, Scotland.

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SATURDAY, SEPTEMBER 8, 1917

The Government's Terminal Wheat Price

Sober thought is beginning to convince the producers of wheat that the price to be paid by the Government at terminals is fair to all concerned. They find that the average station price for number one northern wheat will be slightly above \$2 in Minnesota and nearby South Dakota and North Dakota, about \$2 at western South Dakota and western North Dakota production points and about \$1.91 in Montana.

When farmers found that labor and other consumers of wheat wanted to pay only \$1.65, there was an outcry in the Northwest for at least \$2.50 wheat and in some quarters \$3. The compromise price of \$2.20 Chicago and \$2.17 Minneapolis on its face looks like a happy medium between the views of the conflicting interests.

Undoubtedly \$2.50 wheat would add to the buying power in the Northwest, but an average of \$2 at producing points means a monetary value to the farmer in Minnesota, North Dakota, South Dakota and Montana of \$430,000,000, the greatest ever achieved and one that can be obtained at any time that the farmer chooses to start his wheat on its way to the terminal.

It would have been manifestly unfair to the consumer to have paid a price that would insure a profit to the ill-luck farmer who got a small yield. The man who had a good yield would outclass any Get-Rich-Quick-Wallingford. The fair basis was to consider the average yield per acre and to fix the price large enough to stimulate production in 1918.

The farmer was naturally aroused to find the price fixed by the Government below the prices that had been ruling on the grain exchanges, but now realizes that the Government is going to regulate the profit of everyone who handles wheat and flour from producer to consumer. While \$2.00 was below current prices, it is well above the normal

price during the heavy crop movement in the fall. The cost of living must be kept within reasonable bounds and, if present plans work out, will be reduced before many weeks have elapsed.

Total figures of the value of the 1917 wheat crop indicate that the proceeds received by farmers in the Northwest, taken as a whole, will be adequate and will enhance the prosperity in this section of the country. Accomplishing this, it is evident that the interests in the Northwest have been dealt with fairly.

For some time the movement of wheat to terminals has been almost nil and many have been embarrassed by inability to turn their crop into money. The wheat crop should now start to move with a rush as farmers have nothing to gain by holding their wheat or failure to exchange the grain for funds. Although there will be individual losses, the price fixed by the Government should be attractive to more than 85 per cent. of those who produced wheat this year. In fact, the price should encourage large plowing this fall and a larger acreage in 1918 than prevailed this year, especially as a minimum of \$2 is guaranteed by Congress for the 1918 crop regardless of the termination of the war.

Farm Mortgage Bankers in Minneapolis September 11

The meeting in Minneapolis next week beginning September 11, of the Farm Mortgage Bankers Association of America, will again call attention to the importance of the farm loan business in this country. This financial center of the Twin Cities is the greatest farm loan market in America, its commanding position being recognized by locating a Federal Land Bank in St. Paul.

The magnitude of the farm mortgage business is seen when we learn that competent estimates are that a total of about four billions of farm mortgages are now outstanding in the United States. Not only private investors, but banks, trust companies, trustees of estates, and managers of the finances of universities and fraternal orders are all heavy buyers of farm loans.

Several of the leading investment houses of the Northwest divide up their largest loans into farm land bonds, thus giving purchasers an opportunity of buying farm secured paper in smaller denominations. This method of bond issue is the only way the public can purchase securities of the new Federal land banks, as they issue, what in Canada and Europe would be called debenture bonds, or bonds issued against the mortgages held by the bank.

One feature of the Federal land bank bonds that is to be contested in the courts, is that of freedom from taxation. Why such bonds should be tax free while other farm land bond issues, sold through investment banking houses are subject to taxes, is not apparent unless it is the lower rate of interest. The Federal land bank bonds net the investor 4¼ per cent., while most other farm land bonds net the investor six per cent.

The well selected farm mortgage, made on a conservative valuation, and on improved farms, has the distinction of being secured by land which is grad-

ually increasing in value. This is in contrast to loans where depreciation is expected in the security as a matter of course. For this reason farm mortgages rank among the safest forms of investment.

Buying Power in the Northwest Greatest Ever

Never before has the Northwest produced so valuable a crop as the one now being harvested. There have been larger wheat crops in bushels but none in value. A similar situation exists in other grains and potatoes.

One year ago in these columns it was pointed out that the wheat failure of 1916 would lead to better quality wheat in 1917, greater diversification of crop and strengthening of the fundamentals of finance. It was said 1917 conditions would be better than ever. These predictions have been amply verified. The buying power in the Northwest is at the highest notch ever reached. Monetary value of the 1917 crops at points of production in four states alone—Minnesota, South Dakota, North Dakota and Montana—exceeds one and a third billion dollars. This figure does not include sugar beet, live stock, milk, cheese, butter, eggs or wool, or any production other than wheat, corn, oats, barley, rye, flax, hay and potatoes. In this total Minnesota leads in monetary value with South Dakota, North Dakota and Montana following in the order named.

Total spring and winter wheat production in the four states this year approximates 215,000,000 bushels. The average price obtained at points of production will be close to \$2, making the monetary value \$430,000,000. This compares with about \$200,000,000 realized last year and \$340,000,000 in 1915, when the record crop of 350,000,000 bushels was obtained. Here apparently is a great gain in buying power from wheat alone.

The four states promise this year 208,000,000 bushels of corn, which possesses at least a value per bushel of \$1.50 at the point of production, a total for the crop of \$312,000,000. The oats crop is easily 250,000,000 bushels with a total monetary value of \$130,000,000 at 52 cents a bushel.

Barley, of which 90,000,000 bushels were produced in the four states has a value of \$90,000,000 at the production point. Potatoes with a production of 55,000,000 bushels are worth at least \$1.50 at the farm, a total of \$82,500,000. Rye has a four state crop of 21,000,000 bushels and a monetary value of \$10,900,000. There will be a flax crop of 10,000,000 bushels at least, with a producing point value of \$30,000,000. To this must be added at least 15,000,000 tons of hay valued at \$225,000,000. These make a total value for the 1917 crop \$1,330,000,000.

Taking the monetary value of the 1917 crop by states, Minnesota is well in the lead. She has close to 70,000,000 bushels of spring and winter wheat. At \$2 at country stations, this means \$140,000,000 of new wealth. Minnesota's corn prospect is 100,000,000 bushels worth \$150,000,000 at the farm. Her oats crop approximated 121,000,000 bushels with a monetary value of \$63,000,000. Her barley crop of 38,000,000 bushels is worth \$38,000,000. Then 6,500,000 bushels of rye command \$3,380,000. Min-

nesota's 2,700,000 bushel crop of flax is worth at present prices \$8,100,000 at the country station. Her potato crop of at least 35,000,000 bushels is valued at \$52,500,000, while hay gives an added crop return of \$85,000,000 whether sold or fed.

Minnesota's 1917 crops, therefore, have a value more than 40 per cent. of the total crop in the four states. South Dakota comes next with a monetary value of \$406,000,000, treble the result attained in 1916. She produced 50,000,000 bushels of winter and spring wheat worth close to \$100,000,000. Her corn crop will equal, if it does not exceed, 95,000,000 bushels valued at the farm at \$142,500,000. South Dakota's 65,000,000 bushels oats crop commands \$33,800,000. She produced 22,600,000 bushels of barley worth \$22,600,000. Rye with a 5,000,000 bushel crop is valued at \$2,600,000. Flax crop is easily worth \$4,000,000 at the point of production. Her potato crop of 6,650,000 bushels commands at least \$10,000,000, while 5,400,000 tons of hay are conservatively valued at \$81,000,000.

North Dakota produced 65,000,000 bushels of wheat worth at least \$125,000,000 at the country station, 12,500,000 bushels of corn worth \$18,750,000, 48,000,000 bushels of oats worth \$25,000,000, 27,400,000 bushels of barley worth \$27,000,000, 9,300,000 bushels of rye worth \$4,800,000, at least 6,000,000 bushels of flax worth \$18,000,000, 7,200,000 bushels of potatoes worth \$10,800,000 and 4,400,000 tons of hay worth \$36,000,000, a total of \$265,000,000.

Montana has not yet struck her stride, but this year has 25,000,000 bushels of spring and winter wheat worth \$45,000,000, 1,800,000 bushels of corn worth \$2,500,000, 16,500,000 bushels of oats worth \$8,500,000, 1,400,000 bushels of barley worth \$1,400,000, 2,500,000 bushels of flax worth \$7,500,000, 6,600,000 bushels of potatoes worth \$10,000,000 and 2,000,000 tons of hay worth \$30,000,000, a total of \$105,000,000.

Add to the \$1,300,000,000 monetary value of the 1917 crop, the proceeds from the sugar beet, which will command a record figure at the producing point, from live stock which brings prices never before known, from the wool clip, the biggest in money value ever reported, from milk, butter, cheese and eggs. The result would be stupendous and would attest the fact that the Northwest is extremely prosperous.

The business man, who has analyzed the result of the 1917 harvest, is preparing to handle big trade in Minnesota, North and South Dakota and Montana this fall. There is a general building boom notwithstanding the high cost of materials. Wide expansion in the Northwest is going on. This week starts the great wheat movement to terminals as the farmer has nothing to gain by holding wheat, owing to the fixed wheat price established by the Government.

A year ago the slogan was adopted: "The Northwest is Prosperous—Keep it so." This year the Northwest has a greater degree of prosperity and the problem has become an investment problem. Bank balances throughout the Northwest will be bigger than ever this fall. This section of the

country should do its full share in investment in the second Liberty loan.

Reduce Your Coal Requirements

There is danger of physical suffering in the Northwest this winter from lack of coal. To meet requirements, according to Howard Elliott, member of the railroad committee of the Council of National Defense, at least 600 additional cars should be dumped daily at lake ports. The railroads are endeavoring to speed up the movement of coal but it is doubtful if even a normal supply of coal can reach the head of Lake Superior as stocks now are less than half those a year ago and navigation closes usually in November.

At the same time the demand for coal is above normal. In rural districts, for example, more coal than formerly is being used because farmers, made prosperous by high prices for crops, are installing heating plants in their homes. In the cities building expansion has enlarged the demand for coal.

It is pleasing to note that a mass meeting of

large coal users in Minneapolis is to be called to protest against the high prices of fuel and that the Minneapolis Civic & Commerce Association plans to send a representative east to press the seriousness of the northwestern situation to the railroads concerned but it would be much more satisfactory to find concerted action to reduce coal requirements.

Here are worth while suggestions:

Inquire into the methods employed by your fireman and consider his methods in relation to those suggested by the Bureau of Mines. Learn what plants in your locality secure the best results from coal. Endeavor to have the wasteful users of coal profit by the best experience of the locality. Improve all local methods by consultation with the Bureau of Mines and study of the stoking methods recommended by the bureau. Buy your coal as near home as possible.

The supply of coal is limited and wastefulness in its use this season is nothing less than criminal. There is no labor to open new coal mines. There seems nothing left but to avoid waste and reduce requirements to a minimum.

THE BULL'S-EYE BY THE SHARPSHOOTER

In Father's day there was but one efficient way to protect your garden against birds, and that was to grab the shotgun and shoot. I remember having seen some of the finest song birds that ever wore feathers blown to tatters by the conscientiously brutal hand of my pious elder brother who shot them with as high a sense of duty as his ancestors ever had while burning witches. I have reason through the years since that time to congratulate myself that no song bird ever stained my hands. The old shotgun was heavy and my young hand not very steady and I missed every one I ever shot at. This was before the days when I learned that to shoot my feathered friends was both sin and folly. But feathered friends sometimes come to feed in flocks at our scant table set but for a few guests. In such a case, what is to be done? Shall I refrain from shooting them? Sure! Wouldn't you refrain from shooting any other friends who came unexpectedly at the dinner hour? We do. We just use a little diplomacy and hot water in the soup and get along nicely.

One morning last week we woke to the fact that the blackbirds had been raiding our sweetcorn and popcorn garden, in most shameful fashion, abstracting therefrom joy fodder to the total amount of about five dollars' worth. We wouldn't have regretted it so much if the little wasters hadn't spoiled so much they did not eat. It would seem as though the blackbirds had never heard about the war and the gospel of the clean plate. I have cheerfully thrown grain at the birds in my day and generation, but it did go against the grain with me to have them come and swipe it and maul it like Hooligans ravaging a watermelon patch. Wiser than I was when brother blew the robin out of the

cherry trees, I knew two ways of baffling the blackbirds. One was to get up at an unholy hour in the morning to break the law and the peace of the neighborhood with a shotgun. The other was to lie abed like a Christian and use my head. I chose the easier way.

Now all wise people know that a bird is as superstitious as a Hindoo. His head is full of fool notions much like those some people hold regarding the number thirteen and Friday. Knowing this to be the fact, we erected next day a few wooden crosses in the corn field, to which we suspended some shining bits of tin by means of strings. In the sun and the wind these tinkled and twinkled from dawn till dark, with the result that from dawn till dark not a feathered neighbor of any grain eating species put bill to an ear of corn thereafter. So we saved our sleep, the tedium of watchful waiting, the offense of a broken law and a disturbed conscience, our corn crop and the lives of the friendly birds—all by the quiet use of a little gray matter under our hat.

I am now convinced that it is only the woods born Hun, the primeval, prehensile footed man, whose first thought it is to grab his gun and shoot. Good will toward one's neighbor with a kindly study of his weak spots and a friendly and wise manipulation of the same, if practiced toward man by man the world over, will save life and property enough in a term of years to populate and finance another planet as big and fine as this old terrestrial globe of ours. Of course if there was an old sophisticated man eating tiger lurking about our clearing, we wouldn't expect to shoo him off with a little tin scarecrow; and so long as his breed or his seed remains in Germany or any other portion of the earth we shall expect to keep the shot gun oiled up.

MINNESOTA HAS NEARLY TEN MILLIONS IN TREASURY

Minnesota began September business with a high record balance of \$9,769,212.45 in the state treasury, according to figures given out by Treasurer Henry Rines.

Heavy remittances of tax collections in Ramsey, Hennepin and St. Louis counties swelled the receipts for the month just ended and aided in making the new record total.

The largest single item in the revenue fund is \$5,650,094. A total of \$1,761,926 is credited the general school fund, from which large sums are to be paid this month in state school aid. Other big credits are \$922,497 in the state

road and bridge fund, \$438,226 in the permanent school fund, \$297,628 in the general university fund and \$115,605 in the state prison revolving fund.

MINNESOTA STEEL TO ENLARGE OPERATIONS

Duluth—Officials of the Minnesota Steel Company are preparing for operations on a larger scale during the coming fall and winter, and it is expected that the output of finished steel at its Duluth plant will be materially increased. Over 3,800 men are now employed at the plant, and in some departments the number of operators will be augmented within the next few weeks.

SPECIAL BUSINESS BRIEFS

George O. May, of Price, Waterhouse & Co., in the New York Times, comparing the spirit of legislation in regard to taxing war profits in this country and England, says that the answer is not to be found in any difference of degree of willingness to make sacrifices but is to be found wholly in the difference of the methods and spirit governing determination of taxable profits. English law proceeds on the theory of giving the tax payer a liberal pre-war standard and dealing equitably with special cases. The manufacturer in England is given a choice of two years out of three, each of which was a prosperous one. To protect the manufacturer in special cases where the three years in question were not prosperous, two alternatives are provided; either a choice may be made of four years out of six or a reasonable rate of return on capital may be claimed. It is fixed at a minimum of six per cent. by the boards of referees, although the board has increased the rate allowed to 9, 10, 12 and in some cases 22½ per cent. He points out that the Finance Committee bill pending in Congress fixes arbitrarily the pre-war standard the average of the three years 1911, 1912 and 1913, an average which is undeniably sub-normal. Also under the British law taxes are payable two months after assessment, but the commissioners have power to allow payments by instalments, and liberal policy has been followed.

With seven important mines entirely closed down during the month and a number of other properties contributing less than their quota, there was full reflection during July of the widespread miners' strike. A compilation prepared by the Boston News Bureau shows that all reporting mines and smelters of North and South America in July turned out a total of 133,434,113 pounds of copper against 181,000,000 pounds in June. Now that the Anaconda Company has closed down completely its mines and smelters in Montana, necessitating as well the cessation of shipments by small properties, the curtailment, if maintained, will have been increased by more than 13,000,000 pounds monthly. Up to the first of August there has been produced since January 1 by the mines and smelters included in the compilation—properties in the United States, Canada, Mexico and South American countries—a total of 1,276,211,574 pounds of copper.

July copper production figures of the porphyries, taken as a group, were under those reported for June and May, but well in excess of the April returns. However, considering labor troubles, the production figures of these four companies for the seventh month of the year should be considered satisfactory. The output of the four companies in July totaled 40,533,024 pounds. This compared with 41,566,659 pounds produced in June, 41,234,572 pounds in May, and 38,236,302 in April. Utah made the poorest showing since April last. Nevada's production in July was the best this year. So was Chino's. Ray's output registered an increase of 194,652 pounds over June, while Nevada also gained 1,403,150 pounds over the sixth month, but the production figures of both these companies were under those returned for May.

Union Pacific's July gross increase of 17.4 per cent. yielded a net earnings increase for the month of \$261,937, or 7.6 per cent. The month's increase in freight revenue was \$1,251,442, or 19.8 per cent., and in passenger revenue \$248,727, or 12.6 per cent. With 11 per cent. less outlay on maintenance of way during the month and 20.6 per cent. more on maintenance of equipment and 40.5 per cent. or \$885,122 more on transportation expenses, taxes consumed \$695,610, which was \$261,937, or 64.9 per cent. more than July, 1916. Gross revenue for seven months increased 16.1 per cent. and net after taxes increased two per cent. Freight revenue yielded \$6,780,374 more gross than in July, 1916, and passenger revenue \$1,931,904 more. Maintenance outlay absorbed \$1,631,199 more and transportation expenses \$5,088,744 more.

Automobiles and motor trucks exported during the year ending June 30 amounted to 80,811, valued at \$90,958,243, according to figures just issued by the Department of Commerce. This was a gain in number, but a decrease in value, the total for the preceding fiscal year being 77,499 cars worth \$97,465,811. The total value of passenger cars exported was \$48,620,928. Great Britain was the heaviest purchaser, taking \$18,508,442 worth. France came next with a total of \$14,691,460. Russia's imports fell from a value of \$15,686,874 in 1916 to \$6,371,982 in the last fiscal year. Outside of Europe Canada is the best customer in motor vehicles. Canada's purchases increased from \$7,280,151 in 1916 to \$12,088,787 in 1917. The most remarkable jump is that of Mexico, which shows an increase from \$409,700 to \$1,833,975 in one year.

Annual report of the American Cotton Oil Company, to be issued about November 1, will show surplus available for the common stock for the current fiscal year ending August 31, of approximately \$1,288,084, or about \$6.37 a share on the \$20,237,100 outstanding stock, after allowing six per cent. on the \$10,198,000 preferred. This compares with surplus available for the common in 1916 of \$1,416,543, or \$7.01 a share and is a decrease of \$128,204 in the current year.

Cotton production prospects improved to the extent of 550,000 bales during August and brought the estimate of final outturn to 12,499,000 of 500-pound bales. That quantity was forecasted by the Department of Agriculture on the condition of the crop August 25, which showed a decline of 2.5 points compared with a 10-year average of 6.6 point decline. Acre yield was forecasted at 174.6 pounds, compared with a 166.9 pounds forecast from July 25 conditions.

Ohio raised nearly 40,000,000 bushels of wheat this year, according to Frank I. King, a Toledo grain dealer. "Farmers have disposed of nearly 5,000,000 bushels at an average of about the fixed price \$2.20," he said. "On the balance they will hardly realize more than \$2.10 per bushel. Part of it is poorer than the No. 2 red grade. The total crop should net them around \$85,000,000."

American Agricultural Chemical Company has issued its annual report for the fiscal year ended June 30, 1917. The statement shows a balance of \$3,891,288 available for the \$18,430,900 common stock, an increase of \$99,253 over the preceding fiscal period. This balance is equivalent to \$21.11 a share on the common stock compared with \$20.50 a share last year.

Soo Line July net after taxes decreased \$367,756 or 38 per cent. and seven months ended July 31 decreased \$1,631,607 or 37 per cent. Chicago Division held its own in July but decreased \$316,745 or 11.5 per cent. in seven months ended July 31.

Of the \$2,066,000,000 loaned to all the Allies by the United States \$1,693,000,000 has been used to take up their obligations here: In 1917 fiscal year \$885,000,000; in 1918 fiscal year (to date) \$808,000,000.

Food administration is cooperating with the Department of Agriculture to provide for the establishment of stocks of seed wheat for the next harvest, which it will sell to farmers at cost.

FEDERAL LAND BANK OF ST. PAUL LOANS \$2,570,300 IN AUGUST

Business is pouring into the Federal Land Bank of St. Paul. Loans applied for in August totaled \$3,215,000, of which \$2,570,300 was granted. In Minnesota, loans applied for totaled \$715,800 and \$629,000 were granted.

MINNEAPOLIS NEARING \$25,000,000 TRADE IN GAS TRACTORS FOR FARMING

Before the year 1917 shall have closed Minneapolis, the center of the country in the business of manufacturing and distributing tractors, will have recorded a volume of business in these newer instruments for agricultural development that will be approaching the line of \$25,000,000. That such a figure for annual volume, if not attained in the 1917-1918 season, will be reached in the not distant future is predicted.

W. J. McVicker of the McVicker Engineering Company, consulting engineers, estimates the 1917 business of Minneapolis in the tractor industry will reach \$20,000,000.

There are seven plants in Minneapolis where tractors are built, and all of them are sold ahead of capacity. One firm that makes a tractor selling at \$2,000, or thereabouts, will have between \$3,500,000 and \$4,000,000 of business on its books when the year's balance shall have been struck; another company that makes a tractor somewhat similar will have \$3,000,000 to \$3,500,000 of business on its records; still another will show between \$3,000,000 and \$4,000,000 entered, and there are four other companies, classed strictly as manufacturers, that will do a business, individually of \$750,000 to \$2,000,00 each.

"I do not think it possible to size up the Minneapolis tractor industry with absolute accuracy because the growth even of the last six months has been remarkable and the industry continues to grow rapidly," Mr. McVicker said.

"I would not hesitate, however, to make the statement that Minneapolis now is on the basis of an annual business of \$20,000,000. When the 1919 manufacturing census of the United States is taken the true importance of the Minneapolis tractor industry will be made apparent.

"The whole tractor business is modest. It says little about itself, and many citizens, interested in the industrial growth of the city, do not know how important it is. But as a publicity asset for Minneapolis it is great, for the machines that are sold from Minneapolis find distribution far and wide over the world and the name 'Minneapolis' goes with them.

"Minneapolis is rapidly mounting to the \$25,000,000 line in the volume of its tractor industry, if, indeed, it will not make it in the present war."

FEEDING THE WORLD!

The Northwest will take a large part in feeding the world this fall and will be liberally paid for it. This means prosperity and favorable conditions for the transaction of a greater volume of business than ever before.

Farmers, retail merchants and every other class of business men and producers should take advantage of these exceedingly favorable conditions to promote the general welfare of our section of the country. Above all questions of personal advantage it is their patriotic duty to keep wheels of business moving in order that the burdens of the war may be more easily borne and that the means for its efficient prosecution may be provided.

Business must ultimately pay for the war. It is therefore sound judgment to keep it good now, and all the time. We must create while we destroy! While it is quite right to stop the waste or misuse of all commodities that are essential to the successful consummation of the war, it is also very unwise to hamper or impede legitimate business enterprises by false conceptions of retrenchment or economy.

The wholesalers and manufacturers of Minneapolis invite merchants and business men throughout the Northwest to cooperate with them in an effort to keep business good and, as far as possible, to conduct it in a normal way. With this end in view they have made more extensive preparations than usual to supply the needs of northwestern buyers. Their stocks are unusually large and varied and comprise the best and most desirable merchandise that can be produced. They are more than able to meet the prices of competitors in other markets and in addition to provide time and money saving advantages that such competitors cannot extend.

It is a short freight haul from Minneapolis to all north-

western cities! Since freight charges are a considerable part of the cost of a large portion of the merchandise that merchants sell and the saving of time an essential element in the satisfactory and profitable transaction of business, this is a very important item. If, as now seems certain, there should be a serious car shortage, its importance will be almost doubled.—Minneapolis Journal.

HOW WAR BORROWINGS HAVE BEEN DISPOSED OF

New York—The final installment of the \$2,000,000,000 Liberty loan was payable August 30. This marks the final stage of the United States government's first large loan operation in the present war. The war loan bill was approved April 24 and the Liberty loan bonds were offered for subscription May 2, the lists closing June 15.

The following table sets forth the receipts and disposition of Liberty loan bonds and certificates of indebtedness: Certificates of indebtedness sold:

To June 30.....	\$918,205,000	
July 1-August 28.....	550,000,000	
		\$1,468,205,000

Certificates of indebtedness redeemed:		
To June 30.....	\$626,196,844	
July 1-August 28.....	268,781,982	
		894,978,826

Balance outstanding \$573,226,174

Liberty loan bonds paid for:		
To June 30.....	\$1,385,018,756	
July 1-August 28.....	305,163,332	
		\$1,690,182,088

Total in Treasury from certificates and bonds \$2,263,408,262

Loaned to Allies:		
To June 30.....	\$885,000,000	
July 1-August 28.....	848,000,000	
		1,733,000,000

Leaving available or spent by United States government \$530,408,262

NORTHERN WISCONSIN IS DEVELOPING FAST

Superior, Wis.—Soo Line's northern Wisconsin territory on the Minneapolis to Sault Ste. Marie main line and branches has shown remarkable development in the past year, said Vice President W. L. Martin, who has been giving it close inspection. The country would scarcely be recognized, as to traffic possibilities present and potential, by one who has not been over it for several years.


Saw mill towns are changing to agricultural towns, new buildings are seen and the character of the business is changing steadily for greater permanence. Many creameries are seen at small towns.

"The whole of northern Wisconsin that once was cut over lands sparsely settled and not much to look at agriculturally, is changing," Mr. Martin said. "Perhaps the most surprising thing that I saw was a wagon and automobile road that will extend practically the entire distance from Escanaba to Sault Ste. Marie, and that will be as fine as the best roads in the country, which the various counties are building. The log house is disappearing, the frame and brick house is rising and the whole country is painting up. There is being developed from a rough country mainly given to lumbering, a solid, agricultural community, bespeaking permanence.

"We found 90 bushel oats in this territory and fine crops of other grains and far greater numbers of small farms given to dairying and stock raising. In one community we saw nine cars of baled hay loaded. The hay brings \$12 a ton at the station. The people are coming out of the pioneer period by the slow, steady, sure process."

NEW OFFICERS FOR AMERICAN EXCHANGE NATIONAL BANK OF NEW YORK

New York—Louis S. Tiemann and Mercer P. Moseley have been elected vice presidents of the American Exchange National Bank. Mr. Tiemann was formerly an assistant cashier of the bank and Mr. Moseley until recently was president and publisher of the New York Commercial.



Fort Dearborn National Bank

Capital and Surplus, \$4,000,000.00

UNITED STATES DEPOSITORY A GENERAL BANKING BUSINESS

<p>WILLIAM A. TILDEN.....President</p> <p>NELSON N. LAMPERT.....</p> <p>HENRY R. KENT.....</p> <p>JOHN FLETCHER.....</p> <p>GEO. H. WILSON.....</p> <p>MARCUS JACOBOWSKY.....</p> <p>E. C. TUBBS.....Cashier</p>	<p>WM. W. LE GROS.....</p> <p>CHAS. L. BOYE.....</p> <p>WM. L. McKEE.....</p> <p>R. J. MCKAY.....</p> <p>WM. E. McLALLEN.....</p> <p>HARRY LAWTON.....</p>
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A COMPLETELY EQUIPPED FOREIGN EXCHANGE DEPARTMENT

SPROULE OFFERED MILWAUKEE ROAD PRESIDENCY

Chicago, September 4—William Sproule, president of the Southern Pacific, has been offered the presidency of the Milwaukee road. La Salle Street believed for a time that the ermine would fall from the shoulders of Mr. Earling upon those of Vice President Sewell, a very able operating official, but there is an undercurrent opposition against the promotion of one of the vice presidents to the place now occupied by Mr. Earling. It is the wish of western directors to blaze the way for a new executive, one who will be not hampered by former associates and well known traditions and who will have the confidence of financial leaders. Chicago members of the directorate and official family of the road, however, were not inclined today to elucidate the problem which confronts the company. Mr. Sproule is versatile, experienced in the ways of finance and rail operation and he has the vigor of a young man to carry his plans to a successful conclusion in case he accepts.

Four Per Cent. Issue Expected

Chicago bankers had confidential advices from Washington which indicated a determination on the part of Secretary McAdoo to insist upon the next war bond issues being at four per cent., with the surtax schedule of the income tax applied to income from the bonds. Some believe another large loan could be raised at 3½ per cent., others say the rate should be four per cent., but few approve the plan for making the bonds taxable, even though they be exempted from normal income tax.

Boisot Favors Old Plan

E. K. Boisot, president of the First Trust & Savings Bank, makes a suggestion that will appeal to many who doubt the wisdom of raising the rate and imposing a surtax at this time. "I have always regretted that no advantage was taken of the billion dollar oversubscription to the first Liberty loan issue," he said. "I believe something can be done now to save this fruit of the first campaign. It would appear to me to be wise to offer a billion dollar issue of 3½ per cent. Liberty bonds at this time. Bankers and dealers have the names of those whose subscriptions were cut in an aggregate of a billion dollars. Much of this business might be had for the asking. Let the government reserve the right to allot the full subscription of every participant regardless of how great the total. It might be possible to raise as large a total as was obtained for the first 3½ per cent. issue. In any event, it is certain that at least a billion additional could be placed.

Surtax Not Wanted

"I believe it is a mistake to apply the surtax to income from government bonds. It is shown that a man may subscribe to \$125,000 of bonds such as are proposed and still have an income of only \$5,000 from them and that incomes of \$5,000 or less are not subject to the surtax. But the man who subscribes to \$125,000, or even to \$10,000, of these bonds is certain to have an income of more than \$5,000 regardless of his subscription.

"The average subscriber has fixed investments and regards his government loan subscription as his latest investment, and consequently subject to the highest percentage of surtax. Thus, if the investor has an income of \$100,000 a year, he is taxed 20 per cent. on the last \$20,000 of his in-

come, and he feels that he is getting 20 per cent. less return on his bonds than the man of smaller income.

"Another reason for delaying as long as possible any such program as is contemplated is that in the first bond campaign we educated the people to an understanding of the 3½ per cent. tax free bonds. To complicate the issue with a surtax feature will necessitate a new educational program and take some of the steam out of the organization already perfected."

Chicago Bonds Fall

Declines in listed bonds on the Chicago Stock Exchange showed prices in the majority of issues ranging toward lower levels. City Railway 5s declined one-half point to 90½, Chicago Railway 5s a point to 89, while Metropolitan Elevated 4s fell off 2¼ points to 61. Swift 5s recorded a decline of a point to 97½, while Wilson 6s and Cudahy 5s ruled fractionally lower. Booth Fisheries debenture 6s showed a loss of 1½ at 90, with Liberty loan 3½s displaying a fair amount of buying on a slight advance.

Public utility bonds adjusted themselves to the general investment situation with less disturbance than in the general investment list, but on the whole the change brought to them a better market position than otherwise. To a large extent utility bonds are held in limited amounts by small individual investors, and while the amount aggregates a large sum they are widely distributed in small amounts among many thousands of investors all over the country who are unwilling to dispose of their holdings at the lower levels of prices. With the absence of liquidation, specialists believe there will occur a rapid recovery in the prices with the end of the war.

Banks Invite Bond Purchases

Three of the largest banks in Chicago and many important bond houses have begun issuing circulars advising the purchase of long term bonds at present prices. Clients are advised to purchase now and to keep what they buy. This is important as reflecting a conviction that the worst has come to the bond market and that high grade railroad and industrial issues that yield from five to six per cent. in a few instances as high as seven per cent. may be expected to recede no further, that, in fact, they are about to show marked improvement. The bond market looks particularly inviting when it is realized that 12 representative industrial stocks are but nine points above their level of the beginning of 1914 and 15 selected railroad stocks are actually 20 points below the mark of that date.

Listed Issues Fall

Chicago Stock Exchange operations last week were in large volume, but the tendency was downward, losses ranging from one to 10 points. Booth Fisheries and Deere preferred were the sole issues to maintain their position. The most marked losses were in Carbide, which fell 10 points on account of the dilatoriness exhibited by Linde Air Products in accepting the terms offered by the consolidated properties included in the Carbide merger. Sears-Roebuck broke 6½ and Prest-O-Lite 7¼, Paperboard, Montgomery Ward and Diamond Match 3½ points.

Curb Trading Restricted

Unlisted stocks on the Chicago curb did not follow listed markets in their downward course. Trading was rather re-

Bank Investments

We offer at all times a carefully selected list of short term securities maturing in from one to five years, and longer-term bonds with established markets, which we recommend as suitable for the investment of bank funds.

Lee, Higginson & Co.

The Rookery
Boston Chicago New York

stricted, but sales were effected in most cases at slight concessions under prices of a week ago. Moline plow preferred changed hands at 97½, closing 97 to 98. Avery common was offered at 90½, and the preferred at 97 to 98. Emerson Brantingham preferred was in fair demand at 42½, with light offerings at 44. Kellogg Switchboard and Supply declined about three points to 273. Inland Steel sold at 200, and closed 198 to 202. Butler Brothers changed hands at 198, closing at this price bid, and 201 asked. Cities Service common sold at 250; Standard Gas and Electric preferred was offered at 34½; United Light common at 37; and Middle West Utilities preferred sold at 69 and 68½.

Booth Income Wanted

At the end of 1916, when Booth Fisheries earned net \$1,659,295, it was supposed that with the largely increased capacity then under way that company might, in 1917, earn \$2,500,000. Basing net returns for the remainder of the year on what was done to the middle of the current month the net result should be between \$3,500,000 and \$4,000,000 or above 12 per cent. on the common stock. The business of the company fully requisitions the enlarged capacity. Much more could be done if there were facilities for doing it. The demand for sea, lake, and river foods is increasing by leaps and bounds, at a time when animal food becomes dearer and less accessible. The directors declared the regular quarterly dividends on the stock as follows: \$1.75 per share to the holders of preferred stock and 50c per share to the holders of common stock, both payable October 1, 1917, to stockholders of record at the close of business September 20, 1917.

Corn Products Earns 23 Per Cent.

Despite the fact that the plants are running at only about 60 per cent. of capacity at present, Corn Products Refining is expected to close the year with the best record in its history and earn approximately \$11,500,000, or slightly over 23 per cent. on the common stock.

Halsey, Stuart & Co. offer at a price to yield 4.50 per cent. State of New Mexico Public Defense six per cent. certificates of indebtedness dated May 1, 1917, and due May 1, 1919.

E. H. Rollins & Sons and the National City Company offer on a 4.80 basis \$1,000,000 five per cent. bonds of Pierce county, Washington, in which the city of Tacoma is located. The bonds are for army post improvement and mature serially \$100,000 each year from 1928 to 1937, inclusive.

Butler Stock Amplified

Stockholders of Butler Brothers approved the directors' plan submitted July 17 to increase the capital stock from \$15,000,000 to \$20,000,000. Stockholders of record August 28, 1917, are entitled to subscribe and pay for at par an amount of stock equal to one-third of their holdings. The capital stock was increased from \$3,000,000 to \$4,500,000 in January, 1906. In January, 1910, it was increased to \$10,000,000 and last May an additional \$5,000,000 was issued. Of the increase of \$5,500,000 in 1910, \$3,150,000 was issued as a 70 per cent. stock dividend. Shareholders subscribed for \$2,250,000 at par and \$100,000 was sold to employes at a nominal figure. The \$5,000,000 increase made last May went to the stockholders, \$2,500,000 as a 25 per cent. stock dividend and \$2,500,000 at par.

Chicago stockholders in Texas Company are delighted with the earnings for the fiscal year ended June 30 of \$22,907,924, the largest in the history of the company, comparing with \$15,746,733, the best previous record, made in 1916. After all interest charges there will be a balance available for dividends of \$19,724,526, as compared with \$13,898,861 for last year. This is equal to 35.54 per cent on \$55,500,000 of capital stock outstanding, as against 37.06 per cent. on the \$37,000,000 of capital stock outstanding on June 30.

H. M. Byllesby & Co. have begun the sale of \$118,900 worth of seven per cent. cumulative preferred stock of the Ottumwa Railway & Light Company to customers of the utility company. The securities of Byllesby properties have been sold under the customer-ownership plan in more than 100 communities and the plan is to extend the scheme to every city served. Nearly 5,000 customers of the utilities in this group have become owners of their securities.

Middle West Utilities Company declared a dividend of 50 cents in cash and \$1 in common stock per share on the common stock, payable October 1, to stockholders of record September 15, the cash dividend covering the quarter ending August 15 and the stock dividend covering the half year ending August 15, 1917.

Permanence

When you invest your money in bond or mortgage securities, you have a right to expect complete service throughout the life of your investment.

This you can assure yourself only by dealing with a house of established reputation and permanence.

Wells-Dickey Company has been in business for thirty-nine years and owes its success primarily to the painstaking attention given the interests of its clients. It is an investment organization whose permanence is independent of the fortunes of any individual. Its entire capital and surplus of over \$1,000,000 stand as a guarantee of its promises.

Wells-Dickey Company

Established 1878

McKnight Building

Minneapolis

Continental and Commercial National Bank

OF CHICAGO

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

ARTHUR REYNOLDS, Vice President
RALPH VAN VECHTEN, Vice President
ALEX. ROBERTSON, Vice President
HERMAN WALDECK, Vice President
JOHN O. CRAFT, Vice President
JAMES B. CHAPMAN, Vice President

GEORGE M. REYNOLDS, President
WM. T. BRUCKNER, Vice President
JOHN R. WASHBURN, Vice President
WILSON W. LAMPERT, Cashier
HARVEY C. VERNON, Assistant Cashier
GEORGE B. SMITH, Assistant Cashier
WILBER HATTERY, Assistant Cashier

H. ERSKINE SMITH, Assistant Cashier
DAN NORMAN, Assistant Cashier
GEORGE A. JACKSON, Assistant Cashier
JOHN F. CRADDOCK, Mgr. Credit Dept.
JOSEPH McCURRAUGH, 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

REYNOLDS FACES AHEAD—OPTIMISTIC

Chicago, September 4—George M. Reynolds, president of the Continental and Commercial National Bank, is courageously optimistic on the general outlook and believes in the ultimate success of the United States in spite of the big tasks before it. "The business man is facing ahead, making due allowances for the many uncertainties with which he is beset, and, in so far as he can, is preparing for anything that may transpire," he said. "Whether his profits are curtailed and his taxes hoisted and the uncertainties extended by the tiresome delays in legislation at Washington, I nevertheless have every confidence that the ingenious mind and resource of the business man may be relied on to bring everything out all right.

Victory is Expected

"We are all now headed for one thing, victory. While the risk of the man who goes to the battlefield is undoubtedly the greatest of all, nevertheless we know that the war must be won by the forces back of the line. We must keep our fighting men supplied and supported in every way in order to make our forces effective.

"This is no time for quibbling or questioning, no time for crimination or recrimination. We have one end in view and nothing short of it will satisfy us. No matter how great the sacrifices in any or all directions, the business of the United States now is to win the war. There is no good reason to doubt that we will win it."

Farm Loans Lack Practice

According to views expressed by state bankers, operation of the Federal land banks appears to be stimulating rather than retarding investment interest in farm mortgages. The new government banks are working ponderously and at many disadvantages. In sparsely settled communities where the mortgage rate has been from eight to 10 per cent., the new banks have forced a reduction in rates. In such communities the dealer is now charging from six to seven per cent. while the Federal bank charges five. Farm mortgage bankers believe the new act will be amended and improved in the light of experience, as was the Federal reserve act, and that ultimately it will serve all the purposes for which it was intended. Not a farm loan association has been organized in Iowa, northern Illinois, or similar territory.

Higher Money Expected

Bankers anticipate still firmer tendencies for money in Chicago, in view of the rise in call money rates in New York. Rates continue to develop firmness and reached a market stage where five per cent. is a minimum given to important borrowers. The bulk of loans are being made at 5½ per cent., with small loans at 5¼ and six per cent. Commercial paper is moving in larger volume at five per cent., but the demand is almost entirely from country banks. These are always large purchasers of paper when the rate is high enough to warrant the expenditure of reserve city balances for the purpose. The demand from the country is spotted, however. Some communities are well supplied with cash and are larger borrowers than usual. Chicago banks report an average increase of 10 per cent. in their country bank loans, as compared to a year ago. The borrowing is principally from harvesting regions, and from sections in which cattle feeding is to be financed.

Clearings of Chicago banks last week amounted to \$451,579,172 compared with \$390,220,970 for the corresponding week of last year, an increase of \$61,358,202, or 15.72 per cent. This is the smallest increase reported for some time. Total clearings for the eight months ended August 31, showed an increase of \$3,716,859,332, or 28.87 per cent., as compared with the same period of last year. The comparative figures follow:

	1917.	1916.
January	\$2,083,813,393	\$1,528,456,407
February	1,742,451,867	1,435,476,210
March	2,217,919,419	1,731,134,745
April	2,112,310,980	1,540,234,921
May	2,211,075,057	1,691,283,788
June	2,117,698,672	1,625,375,273
July	2,078,436,174	1,625,375,273
August	2,027,259,654	1,697,059,267
Total	\$16,591,265,216	\$12,874,405,984

Business Hesitates in Chicago Reserve District

The weekly statement of condition of the Federal Reserve Bank of Chicago presented a new item, one for \$5,640,884 as the amount due to nonmember clearing banks. This is due to the new plan by which clearing house balances are paid by check through the Federal Reserve Bank. United States government deposits held by the bank gained more than \$7,000,000. The bank reports business conditions in the seventh Federal reserve district, for August as follows: "Business is showing some hesitation, as many buyers wish to await the outcome of legislative and regulative measures now under consideration. The question of excess profit taxation and price fixation is constantly before manufacturers and business men, and when a definite policy has been determined there should be a renewal of activity, as basic conditions are generally sound and the crop prospects are excellent. Banks are able to use their available funds in legitimate channels at firm rates and borrowing customers are making their arrangements to care for their financial needs. There is a strong call for agricultural implements, owing to the labor shortage, high prices of grain and demand for increased production."

Low Market Invited

"Business was stimulated by the placing of government contracts in August," said James B. Forgan, chairman of the board of directors of the First National Bank of Chicago, upon his return from a vacation. "The present firmness in time money rates is likely to continue through the autumn. Owing to the more remunerative rates for money, banking rates are now very satisfactory."

David R. Forgan Invites Praise

David R. Forgan, president of the National City Bank, said: "The investment market is full of bargains, but the demand is lacking. The public is timid and apparently unwilling to make commitments, pending the development of war taxation and announcement of the government's borrowing demands."

Harry A. Wheeler and Cyrus McCormick, Jr., resigned as president and secretary, respectively, of the citizens' war board because of stress of other duties. George M. Reynolds, president of the Continental and Commercial National Bank, was elected president and Ira C. Darling, president of the Bartholomay-Darling Company, secretary.

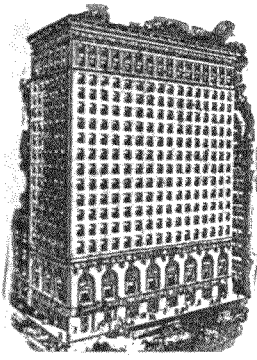
The Corn Exchange National Bank

OF CHICAGO

Capital
\$3,000,000.00

Surplus
\$5,000,000.00

Undivided Profits
\$2,220,000.00



ERNEST A. HAMILL,
CHARLES L. HUTCHINSON,
DOM A. MOULTON,
OWEN T. REEVES, JR.,
J. EDWARD MAASS,
FRANK W. SMITH,
JAMES G. WAKEFIELD,
LEWIS E. GARY,
EDWARD F. SCHOENECK,
NORMAN J. FORD,
JAMES A. WALKER,
CHARLES NOVAK,

President
Vice Pres't
Vice Pres't
Vice Pres't
Vice Pres't
Secretary
Cashier
Ass't Cashier
Ass't Cashier
Ass't Cashier
Ass't Cashier
Ass't Cashier

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CHARLES H. HULBURD
CHARLES L. HUTCHINSON
MARTIN A. RYERSON
J. HARRY BELZ
EDWARD A. SHEDD
ROBERT J. THORNE

FOREIGN EXCHANGE
LETTERS OF CREDIT
CABLE TRANSFERS

John Fitzpatrick, Marquis Eaton, Frank Baackes, Cyrus M. McCormick and Simon O'Donnel were elected directors.

Ranney Out of Milwaukee Road

F. G. Ranney, for 30 years treasurer of the Chicago, Milwaukee & St. Paul Railway, has been placed upon the retired list and will be succeeded by Archibald G. Loomis, who brings to the road the fruits of a wide and successful banking experience. He has been president of the Aetna National Bank of Hartford, Conn.; vice president of the Union Trust Company of Providence, R. I.; and vice president of the National City Bank of New York.

W. G. Edens of the Central Trust Company delivered the principal address yesterday on the occasion of the unveiling at Galesburg, Ill., of a memorial to P. H. Morrissey, for many years chief of the Brotherhood of Railway Firemen, in which organization he once was an associate of Mr. Edens.

Higgins Is Jumped

E. F. Higgins, who has been first assistant to Sherill Smith, chief national bank examiner of the Chicago Federal reserve district for three years, has been appointed a chief examiner according to Washington dispatches. He will have jurisdiction in the fifth district with headquarters at Richmond, Va., and succeeds the late Thomas P. Howard, killed in an automobile accident. Mr. Higgins has been connected with the examining department of the Comptroller's office for a number of years, and for the last three has been located in Chicago. His experience in the Chicago district, the second largest in the country, has well fitted him for his new responsibilities.

INCOME TAX PAYS \$359,647,971 TO UNITED STATES

Washington—Individuals and corporations throughout the country paid the government \$359,647,971 in income taxes during the last fiscal year, the preliminary report of Commissioner of Internal Revenue Osborne shows, the sum being almost equally divided between corporations and individuals. The exact returns show: Corporation, \$179,539,631; individual, \$180,108,340.

Returns by individuals were made to the government as follows:

Taxes accruing prior to January 1, 1916: On incomes up to \$20,000, \$7,700,990; from \$20,001 to \$50,000, \$529,375; from \$50,001 to \$75,000, \$389,683; from \$75,001 to \$100,000, \$89,856; from \$100,001 to \$250,000, \$1,206,634; from \$250,001 to \$500,000, \$839,410; above \$500,000, \$1,034,838; offers in compromise \$230,465. Total, \$12,321,251.

For the calendar year of 1916 under the amended act:

On incomes of less than \$20,000, \$55,742,231; from \$20,001 to \$40,000, \$6,969,052; from \$40,001 to \$60,000, \$6,493,954; from \$60,001 to \$80,000, \$6,071,465; from \$80,001 to \$100,000, \$5,730,102; from \$100,001 to \$150,000, \$11,099,322; from \$150,001 to \$200,000, \$8,189,596; from \$200,001 to \$250,000, \$6,241,807; from \$250,001 to \$300,000, \$5,196,877; from \$300,001 to \$500,000, \$12,969,868; from \$500,001 to \$1,000,000, \$14,501,214; from \$1,000,001 to \$1,500,000, \$7,531,894; from \$1,500,001 to \$2,000,000, \$4,888,040; above \$2,000,000, \$16,145,856; offer in compromise, \$15,994. Total, \$167,787,089.

New York, as expected, remained far in the lead of all other states.

Among other states the returns show, respectively, corporation income tax and individual income tax, as:

Minnesota, \$4,618,464, \$1,814,431; Illinois, \$14,359,537, \$11,739,952; Iowa, \$1,252,297, \$555,247; Michigan, \$6,565,768, \$3,627,884.

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

Accounts of banks and bankers received upon favorable terms.

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

Seek Better Rate for Exchange on U. S.

New York—The National City Bank in its September bulletin comments upon the fact that notwithstanding that the balance of trade between this country and the rest of the world for the fiscal year ended June 30 reached the enormous total of \$3,635,000,000, exchange on the United States is now at a discount generally in all neutral countries. The explanation for this is to be found in the relations between the dollar and the pound sterling, says the bank, which proceeds to point out that extraordinary efforts had been put forth to sustain sterling exchange in this market.

"The British Government," it says, "has bought or borrowed American securities from its citizens on a great scale, which have been sold or pledged in this country, borrowed heavily, and shipped enormous amounts of gold to New York for this purpose, and the exchange rate has been stabilized within about two per cent. of the parity. For various reasons it has not been so well sustained in other markets, with the result that exchange dealers in Madrid, Yokohama, and other financial centres have sold sterling exchange in New York not only to settle any indebtedness those markets might have to this country on direct trade, but in large additional amounts. In short, this being the best place to realize on sterling exchange, it comes here from all quarters. Any restrictions which London may place upon gold exports to other countries are evaded by selling sterling in New York and taking gold from here."

This proceeding has not been pleasing, the City Bank says, either to London or New York. The former is anxious not only to sustain the rate of exchange with New York, on account of its great purchases here, but to keep this money market easy to facilitate its borrowing. The leakage of gold from here counteracts its efforts. On the other hand, neither the Treasury authorities nor the bankers of this country relish having this country's gold stock drawn on to settle the trade balances of Great Britain.

The City Bank declares that, while no country likes to put restrictions on the free movement of gold in the exchanges, in time of war it is entirely proper to refuse to allow it to be taken out of the country. It also suggests that, in view of the fact that Great Britain has approved of gold exportations direct from the United States to India, our Government avail itself of the opportunity of relieving itself of its great store of silver, amounting to more than \$400,000,000, which lies in its vaults.

Discussing the gold movement, the bank says

"Shipping conditions in themselves, with high insurance rates, have tended to hold the export movement in check and to raise exchange rates, and in some instances even the country to which gold was shipped has discouraged the movement on the ground that its gold stocks were already ample and that more would aggravate the state of inflation already existing. The Scandinavian countries were the first to adopt this policy, nearly two years ago, and the Bank of Spain is now discounting American gold coin about six per cent. Furthermore, the leading banking institutions of this country for public reasons have declined to participate in gold shipments from this country. Although there was a handsome profit in such transactions, they have held that it was in the public interest at this time to discourage gold exports and compel the settlement of international transactions by other means.

"Parties who have not understood the situation have complained of this attitude on the part of the banks, and have conducted an agitation in favor of having the reserve banks take over the foreign exchange business to facilitate the operations of merchandise importers, but the reason for the attitude of the bankers has been well known to the reserve banks and the Government authorities.

"The Treasury and reserve banks have no option, however, under the law, but to pay gold upon the presentation of paper money redeemable in gold, and under this condition, and with the opportunity open for profit, it was inevitable that gold would go out, and it has been moving in increasing volume, the exports for May and June being \$57,697,419 and \$67,164,268 respectively, the most noteworthy movements being to Spain and Japan."

NEW OFFICER FOR CHEMICAL NATIONAL BANK OF NEW YORK

New York—Colonel Percy H. Johnston, vice president of the Citizens National Bank of Louisville, Ky., has been elected first vice president and director of the Chemical National Bank of New York. Colonel Johnston fills the vacancy created by the recent election of vice president H. K. Twitchell to the presidency, following the death of president Joseph B. Martindale. Colonel Johnston was a national bank examiner before he became vice president of the Louisville bank. He is well known in banking circles all over the country. He organized the Banking Department of the State of Kentucky some years ago and refused to accept compensation for the work. The Governor, however, induced him to accept the appointment of colonel on his staff.

IRVING NATIONAL BANK OF NEW YORK INCREASES STOCK

New York—Stockholders of the Irving National Bank have voted to increase the capital stock of the bank from \$4,000,000 to \$4,500,000. The new stock will be sold at \$150 a share, and the privilege of purchase will be offered to stockholders of record September 4, and it will expire on October 4. The increase in stock is one step in the joint stockholding arrangement which has been entered into between the Irving National Bank and the Broadway Trust Company.

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NATIONAL CITY BANK OF NEW YORK ESTABLISHES INDUSTRIAL SERVICE DEPARTMENT

New York—The National City Bank of New York has established an industrial service department, the purpose of which will be to help its patrons to solve their industrial problems. The department has been placed in charge of Vice President F. C. Schwedtman, who has had much experience in industrial management.

"There are many signs," says the bank's announcement, "which indicate that production in all the industries is going to be more scientifically conducted in the future than it has been in the past. Industries are not going to grow up quite so much at random or be managed quite so much by rule-of-thumb as heretofore. They will be more carefully located, methods will be more generally standardized, relations with employes will receive greater consideration, and from the beginning of the process to the end every detail will be studied to obtain greater efficiency. Many of our manufacturers have been making good progress along these lines, but the investigations of the Federal Trade Commission show that, taking the whole body, there is vast room for improvement, even in the matter of calculating costs. A majority of them, according to the commission, lack an adequate system of cost keeping."

According to the bank's announcement, the war is causing an increase in our industrial capacity, and it will be a problem to keep this capacity employed when the war's demands fall off and the first urgent peace demands are satisfied.

"We must be able to hold our own in competition with other countries," the announcement says, "and, furthermore, we must understand that the home demand for everything can be increased by reducing the cost. If everything we consume were halved in price we could buy twice as much provided the reduction was accomplished by a corresponding reduction in production costs."

To be well informed about a manufacturing business there is much that a banker ought to know beyond the amount invested in it, or even the "quick" assets shown by the inventory and past profits shown by earnings statements, and it is for the purpose of making it possible for bank officials to be informed of the facts that the bank has determined to establish its "service department."

NEW LIBERTY LOAN DRIVE PROBABLY TO START OCTOBER 1

Washington—The opening of the next Liberty loan campaign has been set tentatively by the Treasury Department for October 1 to November 1.

The amount, interest rate, denomination and other details will be announced after Congress disposes of the pending bond bill.

Indications are that the next offering will approximate \$3,000,000,000.

Under the war revenue bill, passed last April, \$7,000,000,000 was made available for expense of floating \$5,000,000,000 in bonds and \$2,000,000,000 in short term certificates of indebtedness. It is reported that about half already has been disbursed.

Mr. McAdoo appealed to Liberty loan committees to perfect organization and prepare for the next campaign by getting in touch with the Federal reserve banks.

Regarding newspaper advertising, he said:

"There seems to be an impression that the Treasury Department in the first Liberty loan campaign applied for free advertising or paid for advertising in some papers and not in others. The Treasury Department did not, as it realizes the newspaper's only profitable commodity is advertising space, especially now in view of the high cost of print paper.

"Newspapers and press associations loyally cooperated with the government in the first Liberty loan. News and editorial columns were devoted most generously. They carried its message into every home and deserve great praise for their service of patriotism.

"This information was given to them in the most com-

prehensive form possible and the newspapers and press associations have the satisfaction of knowing that they contributed immeasurably to the success of the loan. Success could not have been accomplished without their aid and cooperation. I have no doubt that the government will have the same genuine support in the second issue.

"The question of paid advertising presents a serious problem. The value of such advertising cannot be doubted, and if the operation could be governed by the same considerations as those which determine the action of private enterprises it would be much simplified. The government has to treat all alike."

KANSAS PROPERTY VALUES INCREASE 82 MILLIONS

Topeka, Kan.—Kansas property values jumped \$82,000,000 in the last year. The state tax commission has completed the equalization of the property valuations of all the counties in the state.

The total was \$3,063,498,334 for all classes of property, public utility, real estate and personal. Last year the total was \$2,980,894,637. The big increase came in the personal property items.

The commission announced the state tax levy for this year at 1.45 mills. A year ago it was 1.3 mills. The increased levy amounts to 15 cents increased state tax on each \$1,000 of property in the state. The levy will raise \$4,442,072, almost the limit allowed by the legislature. A year ago the total tax for state purposes was \$3,880,011.

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Banker—age 38, with fifteen years of country and Minneapolis bank experience in managing capacity, wishes to become associated with high grade company or individuals engaged in country banking. About three quarters of a million deposits added to banks managed; no losses. Clean record. Fully competent to assume supervision of a number of banks. Will invest. Services available at once. Address "Y24" Commercial West, Minneapolis.

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FINANCING THE GREAT WAR

William T. Abbott, Vice President of the Central Trust Company of Illinois, Chicago, Before American Health and Accident Underwriters Convention

When a great nation goes to war for a righteous cause, it should go to it in a manner worthy of its power and prestige, and not as if it were kicked, cuffed, and driven into it like a performing dog in a circus. We and our allies must hang together or we will walk the plank alone when a pirate ship is in sight.

Money talks, and its voice is most effective when speaking from the mouth of a cannon aimed at a murderer on land and a pirate upon the high seas. The lives behind the cannon are those of our sons and brothers. The cannon that brings liberty to democracy and the freedom of the seas to peaceful commerce must be loaded by your money and my money, freely given now. The alternative is giving it under compulsion to a German tax collector for years to come.

Why this nation is in the war and what are we individually going to do about it are the two questions that have absorbed all our attention for months. We felt the confusion and chaos and desolation of the war long before we grasped its purposes and inner meaning. This may be the last day, the last hour, in which we may consider these questions from the standpoint of intelligence alone.

Even today we sing no hymn of hate, although roused to righteous wrath. When the actual sound of the guns is in our ears, when American blood has begun to flow, when the flame of burning homes is in our hearts, intelligent consideration will give way to passion, anger, and to hatred, and the tide of emotion will carry the nation on.

We go into the war with reason and intelligence and from a sure instinct that a victorious Germany would not be a safe victor for the United States. Let us hope we are not too late. We must demonstrate that a republic can speed up when it is once started right.

Any nation which has great commercial prosperity and no ideals will sooner or later have the heel of the conqueror upon her neck, and a nation which can and yet will not give that protection to its citizens is unworthy of respect abroad or obedience at home.

But the government is only an aggregation of individuals. In a republic it can act only as the individuals composing it act. Behind the government must be the whole heartedly open purse of every man whose age, calling or physical condition compels him to remain at home. No sacrifice of life, property, or personal ambition is too great to win a war in which the right to exist as an independent self governing body of people is at stake.

War Expense is Enormous

The expense of modern warfare is beyond human conception. Money, machinery, and food will ultimately turn the tide of this conflict. Every soldier of our army is withdrawn from the ranks of productive work. Those soldiers must be fed, clothed, equipped with arms and ammunition, vast numbers of ships provided for their transportation over seas, and ships of the air to watch and advise their movements.

All these cost money. The providing of that money is the duty of everyone not on the fighting line. We can't win this war by hurrahing at the office window when the procession goes past. It is not enough of a contribution to wave a little flag and sing loudly the half stanza we know of the Star Spangled Banner.

Sources of Revenue

A government has two sources of revenue, the collection of money immediately by taxes, or borrowing. In the latter case, the loan is to be repaid out of taxes levied

in the future. Some maintain that this government's war expenses should all be financed by the immediate collection of taxes. These are largely the same people who foolishly contend that the war was deliberately brought on by the so-called "moneyed classes." Both claims are too silly to be dignified by argument.

It is proper that part of the money should be raised by taxes, and even more suitable that a large portion of the burden of such taxes should be borne by those who have made extraordinary profits out of war conditions of the last three years. But there is a point beyond which taxation cannot safely go, and the present schemes of taxation stop little short, if at all of that point. To tax any industry this year to such an extent as to interfere with the productive capacity and actual work of that industry next year is as foolish and financially suicidal as to take from the miner his pick, from the factory workman his tools, or from the farmer his plow, his harvester, and his next year's seed.

Use Industrial Plan

The truth is that a government's expenses involved in conducting a great war can properly be financed only in the same way as the great industrial works of peace. A great factory, a railroad, or the various public utilities furnishing transportation, light, and heat to the people, all these are necessarily financed by bond issues.

The owners of property (the stockholders) contribute their available capital. This corresponds to the government's immediate collection of taxes. The remaining funds necessarily are borrowed upon the security of the company's property and are paid back out of the future earnings of the property; that is, out of the payments made by their customers for the facilities furnished 10 years and 20 years hence. No one would think of undertaking to finance any public utility or great manufacturing or mercantile enterprise in any other way.

The Consumer Pays

A more simple illustration ought to suffice for the farmer who does not understand why the government should borrow money and thus, as they say, saddle the expense on the future. A farmer does the same thing when he adds a 40 acre tract to his farm, the purchase price of which is \$6,000. He pays down \$1,000 and gives his note, secured by mortgage running for five or more years, for the balance. Who then pays the debt? The farmer says "I pay it myself."

It is true his labor produces what pays it, but the real individuals who contribute the money for the purchase of the corn and cattle and hogs from that farmer are the ones who pay off the mortgage. No matter how hard the farmer works, it never would be paid off if he did not sell the product of his toil.

Benefits Next Generation

In all these cases, the next generation is asked to pay only for something of which it receives the benefits. The future user of the public utility, the future consumer of the products of farm and factory, pay for the benefits they receive and thus contribute to the present cost. It is only good business to let the next generation share in the money cost to which the present adds the sacrifice of life and personal ambition. The future benefits will be greater than the present.

A new loan is announced by the Treasury Department, of which no details are as yet given out. It may be assumed that the amount will be larger than the last and

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probably the rate of interest higher. The campaign of last spring was undertaken with a laudable purpose. The entire issue of \$2,000,000,000 could easily have been underwritten by the great bankers, insurance companies and trustees of large estates who are constantly seeking that kind of investment, but it was desired to make the loan a popular one.

As an investment it should have made, as it did, a plea to two classes of investors. Being free from the income tax, it was, notwithstanding its low rate of interest, an attractive investment to the very wealthy, bringing an interest return substantially equivalent to railroad and public utility bonds bearing theoretically a higher rate of interest.

It appealed also to those who, no matter what their industry, had no inducement to save because of the lack of a safe investment for a few hundred dollars and who consequently fall a ready prey to every promoter and blue sky operator.

Bonds Will Sell at a Premium

The campaign had a further object, and what was said then will be as true of the next loan. Within six months after a victorious termination of the war, these bonds will sell at a premium and yield a profit to their purchasers. The bonds of this government have always sold at a premium before the maturity and practically regardless of the interest return. This has been so thoroughly explained that no farmer or small investor in the cities ought ever to be heard to squeal that this valuable investment was gobbled up by the insurance companies and banks and the poor man had no chance at it. Every one had an opportunity to subscribe to the first loan. It will not be from lack of knowledge if he neglects the next opportunity. The most expensive operation on earth is the punishment of brutal inhumanity entrenched behind a generation of financial and military preparation.

Beyond the Mind's Grasp

These figures seem stupendous; they are indeed beyond the grasp of the human mind. Such a debt under other conditions spells both national and individual ruin. But,

fortunately, conditions are such that this loan and the next and others to come can be accomplished without unduly mortgaging our future, and with only slight disturbance to business.

We must remember first of all that not a dollar received by the government from the purchase of these bonds goes out of the country—it is all spent here—and by going into circulation and re-circulation actually increases the activity and gross returns of normal business. This is true whether the money is used in supplying food, equipment and ships to our own soldiers, or is loaned to our allies. In the latter case, it is loaned to them only to pay for things which they have purchased and will purchase here.

Without Increase of Medium

We must remember also that this enormous financing is accomplished without any great increase in the circulating medium, without the consequent inflation and still higher and higher prices which would follow an increase in the money supply. It involves only a shifting of credits.

Suppose A subscribes through his bank for a \$1,000 bond. He pays the bank by his check; this means that on the books of the bank his account is charged with the amount and the United States Government is given credit for it. The amount remains to the credit of the Government until it checks against it to pay for wheat, clothing, meats and munitions.

The people from whom these things are bought in turn pay it out for the wages and raw materials of their respective industries, and in due course it is re-deposited in the banks and no actual currency is passed at all. No money is really involved except the cash reserve required to be kept against the deposit in the banks, and that is not increased because at all times the net deposits have remained the same.

Loans From Savings

The money loaned to the government is from the savings of somebody, either that which this generation is willing to save from their own expenses or out of the surplus they

HOW ABOUT YOUR MINNEAPOLIS ACCOUNT?

If you are considering making a change
or opening an additional account
CONSIDER

THE SCANDINAVIAN AMERICAN NATIONAL BANK MINNEAPOLIS

now have due to their grandfather's savings and thrift. It would be most unwise to withdraw largely from the savings banks to invest in these bonds.

Banks are organized primarily to extend credits necessary for the development of industries in their respective countries, and to the extent that savings deposits are withdrawn for investment in bonds, the ability of the banks is crippled to perform their usual functions, or to assist a greater number by supplying credit which may be used in part for the payment of bonds.

Need Not Mortgage Future

It is true that the expenses of the war for at least a year to come, even including liberal loans to our allies, can be met without mortgaging our future. The natural increase of the wealth of this country is estimated at from \$40,000,000,000 to \$50,000,000,000. Let us take the more conservative figure.

This does not mean that \$40,000,000,000 is available for investment in government bonds—that is only the portion of that increase which is represented by movable capital or profits, as opposed to fixed capital or that invested in buildings, machinery, and inventories of raw materials.

Available Without Sacrifice

If we assume that the actual profit on any commodity of farm or factory or mine, forest or sea, is 25 per cent., including the original producer and the several middlemen who handle it, there is thus an addition to the profits or movable capital of the country every year of at least \$10,000,000,000. This amount is available for investment in some form without sacrifice of business requirements or anything except unnecessary luxuries.

In the total amount, our previous war loans seem utterly insignificant. Relatively, the debt now incurred will not be as great as in the time of the Revolution, when the Continental currency and credit were so depreciated that it took \$40 in paper money to buy a dollar of silver. The Civil War debt reached its highest point—\$2,846,000,000—in September of 1865, and had been reduced by 1893 to \$834,000,000.

A debt is to be estimated, not by its actual size, but by the relation between it and the wealth or resources of the debtor. A debt of \$1,000 will bankrupt a man who is worth \$900, and to a man worth a million it would be negligible. A debt of \$8,500,000,000 at the present time amounts to about \$83 per capita of our population, or practically the same as at the close of the Civil War.

But the real comparison should be on the basis of the national wealth. In 1865 the per capita wealth of the nation was only about \$600, against which we owed \$83, or about 14 per cent. With liabilities of only 14 per cent. of our assets, we were certainly solvent, as subsequent events proved. At the present time, the per capita wealth is at least \$2,000 and probably much more, against which we have only the same indebtedness of \$83, or only a fraction above four per cent. Our present debt therefore, in proportion to our resources, is less than one-third what it was in 1865. With all this \$7,000,000,000 loan, our liabilities will be only about four per cent. of our assets.

Your ability and your willingness to invest in these gov-

ernment bonds should be considered from the standpoint of an investment and a patriotic duty. A person making an investment either out of his surplus, or even with partly borrowed money, looks for an investment which (a) carries a fair rate of interest return; (b) is readily convertible—that is, can be readily sold in the market or used as collateral for borrowing additional capital; and (c) insures the certainty of return of principal, or that it shall be so well secured that the question of ultimate payment or refund is of no consequence.

It was the intention to make this issue bear a rate of interest high enough to offer a reasonable return in view of the convertibility and safety of the principal, but not so high as to create an inducement for the withdrawal of savings deposits from banks, or as to bring them into competition with railroad, public utility, and industrial bonds all of which necessarily bear a higher rate of interest; and the successful conduct of all those activities is just as necessary to help win the war as is the making of munitions.

Will Equalize Rate

The difference between the first and second loans in their rate of interest will be equalized by making the new loan subject to tax, except the normal income tax. This will increase the income of the small investor who pays only the normal, or no tax at all. The burden of the taxation attaching to the new issue will fall only upon the large investor. The purchaser of these bonds can at any time turn them into the banks at substantially their full value, or borrow at least 90 per cent. of it, and the banks have demonstrated that they were never so able and so willing to assist in government financing as in this last loan.

Is Absolutely Safe

We come then to the question of security. If this investment is not amply secured, is not absolutely safe, then nothing in the world is safe. The only thing which can ever destroy their value would be a successful German invasion of the United States, our becoming a German colony, and a repudiation of this debt. If that time comes and the value of these bonds are destroyed, then everything is gone—there is no safety vault that will hold your valuables; there is no cyclone cellar that will shelter your sacred persons.

Must Make Our Choice

We have before us the choice of paying our money voluntarily for the relief of suffering and the successful prosecution of the war and getting back our investments with a good profit, or paying it in taxes to a German collector and see it gone forever.

Must be no Delay

We must not be misled by promises, by hints of peace from German sources as false and treacherous as every word they have uttered for years. If we abate in the slightest degree or for one moment our preparations, military, industrial, and financial, if we neglect to give the last ounce which is necessary to turn the scale in favor of our allies, we are missing the last chance at permanent and enduring peace.

The road to peace is through an unprecedented response

The Country Banker and His Minneapolis Account

The Progressive Country Banker does not limit his field of endeavor by depending entirely on local surroundings and conditions for his business. An account with a live and energetic City bank invariably leads to the further extension of his business. The acknowledged strength and character of the First & Security National Bank of Minneapolis should commend it to any Country Banker who is contemplating the opening of an account with a Twin City bank. A cordial invitation to you to call in person is extended and correspondence is invited.

First and Security National Bank

Minneapolis

Capital and Surplus
Ten Million Dollars



of the American people with their money, their property, and the sacrifice of their personal ambition, to back the government with unanimity and determination. You would give this money if asked. Why hesitate to lend it? Our allies have been fighting our battles for nearly three years. Their losses, their sacrifices, their heroism, their sufferings have been for us as much as for themselves.

SILVER PRODUCTION OF THE UNITED STATES AND THE WORLD

New York—The recent changes in the world's demand for silver and consequent advance in prices are of special interest to the United States, which is now the world's largest producer of silver. Prior to 1914 our neighbor, Mexico, produced more silver than did the United States, but at present our production of the white metal is double that of Mexico, and much greater than that of any other country.

A compilation by The National City Bank of New York shows that the silver production of the United States is now double that of Mexico and three times that of Canada, which holds third rank among the silver producing countries of the world. Of the 172,383,000 ounces of silver produced in the world in 1916 the United States produced 72,833,000 ounces or 42 per cent of the world's total, while 20 years ago, in 1896, we produced but 37 per cent. of the world production, which in that year was 157,061,000 ounces. In that 20-year period, 1896 to 1916, the production of the United States has increased about 14,000,000 ounces, while that of other parts of the world has increased but about 1,000,000 ounces.

The world's chief producers of silver are the United States, Mexico, Canada, Peru, Japan, Spain, Australia and Chile, in the order named, the United States having produced in 1915, for which figures of all countries are available, 74,961,000 ounces, Mexico 39,570,000, Canada 28,401,000, Peru 9,420,000, Japan 5,080,000, Spain 4,565,000, Australia 3,327,000; world total 179,574,000. In 1916, for which returns are not yet available for many of the smaller coun-

tries, the production of the United States was 72,884,000 ounces, Mexico 35,000,000, Canada 25,500,000, and the world's total 172,384,000 ounces.

In the distribution of our surplus silver a very large proportion goes to Europe, the remainder chiefly to the Orient. In the fiscal year 1916, the latest for which complete figures are now available, we exported \$53,172,000 worth of silver, of which \$41,032,000 went to England, \$8,240,000 to China and Hongkong and \$1,385,000 to South America. We also exported in that year \$6,420,000 worth of foreign silver, out of a total of \$34,154,000 worth sent to us chiefly from our near neighbors, Mexico, South America and Canada, part of it coming in the form of ore and a part as refined bullion. Most of this is sent to us because of our superior smelting and refining facilities, and also because the United States as the world's largest producer of silver has special facilities for marketing that product in other parts of the world. In the fiscal year 1917, for which 11 months' figures are now available, the value of silver exported was about \$75,000,000, slightly exceeding in value that of any earlier year.

World-production of silver has materially declined since the beginning of the war. The total output in 1913, the year immediately preceding the war, was 223,900,000 ounces, but dropped to 160,626,000 in 1914, 179,574,000 in 1915 and 172,384,000 in 1916, the decline occurring in countries other than the United States, our own production having been in 1913 66,802,000 ounces, in 1914 72,455,000, in 1915 74,961,000, and in 1916, 72,884,000 ounces.

Nearly one-half of the world's production of silver prior to the war was used in the arts and industries, the Director of the Mint having estimated the consumption for arts and industries in 1912, 97,000,000 ounces, out of a total production in that year of 224,000,000 ounces. At present, according to current reports, the countries at war are increasing materially their coinage of silver, partly to take the place of gold being withdrawn from circulation for other purposes, and in part to accompany the issues of non-metallic currency which have been made necessary by the demands of the war.

Farm Mortgages

This company is at all times in a position to loan money at going rates on improved farms in the better sections of the Northwest. We invite correspondence from bankers and others who wish to establish a permanent connection for marketing their loans.

Northwestern Trust Company

SAINT PAUL, MINNESOTA

CAPITAL AND SURPLUS \$1,100,000

OFFICERS

GEORGE P. FLANNERY,	President	EDWARD P. DAVIS,	Vice President
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F. R. CRANE,	Manager	Farm Loan Department	

MERCHANDISING OF INVESTMENT SECURITIES

H. B. Mulford of Ames, Emerich & Co., Chicago, Before Associated Advertising Clubs at St. Louis

In its broader principles, the merchandising of investment securities does not differ materially from that of any commodity for consumption. One meets in both the well known problems of wholesaling and retailing; of selling by mail order and by salesmen; of dealer cooperation; price maintenance and price cutting; advertising, etc. It is when the narrower ways and means of successful operation are considered that the distinction between security and other sales methods is emphasized.

The universal measurement of success or failure of a business is the profit and loss account. Let us consider several factors which make for profit or loss. The net profit on the turnover of the average investment banker in normal times probably rarely exceeds one per cent. This is in striking contrast with an average of approximately 20 per cent. to the retailer in many makes of automobiles, and 100 per cent. or more to the retailer in many objects of art, fine rugs, furniture, etc.

Less Than One Per Cent. of American People are Investors

The next most striking comparison in selling factors is that between the number of real investors in securities in the United States and the number of potential customers in any average line of merchandise. Presumably, 100 per cent. of the population of the country are potential buyers of clothing, food, shelter and house furnishings, and certain forms of amusement, and a somewhat smaller percentage are buyers of books, educational matter, and many objects of luxury. But only about 10 per cent. of the people of the United States possess savings pass books and the number of habitual investors in securities is probably somewhere between one-third and one-half of one per cent.

It will be seen, therefore, that in the very nature of present day conditions the profit to the investment banker comes not from a large volume of small transactions at a liberal percentage of profit, but from small profits on large transactions among a very restricted group of buyers with fairly frequent turnovers of capital.

Thus far there has been no royal road to greatly increased volume of investment business by means of trademark, appeal to appetite, etc. On the contrary, close personal touch of the salesmen has been essential to develop confidence and hold business, largely because people are secretive about their financial affairs. I know of nothing that requires greater circumspectness between salesman and customer. The confidential nature of this relationship is approximated only by that between the doctor and his patient, and the lawyer and his client.

At once there arises the question as to why there are not more customers of investment banking houses and why large volume of small transactions have not been built up instead of what might be considered a relatively small volume in large transactions.

The everyday habits of the people practically throughout the civilized world require, first, that they be fed, clothed, and comfortably housed. The natural inclination of the

young man upon reaching independence and marrying is to see that his home is comfortably furnished and his children well taken care of. The next stage in his course of progress, probably, is to become a house owner; then, he buys an automobile; finally, he comes to the stage where he realizes that something must be laid away for a rainy day and he is then in the frame of mind to consider securities. Every sort of psychological influence has been at work on him, through advertising, through habits, and through desire to emulate his neighbors, leading him to dissipate rather than to conserve a surplus from his income. In marketing conservative investments there is not left even the argument of profit to the investor, for this appeal would be misleading where safety is the matter of first consideration and fair income next.

It follows logically, therefore, that the big, persistent customer should be sought after by the investment dealer rather than the small, casual investor. If further reasons are desired, consider these:

1. Figure for yourself the cost of selling a \$100 bond to a buyer ignorant of all financial matters. Ordinarily, such a buyer should have a very conservative security on which the gross profit might be between one and two dollars. This profit would be offset entirely by the cost of the salesman's time in selling the bond.

2. The name of such an investor on a mailing list, if properly taken care of, including overhead expense for rent, waste in circularizing, etc., will cost approximately a dollar a year.

3. A small investor is generally more bother than a large one. Moreover, a salesman actually can much more quickly make a \$10,000 sale than a \$100 or \$1,000 sale.

4. The small investor entails, both relatively and actually, greater overhead expense as the volume of such business increases, and thus far there has been no means of educating people fast enough to cut down overhead expense so as to make it profitable to sell in such small units.

What are the results of these several actual conditions upon advertising?

Investment Advertising in Process of Evolution

Investment advertising is now in process of evolution. We are witnessing in this field much the same groping and stumbling that have marked the transition from "snappy copy" to sound merchandise analysis in the broader fields of general advertising during the past 10 or 15 years. The commercial advertiser, as distinguished from the investment advertiser, is not conscious of the progress being made. He feels that banking ethics prevents any growth in investment advertising; that the investment banker is afraid to put "punch" into his work. This impression continues to gain ground largely because the commercial advertiser has not understood the line of least resistance in the investment business.

Generally speaking, there have been no very well defined laws to follow in developing a definite ratio of profits

Do You Need Hay

in your vicinity for your farmers and stockmen?

We are in touch with Banks and Bankers where a surplus of Hay exists. We will be glad to furnish this information on request.

We want our services to be such that your farmer and stockman can keep his live stock, and not have to sell on account of shortage of feed.

We loan money to help raise CATTLE and SHEEP.

Stock Yards National Bank
St. Paul Cattle Loan Company
 SOUTH ST. PAUL, MINNESOTA

to investment advertising costs. Psychology of appeal has largely been casual or accidental, rather than planned. Very few investment bankers have worked out systems for analyzing costs of, and returns from, their publicity appropriations and, in a more striking degree, they have not generally made their appropriations contingent upon such analyses. Notwithstanding this situation, I am a firm believer in the general proposition that the publicity appropriation of a banking house can be made definitely and traceably productive, because occasionally individual methods of banking houses in certain phases of their merchandising by publicity stand out as remarkably profitable. Because of this, I repeat that this general type of advertising is gradually evolving into something which in time will be systematic and scientific.

Indeed, at present there are certain distinctions in investment copy and methods which indicate progress on the part of bankers, although for the most part I believe this growth is unconscious. Probably the copy with which you are most familiar is that offering for sale a new issue of securities. This appears to you verbose, complex, with little conclusive selling argument, and weighed down, in addition, by a mass of figures. Probably this is the impression made also upon many non-buyers or small buyers of investments. While I believe in a great many cases such copy is used in the hope that it may reach all investors, small or large, its actual effect is upon only a certain limited number of buyers. These are bankers and other dealers (where the copy is serving both for wholesale and retail trade) and the larger type of investor, the man or institution able to buy \$50,000 or \$100,000 of bonds at a time. These classes of readers understand financial technique, balance sheets, etc., and this type of copy carries exactly the kind of argument that must reach them before they can form any independent judgment as to the value of the securities offered. This type of copy also possesses several other subtle and little appreciated qualities of value to the banker. If the issue of securities advertised runs upward of several million dollars, the ad-

vertising of such an amount implies that the banking house offering the securities is accustomed to large and important transactions and is, therefore, an important investment factor. The advertising copy, when seen by issuers of securities of a similar character to those advertised, may influence such corporation or municipal officials to go to the advertising banking house the next time they contemplate issuing securities. Thus, this copy is really an adjunct to the purchasing department.

The Use of Printed Circulars

In point of volume, probably the next most familiar type of investment publicity is the printed circular describing the securities in almost the identical terms of the aforementioned advertising. The effect of this circularizing is about the same as that of the newspaper copy. In both cases direct results in the actual number of sales are so small as to appear almost negligible when compared with advertising of, say, a department store or an automobile distributor.

Next in point of expenditure, probably, is the magazine and newspaper copy of a general confidence and reputation-building character. Much of this copy of recent years has been excellent, measured either by banking house standards or by those of commercial advertising. Moreover, there is a tendency for this style of copy to increase in common practice, for the vital reason that the investment business, as I have already implied, is built almost wholly on confidence.

Finally, there is the type of both advertising and circularizing of an educational nature calculated to bring the man with a fair amount of money from the non-investor into the investor class. A number of the more important banking houses in this country have made truly wonderful strides in this phase of publicity in the past few years.

The most striking thing I have observed about these broad subdivisions is that more than one banking house out of a half a dozen is conscious of these distinctions, with some very peculiar results. A large expense for technical copy does not, perforce, have to show any return. It is

THE FEDERAL LAND BANK

OF ST. PAUL

4½% FARM LOAN BONDS

Exempt from Federal, State, Municipal and Local Taxation

Redeemable at par and accrued interest on any interest date after five years from date of issue. Coupon bonds exchangeable for registered bonds, which in turn, are re-exchangeable for coupon bonds. Denominations, \$1,000, \$500, \$100, \$50 and \$25.

Interest payable semi-annually, May 1st and November 1st, at any Federal Land Bank. Principal payable at the Bank of Issue. Both principal and interest payable in gold or lawful currency. Arrangements have been made for the payment of November coupons at the Federal Reserve Banks, which arrangements are expected to be made permanent.

The bonds are acceptable at par as security for all Government deposits, including Postal Savings deposits, and are legal investments for trust funds, and for Savings Banks and Insurance Companies in a majority of the States.

PRICE 101½ AND ACCRUED INTEREST

netting about 4½% to the redeemable date (1922) and 4½% so long as they may remain outstanding thereafter.

Interim Certificates ready for delivery. Send subscriptions to Bond Department.

A Circular of Detailed Information Will Be Sent on Request

FEDERAL LAND BANK, OF ST. PAUL

generally taken for granted that every new issue of securities must be advertised in this general way, regardless of immediate results. On the other hand, there is a tendency to insist upon disproportionately profitable results from copy of a reputation-building character, or from that calculated for direct returns, with the upshot that many times good plans are killed a-borning because they may not seem to be sufficiently profitable at the moment. Thus, any calculated divisions of any appropriation tend to lopsidedness. To these discrepancies in good logic may be traced the collapse of small individual campaigns. To the greater problems of distribution may be traced, in a large degree, the really small development of financial-lineage in publications throughout the country as a whole.

Cooperation Needed to Develop Non-Investors into Investors

A number of publishers somewhat conscious of these conditions have arrived at the conclusion that cooperation on their part with the investment banker will tend to increase lineage. A movement in this direction by a number of magazines seemed to spring up spontaneously about 10 years ago and has continued to gain headway ever since. Within the past few years a small number of newspapers have caught the contagion with rather profitable results to themselves and to the bankers. This cooperation, for the most part, has to do with the educational branch of the work and has been calculated very definitely by publishers to do two things:

1. Develop non-investors into investors.
2. Assist investors toward safety by answering questions regarding securities.

Almost all of this work has tended to direct the attention of prospective security buyers to the financial section of a given publication. In the case of the newspapers, this has been doubly valuable because the logical place to find the reader who can buy large amounts of securities is on the financial page. It follows naturally that, other things being equal, when this cooperation does not exist the medium is not quite so good for the investment banker as some other publication. To carry this a step further, one arrives at the conclusion that where a magazine or newspaper carries no investment information whatsoever, and more particularly where the newspaper does not conduct a creditable financial page, it automatically eliminates from its class of readers many who wish to subscribe to a publication with investment news. As a result, most investment bankers do not use such latter publications on the general ground that even though men of means may be readers, there is some other medium reaching the same class of people with information calculated to place the reader in a psychologically receptive mood to investment advertising.

Financial Frauds Should Be Kept Out of Advertising Columns

I cannot dismiss this subject without mentioning the submarine warfare conducted against both investor and banker by the express permission of the publishers of the country, who allow unmasked frauds to enter their advertising

columns for a deliberate shakedown. These pirates operate with impunity in every direction. I do not need to tell you who they are; they expose themselves. The reason they can afford to pay publishers for a large amount of space is that they are not selling investments, nor for the most part are they selling promotions, or even speculations, though they claim to be. If they have 10 or 20 cents to the dollar of real assets behind the certificates for sale it is phenomenal, and they have the other 80 or 90 cents on which to operate. This is 80 or 90 times as large as the operating margin of a legitimate investment banker. The copy exploiting these frauds is full of "punch" and wild promises, but has nothing in it of permanent reputation-building character. Aside from fleecing the reader customers of a publication, this copy is having an effect directly opposite to that which constructive publishers are trying to bring about by their educational work. This latter work is all along the line of conservatism, emphasizing safety of principal, and calculated to increase legitimate advertising; whereas, the get-rich-quick advertising tends to make the uninitiated prospective buyer of securities expect things which, in the very nature of the investment business, can never be brought about. This kills confidence and also kills much copy.

Definite distinctions between different types of advertising copy, with some calculation as to what impress is to be made on the reader's mind, should be carefully studied. Analysis of direct returns should be tabulated, but the banker should not mistake the absence of direct returns from character-building copy to mean that the copy is not good, any more than he should hope to gain wide publicity from very small copy which might bring him many inquiries, say, for booklets and the like.

Financial Matter of Actual Value Should be Printed

The more work that publications do in the line of educating their readers in investments, and especially in pointing out pitfalls, the more likely the growing investor will be to use them habitually to obtain his investment information, news, etc. The investment banker knows this, and in the degree that a publication prints matter of actual value and not mere fluff will its volume of investment advertising increase.

The present nation-wide campaign for the Liberty loan bonds is going to change all this. The emotional appeal to patriotism for this security is something that does not exist in any other type of investment. It reaches the pocketbook when every other appeal fails. The result of this campaign will be actual bondholders in every nook and corner of our country. This will produce an educational effect that could not have been brought by paid publicity in a generation. When these bondholders become accustomed to clipping coupons and receiving interest for them, —more particularly when they come to realize that their bonds are marketable and that their money is not irretrievably out of their control, they will have learned lessons which inevitably will make them buyers of other securities.

The most important lesson will be that safety goes with small income and not with promises of extravagant profits.



AMERICAN NATIONAL BANK

of SAINT PAUL, MINNESOTA

Capital \$400,000.00

Surplus and Profits \$175,000.00

Correspondence invited. We solicit and carefully handle the
Accounts of Banks, Bankers and Corporations

For satisfactory results, send your collections through our bank

Officers

Ben Baer,	President
Chas. H. F. Smith,	Vice Pres't
L. H. Iakler,	Vice Pres't
H. B. Humason,	Cashier
P. A. F. Smith,	Ass't Cashier
Ira B. Baer,	Ass't Cashier
S. B. Frederick,	Ass't Cashier

There will then be a demand on the publishers throughout the country for financial information which many of them have never felt before, and largely in the degree that they meet this demand intelligently will they control this investment buying power and be able to sell it in the shape of advertising space to investment bankers. The body of publishers of the country will be remiss if they lead these fledgling investors into speculation or fraud.

FIFTEEN WAYS TO HELP WIN THE WAR

At the Liberty convention of the National Wholesale Grocers Association recently held in Chicago the following recommendations were made to enlist the cooperation of business men in war organizations:

1. Remove the erroneous impression that the present war will be of short duration and urge constant preparation on the basis of a long war of at least three years.
2. Help make better known the principle at stake and the dire results of a victory for the enemy.
3. Practice and preach elimination of waste by the checking of actual extravagance and eliminating as promptly as practicable the production of nonessentials.
4. Take a census of employees of military age and plan in advance, so far as possible, for their replacement by men not of military age or by women.
5. Conserve the supply of tin plate by packing coffee and other food products in containers other than tin where tin is not absolutely necessary and act in harmony with the committee on conservation of tin plate in the cancellation or suspension of contracts for nonperishable canned foods.
6. Discontinue the publication of monthly price lists and otherwise conserve the supply of paper, substituting a cheaper type of paper bag in connection with the sale of bulk coffee.
7. Prevent the waste that occurs in the sale of goods in less than original packages and request manufacturers to adopt original packages of sizes that make it possible for the retailer to order without buying more than his wants require.
8. Economize in men and trucking equipment, arranging with customers to accept sidewalk deliveries, that more deliveries per day per truck may be effected, and so arrange our various delivery zones and days for delivery therein that maximum loads may be assured and the territories covered by each truck reduced.
9. Urge the adoption, wherever possible, of cooperative delivery both by wholesalers and retailers.
10. Urge the discontinuance of the buying by consumers of excessive quantities for hoarding purposes, and thereby avoid wastage of food caused by improper care and higher prices by reason of sudden and abnormal increases in the demand.
11. Encourage communities, so far as possible, to consume home-grown and home-produced goods, thereby helping to relieve the congestion prevailing on the railroads.
12. Urge the establishment of canneries and abattoirs in small centers or communities, as far as it is economically possible, to obviate the necessity of sending fruits, vegetables, and live stock to distant points only to have them reshipped to the vicinity of their origin after they have been canned or killed and dressed.
13. Hold frequent meetings in each community to discuss plans for saving and for the recital of individuals of (1) savings effected, (2) waste still prevailing and means to eliminate it, and (3) ways to stimulate war service, military and industrial.
14. Adopt the war pay envelope, using it as a means of getting correct information to employees concerning the war.
15. Inaugurate a campaign in each locality for greater efficiency in freight shipping, including prompt loading and unloading.

Banking Department

Handling sale and purchase of banks and bank stocks.

Furnishing qualified executives and employees of highest character, with or without investment.

Your business solicited.

BUSINESS MEN'S EFFICIENCY BUREAU

James F. Ellis

Morton M. Newcomb

Plymouth Building
MINNEAPOLIS, MINN.

A. O. EBERHART,	President	H. IVARSON,	Secretary
IRA C. PETERSON,	Vice President	E. L. GUNBERG,	Treasurer

TITLE HOLDING AND MORTGAGE CO.

Capital \$350,000.00

611 METROPOLITAN BANK BUILDING
MINNEAPOLIS, MINN.

Write for Permanent Agency Connections
Mortgages and Farm Lands



Bankers of the Northwest

The large and steady outlet that we have for first mortgage loans on Minnesota, North and South Dakota, and Montana farms keeps us constantly seeking additional connections with Bankers in this territory.

The mortgage loan facilities this Company offers should appeal to those Bankers who desire to place farm mortgages with an institution that can absorb quantity with quality.

Applications are promptly considered and, if accepted, are closed without delay.

Call or write our Mortgage Loan Department for further details.

The Minnesota Loan and Trust Company

405 Marquette Avenue,
MINNEAPOLIS, MINN.
GREAT FALLS, MONTANA

WILLIAM W. EASTMAN CO.
SECURITY BUILDING MINNEAPOLIS **BONDS** **ALWORTH BUILDING DULUTH**
LOCAL SECURITIES
WHEN WISHING INFORMATION ON SECURITIES CALL US

STOCK AND BOND QUOTATIONS

MINNEAPOLIS BANK STOCKS

	Div. Rate Pct.	Bid	Asked
Northwestern National	12	262	267
First and Security National	12	270	270
Scandinavian-American National	6	177	180
St. Anthony Falls	8	...	165
Hennepin County Savings	10	260	...
German-American	12	220	...
Metropolitan National	6	124	...
Mercantile State	6	133	138
Merchants & Manufacturers State	10	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	...

DULUTH BANK STOCKS

	Bid	Asked
First National	300	...
American Exchange National	270	...
City National	170	...
St. Louis County State	105	...
Western State	140	...
Northern National	145	...

ST. PAUL CORPORATIONS

	Div. Rate	Bid	Asked
Tri-State Telephone, pfd.	6	80	85
West Publishing, com.	10	400	...
West Publishing, pfd.	6	100	110
St. Paul Fire & Marine Insurance	12	...	500
Twin City Rapid Transit, com.	...	85	87
St. Paul Cattle Loan Company	...	150	...
Foot, Schulze & Co., pfd.	...	100	101
St. Paul Union Stockyards	...	80	100

MINNEAPOLIS CORPORATIONS

	Div. Rate	Bid	Asked
N. W. Fire & Marine Ins.	10	...	180
Minneapolis Brewing, com.	6	60	...
Minneapolis Brewing, pfd.	6	93	...
Minneapolis Threshing, com.	7	150	180
Minneapolis Threshing, pfd.	7	103	...
Tri-State Tel. & Tel., pfd.	6	83	...
Twin City Telephone, pfd.	7	100	...
Rogers Lumber, pfd.	7	102	...
Crown Iron, pfd.	7	100	...
North American Telegraph	6	90	94
N. W. Knitting, pfd.	7	102	...
Minneapolis Steel & Mach., 1st pfd.	6	95	98
Minneapolis Steel & Mach., 2nd pfd.	8	100	...
Minneapolis Steel & Mach., com.	...	180	...
Pillsbury Flour Mills	...	115	...
Real Estate Title Ins.	...	115	...
Minneapolis Syndicate	...	110	...
Russell-Miller Milling	...	99	100

ST. PAUL BANK STOCKS

	Div. Rate	Bid	Asked
Merchants National	10	245	250
Capital National	6	160	165
American National	6	135	140
National Bank of Commerce	6	145	152

Scandinavian American	10	260	...
St. Paul State	20	500	...
Ramsey County State	...	...	250
Capital Trust & Savings	5	250	...
Peoples Bank	6	129	131
National Exchange	...	133	135
Western State	...	...	150
Commercial State	...	...	150
Swedish American	10	150	...
Mounds Park State Bank	...	150	...
Great Northern State	...	125	...

FOREIGN GOVERNMENT BONDS

	Bid	Asked
United Kingdom of Great Britain and Ireland, Sec. 5s, 1918	97%	98%
United Kingdom of Great Britain and Ireland, Sec. 5 1/2s, 1919	95	95%
United Kingdom of Great Britain and Ireland, 5 1/2s, 1921	94	94%
United Kingdom of Great Britain and Ireland, Con. 5 1/2s, 1918	99 1/2	100
United Kingdom of Great Britain and Ireland, Con. 5 1/2s, 1919	99%	99 1/2
Govt. of French Republic, Sec. Conv. 5 1/2s, 1919	97%	98
Imperial Russian Govt. 6 1/2s, 1919	79	83
American Foreign Securities Corporation 5s, 1919	95 1/2	95%
Anglo-French External Loan 5s, 1920	95 1/2	86%
Dominion of Canada 5s, 1921	95	95 1/2
Dominion of Canada 5s, 1926	95	95%
Dominion of Canada 5s, 1931	92%	93%

*Dividend rate irregular.
 †No dividend as yet.

LOCAL BONDS

	Pct.	Bid	Asked
City of Minneapolis	4	4.55B	4.40B
Twin City Rapid Transit (1919)	5	99	99 1/2
Twin City Rapid Transit (1928)	5	98	99
Twin City Rapid Transit (1938)	5	100	...
Minneapolis General Electric	5	99	100 1/2
Minneapolis Gas Light (1930)	5	98 1/2	...
Donaldson Realty	6	100	...
First National-Soo Bldg	5	99	...
Shevlin-Clarke	5	99%	100%
Minnesota & Ontario	6	99	100
Powell River	6	...	101
Pillsbury & Washburn (1928)	5	82	84
St. Paul Gas Light (1918)	6	99	100
St. Paul Gas Light (1944)	5	94	96
Twin City Telephone	5	6 per cent.	basis
Northern States Power (1941)	5	...	93 1/2
Northern States Power (1926)	6	97 1/2	93 1/2
City of St. Paul	4	4.55B	4.40B
St. P. City Ry. Cable Con. 5s, 1937	...	96	98
St. Croix Power Co. 1st 5s, 1929	...	91	...
St. P. Un. Stk. Yds. Co. 1st Mfg. 5s, 1946	...	98	100
St. P. Un. Depot Co. 1st 6s, 1930	...	...	4.75B
St. P. Un. Depot Co. Consol. 5s, 1944	...	...	4.75B
St. P. Un. Depot Co. Consol. 4s, 1944	...	...	4.75B
Twin C. Tel. Co. 1st 5s, 1911 to 1926	6.00B	5.50B	...
Minn. Trans. Ry. Co. 1st 5s, 1946	99	101	...
Wis.-Minn. Lt. & Pr. Co. 1st and Ref. 5s, 1944	91	92 1/2	...
St. Paul Bridge & Ter. Ry. 1st 6s, 1929	...	...	106%
Duluth St. Ry. Co. 1st 5s, 1930	88	91	...
Duluth Street Ry. Co. Gen'l 5s, 1930	...	...	89

CHICAGO BANK STOCKS

Quotations for September 4 1917, by John Burnham & Co., 41 South La Salle street, Chicago:

	Bid	Asked	Book value
American State Bank	181	186	161
Austin State Bank	215	...	138
Bowmanville National Bank	175	...	146
Calumet National Bank	205	...	186
Calumet Trust & Savings Bank	180	200	136
Central Mfg. District	165	170	144
Central Trust Company	190	195	148
Chicago City Bank	255	265	217
City National of Evanson	325	...	339
Continental & Commercial	259	263	204
Corn Exchange National	415	420	352
Depositors State & Savings	160	164	138
Drexel State Bank	170	180	149
Drovers National Bank	224	235	153
Drovers Trust & Savings	325	...	224

Englewood State Bank	151	155	180
First National Bank	452	460	347
First National (Englewood)	340	345	290
Fort Dearborn National	203	210	139
Fort Dearborn Trust	178	...	147
Franklin Trust & Savings	165	170	174
Greenbaum Sons Bank & Trust	...	290	144
Guarantee Trust & Savings	154	160	147
Harris Trust & Savings	575	...	275
Home Bank & Trust Co.	160	167	137
Illinois Trust & Savings	470	480	339
Jefferson Park National	173	...	150
Kaspar State Bank	294	304	193
Kenwood Trust & Savings	250	...	199
Lake View Trust & Savings	180	183	143
Lawndale State Bank	247	251	203
Liberty Trust & Savings	160	163	139
Live Stock Exchange National	245	250	169
Mercantile Trust & Savings	158	163	136
Merchants Loan & Trust	467	471	388
Mid-City Trust & Savings	220	230	150
National Bank Republic	160	165	139
National City Bank	144	146	155
National Produce Bank	169	175	137
Noel State Bank	166	170	141
Northern Trust Company	272	278	235
Northwestern Trust & Savings	227	242	166
Oak Park Trust & Savings	245	255	168
Peoples Stock Yards State	298	305	163
Peoples Trust & Savings	280	285	175
Pullman Trust & Savings	225	...	227
Schiff & Co. State	275	300	164
Security Bank of Chicago	275	...	246
Sheridan Trust & Savings	162	165	134
South Chicago Savings	225	...	180
South Side State Bank	159	163	128
Standard Trust & Savings	160	163	153
State Bank of Chicago	415	422	350

LANE, PIPER & JAFFRAY (INC.)

COMMERCIAL PAPER

835 FIRST NAT.-SOO LINE BLDG., MINNEAPOLIS

CORRESPONDENTS

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Kalman, Matteson & Wood

MUNICIPAL BONDS

FARM LAND BONDS

CORPORATION SECURITIES

ST. PAUL

MINNEAPOLIS

State Bank of Evanston.....	325	...	298
State Bank of West Pullman.....	200	...	126
Stockmens Trust & Savings.....	145	150	146
Stock Yards Savings.....	350	...	198
Union Bank of Chicago.....	125	133	134
Union Trust Company.....	300	325	216
Washington Park National.....	250	...	159
West Side Trust & Savings.....	300	310	155
Woodlawn Trust & Savings.....	250	...	196

W. W. Shaw Corp., com.....	67	70
W. W. Shaw Corp., pfd.....	92	95
Simmons Company, pfd.....	98 1/2	99 1/2
Stover Mfg. Co., com.....	60	70
Stover Mfg. Co., pfd.....	98	100
Sullivan Machinery Company.....	145	149
Tri-City Ry. & Light., pfd.....	...	92
United Light & Rys., com.....	37	39
United Light & Rys., pfd.....	70	71
U. S. Gypsum Company, pfd.....	94	96

CHICAGO SECURITIES

Quotations for September 4, 1917, by John Burnham & Co., 41 South La Salle street, Chicago:

	Bid	Asked
American Chicle Co., pfd.....	67	71
American Fork & Hoe Co., com.....	120	125
American Fork & Hoe Co., pfd.....	127	...
American Hominy Co., com.....	48	52
American Hominy Co., pfd.....	74	78
American Laundry Co., com.....	40	45
American Laundry Co., pfd.....	105	115
American Public Utilities, com.....	26	31
American Public Utilities, pfd.....	62	66
American Type Founders, com.....	38	41
American Type Founders, pfd.....	86	89
Atlas Powder Co., com.....	170	178
Atlas Powder Co., pfd.....	99	101
Aurora, Elgin & Chicago, pfd.....	8 1/2	9 1/2
Avery Company, com.....	88	90
Avery Company, pfd.....	97	98 1/2
Babcock & Wilcox Company.....	122	124
Barnhart Bros. & Spindler.....	84	85
Bearrice Creamery Co., com.....	225	235
Bearrice Creamery Co., pfd.....	107 1/2	109
Bordens Cond Milk Co., com.....	102	104
Bordens Cond Milk Co., pfd.....	105	108
Brunswick Balke Coll., pfd.....	105	107
Bucyrus Company, com.....	9 1/2	10 1/2
Bucyrus Company, pfd.....	64	66
Buda Company, pfd.....	95	97
*Butler Brothers.....	199	201
Ry-Products Coke Corporation.....	153	156
Chicago Mill & Lumber, pfd.....	103	106
Chicago Railway Equipment.....	109	111
Cities Service Co., com.....	250	256
Cities Service Co., com., New.....	28	28 1/2
Cities Service Co., pfd.....	83 1/2	84 1/2
Commonwealth Power Ry. & Lt., com.....	47	49
Commonwealth Power Ry. & Lt., pfd.....	75	77
Consumers Company, com.....	28 1/2	30
Consumers Company, pfd.....	82 1/2	83 1/2
Creamery Package Co., com.....	78	81
Deere & Co., pfd.....	99	100
E. I. du Pont de N. Co., com.....	260	265
E. I. du Pont de N. Co., Debentures.....	99	101
Elgin National Watch Co.....	143	146
Emerson Brantingham Co., com.....	12	13 1/2
Emerson Brantingham Co., pfd.....	42 1/2	44
Federal Sign System, pfd.....	...	39
Firestone Tire & Rub., com.....	115	120
Firestone Tire & Rub., pfd.....	102 1/2	104 1/2
Fox River Butter Co., com.....	200	210
Fox River Butter Co., pfd.....	105	107
Goodyear Tire & Rubber, com.....	186	191
Goodyear Tire & Rubber, pfd.....	105 1/4	106 1/4
Great Lakes Dredge & Dock.....	70	76
Hercules Powder Co., com.....	255	265
Hercules Powder Co., pfd.....	115	120
Inland Steel Co.....	195	200
Ins. Exchange Bldg. Corp., pfd.....	102	104
Kellogg Switchboard & Supply.....	270	273
Linde Air Products Co., com.....	...	262
McCord Mfg., com.....	40	45
McCord Mfg., pfd.....	95	100
Middle West Utilities, com.....	...	39
Middle West Utilities, pfd.....	68	70
Moline Plow Co., com.....	88	91
Moline Plow Co., 1st pfd.....	97	98 1/2
National Grocer Co., com.....	100	104
National Grocer Co., pfd.....	96	99
Northern States Power, com.....	86	89
Northern States Power, pfd.....	96	99
Northwestern Yeast Company.....	280	290
Otis Elevator Company, com.....	49	53
Otis Elevator Company, pfd.....	82	85
Paige Motor Co.....	24	26
Pick Albert & Co., com.....	160	...
Pick Albert & Co., pfd.....	105	106 1/2
Public Service Company, com.....	87 1/2	88
Public Service Company, pfd.....	93 1/2	98
Reo Motor Car Company.....	26 1/2	27 1/2
Safety Car Heating & Lighting.....	75	80

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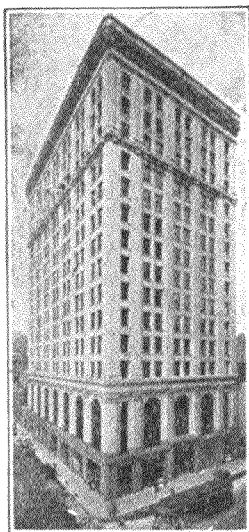
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SAINT PAUL, MINN.

NEW BANKS AND CHANGES

MINNESOTA

Crookston.—J. P. Foote, president of the Scandia-American Bank died September 3.

Fairmont.—A charter has been granted to the Citizens National Bank. C. H. Ledebur will be the president. W. H. Niemeyer is one of the organizers.

Minneapolis.—A. M. Woodward, president of the Franklin Avenue State Bank died last week. Mr. Woodward was also associated with E. S. Woodward & Co. grain firm.

Wrenshall.—The Wrenshall State Bank has been incorporated with a capital of \$10,000. Fred Hahbegger, Alfred Bans and J. W. Lowe of Wrenshall and M. Bullis of Sandstone are the incorporators.

Bemidji.—The First State Bank has opened for business. H. R. Gillette is the president, Edward W. Paulson, vice president and J. LeRoy Elwell, cashier. A new building has been erected for the bank's use at a cost of \$6,000.

NORTH DAKOTA

Kulm.—A charter has been issued to the First National Bank with a capital of \$25,000.

Selfridge.—Application has been filed for a charter for the Farmers & Merchants State Bank.

Mooreton.—John Kirkhus has been elected cashier of the Farmers State Bank to succeed D. L. Quinlin, who resigned.

Steele.—O. A. Engemoen has resigned as cashier of the Farmers & Merchants State Bank to become a deputy state bank examiner.

Kongsburg.—The Kongsburg State Bank has been organized with a capital of \$15,000. C. W. McGrey of Underwood is one of the organizers.

Courtepay.—The Security State Bank has been organized with a capital of \$15,000. H. C. Aamoth, James Grady, G. L. Isensee, F. W. Ehred and A. G. Bjerken are the incorporators.

Karnak.—The Karnak State Bank which was recently organized with a capital of \$15,000 will open for business this month. J. A. Carlson is president and Hilmer Carlson, cashier.

Sanborn.—The stock of the Bank of Sanborn has changed hands. The following officers have been elected. Ferd Noecker, president; Henry Stephen, vice president, and Fred E. Stephen, cashier.

Sheyenne.—H. S. Grinde, who recently resigned as assistant cashier of the Farmers & Merchants Bank to accept a position with a bank at Malta, Mont., has been elected cashier of the local bank.

Grafton.—T. J. Hanson has been elected cashier of the Scandinavian American Bank succeeding T. O. Chantland. Mr. Hanson was formerly connected with the Grand Forks Abstract Company of Grand Forks.

Logan.—Ole Engebretson and Ole Dahle of the Farmers State Bank of Voltaire have purchased the controlling interest in the First State Bank. At a meeting of the directors the following officers were elected: Ole Engebretson, president; Ole Dahle, vice president, and E. A. Reitan, cashier. Mr. Reitan was formerly assistant cashier.

SOUTH DAKOTA

Bovee.—A bank is being organized here. Henry Reich formerly cashier of the Truman State Bank of Truman, Minn., is one of the organizers.

Bonesteel.—The Security State Bank and the Bonesteel State Bank have consolidated. B. H. Huigens, cashier of the Security State Bank becomes cashier of the new institution.

Storla.—The Farmers State Bank is being organized with a capital of \$15,000. The following will be the officers: W. M. McDonald, president; S. F. Schirmer, vice president, and Joseph Smith, cashier.

WISCONSIN

Allenton.—Joe Weninger has been elected cashier of the Allenton State Bank.

Rudolph.—A bank is being organized here by the directors of the Wood County National Bank of Grand Rapids.

Galesburg.—At a meeting of the directors of the Galesburg State Bank Julius Boboltz was elected president and Theodore Meyer, vice president.

Glenwood City.—Application for authority to organize the Farmers National Bank has been approved. W. H. Park will be the president and Frank Manlove, cashier.

Cleghorn (P. O. Eleva).—The Cleghorn State Bank has opened for business. The following are the officers: A. D. Stone, president; William T. Conley, vice president, and H. W. Pierce, cashier.

Fall Creek.—The building of the newly organized Merchants & Farmers State Bank is almost completed. This bank is capitalized at \$15,000. Edward J. Zetzman is cashier and J. W. Garaghan, assistant cashier.

West Bend.—The First National Bank has commenced business with a capital of \$75,000. B. C. Ziegler, Martin Walter S. F. Weyer, Louis Kuehlthian, Anton Guenther, John W. Gehl, John Geib, Oscar Klein and William Wainkey constitute the board of directors.

IOWA

Carroll.—Frank Berger is interested in the organization of a new bank here. A building has been secured for the bank's use.

Humeston.—B. F. Wilson of Sharpsburg has been elected cashier of the Home State Bank to succeed A. D. McCulloch, who resigned.

Iowa Falls.—John J. Careton has been elected vice president of the Security Savings Bank to succeed the late William Weiden.

Des Moines.—The Capitol Hill Bank has opened for business. G. G. Thomas is president and cashier and I. A. Denelsky is assistant cashier.

Atlantic.—Ira N. Cheney and O. R. Patrick have purchased the stock of a private bank here. The bank will be converted into a state institution.

Spencer.—At a meeting of the directors of the Citizens Savings Bank P. R. Graham was elected cashier succeeding E. R. Mauss, who was advanced to vice president.

Akron.—The First Trust & Savings Bank is being organized. W. L. Montgomery, E. E. Mellen, F. J. Swanson, E. O. Thorson and H. B. Smith are among the incorporators.

Blairsburg.—The Farmers Bank is now located in its new building. The following are the officers: John Cartney, president; John McCarley and Fred Greve, vice presidents, and E. L. Werner, cashier.

MONTANA

Hardin.—The Stockmen National Bank has been chartered with a capital of \$40,000.

THE NATIONAL BANK OF THE REPUBLIC of CHICAGO

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R. M. MCKINNEY,
O. H. SWAN,

President
1st Vice President
2nd Vice President
Cashier

WM. B. LAVINIA,
THOS. D. ALLIN,
LOUIS J. MEAHL,
WM. C. FREEMAN,

Assistant Cashier
Assistant Cashier
Assistant Cashier
Assistant Cashier

Highwood.—The Highwood State Bank has been converted into the First National Bank with a capital of \$25,000.

Shelby.—O. S. Nelson of Dresser Junction has succeeded George Lewiston as cashier of the First National Bank.

East Westby.—The new building of the First State Bank has been completed and the bank has opened for business.

Molt.—The First National Bank has opened for business. This bank is affiliated with the Merchants National Bank of Billings.

Gildford.—At a meeting of the directors of the Gildford State Bank John E. Sinclair of Minneapolis was elected vice president.

Scobey.—A charter has been issued to the Merchants National Bank. P. B. Murphy and T. F. Clifford of Scobey and J. J. Murphy of New England, N. D., are interested in the organization.

NEBRASKA

Valentine.—A charter has been issued to the Farmers National Bank with a capital of \$35,000.

Chappel.—E. C. Wolf has disposed of his interest in the bank to M. P. Jensen and has resigned as cashier.

Lincoln.—The Continental State Bank has been incorporated with a capital of \$100,000. William Seelenfreund will be the cashier.

Obert.—The Citizens State Bank has been organized and the following officers have been elected: F. A. Kindwall, president; J. F. Arnes, vice president, and E. A. Miller, cashier.

Aurora.—T. E. Williams has sold his interest in the First National Bank to E. J. Hainer of Lincoln and S. R. Warrick of Scotts Bluff. Yale B. Huffman of Merna has been elected cashier.

Genoa.—The Farmers State Bank has been incorporated with a capital of \$25,000. K. C. Knudson of Omaha is president, John Garteson of Genoa, vice president and W. P. Hatten of Fullerton, cashier.

COLORADO

Boulder.—Application has been filed for a charter for the Citizens National Bank with a capital of \$100,000.

WASHINGTON

Seattle.—I. C. Bogardus has been elected assistant cashier of the Scandinavian American Bank. Mr. Bogardus was formerly auditor of this bank.

CALIFORNIA

Redwood City.—The Bank of Italy of Los Angeles will probably take over the control of the Redwood City Commercial Bank.

Placerville.—The following are the officers of the A. Mierson Banking Company: George W. Peltier of Sacramento, president; Max Mierson, vice president, and Guy E. Wentworth, secretary and treasurer.

IDAHO

Sand Point.—E. R. Anderson has been elected assistant cashier of the Bonner County National Bank.

Cascade.—The Inter-Mountain State Bank has been converted into the First National Bank of Cascade with a capital of \$25,000.

ARIZONA

Peoria.—The Exchange Bank has been incorporated with a capital of \$15,000. C. E. Mitchell is president, S. C. Phillips, vice president, and J. M. Hall, cashier.

ILLINOIS

Seneca.—The Farmers Trust & Savings Bank has been incorporated with a capital of \$25,000.

Hoopole.—The Farmers State Bank has been organized to succeed the Farmers Bank. S. M. Summers is president, Jacob J. Wolf and J. A. Wiederhold, vice presidents, and Roy Brown, cashier.

BANKING NOTES

Sanlsh, N. D.—The Peoples State Bank will erect a new building.

Brockett, N. D.—The Farmers & Merchants Bank will soon move to its new building.

Milford, Iowa.—The new building of the Milford National Bank is nearing completion.

Mosinee, Wis.—The brick work on the new building of the State Bank has been completed.

Hillsview, S. D.—Work has commenced on the erection of a building for the Hillsview State Bank.

Farley, Iowa.—Excavation work has commenced for the new building of the Farley State Bank.

St. Cloud, Minn.—The Merchants National Bank announces the death of vice president J. N. Bensen.

Sarona, Wis.—Excavation work has been completed for the new building of the Sarona State Bank.

Bancroft, Iowa.—The Farmers & Traders Savings Bank has awarded the contract for remodeling its building.

Toeterville, Iowa.—The Union Savings Bank which was recently organized plans the erection of a new building.

Sloux Falls, S. D.—Application to increase the capital stock of the Sloux Falls National Bank from \$100,000 to \$150,000 has been approved.

North Dakota Bank for Sale

Capital \$12,000, deposits nearly \$100,000, town of 200, only one bank. Annual farm loan business about \$75,000. Earnings average better than 35% for several years. Bank owns about \$10,000 adjacent farm lands that will show a nice profit when sold. Price for 90 shares, \$35 over actual value. Paper guaranteed. Investigate this confidentially.

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You will do well to put your surplus funds in some of these loans, ranging from \$800 to \$3,000.

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The Bankers Trust and Savings Bank Minneapolis

Announces that it has been admitted to full membership in

THE FEDERAL RESERVE SYSTEM

The Bankers Trust and Savings Bank opened for business December 4th, 1916 under the banking laws and supervision of the State of Minnesota and has, with constructive and conservative management been able to care for all the banking needs of its clients, and at the same time make a most remarkable showing in deposits. It is obvious that by having in addition to its present facilities all of the privileges conferred by the Federal Reserve Law to National Banks and the safeguards of Federal supervision, it will be able not only to continue, but to materially strengthen and enlarge its service to its clients.

Capital \$1,000,000.00

Surplus \$200,000.00

WHY WE ENTERED FEDERAL RESERVE SYSTEM

By Breckinridge Jones, President Mississippi Valley Trust Company, St. Louis, Mo.

At the time of the passage of the Federal reserve act there were many broad objections made to the system. A number of these objections I thought had merit, and as to whether or not any others had merit could only be determined by noting the working of the act. State banks and trust companies were not required to come in at the start, and I felt that the wiser policy was to stand by and give the system a chance to demonstrate its right to live. In the light of experience since the act became effective, a mere statement now of those objections is an answer to the question, it being so evident that there was no merit in the objections. It would not be out of place to review some of these.

Former General Objections and How They Have Been Remedied

It was vehemently urged that the regional or district plan of banks would not work; that they could not produce uniformity of interest rates or equal facilities for discounting; could not make uniform the banking system of the country; that they could not be made to work together as a unit; that competent men of broad view could not be secured to officer so many district banks; that in any event, even if the district idea were approved, the number of regional or district banks was too many—instead of 12, there ought not to be certainly more than one-half or one-third that number—and many claimed that the district would be inevitably a failure and that nothing but a central bank would answer the purpose; that the 12 banks would be unreasonably expensive in administration and that they would not earn a fair dividend on their stock; that the 12 banks would hardly get started before there would be a demonstration of their inefficiency and a popular clamor to reduce the number. Has anyone heard much of any of these objections within the last two years?

Interest rates have been reasonably uniform in all the districts; discounting has been equally easy in every district; the banks have been known to be in reasonably competent hands; the expense has been, we might say, infinitesimal, when compared to the benefits received, and in the year 1916 the regional banks, as a whole, earned over five per cent. on their stock. I believe now no one doubts that the regional banks hereafter will earn a return of approximately in excess of six per cent. on their stock. The 12 district banks have shown that they are closer and more responsive to their several districts than a central bank could have been. It is now clear that the 12 banks, through the unifying influence and power of the Federal Reserve Board, can operate, in effect, as a unit. The Federal Reserve Board at Washington is in close touch with the several regional banks, tends to keep them all in harmony, and has demonstrated its capacity, wisdom, and conservatism, and yet have you ever heard one single complaint as to the Board's being overdominant, arbitrary, or in any unreasonable way interfering with any one of the 12 regional banks?

(2) It was also urged that the Federal Reserve Board at Washington and the several regional banks would get into the hands of politicians and become political machines, or, at least, be infiltrated with political influence. Does anyone now claim that there was any justification for such an objection, in the light of experience?

(3) It was also objected that the act did not define paper eligible for rediscount with the Federal reserve banks; that the Federal Reserve Board, with the power given to make such definition, would make a definition unfair or too restrictive; that the banks, especially the state banks and trust companies, did not have and would not have on hand the kind of paper eligible for rediscount; that business in America had developed along the line of single-name paper; that two-name paper or acceptances would not come into use; that acceptances could not be popular without a general discount market; there was no such general discount market and it was too long a shot to expect such a change in American business methods as to make such a general discount market possible, and that without such a discount market the Federal reserve act could not be a success; that acceptances were restricted by the act to the importation and exportation of goods; that the great interior parts of the country had no such paper at all, and that the acceptance business was generally impracticable and that, even if an acceptance market were developed, the restrictions on a member bank to 50 per cent. of its capital in acceptances would prevent the development of the system.

Development of Acceptances

In the first place, answering the objection regarding the lack of paper eligible for rediscount, the tendency will be for the state banks and trust companies to gradually secure the cooperation of their customers and change their bills receivable into paper that is eligible for rediscount. This tendency is not fraught with much difficulty and will produce results of great value. Secondly, while the general acceptance market has not, by any means, fully developed, yet the beginnings have been laid and its firm establishment and growth assured, as the figures will show. In 1915 the Federal reserve banks bought in the open market \$64,845,000 acceptances, while for the 10 months ending October, 1916, they had bought \$270,597,000 acceptances, or more than four times the amount purchased the previous year. These were not all the open-market transactions, as many banks also bought acceptances. Under the powers of an amendment to the act, the Federal Reserve Board has given permits to a large number of banks to make acceptances up to 100 per cent. of capital and surplus, and the amendment to the act has broadened it so as to permit acceptances for domestic shipments. The prediction is made with confidence, based on the figures above given, that there will be a rapid development of business in acceptances and of the realization of a 'general discount market, and nowhere do you now hear it urged that the



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absence or alleged impossibility of a general discount market will in any measurable degree interfere with the success of the Federal reserve system.

(4) It was also urged that the check collection system contemplated by the Federal reserve act would be unpopular and would be impracticable, and yet we find that not only is this collection system in vogue in the nearly 8,000 member banks, upon whom it is, in some sense, compulsory, but there are over 7,000 state banks and trust companies that have voluntarily entered the collection system, and both member and these nonmember banks find that the amount of "float" has been reduced, the expense of collection has been lessened, and that the amount of balances necessary heretofore to be carried with correspondents, in order to secure collection facilities, has been reduced. The rules relating to collection charges in a number of the clearing houses of the country have been made more uniform and more nearly to conform to the Federal reserve system. After a thorough discussion of this whole check collection matter in Congress, the Hardwick amendment was modified and a practical reinforcement given to the Federal reserve collection system.

(5) It was also urged that the banks of the country were so opposed to having rediscounts in their statements

(Continued on P. 48)

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 Willis A. Putman, Ass't Cashier

Capital \$1,000,000.00
Surplus 1,000,000.00
Undivided Profits 900,000.00

FARM LOAN
DEPARTMENT

LEGAL QUESTION BOX

Conducted by George H. Richards, Secretary Minnesota Bankers Association*

Bank May Charge Depositor's Account With Amount of Note

Question: "Will you kindly advise whether or not a bank may debit a depositor's account for the amount of a note and interest, provided said note is due, and the depositor has sufficient funds to cover the note and interest. By debiting the account, I mean merely putting a debit slip in his account without seeing the depositor about the matter.

"Has a case similar to the above ever been tried in a Minnesota court or in any other court?"

Answer: A bank has a lien on all funds of the depositor for any debt due from the depositor to it, and has the right to charge against the deposit the amount of any note and interest which the bank holds. This is a well established principle of law, not only in the courts of Minnesota, but in all other courts.

Holder of Mortgage of Deceased Mortgagee Need Not File Claim

Question: "We hold notes as collateral to a loan. The owner of the notes dies. Is it necessary for us to file our claim in the probate court or can we ignore probate court proceedings and hold collateral and wait for the administrator of the estate to come in and redeem the collateral by paying the claim? The collateral is twice as large as the amount of our claim."

Answer: In our opinion, it is not necessary for the bank to file its claim in probate court. We consider it advisable, however, to do so, as the allowance of the claim in probate court establishes its validity and its amount and places the secured creditor in a position to collect from the estate, if the title to the collateral should be defective.

The statute, Section 7323, 1913 General Statutes, provides that "all claims against the estate of a decedent, arising upon contract, whether due, not due or contingent, must be presented to the court for allowance or be forever barred." In our opinion, this means that the claim, if not filed and allowed, would be barred as against the estate, but the claim against any security would not be impaired.

The proof of claim should state when it is secured and should expressly reserve all rights to the security.

Negligent Indorser Should Stand Loss on Check

Question: On September 1st, 1916, John Smith, of North Mankato, drew a check on his bank, the People's State Bank of North Mankato, payable to the Automatic Scales Company, Cleveland, Ohio, for \$5, and gave it to their representative, John Brown, who, afterwards, went over to the Mankato Auto Company, and cashed it, endorsing it "Automatic Scales Company, By John Brown, Agent." The Mankato Auto Company deposited the check with the National Bank of Commerce, and it was cleared in the regular way, the North Mankato Bank paying the check, without having the endorsement guaranteed. Six months later, the scale company advised John Smith that he was in arrears \$5 on his scale contract. Of course, he looked up his check, and found that he had given a check to the scale company, and that it was endorsed by their representative, who was not authorized to endorse for them.

Will you kindly advise us if the bank paying the check, or the auto company, which originally cashed the check, is out the money.

Answer: In the case stated the Mankato Auto Company deposited the check with the National Bank of Commerce and we assume that the check was endorsed by the Mankato Auto Company. Such being the case, the Mankato

Auto Company is primarily responsible to the National Bank of Commerce.

There is a point in this case though as to whether or not John Smith ought not to have repudiated the check earlier. I assume, however, that the People's State Bank of North Mankato gave him credit for the check, and that bank in due course charged it back to the National Bank of Commerce, and now the National Bank of Commerce desires to charge it back to the Mankato Auto Company. The Mankato Auto Company is the one which should stand the loss in the first instance, as it ought not to have taken the endorsement of John Brown without knowledge of his agency.

Recent Legal Decision

Forbearance To Sue Is Sufficient Consideration of Note

This is an action on a promissory note brought by an indorser against the maker. Plaintiff acquired the note by indorsement before maturity. Defendant contends that the note was given without consideration and for the accommodation of the payee and offered proof to the effect.

Lillian K. Elliott was the original payee of the note. Plaintiff had a judgment against David Elliott, her husband. Supplementary proceedings were instituted. Husband and wife were called for examination. After some examination this note was indorsed and delivered by Lillian K. Elliott to plaintiff as collateral security for payment of the judgment against her husband, and a stipulation was made that in consideration thereof further hearing in supplemental proceedings be "extended and continued" from April 25th to June 28th. This extension of time was the only new consideration for the indorsement of the note.

Held in this case of Bank of Montreal versus Beecher, 157 Northwestern Reporter (Minnesota) 1070, that one who takes an indorsement of a promissory note as collateral security for an antecedent debt owing to him by the indorser is a "purchaser for value." On the other hand, where one takes, as collateral to a debt due from his debtor, the naked promise of a third person who is indebted to neither, such promise is without consideration. An agreement to forbear the enforcement of a legal right is a sufficient consideration to sustain a promise. Where a negotiable note held by a wife is indorsed and delivered to a judgment creditor of her husband as collateral security for the payment of the judgment, the continuance for a period of three months of proceedings supplementary to execution upon such judgment is a valuable consideration for the transfer.

Whatever may be the nature of the consideration in such a case, if it is a valuable consideration the indorsee may hold the collateral, not merely for the amount of the new consideration, but for the full amount of the debt for which it is pledged. It is claimed that the note was an accommodation note, but there is no evidence that plaintiff had notice of that fact. Notice may be actual or constructive. In order to charge an indorsee with constructive notice, the facts must be such as to impute fraud or actual bad faith.

Statements from the Sugar Factors Company, Limited, of Honolulu, which handles and ships the output of the major number of sugar corporations in the Hawaiian islands, indicate the value of the 1917 crops, based on an estimated output of 643,620 tons, at the current market price of sugar, will be \$79,165,600. The value of the 1916 crop was \$68,000,000.

*Opinions by association's attorney.

THE RECORD FOR 1916 Insurance written and paid for \$10,661,886.00
 Increase \$3,595,652.00—51 per cent.

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 Minneapolis, Minnesota

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 E. L. CARPENTER, Pres't Shevlin-Carpenter-Clarke Co.
 B. F. NELSON, Pres't Hennepin Paper Co.
 A. A. CRANE, Vice Pres't First and Security National Bank
 J. A. LATTA, Vice Pres't Northwestern National Bank

BANK TRANSACTIONS

The following cities report totals of bank transactions to Bradstreet's for the week ended August 29, with percentages of change shown this week as compared with this week last year:

		—Per Cent—	
		Inc.	Dec.
San Francisco	\$249,867,000	98.8	.....
Kansas City	*210,984,000	.....	.....
Cincinnati	138,733,000	53.5	.....
Minneapolis	112,179,000	11.8	.....
Richmond	153,716,000	110.6	.....
Detroit	108,765,000	.....	16.0
Omaha	79,321,000	23.8	.....
St. Joseph	63,960,000	25.8	.....
New Orleans	55,980,000	20.0	.....
Seattle	46,979,000	37.1	.....
Los Angeles	43,548,000	11.8	.....
Toledo	42,700,000	23.0	.....
Indianapolis	38,568,000	31.0	.....
Memphis	35,886,000	75.0	.....
Des Moines	26,479,000	30.8	.....
Providence	20,258,000	27.8	.....
Spokane	13,869,000	32.8	.....
Hartford	12,852,000	9.7	.....
Scranton	10,146,000	43.6	.....
Trenton	7,095,000	32.5	.....

*Last week's.

BANK CLEARINGS

Bank clearings in the United States for the week ended August 30 aggregated \$5,347,866,000, against \$5,287,595,000 last week and \$4,205,612,000 in this week last year. Canadian clearings aggregated \$195,879,000, as against \$215,384,000 last week and \$171,614,000 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:

		—Per Cent—	
		Inc.	Dec.
New York	\$3,211,231,000	26.0	.....
Chicago	488,512,000	20.4	.....
Philadelphia	288,232,000	34.2	.....
Boston	200,149,000	42.8	.....
St. Louis	121,791,000	34.3	.....
Kansas City	130,391,000	28.2	.....
San Francisco	96,420,000	61.6	.....
Pittsburgh	75,807,000	40.8	.....
Cleveland	71,863,000	51.6	.....
Detroit	46,461,000	17.2	.....
Baltimore	38,642,000	11.6	.....
Twin Cities	30,016,000	.....	5.5
Cincinnati	35,977,000	27.5	.....
New Orleans	30,738,000	36.3	.....
Omaha	29,449,000	18.3	.....
Los Angeles	27,463,000	33.6	.....
Richmond	27,222,000	82.9	.....
Minneapolis	24,354,000	.....	5.5
Atlanta	21,676,000	53.1	.....
Milwaukee	21,510,000	27.4	.....
Seattle	21,130,000	55.8	.....
Buffalo	16,042,000	20.3	.....
Louisville	15,846,000	1.0	.....
Houston	14,464,000	36.6	.....
Denver	13,451,000	.....	2.8
Indianapolis	12,006,000	27.1	.....
Portland, Ore.	11,771,000	8.6	.....
St. Paul	11,662,000	.....	5.4
St. Joseph	11,663,000	29.9	.....
Des Moines	6,017,000	25.1	.....
Spokane	5,635,000	44.3	.....
Duluth	4,492,000	.....	14.6
Sioux City	4,946,000	24.5	.....
Peoria	4,634,000	30.0	.....
Grand Rapids	3,809,000	2.2	.....
Tacoma	2,625,000	40.7	.....
Topeka	2,379,000	28.6	.....
Cedar Rapids	2,033,000	24.4	.....
Waterloo	1,922,000	8.0	.....
Fargo	1,419,000	.....	3.4
Sioux Falls	1,344,000	24.4	.....
Helena	1,279,000	5.0	.....
Boise	1,236,000	32.1	.....
Aberdeen	1,041,000	36.7	.....
Grand Forks	891,000	.....	.....
Total, U. S.	\$5,347,866,000	.....	27.1
Total, outside New York	2,136,635,000	.....	28.3
Canada			
Montreal	\$74,969,000	37.5	.....
Winnipeg	29,437,000	.....	26.6
Toronto	53,782,000	23.8	.....
Vancouver	8,316,000	22.0	.....
Ottawa	4,833,000	21.3	.....
Hamilton	4,405,000	36.1	.....
Quebec	3,347,000	.....	4
Halifax	2,524,000	43.5	.....
Regina	2,433,000	19.0	.....
Calgary	2,292,000	.....	43.6
Edmonton	2,292,000	.....	.....
Total	\$195,879,000	14.1	.....

ENTERS FEDERAL RESERVE SYSTEM

Boston—Application of American Trust Company of Boston for admission to Federal reserve system was approved Thursday. The company, one of the largest in this city, has capital and surplus of \$3,000,000 and resources of over \$25,000,000.

BANKERS CONVENTION DATES

Farm Mortgage Bankers Association Minneapolis !..... Sept. 11-13
 Illinois Quincy Sept. 18-20
 American Bankers Assn. Atlantic City Sept. 24-29
 Investment Bankers Assn. ... Baltimore Oct. 1-3
 Indiana Evansville Oct. 10-11
 Nebraska Omaha Oct. 10-11

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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WHERE DEPOSITS EXCEED LOCAL DEMANDS

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Dunn & Stringer

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Very favorable terms offered and correspondence invited.

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*The Oldest Bank
 in North Dakota*

E. G. CLAPP, Ass't Cashier
 H. D. CROSBY, Ass't Cashier
 H. L. WILSON, Ass't Cashier
 G. W. JENSON, Ass't Cashier

NORTH DAKOTA FARMERS TO SAVE STRAW

Bismarck—"Save your straw—if you don't need it some other farmer will," is the message which the state railway commission sends to North Dakota graingrowers.

"Every ton of straw in the state is valuable for feed this year," said Secretary J. H. Calderhead. "Not a single stack should be burned. Even if the eastern graingrower doesn't get a dollar out of his straw, he should save it for the benefit of his brother farmer in the western part of the state, where there is no hay and no grazing for livestock. This is a time for unselfish cooperation, and I believe we can depend upon the North Dakota farmer to cooperate.

"There are tens of thousands of tons of nice, clean straw in the valley and the southeastern part of the state. Every ton of this straw should be set at work doing its bit to preserve a valuable food supply. Without forage, the slope rancher must sacrifice his cattle, and if he does that it will mean many meatless days in the months to come."

While Secretary Calderhead does not hold forth the promise, there is a practical certainty that every farmer who has wheat or rye or oats straw to sell can get for it a price which will make baling it worth while. The practice of late years has been to burn many of these stacks immediately after threshing. This year the farmer is urged to withhold the torch, to wait until the railway commission, the governor, the commissioner of agriculture and labor and other forces which are at work can solve the problem of cheaply transporting this valuable forage from sections where there is an oversupply to those vast regions in the western part of the state where the plains all summer long have been practically barren of grass and where little or no hay has been put up.

With hay now selling in the stack at \$17.50 per ton, there need be no fear of lack of a market for the farmers' straw, it is claimed, and the railway commission feels that the press cannot lay too much stress upon the importance of graingrowers husbanding every wisp.

FARMERS URGED TO KEEP HORSES

Minot—County Agent W. A. Peck, of Ward county, has taken the matter of the government buying horses direct from the farmers for war purposes instead of from speculators up with the government officials, and has found that a large number of men are buying animals with the intention of holding them until the government wants them and then selling at larger prices. This money the speculator gets could be made by the farmer, according to the county agent.

Because of the absence of feed, many farmers are disposing of the horses as fast as they can at very low prices, to speculators. These men will be able to sell to the government at prices above what is paid to the farmer.

The difficulty of selling direct to the government, according to Mr. Peck, is that the inspectors cannot afford to hunt

the individual animals. They must have them in groups in such sizes that they can be inspected without delay.

Mr. Peck is of the opinion that farmers should keep their animals until a certain time and then should be assembled at some given point, by the dozen or more, and then call an inspector to look them over.

If the direct purchase plan is adopted it will mean the saving to farmers of from \$20 to \$50 on each animal. With the number of horses that will be sold to the government from this state, it is evident that thousands of dollars could be saved for the farmers.

While the government prefers geldings, it will accept mares of from five to nine years old weighing from 900 to 1,600 pounds.

OPEN LIGNITE FIELD

Beulah—Operations have commenced in earnest at the local mines, which are to be developed by a strong company backed by Colonel C. B. Little, president of the First National Bank of Bismarck, and E. A. Hughes, head of the Hughes Electric Company. A new shaft and entry are being sunk, and Northern Pacific engineers are running lines for spur tracks to the mines. Modern machinery is being installed, and the mine expects to ship at least one train load of lignite daily to Mandan and Bismarck by special freight.

The Beulah lignite fields are claimed to be the largest in the state.

ROTATION BELIEVED TO HAVE SAVED GRAIN CROP

Berthold—The ability of his crop to withstand the drouth and the heat wave of Saturday is attributed to rotation by A. Linbaugh, who owns a large farm six miles south of here. Mr. Linbaugh has 200 acres of wheat which was good for 20 bushels to the acre up to the time of the heat wave. Whether it was seriously damaged by the heat, he is unable to state at the present time. In 1911 when there was an almost total crop failure in this section of the state, he secured 12 bushels of wheat to the acre. His crop is largely planted on land which was in potatoes last year.

BAD LANDS RAILROAD BUILDING SUPPLIES MOVED

Schafer—E. O. Mundy has begun the task of hauling the large quantity of construction material used in building the grade for the Great Northern between here and New Rockford, on the Little Missouri River, 20 miles southeast of here, to the end of the line at Watford City, whence it will be shipped to St. Paul.

Included in the lot are 100 tons of steel rails and 75 to 100 dump cars. From the latter the woodwork will be burned, and the iron will be scrapped for old metal.

The fact that this material, hauled into the Bad Lands at a heavy expense, is now being removed, is regarded as

THE NORTH WESTERN INVESTMENT COMPANY

Kenmare, North Dakota

Capital \$50,000.00

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SOUTH DAKOTA VALUATION GAINS

Pierre—The tax commission has equalized the valuation of the various classes of property in South Dakota for the year 1917, as shown by the following table. The increase in valuation is about \$140,000,000:

Real property	\$1,071,837,630
Personal property	234,052,494
Railroad property	130,190,753
Telephone property	1,047,683
Telephone property	4,698,756
Private car property	245,357
Sleeping car property	182,891
Express property	861,084

1917 total valuation all property.....	\$1,443,116,648
1916 total valuation all property.....	1,303,500,049

Increase for 1917 valuation over that of 1916 **\$139,616,599**

FIRE LOSS IN YEAR OVER MILLION DOLLARS

The report of the state fire marshal for the fiscal year ending June 30 last shows fire losses amounting in a total to \$1,171,849, of which \$537,958 was on structures and \$633,891 on contents. This loss was nearly double that of the previous year, the increase being \$529,658.

Of the fire loss the showing was practically half from unknown causes, and about 25 per cent. from adjoining buildings, and the balance of many different causes.

RURAL CREDITS LAW SUSTAINED

Pierre—The supreme court has handed down a decision denying the writ of prohibition to an urban taxpayer who sought to prohibit the new rural credits board from issuing \$200,000 in bonds to the Continental and Commercial Trust and Savings Bank of Chicago, in accordance with its order to the board dated August 14, 1917. In this action Chapters 333 and 334 of the Laws of 1917, the act establishing the rural credits board, were attacked upon the following grounds:

1. That they are violative of the Federal and state constitutions in that they comprise class legislation, granting privileges and immunities to some that are not common to all, denying the equal protection of the laws and due process of law, and taking by taxation private property for public use without just compensation.

2. That they violate section 2, article 13, of the state constitution by creating a debt in excess of \$100,000.

3. That said statutes were not legally passed.

The court sustained the authority of the rural credits board to issue these bonds upon the broad grounds taken by Judges Smith and McCoy in re the opinion of these judges in 162 N. W. 536, where Governor Norbeck requested an opinion as to the constitutionality of the act on points raised shortly after its enactment. Attorney General Caldwell is satisfied that all questions relating to the legality of the issue of the bonds in question are now fully and satisfactorily litigated, and that the bonds so issued will be valid direct obligations of the entire state, for the payment of which the full faith and credit of the state of South Dakota is pledged.

ALEX HIGHLAND DISCUSSES FEDERAL RESERVE SYSTEM

Aberdeen—Alex Highland, vice president of the Aberdeen National Bank, addressed the weekly meeting of the Rotary club upon the Federal reserve bank system. He explained the system in detail and told wherein it had proven advantageous to the country.

"It is by reason of this system," he said, "that the government has been able to handle such big projects as the Liberty loan. The system makes it possible to shift the weight of finance from one district of the country to another at needed times.

"One of the biggest pieces of constructive work ever done by the United States was the establishing of the Federal reserve banks. I am not a believer in the theory that the government has the right only to regulate—I think it has the right to construct and I believe that at times it needs to do some real constructive work as well as to regulate."

The opinion of Mr. Highland was that it brought the resources of the country into the hand of the government so that it could be controlled in a way that no other system could, and that panic and financial distress were many times averted by the system.

indicating that the long-looked for extension of the Great Northern from Watford City to New Rockford is not to materialize for some years.

FARMERS AND THRESHERS AGREE ON WAGE SCALE

England—Threshers at a mass meeting held here this week agreed on a scale of prices for threshing and wages for this fall's runs.

The farmers agreed on 40 cents an hour to each man for any length of time decided on by the men, they to be docked for time lost after a stop of 15 minutes. For teams and wagons 25 cents an hour will be paid.

The price for threshing grain will be as follows: Wheat

and rye, 15 cents a bushel; barley, 10 cents a bushel, and oats, eight cents a bushel.

If threshing is done by the hour, the charge will be \$20 an hour for eight-team outfits; \$25 an hour for 10-team outfits, and \$30 an hour for 12-team outfits.

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 Farms personally inspected

The SAVINGS LOAN and TRUST CO.
 MINOT, NORTH DAKOTA
Liberal cash commission to brokers.

Ample funds always available

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South St. Paul, Minnesota

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Conservatism and absolute safety

—the cardinal points in safeguarding your investments. It is these factors which dominate principally the negotiating of the **6% First Mortgage Farm Loans** we make in the most desirable agricultural districts of Montana and Wyoming. The inevitable result: A steadily growing clientele—satisfied investors who buy more and more mortgages from us. We can serve you as well.

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SEED CANNOT BE SUPPLIED ON CREDIT

Helena—"Those farmers of the Northwest who had the expectation that the Agricultural Department at Washington would either furnish them seed grain this fall on credit or make arrangements so they could obtain the grain on credit will be disappointed," said Charles D. Greenfield, commissioner of agriculture and publicity, on his return from Spokane. Mr. Greenfield, with several other residents of Montana, went to Spokane on the invitation of Secretary Houston of the Agricultural Department to attend a conference of officials of that department and representatives of the northwestern and coast states.

"As originally passed by the house," said Mr. Greenfield, "the food bill contained an appropriation of \$8,000,000 to be used by the Secretary of Agriculture to encourage a larger production of food crops. As passed by the house, the secretary was given the power to use some of this appropriation to furnish seed grain for farmers on credit. The senate amended the bill so that one section of it provides that the secretary may purchase seed grain but that he must sell it to farmers for cash at cost. This statement was made by Dr. Pearson, emergency assistant secretary of the interior, who presided at the conference.

"There were about 75 people in attendance, representatives of the banking and farming interests, heads of farmers' associations, agricultural experiment station men, and agricultural college members. Reports as to conditions in each state were made by the directors of the extension service in the different states. Dr. F. S. Cooley of Bozeman was called first and he told of conditions in Montana. Dr. Cooley, in my opinion, made the clearest presentation of any of the directors. A striking feature of the reports was that conditions in Idaho, west North Dakota, Washington and Oregon were reported by the directors along identical lines with those in Montana. That is, due to drouth in different sections of all of these states the yield of grain will be under the normal, but on the whole the states are able to take care of the situation.

"F. S. Lusk, president of the First National Bank of Missoula, who was invited by Secretary Houston to represent the banking interests of Montana at the conference, explained that Montana did not come to the conference asking for assistance because the state was amply able to take care of its own needs. But, he said, if the national government was going to spend millions of dollars in so many different directions to help provide for the allies he was of the opinion that no wiser expenditure of at least some portion of these millions could be made in the northwestern

states than by helping the farmers who are in financial difficulty to put in largely increased acreage.

"Another representative from Montana said that this state would produce, or rather would put in, as large an acreage in winter wheat this fall, weather conditions being favorable, as it put in last year without any assistance of any sort from the national Government. But the Government was calling upon the farmers of the state to put in a largely increased acreage in winter wheat and rye. He said that without any assistance it was more than probable Montana would exceed the acreage in these cereals this year as compared with last. He added that if the Department of Agriculture wanted the increase it seemed to him, in view of the conditions not only in Montana but in the other northwestern states, that some means should be found to assist those unable to put in even a normal acreage to do so."

Those in attendance at the conference in addition to Messrs. Cooley, Lusk and Greenfield were T. B. Story of Bozeman, J. Fitzpatrick, representative in Montana of the Government crop estimate bureau, and Charles Vandenhoeck of Bozeman.

BILLINGS LIVE STOCK EXCHANGE ELECTS OFFICERS

Billings—Organization of the Billings Livestock Exchange was effected here when P. B. Merrill was elected president; G. E. Rea secretary and Frank O'Donnell treasurer. Twenty-five charter members were present at the meeting, which was held in the stockyards office of the Montana Livestock and Loan Company.

The Billings Livestock Exchange will operate in connection with the Yellowstone Packing Company, which has under construction additions to the old plant costing in the neighborhood of \$100,000. The company was reorganized this year and the work of extension has been in progress all summer. The completed plant is expected to be in operation by October 1.

BIG WOOL SALE

Livingston—Lester Work, of the Story-Work Sheep Company of Park and Gallatin counties has completed the sale of a million pounds of wool to a Boston firm. The prices ranged from 40 to 60 cents. Mr. Work claims that his company sold one-fifteenth of the total wool crop of the state.

The proposed plan to eliminate the eating of lamb chops on diners, in hotels and homes will prove a failure according to Mr. Work who stated that he estimates that the sheepman of Montana will cut down their flocks 25

MONTANA AGRICULTURAL LANDS

Wholesale and Retail

Secretary of Agriculture, Greenfield, Helena, Montana, latest estimate is for a 25,000,000 bushel wheat yield this year for Montana, contrasted with 28,000,000 bushels last year. Quality high.

F. E. HOLTON

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MINNEAPOLIS, MINNESOTA

J. E. MARCELL

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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.

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First Mortgage Loan Company of Montana
GREAT FALLS, MONTANA

Capital \$500,000.00

REFERENCES
 First National Bank, St. Paul, Minn. American Bank & Trust Co., Great Falls
 First National Bank, Great Falls Commercial National Bank, Great Falls

per cent. under last year. He said that no sheepman in Montana will attempt to feed spring lambs this winter but admitted that the lambs might be shipped east and wintered there with success.

"Unless the sheep are taken east," said Mr. Work, "the plan will prove a failure for no Montana sheepman can afford to feed them here. The price of hay this winter is going to be close to \$25 per ton and perhaps even higher. If the lambs are not eaten when from four to six months old I am afraid the coyotes will get their dead bodies."

HELP GIVEN BY BANKERS

Havre—The farmer and business man who has notes falling due this fall need not despair. He is going to find Havre and all its institutions willing and happy to back him up and tide him over until the prosperity that good crops bring has returned, provided of course that there is mutual cooperation and a willingness on the part of the note-giver to make the task as easy as possible.

One of the local banks sent to its customers a letter of which the following is a copy:

"Dear Mr. _____
 "Realizing the great damage to crops caused by the severe weather, we take this opportunity to assure you, our friends and customers, that we will do all in our power to assist you in every way possible. You no doubt will have very little crop and perhaps will not have enough money to meet your obligations with us. We therefore, ask that you come in and talk the matter over and we will be glad to advise you.

"Practically all your notes fall due in November, but we request that before that time you come in, because if all our customers wait until their notes are due, it will be impossible for us to give them all as much time as we would like to. Come in and talk over your situation with us as soon as you can conveniently do so.

"Don't forget that we expect to stand by our friends and customers, in the future, as you have stood by us in the past. This is your bank in stormy weather as well as in sunshine.

"Hoping to have the pleasure of seeing you, we are,
 "Yours very truly,

KHARKOV WHEAT IS FINE FOR SEED

Bozeman—Kharkov wheat preferably that grown in Montana is the best variety of winter wheat seed for the Montana farmer to buy, states Prof. Alfred Atkinson, who says, nevertheless, that though this is the present indication from the tests conducted by the Montana experiment station, the recommendation is not yet based upon a sufficiently extended series of tests to be absolute. In the tests so far, this variety has given the largest yields; and it seems to kill out in winter less than the others, though no kind of wheat has been proof against winter-killing in the unusually severe winters that Montana has had for the past two years.

Regarding the theory that seed "runs out" in any given locality in a few years, and that it is better to import seed from some other state, Professor Atkinson says this is not the belief of the best qualified observers. He explains the apparent "running out" of the seed by failure of the farmers to grade up their seed carefully from year to year, eliminating the poor seed each year. The reason why seed from outside seems to do better or really does, is that when seed from a distance is bought, it is usually bought from some one who has graded it up and kept up the standard.

In case farmers cannot get Montana-grown seed, Professor Atkinson says that it is better to import this variety

and says that it is extensively grown in Kansas and can probably be imported from there.

FIRM TAKES OPTION ON BUTTE ZINC SECTION

Butte—Hayden-Stone interests have obtained options on a tract of ground in the southwestern part of the Butte district in what is known as the zinc belt, comprising 178 acres lying along the general strike of the Black Chief lode.

The old Germania shaft, 400 feet deep, is being retimbered and will be sunk to a depth of 1,000 feet, if the tentative plans of the Butte & Superior Mining Company are followed.

The Germania property in the early days of the Butte district was well known as a silver producer with a heavy zinc content.

Annual report of the Lake Superior Corporation for the fiscal year ended June 30, 1917, shows net earnings amounting to \$5,328,005, compared with \$3,503,471 last year, or an increase of \$1,819,534. After deductions for interest charges, depreciation, sinking fund, etc., there remained a surplus of \$429,258, against \$358,718 last year.

FIRST MORTGAGE LOANS
 On Montana Farm Land and City Property
ABSOLUTELY SAFE AND DESIRABLE
 Netting 6% to Investor
 Interest and Principal collected and remitted without charge if desired.
YELLOWSTONE INVESTMENT COMPANY
 Incorporated 1903 BILLINGS, MONTANA

E. R. PRICE & CO.
 BILLINGS, MONTANA
FARM MORTGAGES
FARM LAND BONDS
CATTLE LOANS

6% JUDITH BASIN, MONT. 6%
FARM LOANS
American Loan & Investment Co.
 Paid-up Capital \$100,000 STILLWATER, MINN.
 REFERENCES—First National Bank, Stillwater, Minn., Lumberman's National Bank, Stillwater, Minn., Bank of Fergus County, Lewistown, Montana.

Interest Paid on Time Deposits
DALY BANK & TRUST CO.
 of BUTTE, Butte, Montana
 (ESTABLISHED 1882) Capital and Surplus \$400,000.00
 Charles J. Kelly, President C. C. Swinburne, R. W. Place, Ass't Cashier
 John D. Ryan, Vice Pres't Cashier W. C. Rae, 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

Live Stock Security Co.
 GORDON C. SMITH, PRESIDENT
Cattle Loan Paper and Farm Loans for Sale
Stock in Country Banks Purchased
 Merchants National Bank Building ST PAUL, MINN. Belknap Building BILLINGS, MONT.

The Canadian Bank of Commerce

Paid-up Capital
\$15,000,000

HEAD OFFICE, TORONTO
Established 1867

Reserve
\$13,500,000

SIR EDMUND WALKER, C. V. O., LL. D., D. C. L., President
V. C. BROWN, Superintendent of Central Western Branches, Winnipeg

SIR JOHN AIRD, General Manager

H. V. F. JONES, Assistant General Manager
C. W. ROWLEY, Manager, Winnipeg Branch

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

CANADA'S LIVESTOCK EXPORTS GROW

Winnipeg—Development of livestock exports from Western Canada to the United States is indicated by comparison of export trade for the first six months of 1916 and first six months of 1917. In former period the total exports from Manitoba to the United States were: Cattle 4,721; hogs, none. In same period in 1917 exports were: Cattle 10,943; hogs 1,288.

There were 16 cars of cattle purchased at the Union Stock Yards which were shipped to Moose Jaw. Livestock receipts at Union Stock Yards were 2,200 cattle and 754 hogs. Hogs brought record price of \$18.40.

IMMIGRATION TO CANADA INCREASES

There were 741 immigrants arrived in western Canada during the week ended August 21 as compared with 537 for the corresponding week last year. It is estimated that they were in possession of \$132,200 cash and effects valued at \$64,212. Of these 134 went to Manitoba, 388 to Alberta, 188 to Saskatchewan, 15 to British Columbia, and the balance to Ontario.

According to the report of the Manitoba Department of Agriculture on August 27, 80 per cent. of the wheat crop of southern Manitoba has been cut, and in other districts the average cut varies from 10 per cent. to 80 per cent. Wheat generally is well headed, and in some districts exceptionally well headed.

INVESTMENTS IN WESTERN CANADA

Investments in western Canadian securities and the effect thereupon of the legislation passed by the western provincial governments in recent years, was the subject of an important address by J. F. Weston, managing director of the Imperial Life Assurance Company, Toronto, at the Life Underwriters' Association at Winnipeg recently. "I believe," he said, "you hold here in your vast, rich prairies the potential wealth and opportunity which will attract great tides of immigration and upon this the future greatness of the whole of Canada depends, so that the interest of the East merges with your own and is affected by whatever retards or accelerates your development. The East needs you and you need the East with the capital which it can supply. The importance of each to the other is nearly enough equal to enable us to solve any problems which may arise in a way which will prove fair to both.

"We have always had too much sectionalism in this country. It has retarded our progress in many directions. Let us work intelligently against further aggravation of this national weakness, and do whatever we can to unite the full strength of the East and the West and to use it for our mutual advantage and for the benefit of the country as a whole. In that way we can make the most of the great opportunities which lie before us for the development of our great natural resources and the comfort and happiness of the whole Canadian people, present and prospective.

How Life Insurance Funds Have Aided Western Canada

"Life insurance funds have played an important part in the development of this country. For a long time the

companies have been investing in western securities many times the amount of money that they have collected in premiums from the same sections and some of us have a very large percentage of our assets invested here. A good many of us have established loan branches and we anticipate a call for capital when immigration again sets in, as it is sure to do, which will make the West the great logical field for investment. The experience we have had in the past on the whole has been very satisfactory and we have great confidence in the future of the country and the value of the security you will have to offer. Values on the whole have stood up well during these last few years of unprecedented disturbance, and confidence has not been shaken.

"To maintain the quality of security, and to cultivate the practice of reasonably prompt payment on the part of the borrowers, is the sure and only means of encouraging heavier investments here and of effecting a reduction in the rate of interest. We do not seek exorbitant rates and a life insurance company is the last of all institutions which should accept a loan which carries an unusually high rate, for that suggests risk. Security is the primary essential in all our investments. We are not allowed to foreclose and hold real estate for speculative rises in value. We can hold only for a reasonable time to effect transfers of any to which we may be forced to take title, but we, in common with other reputable institutions which have money to loan, are forced to be sensitive to any experience which leads us to question the quality of security. On the whole, we have made no loss in our western investments, and we look forward for values to increase rather than depreciate, but during the last few years of stress which the whole country has borne in common, certain legislation has applied in all four of the western provinces, which introduces a new and disturbing factor in this branch of our business. The purpose aimed at in most of this legislation was in the main commendable and in the majority of cases the people needed the relief which it effected; in most cases the trend of the legislation was fair to all concerned.

"It is regrettable, however, that the method employed in the application was in so many cases grossly at fault and worked a hardship and a risk to those who had advanced money on the security of mortgages in the country, and in many cases, particularly in connection with a general moratorium, gave no compensating advantage to the one it was supposed to benefit. Little difficulty was experienced under the act in dealing with the real farmer or occupying owner, but often where the property had come into hands of those who held it more or less for speculative advantage, it has been tied up and arrears accumulated which are not at all likely to be discharged when the moratorium lifts.

"Similarly with reserivist provisions in some of the provinces. But the chief difficulty has been experienced in the operation of those acts which provided for certain

charges to be made a first claim upon the property, in priority to any previous mortgage.

"In this connection one case has been brought to my attention where a first mortgage of \$1,100 (50 per cent. of the value of the property) was registered against a quarter section and charges of \$1,400 were later registered in priority of the claim. This made the first mortgage a secondary claim and raised the amount of the two claims above the total value of the property. This is the most striking case I have heard of. In another case, liens of \$900 were registered in priority to the title after a property had been foreclosed, in ignorance of the fact that the relief for which the priority claim was later registered had ever been granted. There are many other cases similarly affected in the allotment of the \$15,000,000 or more relief which has been granted under this legislation, and which little or no attempt has been made to collect or remove the liens though the relief was granted nearly three years ago. This is the sort of thing which is calculated to disturb confidence and prevent the inflow of money into the country and which tends to keep up the rate of interest.

Government Rural Credit Schemes

"I am in sympathy with the principle of rural credit schemes which the governments are attempting to introduce into this country, first, because I believe that the country will need all the capital it can secure and that there is ample room for this government effort to be exerted without interfering with the business of the companies which have been regularly loaning here for many years. I welcome it mainly because it will, if properly conducted, serve to demonstrate the actual cost of transacting the business here and determine what the fair rate of interest is, and so establish a standard which will be fair and equitable.

"In normal times capital knows no national or provincial lines, but will flow in the direction of good interest, provided the security offered is sound, and as the quality of the security improves, it will come in increasing quantities, which will tend to reduce the rate.

"Of course, to make the rural credit scheme permanent, the borrower must pay the full cost to the government of securing the money, must make up for any losses it may incur and pay the full cost of transacting the business. This is the only basis on which it can ultimately be continued and on which independent companies can compete in loaning. On any other basis independent loaners would soon be forced to withdraw and the government be com-

elled to assume the responsibility of borrowing enough money to meet the whole requirements of the country. This would not seriously affect us as insurance companies, for the government, in assuming liability for the large amounts which would be required, would affect the price of their bonds to the point where they would be very attractive to us as an investment, rendering us a good net rate and relieving us of the cost and risk of dealing with the individual borrowers, but this, I think, is a very remote contingency.

"The fact is, we have never sought, and we are not seeking, an excessive rate, so our services will continue to be required in this direction. We must follow the trend of interest; but, above everything, we must seek security, and anything you can do to stabilize or improve conditions in the security or to influence your people towards prompt payment of interest so as to prevent the accumulation of arrears which encroach on the margin of safety, will encourage the flow of capital to this country and help toward its rapid development.

Loaning in United States

"Study the history of loaning in the Middle West of the United States; there you will find that the rate of interest has been much higher than it has ever been here, in all periods of similar development. For rural credits read Morman whose book gives a summary of the findings of the commission appointed by the United States government to study that question in those countries of Europe where rural credits have operated for a long time. You will find it applies there to very small farms in densely populated countries, and that for the most part the borrowers are grouped in communities, and are held individually and collectively responsible for repayment. The contrast on conditions there and here is the chief difficulty our governments will encounter in applying the principle and making it work satisfactorily, but whatever happens, don't worry, for you live in a country whose future prosperity is assured. By studying these questions and helping to solve them, you can do a great deal toward maintaining a steady inflow of capital to meet the country's means. Insist on fair treatment always, but be careful of any unnecessary disturbance in this matter. You cannot kill off, for your prairies afford too good picking or values, but by bungling you can scare off whole flocks of the geese which lay the golden eggs; they are very timid and there are many fields for them to visit."

Farm Loan Business at Spokane

Spokane—Evidently the value of northwestern farm lands have impressed President Wilson. His name is signed to \$10,000 of the second issue of bonds put out by the Federal Land Bank of Spokane, according to D. G. O'Shea, president of the institution. Up to date \$1,000,000 has been issued in mortgage securities. Another purchaser of these bonds is Joseph Cannon, former speaker of the House of Representatives. "Uncle Joe" has bought \$30,000.

Since the bank opened loans appraised and approved total \$7,000,000. Farm loan associations chartered now number 143 with 35 more in process of chartering. The bank sold \$50,000 of its bonds over the counter last week in small amounts.

Henceforth the bank will have bonds on sale at all times in denominations of \$25, \$100, \$500 and \$1,000. The bonds are selling locally at 101½ and accrued interest from May 1 to the date when the bond is paid for. This means that the bonds will net the investor in Spokane about 4¼ per cent. to the redeemable date in 1922 and 4½ per cent. so long as they remain outstanding thereafter.

VINCENT TO PARTICIPATE IN A. B. A. CONVENTION

W. D. Vincent, vice president of the Old National Bank, has been appointed a member of the invitation committee of the American Bankers Association's annual convention, which will be held in Atlantic City the week of September 24. Banking papers on the Coast are mentioning Mr. Vincent for president of the national association.

Mr. Vincent is president of the clearing house section of the national association, its largest and strongest section. He must first be elected vice president, as, by custom, the vice president becomes the president when his term of office ends.

MORE MONEY NEEDED FOR CROP MOVEMENT

"Twice the usual amount of money will be needed to finance the crop movement this year," says W. T. Triplett, secretary of the Spokane & Eastern Trust Company. "This is due to the increase in the cost of labor and other factors entering into production, and to the higher grain price. Because of the late season and the few sales as yet Spo-

Send That Northwestern ³/₄ Draft
DIRECT!

The Old National is in constant touch with Spokane's 19 railroads seven of which are transcontinental

OLD NATIONAL BANK
OF SPOKANE

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

BANK FIXTURES FOR SALE

A set of marble, bronze and mahogany bank fixtures, consisting of 29 feet of counter and screen, with four wickets, two standing bookkeepers' desks, two mahogany roll top desks; all in first class condition. Manufactured by the A. H. Andrews Company, costing new \$2,500. Will sell at a bargain. Available about November 1. Address **GOGEBIC NATIONAL BANK,** Ironwood, Mich. (4-11)

HELP WANTED

Mortgage Salesman Wanted

Manager mortgage sales department for company operating line of banks and doing large business in western farm mortgages. This position calls for an experienced mortgage salesman with an outlet for \$300,000.00 to \$500,000.00 worth of farm mortgage paper. Opportunity to make substantial investment with the company if desired. Salary open. **BUSINESS SERVICE CO.,** Banking Dept., McKnight Bldg., Minneapolis. (tf)

HELP WANTED

Wanted.—Cashier for country bank in North Dakota; must be experienced and able to invest. Address "W23" Commercial West. (4-10)

Stenographers Wanted

Both male and female, with and without experience for positions in country banks everywhere. **The Charles E. Walters Co.,** Omaha, Nebraska. (tf)

Bank Cashier Wanted

Wanted.—Applications from experienced bank men capable of assuming the management of a country bank. Must be a business getter, able to speak German fluently and not subject to draft. Address "H26" Commercial West. (tf)

WANTED.—CASHIER, MERCHANTS National Bank, Willow City, N. Dak.

CASHIER.

Village, northern Minnesota state bank; cut-over country; 20 shares stock reserved for cashier. Salary \$90. **Business Mens Efficiency Bureau,** Minneapolis, Minnesota. (5-10)

SITUATION WANTED

Wanted.—Position in bank; three years' experience; good references. **Charles E. Kimberley,** St. Vincent, Minn. (5-15)

Experienced man wants assistant cashiership in country bank; well educated and not liable to draft. Address "S19" Commercial West. (4-11)

STENOGRAPHER.—YOUNG LADY, twenty-two desires position; best references; will allow employer to judge value of services. Box 546, Sleepy Eye, Minn. (4-10)

WANTED.—Position as cashier for married man; have had seven years' experience as cashier; would like to get into a town where there is high school. Address "T20" Commercial West. (4-10)

SITUATION WANTED

Wanted.—Position in country bank as assistant cashier, by young man who is not subject to draft; have had considerable banking experience. Address "Z25" Commercial West. (5-10)

MUNICIPAL BONDS

PROPOSALS FOR CERTIFICATES OF INDEBTEDNESS

Sealed proposals will be received at the office of the State Board of Control, State Capitol, St. Paul, Minnesota, up to 2 P. M., Wednesday, September 19, 1917, for the purchase of \$115,000 State of Minnesota Historical Society Building certificates of indebtedness, to be dated October 1, 1917, to mature as follows:

\$25,000	February 1, 1919
25,000	August 1, 1929
25,000	February 1, 1930
25,000	August 1, 1930
15,000	February 1, 1931

Interest not more than 4 1/4% per annum, payable annually. Principal and interest payable at office of State Treasurer, St. Paul, coupon form, denomination \$500 or \$1,000, as desired. Said certificates will be sold at not less than par and accrued interest. Expense of printing certificates will be borne by the State.

Certified check of 2% of the par value of the certificates bid upon, payable to the State Board of Control, required. Full particulars may be obtained upon application to the **STATE BOARD OF CONTROL, ST. PAUL.** (5-10)

Nicholson Brothers

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

TAILORS

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709 Nicollet Ave. MINNEAPOLIS, MINN. Second Floor

kane banks probably have not put out more than \$2,000,000 for crop purposes.

"The big factor in cutting down deposits at the present time is the Liberty loan. This undoubtedly took \$5,000,000 from the Spokane banks. The subscriptions in Spokane alone were \$3,600,000, and the country banks easily withdrew \$1,500,000 from the vaults of the city banks to pay their subscriptions. Those items alone will account for a decrease of \$7,000,000 in deposits when the next call comes. The call of June 20 came just before the Liberty loan payments began."

BAN ON GOLD EXORTS TO ENEMY IS PLANNED

Washington—Bank accounts of alien enemies, and international banking transactions involving the possible exportation of gold, are under careful scrutiny by the Federal Reserve Board. It is cooperating with the State Department in preventing the gold accumulation of the United States from reaching the enemy.

"The board has suggested that each banker doing business in this country," says its bulletin, "should scrutinize such accounts as might be held by his bank for any resident alien enemy. The transactions which are interesting to the State Department may be divided into three classes:

"1—Foreign exchange transactions between banks in this country and banks in neutral countries in Europe.

"2—Ordinary banking transactions, such as obtaining credits by alien enemies resident in the United States.

"3—Banking transactions between this country and Mexico or Central American and South American countries.

"The State Department is especially interested in preventing all transfers of money by cable, draft or shipments of currency or otherwise for the account of alien enemies."

"For the past five weeks," the bulletin adds, "the net outward movement of gold was \$55,012,000."

BIG MINING MERGER APPROVED

Detroit, Mich.—The Michigan Securities Commission has authorized one of the state's mining mergers when it issued a tentative order permitting the new \$20,000,000 Breitung Iron Company, combining all the Breitung ore properties in northern Michigan, Minnesota and Wisconsin, to sell \$1,500,000 of notes in this state. The Breitung Iron Company has been capitalized at \$18,000,000, of which \$15,000,000 is common stock, \$3,000,000 preferred and \$3,000,000 in notes, half of which amount it is intended to dispose of on the market. The chief mines in the combination are the Breitung, Hematite, Mary, Charlotte and Juliet, all large producers of the Marquette range.

CERTIFICATES OFFERED TO PAVE WAY FOR NEW BONDS

Washington—Preliminary to the forthcoming second issue of Liberty bonds, Secretary McAdoo September 4 offered through the Federal reserve banks for subscription at par \$300,000,000 of treasury certificates of indebtedness. Subscriptions will be received up to noon Tuesday, September 11, and the certificates will pay interest at 3 1/2 per cent. to December 15, 1917, when they are to be redeemed.

Cashier can increase his income by handling our Guaranteed Investments. Would like to hear from cashier of country bank where his clients have money to invest. Prefer North Dakota Territory. Strictly confidential. Address "T 90" Commercial West.

A well known and established Farm Mortgage Loan Company, adding a bond department to its business, offers an exceptional opportunity for a first class bond salesman, or a possible combination with an established bond business. Address "Bonds" care of Commercial West, giving full particulars, age, experience, references, etc.

Allied Institutions for Complete Handling of Pacific Northwest Live Stock Business

Live Stock State Bank Portland Cattle Loan Co.

Located at Portland Stock Yards, NORTH PORTLAND, OREGON

Capital and Surplus \$500,000

Especially equipped to facilitate the requirements of Country Banks in Live Stock Transactions

In its business of selling, over its indorsement, notes secured by live stock, has handled over \$50,000,000 of live stock paper

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 C. C. Colt, Vice President Carlston B. Swift, Ass't Cashier
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Experienced Bankers have long since come to recognize that there is no class of security safer or more liquid than loans based upon live stock

REVIEW OF THE LIVE STOCK MARKETS

South St. Paul, September 5—Livestock trade continues to go ahead unhampered by such restrictions as have been placed on wheat trading. Nevertheless the hand of the government is beginning to be felt though in an advisory more than in a restrictive sense. Following his address last week to packers, stock men and farm editors on the importance of stability in the live stock markets, Mr. Hoover this week has started a movement through the Federal reserve banks to cheapen the interest rate on cattle loans. The suggestion is being made to bankers throughout the western country that they make their loans at a rate of interest not exceeding seven per cent. in order to stimulate the raising of stocker and feeder cattle and thus pave the way for an increase in the meat supply of the country.

The placing of meats on the list of exports which must be licensed has had no effect on the live stock markets; and at the very moment that Great Britain was placing restrictions on the importation of bacon the hog markets in this country were executing another upward swing that put prices back within reach of the high time in August. In brief, the live stock markets have moved along on a good healthy basis.

The West is marketing a lot of cattle for so early in the fall. This point has had more than 30,000 each of the last two weeks and with a record run on Monday this week of 13,400 cattle, prospects are for another six day run around 30,000. So far the market has been absorbing everything in fair shape. Prices have been lowered several times lately but even at the declines all grades of cattle are selling high enough, quality considered. Western cattle never in recent years have commanded such good terms as they are now. This is a favorable situation as it tends to lend encouragement to cattle men to go into the winter with at least a normal supply of finishing stuff. A few bad breaks in the market at this time might discourage a good many farmers from buying stockers and feeders.

Wide Range on Steers

A wide range continues to prevail in the steer trade. Cheap little canner steers are selling at \$5 to \$5.50 while fair killers are selling up to \$7 and the rank and file of native grassers from \$7 to \$9. Plain western steers are selling from \$9 down with in-between kinds at \$9 to \$10 and good to choice westerns at \$10 to \$12. This market has had no dry fed steers the past week and their standing is uncertain though it is likely that prime beeves would command as good money as they ever have.

Practically all of the native cows and heifers suitable for beef are going at \$6.25 to \$8, taking in everything from fair killers to decent beef cows. Some good cows and heifers are going at \$8.25 to \$8.50 but anything above those prices is generally on the western order. The western cattle are favored more than the native stuff and the additional competition from them at this time is placing the nearby cattle at a disadvantage at times. Canner and cutter trade keeps around \$5 to \$6 and the bulls at \$6 to \$7. Veal calves are still selling at high levels, top being at \$14.50.

Good quality stocker and feeder cattle are selling well enough but the plain stuff is slow to move to the country.

The farmers are beginning to pick up weighty cattle now for fall finish and winter marketing and anything good in that line is finding a prompt demand at prices ranging from \$9 to \$9.50 for extra good weighty steers down to \$7.50 and even \$7 for some of the medium weight stuff not so good. Light steers are selling pretty generally at \$6 to \$7.50 except choice yearlings which are worth \$8 and more. Stock heifers of quality cannot be bought much under \$7 and feeding cows command \$5.75 to \$6.25. Dairy cow prices have changed little lately.

Hog Prices Slipping

The trend of the hog market is again downward after a gain last week around \$1.50. No trade of consequence is being done under \$17. Pigs are topping at \$14 but more of them are selling at \$13 and \$13.50 and some down to \$12.50. Hog receipts continue light.

Sheep and lamb prices are working higher. The important phase of this market is not what packers pay for their mutton stock but what the country buyers pay for feeding lambs and breeding ewes. Prices of the latter are advancing steadily, up to \$15 being paid for choice feeding lambs while right good young breeding ewes are worth \$14 and more though this market is getting very few of that calibre. More of the trade is around \$10 for the more mature breeders. Fat lambs of first grade are bringing up to \$16.25 and seconds around \$12.50. Best killing ewes are cashing around \$9.50 with wethers up to \$10 and \$11.

CHICAGO

Chicago, September 5—A weak undertone prevailed in the cattle market first half of the week. Idle packing plants Monday offset a moderate run and demand Tuesday was not very urgent. Plain quality of offerings also was a depressing influence. The decline since Saturday is rated 25 to 50 cents following cuts of about that much last week on all but the good to choice prime steers which registered a price gain last week amounting from 25 to 50 cents generally and 50 cents to \$1 in spots. Prime corn fed steers are still quotable up to \$16.50 and \$16.75. Western cattle are topping around \$14 and while not running extra well in quality they are being favored by buyers over native grass offerings.

Hog prices are again backing down the ladder after climbing steadily last week and reaching a top Friday and Saturday of \$18.75. Reverses Monday and Tuesday put best hogs down to \$18.60 with the undertone not very firm. The sheep and lamb markets also displayed weakness the first half of the week. Current quotations:

Hogs—Bulk, \$17.40@18.45; light, \$16.75@18.50; mixed, \$16.70@18.60; heavy, \$16.60@18.25; rough, \$16.50@16.90; pigs, \$11.50@16.50.

Cattle—Native beef cattle, \$7.85@16.75; western steers, \$6.80@13.75; stockers and feeders, \$6.00@9.15; cows and heifers, \$4.80@13; calves, \$11.75@15.50.

Sheep—Wethers \$7.85@11.40; lambs, \$1.25@17.50

SIoux CITY

Sioux City, September 5—The first half of the week brought out around 10,000 cattle here, not enough to damage values any. In spite of a 5,000 run on Labor day with


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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

The annual subscription price to the Review is \$5.00—one sample copy mailed upon application; all subscriptions payable in advance.

J. Rosenbaum Grain Co. Postal Telegraph Building, CHICAGO

GRAIN AND MILLING

Commercial West Office, September 5—This is the second business day in which Frank L. Carey, food administration representative, has had the handling of all the wheat arriving in Minneapolis. On September 4, the first business day, 920 cars of wheat arrived but the receipts today were only 309 cars of spring wheat and 59 cars of durum wheat, of which considerable had been sold before arrival. Country flour mills in this zone alone wanted 300 cars. In consequence of the big demand for wheat most requisitions went unfilled. In fact, for the present it is impossible to fill the demand for wheat on the part of the mills. It will be some time before any wheat will go into storage or will be available for export. The plan is to supply Minneapolis mills first and then the mills in Minnesota outside of Minneapolis, and Wisconsin and Michigan.

Full financial arrangements for handling the wheat crop have been made by the grain corporation, which has deposits in the national banks of Minneapolis. The price being paid here for No. 1 northern is \$2.17, only three cents less than the basic price at Chicago. This price of \$2.17 applies to No. 1 northern, No. 1 red winter, No. 1 hard, No. 1 durum and No. 1 hard white. The prices for other grades are as follows:

The No. 2 of each of these grades, three cents a bushel less.

The No. 3 of each of these grades, six cents less.

The No. 4 of each of these grades, 10 cents less.

Mixed wheat, four cents less than the price of the predominating grade.

Dark hard winter, dark northern spring and amber durum, four cents a bushel premium over the basic grades.

Soft red winter, red spring and soft white, two cents discount under basic grade.

Yellow hard winter and white club wheat, four cents discount under basic grade.

Red durum and red walla, seven cents under basic grade.

Humpback, 10 cents under basic grade.

Lower grades will be purchased by sample on basis of relative values.

Prices in Northwest States

On the basis of \$2.17 for No. 1 northern in Minneapolis, the average station price on the basis of average freight rate and previous other marketing experiences will be \$2.03 in Minnesota; \$2.01 in South Dakota and North Dakota, except western North Dakota where about \$1.97 will be realized, and \$1.91 in Montana.

Coincident with the start of the new plan for handling wheat, John G. McHugh, secretary of the Minneapolis Chamber of Commerce, issued a report covering the Minneapolis grain movement for the crop year that closed at midnight August 31. These are the figures, and they reflect the short crop of last year, that was so great a factor in price advance, in sharp contrast to the big crop of two years ago.

Crop Year Total Given

Wheat and other grains received in Minneapolis for the crop year ending at midnight August 31:

	Crop year, 1916-1917, bushels.	Crop year, 1915-1916, bushels.
Wheat	111,097,230	170,208,650
Corn	9,911,550	5,733,880
Oats	28,218,840	49,487,830
Barley	26,582,630	45,852,130
Rye	7,630,340	6,690,650
Flaxseed	8,490,500	7,461,210
Flour, barrels shipped	16,749,623	21,300,994

Spring Wheat Harvest

It is interesting to note that the wheat crop in the Northwest has seldom been harvested in as good a condition as it has this year, both in Minnesota and the Dakotas. Considerable stacking has been done, but nevertheless spring wheat threshing progresses satisfactorily.

Yields are exceeding earlier expectations and the next report by the Government on the spring wheat harvest will have to revise the figures materially upward.

Although the Minneapolis flour output in the week ended September 1 showed a small decrease and amounted to only 310,630 barrels, more mills are in operation this week and the Northwestern Miller estimates that the output will reach 400,000 barrels for the first time in months.

Conditions in the flour market have not yet become settled. Until the Government's purchase of wheat gets further under way, millers are naturally at sea regarding the price to ask for flour. It is certain that price of flour will fluctuate somewhat, notwithstanding the fixed price for wheat. The flour price will be dependent to some extent on the mill feed market and on the demand for lower grades of flour. For standard patent at this writing Minneapolis and outside mills ask a range from \$11 to \$11.50 for 196 pounds in wood.

Minneapolis Futures Market in Oats

Traders on the floor of the Minneapolis Chamber of Commerce are now obliged to make future deals wholly in oats. There is cash trade, of course, in corn, barley, rye and flax. At the opening day oats were higher and there was quite an upward movement, with a gain of ½ cent to ¾ cents over Tuesday and 2¾ cents over the price a week ago. Movement from the country has not been satisfactory and there has been some reports of car shortage. At the same time export sales are comparatively heavy. Owing to the fact that a record oats crop of 1,600,000,000 bushels is being harvested, the strength in oats during the past week was not anticipated. Until the country movement becomes freer the September future is expected to continue to show strength.

Corn Prospects

It is undeniable that the corn crop is from 10 days to two weeks late, and the great question is whether a killing frost will appear before October 10. If it does not the country can be expected to have a bumper corn crop, as there has been great improvement in the Kansas and Oklahoma prospect during the past week, owing to rains and favorable temperatures. Even allowing for considerable frost damage a corn crop in excess of 3,300,000,000 bushels is anticipated. If no frost appears the harvest will be nearer 3,600,000,000 bushels.

Rye Crop to be Handled by the Government

Just as soon as the handling of wheat by the Government gets well under way, the Government is expected to fix a basic price for rye as the price of rye has a distinct relative value to that of wheat. Some Minneapolis grain men are advising country correspondents to ship rye promptly, as the fixed price may be less advantageous to the producer than the price now prevailing. No. 2 rye sold today at \$1.78, both cash and to arrive.

Recent Bulge in Flaxseed Prices Wiped Out

From August 23 to August 27 flax prices at Minneapolis and Duluth bounded upward savagely, but today they are back at the previous level, September and October flax closing at \$3.39½; November, \$3.38 and December at \$3.34, compared with the maximum of \$3.79 reached 10 days ago. It is now expected that business in flax will run along more nearly normal and without wide fluctuation although supply and demand conditions appear about as bullish as they have at any time. Receipts of flax are extremely light, but the demand for oil is also light. No great change in price is anticipated until the harvest outcome becomes more definite. There has been some improvement in the Canadian crop, which should approximate 6,000,000 bushels, but the crop in the United States will not much exceed 12,000,000 bushels.

NORTHWESTERN CROP REPORT

Van Dusen Harrington Company of Minneapolis has issued the following as crop report number 21: "Threshing in the central and western parts of North Dakota has been slow but the weather conditions very favorable. Considerable fall plowing has been accomplished in Minnesota, North and South Dakota but the condition of the soil in many places is too dry for successful germination of winter rye.

"Threshing returns continue very satisfactory, from sections in North Dakota that were damaged by dry weather. A considerable percentage of the wheat received at Minneapolis is heavy and of fine quality but contains a sprinkling of foreign matter such as barley, rye, wild peas and cockle. Under the new Federal rules, this foreign substance lowers the grade.

"Buyers in the country are not accustomed to the new grades and this is probably having some effect upon receipts, as buying from farmers has not fully started. There is considerable movement of oats into western North Dakota where the hay and feed crops have been very light.

"Flax samples from North Dakota show conditions extremely spotted and in places where the crop gave fair promise, there is little seed in the bolls."

CHICAGO GRAIN MARKET LETTER

Chicago—Crop Expert B. W. Snow reports the condition of corn September 1 at 76, against 79.2 on August 1. This condition figured on the government estimate of acreage suggests a crop of 3,256 million bushels. Mr. Snow says the low condition figure (76) is because the crop averages 10 days to two weeks late. We have not had and are not having the right kind of weather to force the corn crop to maturity. There is no forcing weather in prospect, therefore, we think the crop may be regarded as two weeks later than normal, therefore, the danger of damage by frost is increasing to this extent and two weeks at this season of year is important. The average date of killing frost in the principal corn districts for a series of years is after October 10. If the weather should be favorable to October 10, the crop will be very much larger than 3,265 million bushels. The crop is heavily eared and with good luck to October 10, we believe a crop approximately 3,500 million bushels in amount will be assured.

All depends upon that one word—frost, therefore, no one can tell what the final outcome will be. The crop last year was 2,583 million bushels and the biggest crop of record was 3,124 million bushels in 1912. From these comparisons it is easily seen what a great help to the food situation of this country and the world it would be if this crop can be so fortunate as to mature without damage. The improvement worked by the late rains in Kansas and Oklahoma is remarkable. Those states will have much better corn and fodder than at one time seemed possible.

Supplies of old corn will practically exhaust by the time new corn is ready for use, therefore, unusual importance attaches to the growing crop. It will be time enough to determine its value when the size of the crop can be judged with certainty.

The same crop expert estimates the oat crop 1,651 million bushels. These figures are based on actual threshing returns, therefore, may be accepted as an assured fact. The government August estimate of the crop was 1,456 million bushels. Last year this country raised 1,252 million

bushels and the largest previous crop ever grown was 1,549 million bushels in 1915. We have maintained all the time that this crop would be a record large one, because the season was practically perfect from beginning to finish, but the crop is turning out even larger than we had expected.

If the corn crop should mature without damage, there will be a great abundance of corn and oats for everybody and every purpose. In fact, in our opinion more than it will be possible to consume and export, but in oats, as in corn, the one question of whether or not the corn crop will mature without damage by frost is the dominating and controlling point.—W. G. Press & Co.

HOOVER ASKS BANKS TO ASSIST FARMERS IN CATTLE RAISING

Washington—Food Administrator Hoover has enlisted the aid of the Federal Reserve Board in a campaign to increase the meat supply of the country. Mr. Hoover has asked the board to help the farmers by suggesting that banks lend them money at not more than seven per cent. interest—as compared with the legal rate of eight per cent. or more—and that board has transmitted the request through the Federal reserve banks, to the bankers of the districts concerned.

"The board has received a letter from Mr. Hoover," reads a letter from the board to the Federal reserve banks, "stating that he is just beginning a campaign to secure a larger amount of cattle feeding in this country and that his investigation shows that the interest charge represents between 35 and 40 per cent. of the total costs of this industry.

"The legal rate of interest in many of the cattle raising states is eight per cent. or more, and the food administrator suggests that if banks would make loans to the cattle people at a rate of interest not exceeding seven per cent., which he thinks they could afford to do in view of the five per cent. rediscount rate on six months' paper available at most of the Federal reserve banks, a stimulus would be given to the cattle raising industry which all will agree is greatly needed at this time.

"The board appreciates, of course, the limitations upon its powers in this respect and does not wish to put any pressure upon the banks to induce them to charge less than legal rates, but it is informing you of the suggestion made by Mr. Hoover in order that should you deem it expedient, you may point out to your member banks this opportunity of rendering very effective help in the present food crisis."

RECORD 1918 CROP IN MINNESOTA IS URGED

Minnesota and the Northwest next year must produce every possible bushel of grain to add to the world's food supply, says an appeal for conservation of seed, issued by D. A. Wallace and C. P. Bull of the crops division, state committee on food production and conservation. The statement says:

"Minnesota as a unit of our great nation has an obligation to perform to reduce the world's food needs beyond the point of near starvation.

"The seed needs for one year's normal crops of corn and wheat are 405,000 and 4,659,000 bushels respectively; which on the basis of normal consumption would feed the population of Minneapolis, St. Paul and Duluth for one year with wheat, and the population of a town the size of Mankato with corn for one year.

"The committee urges saving just a little more than is necessary for one year's sowing, that a reserve stock may be had in case of loss in next year's crop. This need not be regarded as withheld from the world's needs, for as soon as the crop of 1918 is practically safe it can be released.

"The farmers especially are urged not to adopt new and highly advertised varieties of seed without a knowledge of their adaptability or the sanction of the agricultural college."

Minneapolis August bank clearings amounted to \$109,093,000, a decrease from August, 1916, of \$10,828,000.

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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):

	Sept. 1	Aug. 25	Sept. 2, 1916	Sept. 4, 1915
No. 1 hard	.....	.....	304	1
No. 1 northern	.....	.....	2,067	107
No. 2 northern	2	2	1,573	10
Other grades	53	62	2,681	69
Totals	55	64	6,625	187
In 1914	869	982	.....	.....
In 1913	6,873	7,015	.....	.....
In 1912	3,734	651	.....	.....

At Duluth

Duluth-Superior wheat stocks, September 1 (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
1 dk. nor.	.....	.....	116	22	188	379
1 nor., 2 nor.	3,148	.....	.....	.....	.....	.....
2 dk. nor.	.....	.....	.....	.....	.....	.....
3 dk. nor.	.....	.....	.....	.....	.....	.....
3 nor.	319	.....	.....	4	97	38
All other spring	12	970	79	9	101	26
Mixed	.....	.....	.....	5	98	84
Hard winter	399	.....	.....	4	154	64
Durum	5	1,610	3	1	75	25
White	12	.....	.....	.....	15	.....
Totals	17	6,458	206	45	728	556

At Chicago

Wheat stocks in all positions in Chicago decreased 172,000 bushels last week and rye 13,000 bushels, while corn increased 87,000 bushels, oats 580,000 bushels and barley 10,000 bushels. Wheat in public elevators decreased 2,000 bushels and oats increased 15,000 bushels. Wheat in private elevators decreased 170,000 bushels, corn increased 87,000 bushels and oats 565,000 bushels. Details follow:

	Public	Private	Total	Last yr.
Wheat	15,000	159,000	174,000	7,720,000
Corn	.....	252,000	252,000	951,000
Oats	157,000	1,892,000	2,049,000	15,985,000
Rye	.....	14,000	14,000	39,000
Barley	11,000	26,000	37,000	70,000

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
August 29	269	317	5	133	95	337
August 30	396	241	6	78	108	255
August 31	305	310	5	105	162	221
September 1	308	244	6	132	211	305
September 3	Hol.	Hol.	Hol.	Hol.	Hol.	Hol.
September 4	820	911	10	173	425	727
Totals	2,098	2,023	32	621	1,001	1,845

UNITED STATES VISIBLE GRAIN SUPPLY

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

	Wheat	Corn	Oats	Rye	Barley
September 1, 1917	5,058	2,471	7,277	.....	.....
August 25, 1917	4,399	2,661	5,285	609	2,407
September 2, 1916	54,660	3,330	27,691	418	1,905
September 4, 1915	7,767	1,859	5,578	536	774
September 5, 1914	30,019	5,008	21,445	.....	.....

United States visible supply of wheat increased 659,000 bushels last week, and oats 1,992,000 bushels, while corn decreased 190,000 bushels. Last year wheat increased 2,146,000 bushels and oats 6,336,000 bushels. Corn decreased 463,000 bushels. Wheat increased 489,000 bushels at New Orleans, 284,000 bushels at New York, and 217,000 bushels at Galveston, and decreased 172,000 bushels at Chicago. Corn decreased 1000,000 bushels at Omaha. Oats increased 580,000 bushels at Chicago, 499,000 bushels at Baltimore, 251,000 bushels at St. Louis, 208,000 bushels at Milwaukee and 183,000 bushels at Buffalo, and decreased 379,000 bushels at New York, and 182,000 bushels at Philadelphia.

Canadian Visible

Canadian visible supply of wheat decreased 515,000 bushels last week, and oats 3,010,000 bushels. Last year wheat increased 194,000 bushels, and oats 132,000 bushels. Details follow:

	This Wk.	Last Wk.	Yr. ago.
Wheat	2,819,000	3,334,000	15,878,000
Oats	6,102,000	9,112,000	11,367,000
Barley	238,000	346,000	1,782,000

WORLD'S GRAIN SHIPMENTS

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

	This Wk.	Last Wk.	Last yr.
Wheat—			
America	4,005,000	6,208,000	9,238,000
India	489,000	568,000	1,032,000
Argentina	85,000	102,000	808,000
Australia	1,460,000	1,652,000	1,188,000
Others	.....	104,000	833,000
Total, bushels	6,030,000	8,634,000	13,099,000
Corn—			
America	439,000	292,000	1,443,000
Argentina	236,000	34,000	2,490,000
Others	44,000	72,000	187,000
Total, bushels	719,000	398,000	4,120,000
Oats—			
America	1,851,000	2,426,000	2,292,000
Argentina	.....	194,000	1,310,000
Total, bushels	1,651,000	2,620,000	3,602,000

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:

	Sept. 1	Aug. 25	Sept. 2, 1916	Sept. 4, 1915
Minneapolis	310,630	320,580	448,885	345,995
Duluth-Superior	14,085	8,500	24,900	16,810
Milwaukee	10,000	5,000	13,500	13,300
Totals	334,715	334,080	487,285	376,105
Outside mills*	103,455	.....	158,680	.....
Aggregate spring	438,170	.....	645,965	.....
St. Louis	42,900	43,400	29,500	32,400
St. Louis†	57,800	58,600	40,000	43,800
Buffalo	96,160	122,300	120,200	120,500
Rochester	9,000	9,800	11,600	10,900
Chicago	24,000	23,500	19,750	24,000
Kansas City	74,500	72,000	63,600	64,500
Kansas City‡	236,350	230,330	247,525	271,920
Toledo	44,100	40,500	38,700	33,700
Toledo§	99,370	76,600	58,060	70,375
Nashville**	153,680	134,325	108,310	108,600
Seattle	9,375	11,675	26,670	17,800
Tacoma	14,095	13,665	41,645	22,435

Percentages of Activity

The following table shows the percentages of activity of mills at various points. The figures represent the relation of actual weekly output of flour, as reported to The Northwestern Miller, to possible output on full time schedule, operating six days per week:

	Sept. 1	Aug. 25	Sept. 2, 1916	Sept. 4, 1915
Minneapolis	60	62	87	78
Duluth-Superior	39	24	69	46
Outside mills*	38	29	59	46
Average spring	41	48	71	56
Milwaukee	84	42	55	51
St. Louis	85	86	72	81
St. Louis†	75	74	66	73
Buffalo	57	73	72	88
Rochester	44	49	52	48
Chicago	92	90	67	92
Chicago	97	99	89	90
Kansas City	84	81	91	80
Kansas City‡	92	84	86	70
Toledo	85	80	76	75
Toledo§	98	93	75	81
Nashville**	32	40	65	44
Seattle	24	23	78	44
Tacoma	.....	.....	.....	.....
Totals	68	64	72	76
Minnesota-Dakotas	41	48	71	56
Other states	73	70	72	84

Flour output for week ending September 1 at all above points shows an increase of 4 per cent. compared with week ending August 25.

*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	65,769	57,945	69,597
Tuesday	50,732	59,320	72,902
Wednesday	55,329	46,276	85,952
Thursday	58,208	59,574	56,554
Friday	51,133	64,581	75,406
Saturday	59,106	48,896	60,036
Totals	340,277	336,592	420,445

NORTHWESTERN FLOUR OUTPUT—EXPORTS

The attached tables show the flour output and foreign shipments and approximate consumption of wheat by mills of Minneapolis and Duluth; also by 65 "outside" mills with a daily capacity of 57,100 barrels, from September 1, 1916, to August 25, 1917, with comparisons, in barrels (000's omitted):

	Output		Exports	
	1916-17	1915-16	1916-17	1915-16
Minneapolis	15,976	20,144	1,150	1,620
Duluth-Superior	1,080	1,401	59	98
65 outside mills	9,453	11,860	145	241
Totals	26,509	33,405	1,354	1,959

The same mills consumed wheat in this period, in bushels (000's omitted), as follows:

	1916-17	1915-16
Minneapolis	71,892	90,648
Duluth-Superior	4,860	6,304
65 outside mills	42,538	53,370
Totals	119,290	150,322

FLAXSEED RECEIPTS

Receipts of flaxseed by weeks ended September 1 and stocks in store at Minneapolis and Duluth, in bushels (000's omitted):

	Receipts			In store		
	1917	1916	1915	1917	1916	1915
Minneapolis	15	35	67	5	5	11
Duluth	8	16	1	201	1,059	852
Totals	23	51	68	206	1,064	863

THE CHICAGO GRAIN MARKETS

Chicago, September 4—Chicago is not favorably impressed with the price of \$2.20 fixed by President Wilson for number one northern spring and equivalent grades of wheat in its relation to other markets. In fact, trade leaders here fear that Chicago, the world's greatest wheat market, is not only in danger of losing its laurels, but may become wheatless. Board of Trade men, bankers and railroad officials made vigorous protest against the differentials to be applied by the different markets in regard to wheat prices. They charged rank discrimination. It is claimed that so serious are the price differences arranged that shippers can sell their wheat in practically every market in the country at advances over the Chicago price, ranging as high as three cents per bushel. A formal protest went forward to Herbert C. Hoover, food administrator, from the Board of Trade.

Food Control in Operation

The Food Administration Grain Corporation today began to buy and distribute the wheat crop of the United States at the base price fixed by President Wilson, \$2.20 a bushel for number one northern at Chicago. The corporation's effective arrangement with the mills of the United States will begin September 10. All wheat that arrives is to be placed in storage and receipts for it delivered to the Government buyer, who will pay for it. It is expected that both the regular public and private elevators will be used, as necessity requires, receipts in the private warehouses being safeguarded. Storage rates are to be the same as at present and are to be paid by the Government. Chicago elevator men are to assist Howard B. Jackson, vice president of the United States Food Administration Wheat Corporation, in reducing the cost of handling wheat as much as possible. Now that the price has been fixed by the food commission, there will be no advantage to producers to hold their wheat as the price of \$2.20 and the stipulated sums to be paid for other grades will hold throughout the season.

Belated Shorts Recover

Closing trades compared with a week ago recorded gains of $2\frac{1}{4}$ @ $3\frac{3}{8}$ cents in corn. A number of the largest shorts recovered through holdings of offers at the close on Saturday. Prices on December at the top were up 6½ cents from the low of last week, and the December-May spread widened to $3\frac{3}{8}$ c. A feature is the absence of hedging sales in futures. Cash prices are up over 30 cents from the low point on the late break. Much of the buying of futures late in the week was based on the theory that they are too low, compared with cash corn, which was \$2.09 and that \$2.20 for cash wheat, as fixed by the government, should make the new corn futures worth more money. A crop of 3,301,000,000 bushels is suggested in last week's report, or 110,000,000 bushels in excess of the Government August estimate, and compares with 2,583,000,000 bushels harvested last year. The crop in the northern part of the belt needs three to four weeks of sunshine and warm weather to mature.

Frost Is Expected

The frost reported at Huron, S. D., and a few points in northern North Dakota and in northwestern Iowa, while doing no damage to the crop, made some of the traders uneasy and frost is the only thing traders fear at present. As the bears see it, it is the mainstay to the market for new crop futures. For the week receipts were 639,000 bushels and shipments 532,000 bushels. Last year receipts were 1,504,000 bushels and shipments 795,000 bushels. Primary receipts and shipments for the week were smaller than last year.

All the big professionals and most of the commission houses were bearish on corn today. It was said that the East has been the big seller here on the strong points. The local element sold freely which made some conservative traders believe there was too much company on the bear side. It is believed that a big short interest has been accumulated in the last few weeks. Bulls argue that the crop is late and as practically all the selling of December

and May is short, it makes the bear side dangerous. Bears said corn should be sold on all bulges above this level. Most of the traders regarded the warm weather over the surplus states favorable for forcing the crop along. They did not consider the weekly weather forecast for temperatures below the normal seriously. The weather will be a most important factor in shaping sentiment this week.

Oats Shorts Plentiful

Oat futures advanced $4@4\frac{1}{2}$ c from the lowest on last week's break. It was said that the top prices were made mainly on covering by big local traders who fought the upward tendency for several days and came in at the last. A good sized short interest exists in September but it is the impression of many specialists, that with a good supply of cars there will be all the grain needed to satisfy the demands. There are many empty bins to be filled, as available supplies are 20,000,000 bushels less than last year's. There were large reductions in stocks at seaboard ports last week, which more than over-balanced accumulations at the western markets. This, the bears think, may not occur again. September was even with December at one time. Shorts are uneasy and houses who represent the seaboard took the offerings on the advance, but the interior reported that the South was bidding relatively more.

The oats movement so far has been disappointing despite the cash premiums. Advices from the country indicate farmers are disposed to hold their oats, and there is also considerable complaint in regard to car shortage. For the week arrivals were 4,010,000 bushels, or 2,993,000 bushels less than last year, while shipments were 3,412,000 bushels, against 2,285,000 last year. A decrease in the visible in August is unusual and last year there was an increase of 19,000,000 bushels. In August, 1914, there was an increase of 14,000,000 and in 1913 7,000,000 bushels, while in 1915 stocks increased from 1,309,000 to 2,924,000 bushels. Threshing returns show yields from 40 bushels per acre in the Northwest, where the crop was affected by heat, to 120 bushels per acre in the real oats belt, with returns of 60 to 80 bushels predominating. With good fall pasturage, a prospective corn crop several hundred millions bushels in excess of a year ago, and an embargo which will curtail exports, there may be a possibility of disposing of surplus. The crop is now estimated at 1,603,000,000 bushels based on threshing returns compared with Government August estimate of 1,453,000,000 bushels.

Wheat Bears Penalized

All those who did not buy in their short September wheat at the close August 25 will pay \$2.13 as the settling price. This is $1\frac{1}{2}$ c over the regular close, and is without penalty. In fixing the price the committee took the Government figures for No. 1 hard of \$2.16 and deducted 3c for the No. 2 grade, making it \$2.13 as all trades were on a basis of No. 2 grade. There are 600,000 bushels open. Announcement of the Government wheat price was eagerly awaited by the trade. For many weeks past buyers of cash wheat have been purchasing their supplies on a hand to mouth basis, not caring to load up until a Government price was established. The visible supply of only 4,339,000 bushels for the United States, including Canadian stocks, is the smallest known. It is almost an exhaustion. Last year it was 58,424,000 bushels, inclusive of Canadian stocks in bond. In 1909 it was only 6,034,000 bushels on July 31, the smallest of the season. In 1898 it was down to 5,820,000 bushels at the low point reached August 20.

Threshing throughout the Northwest progressed without interruption and dry weather was ideal for shock threshing, but considerable grain is being stacked. Estimates on the spring wheat crop are now 249,000,000 bushels or 13,000,000 bushels more than month ago. Total wheat yield is given as 678,000,000 bushels, against 640,000,000 bushels harvested last year. Conditions for fall plowing have been excellent, and a large amount of ground has been broken for fall seeding, indicating a large acreage.

NEW PHASES OF AGRICULTURE

John Fletcher, Vice President of Fort Dearborn National Bank of Chicago in the Shield

This year has brought great changes in our system of agricultural production. Patriotism has accomplished more in one year than many years of extension courses and hundreds of farm journal editorials could do. The farmers realized the need of quick and intensive action. The depletion of the food supplies of our allies demanded an "every inch" cultivation. This year we will reap a bountiful harvest as a result of intensive and intelligent farming. It would be impossible to discuss all the improved methods of farming but of especial note are the increasing spirit of cooperation between the farmer and the other factors of production and distribution, the closer attention to the needs of the market with its resultant diversified farming and the improved home and social life of the farm people.

Farmer Now Realizes Vital Interest in Distribution

The farmer of 20 years ago would be puzzled were he to step into a meeting of the farmers' grange and hear discussions on middlemen, speculative interests and commission men. He would not believe that their activities were essential to farm production. In his day, the farmers hauled their grain and hogs to town, sold them and hurried back to raise some more. The rest of the distributive process did not concern them. The up-to-date farmer has a different viewpoint. He believes that middlemen functions bear importantly on his own production and by coordinating his own work thereto he can make more profits on the same total production. Especially in the production of perishables and commodities subject to sudden change in price does this apply. The question of interurbans and railroads is paramount with the farmer. How can he best place his produce at the disposition of the buying public is his problem. In the past few years we have seen the influence of speculation on the price and available quantities of farm products. Organizations of farmers are trying direct outlets for their products or seeking to make the market reflect the true supply and demand. This shows that the farmers realize that the distributive process is also of vital interest to them.

Farmer Must Produce What the Country Needs

The closer study of the markets means not only the demand as designated in the term, market. We cannot make people eat what we want them to. Their desires are subjective and the farmer who caters to them is in a fair position to reach efficiency. It is simply an adjustment to an immutable economic law to produce that which the country needs. A large yield of wheat one year may have been realized at the sacrifice of corn acreage. Whether the next year will demand more corn or another large wheat yield and what share of it his ground can produce is the problem of every farmer. Far better adjustment comes from a reasonable output of several staple food products. A good acreage of wheat or corn, possibly a smaller acreage of oats or barley and at the same time a consistent production of live stock, garden stuff etc., will insure the farmer that he is not at the mercy of a changeable market. It also insures him that a failure of one crop will not mean a whole year for naught for he may realize a fair return from other products. Incidentally, a conservation of time and capital are effected by diversity as the care of the several crops will occur at different periods.

Consumer Class Will Be Benefited by Helping the Farmer

The improved home and social life needs no discussion. It is evident to everyone. The automobile and modern farm machinery make the leisure hours more enjoyable and the work less arduous. The advantages of modern home construction enable the farmer and his family to enjoy comforts unknown a generation ago. These offer greater inducements to the young people to stay on the farm. Within the period from 1880 to 1910 our rural population decreased 24 per cent. I would like to be able to proclaim that the population is shifting from our crowded cities back to the rural districts and surely there are en-

couraging signs of this. Now, the people on our farms enjoy advantages which city people may well envy.

Agriculture is a fine art which we have just commenced to learn. In all its phases of production and distribution it is a complicated study. The farmer's business is to gratify the needs of a buying public. In turn we should cooperate with a view to helpfulness. America's agricultural class is founded on a firm basis and whatever can be done to help the farmer will be reflected in benefits to the consumer class the world over.

The Texas Company reports net earnings for the fiscal year ended June 30 last of \$22,907,924, the greatest ever made in the history of the company, and which compare with \$15,746,733, the best previous record, made in 1916. After all interest charges there was a surplus available for dividends of \$19,724,526, as against \$13,898,862 for last year. This is equal to 35.54 per cent on \$55,500,000 capital stock outstanding, as against 37.06 per cent. on the \$37,000,000 capital stock outstanding on June 30 last year.

You Can Sleep

Going to

Chicago

On the

Burlington
Route

WHY WE ENTERED FEDERAL RESERVE SYSTEM

(Continued from Page 31)

that they would not avail themselves of the facilities of the Federal reserve system and would use the rediscounting only in "emergencies." In all the reserve and central reserve cities, and in many of the country banks, there is a distinct tendency now for the member banks to rediscount freely. The fact is, banks are finding that when they show the item "Bills rediscounted with the Federal Reserve Bank" on their statements, the general public consider it rather a recommendation. As one depositor expressed it, "That item tells me two things about my bank. First, it has loans that measure up to the standard of the Federal reserve bank; second, I do not believe the Federal reserve bank would have taken its rediscounts if it were not in good condition." Member banks are beginning to realize that they can with safety lend down very close to their legal reserve, and thus realize an increased profit from being in a position to have their funds almost all of the time employed at the highest current interest rates. This tendency will gradually extend to a larger number of member banks in the smaller cities, and, within a reasonable time, will likely be popular with all the member banks throughout the country.

(6) It was also objected that the transfer of reserves from the city banks to the Federal reserve banks would cause such a drastic readjustment of banking conditions as to injure or impair the credit machinery of the country. What are the facts? Under the act, these transfers did not have to be completed until November next, and yet transfers have been made so easily that Congress has now anticipated the day on which these transfers must be completed, and the transfers have been accomplished, in the main, practically without the slightest shock to the banking communities.

Thus it is seen that experience has shown that very many of these criticisms of the Federal reserve act have been really without foundation, and therefore it seems that as far as those objections are concerned the state banks and trust companies might well feel that the system has demonstrated itself and that they can safely become members of it. It is entirely reasonable to suppose that a remedy will be found and applied where, in the operation of the act, defects are hereafter developed.

Former Special Objections of State Banks and Trust Companies

In an article such as this it would not be possible to go into a discussion of the whole range of the material features of the Federal reserve act, so with the above references to some of the more evident objections that were urged we may mention a few of the special objections that were urged by state banks and trust companies and see how they have been met.

(a) The Federal Reserve Board at first claimed for itself the right to prescribe what part of the charter powers of a state bank or trust company such an institution should exercise if it became a member of the Federal reserve system. That position was fundamentally objectionable to the state banks and trust companies, and, upon a thorough presentation of the matter to the Federal Reserve Board, the Board, by regulation, practically abandoned that position and left the matter with a declaration that if the charter powers of a state bank or trust company were such as in the opinion of the Board to interfere with the liquid condition of the state bank or trust company, there might be a limitation put on the state bank or trust company's facilities in rediscounting. So that objection has been removed and the matter simplified by the recent congressional amendment.

(b) State banks and trust companies expressly objected to bringing themselves under the regulatory powers of the Comptroller of the Currency. By the amendment to the Federal reserve act of June 21, 1917, state banks and trust companies which are members are subject to examinations made by direction of the Federal Reserve Board or of the Federal reserve bank by examiners selected or approved by the Federal Reserve Board. Examinations by state authorities may be accepted. Reports of condition

and of payments of dividends are to be made to the Federal reserve bank instead of the Comptroller of the Currency. In brief, the recent amendments provide that state member banks and trust companies are in no way subject to the comptroller's department.

(c) It was objected that the state banks and trust companies, if they got into the system, had no way of getting out. The Federal Reserve Board answered this objection by making a rule that a state bank or trust company could get out on one year's notice, under certain provisions, and this, also, has now been crystallized into law by the recent congressional amendment, making the period of notice six months instead of 12 months.

(d) The most serious objection to the act, from the standpoint of the state banks and trust companies, was that they found that section 22 of the Federal reserve act practically prohibited an officer or employee, director or attorney of a member bank, from transacting any business with the bank. This may be stating the matter too broadly, but the general effects only are in contemplation. The penalties in this section are fine and imprisonment. It is thought that the Federal Reserve Board has had more trouble over this section than any other section of the act. The Board did not feel that it had any right, by regulation, to modify or define the express act of Congress, but upon the whole subject being fully presented to the Board, the result was the main objections were met by the Board's recommending an amendment to the act, providing that interest might be allowed on balances of directors and attorneys and loans made to directors and attorneys on the express written authority of a majority of the board of directors. I take it that this could be accomplished by a general resolution. While the prohibitions of this section apparently are not receiving special notice from the authorities at this time, yet it would be wise for any state bank or trust company, before it enters the system, to have section 22 referred to its attorney for a report.

With these main objections to the system being answered, with our country being at war, there appeared to be an overpowering obligation on the part of a strong state bank or trust company, in reserve and central reserve cities, at least, to cooperate with our Government in its financial system and add all it could to the harmony and unity of purpose of the American people.

An additional incentive for a state bank or trust company to go into the Federal reserve system, and a feature that should not be overlooked, is the distinct added prestige that comes from being a member and under Federal supervision. There is a tendency on the part of the public to give value to membership in the Federal reserve system, and this tendency will be greatly accentuated as time goes along.

REVIEW OF THE LIVE STOCK MARKETS

(Continued from Page 41)

the packing plants closed, buyers took hold in good shape and made a strong clearance for most grades with a shade advance in prices in spots. Quality was not attractive as a rule, and \$10.50 has been about the best price paid on grassers. Ripe corn fed steers are quotable up to \$15 but there has been nothing to test the market on that class. A good many plain grassers are selling around \$8 to \$9.50. Strictly good to choice fat cows and heifers are worth \$7.75 to \$8.50 with fair to good dressed beef cows and heifers at \$7 to \$7.75 and ordinary butchers down to \$6.25. Something real prime would bring \$9 or better. Cannery and cutters range from \$5 to \$6; bulls mostly at \$6 to \$7. Stockers and feeder trade is fairly active with price showing an improving tendency.

Hog prices have been slipping back this week until only prime hogs and few of them are making \$18 or better. Nominal top has dropped to \$18.30. There is a hesitancy to the trade that does not make for as good a market as ruled last week. The sheep and lamb markets are hampered by light receipts. No material change in quotations is noted. Current quotations:

Hogs—Light, \$17.50@18; mixed, \$17.40@18.30; heavy, \$17@17.65; range, \$17@18.30; bulk, \$17.25@17.60.

Cattle—Beeves, \$8@16; cows and heifers, \$7@9.50; stockers and feeders, \$7.50@10.25; feeding cows, and heifers, \$6@8.50.

THE CHICAGO GRAIN MARKETS

(Continued from Page 46)

For the week receipts were 648,000 bushels and shipments 843,000 bushels. Last year receipts were 1,997,000 bushels and shipments 2,248,000 bushels.

New Members Accepted

E. D. Winslow, president of the Northern Overseas Trading Company of New York, C. H. Albers and F. E. Fisher of LaPorte, Ind., were elected to membership in the Chicago Board of Trade. Mr. Albers takes the membership of E. M. Flesh of the Albers Commission Company of St. Louis who has become vice president of the United States Food Commission Wheat Corporation. J. P. Gibbons, former chief state grain inspector and A. W. Withrow applied for membership and F. M. O'Donnell and F. A. Mosher posted their memberships for transfer.

A corporation plan for clearing trades has been unanimously adopted by the Board of Trade directors. It is expected to be posted for ballot and voted on in about two weeks.

A committee including G. S. Bridge of Chicago has been appointed to act in cooperation with the war department in the purchase of hay. The committee on oats consists of A. S. White, W. R. Linn, and Howard Jackson.

Martin Leaves Directors

W. H. Martin sent in his resignation as director of the exchange and it was accepted. He disposed of his membership and will live on his ranch in Montana.

The Board of Trade has discontinued quotation wire service on grain futures from Kansas City, Duluth, Winnipeg, Minneapolis and St. Louis.

German Crops Short

"Grain crops in Germany are almost a failure," said Andres Knudsen, a grain man from Copenhagen, who was in Chicago last week. "Stocks are at about starvation limit there, and are also very low in Denmark. The young people in Germany are not getting enough to eat to keep them growing, and the old people are dying of starvation. It looks as though prices for everything in Europe will be very high for a long time. Grain crops in Germany are about one-fifth and the potato crop is not large. Gold is scarce and Germany has been paying out for three years without getting anything in. She is on her last legs."

Secretary Merrill Dead

Death ended last week the lifelong activity of John Charles Fremont Merrill, secretary and formerly president of the Chicago Board of Trade. He died suddenly of heart disease. Coming to Chicago in 1879, he became associated with Richard S. Lyon, a former president of the Board of Trade, and for nearly 40 years was a member of the firm of Merrill & Lyon. In 1906 he was made a director, serving three years. Later he was elected vice president, serving two years, and became president in 1911. He was made secretary upon the death of George F. Stone. He also was president of the Council of Grain Exchanges at one time. He was the author of the section of the food control bill recently passed by Congress which kept boards of trade throughout the country open. The Board of Trade was closed at 11:30 Saturday morning and resolutions of respect were adopted. Board of Trade members are speculating on who is to succeed Mr. Merrill as secretary of the association. Former president Hirm N. Sager is being urged to accept the place. John R. Mauff, the vice president; L. L. Winters, with Hulburd, Warren & Chandler, are prominently mentioned.

CLOSING WHEAT FUTURE PRICES

September Wheat

	Aug. 30	Aug. 31	Sept. 1	Sept. 3	Sept. 4	Sept. 5
Minneapolis	2.16	2.17	.....	Hol.	.....	.....
Year ago	1.52 1/2	1.55 1/2	.....	.....	.....	.....
Winnipeg	2.12 1/2	2.20	.....	.....	.....	.....
*October	.....	.....	.....	.....	.....	.....
Minneapolis Cash Wheat Official Close						
	Aug. 30	Aug. 31	Sept. 1	Sept. 3	Sept. 4	Sept. 5
No. 1 northern	2.38	2.38	.....	Hol.	.....	.....
No. 2 northern	2.33	2.33	.....	.....	.....	.....
No. 3 northern	2.28	2.30	.....	.....	.....	.....
No. 4 northern	2.23	2.28	.....	.....	.....	.....

Duluth Cash Wheat

	Aug. 30	Aug. 31	Sept. 1	Sept. 3	Sept. 4	Sept. 5
No. 1 northern	2.30	.....	.....	Hol.	.....	.....
No. 2 northern	2.25	.....	.....	.....	.....	.....

DURUM WHEAT

Minneapolis Closing Prices

	Aug. 30	Aug. 31	Sept. 1	Sept. 3	Sept. 4	Sept. 5
No. 1	215	215	.....	.....	.....	.....
No. 2	210	210	.....	.....	.....	.....
September 1	.....	.....	.....	.....	.....	.....
September 3	.....	.....	.....	Hol.	.....	.....
September 4	.....	.....	.....	.....	.....	.....
September 5	.....	.....	.....	.....	.....	.....

WHEAT RECEIPTS—CARS

	Minneapolis		Duluth		Chicago		Winnipeg	
	Year	ago	Year	ago	Year	ago	Year	ago
August	30. 396	241	6	78	47	139	108	237
August	31. 305	310	5	105	53	97	162	255
September	1. 308	244	6	132	61	94	211	221
September	3. Hol.	Hol.	Hol.	Hol.	Hol.	Hol.	Hol.	Hol.
September	4. 820	911	10	173	7	73	425	500
September	5. 368	425	51	445	130	199	280	232

MINNEAPOLIS DAILY RECEIPTS OF COARSE GRAIN

	Oats, Cars.	Barley, Cars.	Rye, Cars.	Corn, Cars.	Flax, Cars.	Year ago.
August 30	78	171	71	1	2	3
August 31	55	81	69	..	4	4
September 1	100	137	64	4	.....	.....
September 3	Hol.	Hol.	Hol.	Hol.	Hol.	Hol.
September 4	227	407	156	3	.....	.....
September 5	80	154	76	1	.....	.....

DULUTH DAILY RECEIPTS OF COARSE GRAIN

	Oats, Cars.	Barley, Cars.	Rye, Cars.	Flax, Cars.	Year ago.
August 30	..	31	6	1	2
August 31	..	45	10	..	..
September 1	2	54	19	1	..
September 3	Hol.	Hol.	Hol.	Hol.	Hol.
September 4	3	68	14	..	6
September 5	5	172	78	10	.....

CLOSING FLAX PRICES

	Aug. 30	Aug. 31	Sept. 1	Sept. 3	Sept. 4	Sept. 5
Minneapolis cash	3.42	3.46	3.40	Hol.	3.37	3.34
Duluth cash	3.47	3.51	3.45	.....	3.42	.....
September	3.47	3.51	3.45	.....	3.42	3.39 1/2
October	3.41	3.46	3.41	.....	3.40	3.39 1/2
November	3.37	3.42 1/2	3.38	.....	3.38	3.38
December	3.34 1/2	3.40	3.36	.....	3.34 1/2	3.34

CLOSING OATS PRICES

Minneapolis

	Aug. 30	Aug. 31	Sept. 1	Sept. 3	Sept. 4	Sept. 5
September, new	53 1/2	54 1/2	54 1/2	Hol.	54 1/2	54 1/2
October, new	53 1/2	55 1/2	54 1/2	.....	54 1/2	54 1/2

CLOSING OATS PRICES

Daily Closing Prices of No. 3 White Oats in Minneapolis

	Aug. 30	Aug. 31	Sept. 1	Sept. 3	Sept. 4	Sept. 5
August	54	55	55 1/2	54	54 1/2	54 1/2
August	54	55	55 1/2	54	54 1/2	54 1/2
September 1	54	55	55 1/2	54	54 1/2	54 1/2
September 3	54	55	55 1/2	Hol.	54	54 1/2
September 4	54	55	55 1/2	54	54 1/2	54 1/2
September 5	54	55	55 1/2	54	54 1/2	54 1/2

CLOSING RYE PRICES

No. 2 Rye in Minneapolis

	Aug. 30	Aug. 31	Sept. 1	Sept. 3	Sept. 4	Sept. 5
August	175	176	175	175	175	175
August	178	179	178	178	178	178
September 1	178	179	178	Hol.	178	178
September 3	178	179	178	Hol.	178	178
September 4	177	178	177	177	177	177
September 5	178	180	178	178	178	180

CHICAGO CASH WHEAT

No quotations.

CHICAGO COARSE GRAIN

No quotations.

WINNIPEG CASH GRAIN

August 30.—Wheat, No. 1 northern, \$2.40; No. 2 northern, \$2.37; No. 3 northern, \$2.33 1/2; No. 4, \$2.22; No. 5, \$1.97; No. 6, \$1.71; feed, \$1.50. Oats, No. 2 C. W., 64c; No. 3 C. W., 62 1/2c; extra No. 1 feed, 62 1/2c; No. 1 feed, 60 1/2c; No. 2 feed, 59 1/2c. Barley, No. 3, \$1.18; No. 4, \$1.14; rejected and feed, \$1.10. Flax, No. 1 N. W. C., \$3.31; No. 2 C. W., \$3.22; No. 3 C. W., \$3.12.
 August 31.—Wheat, No. 1 northern, \$2.20; No. 2 northern, \$2.17; No. 3 northern, \$2.12; No. 4, \$2.02; No. 5, \$1.77; feed, \$1.50. Oats, No. 2 C. W., 65 1/2c; No. 3 C. W., 64c; extra No. 1 feed, 64c; No. 1 feed, 62c; No. 2 feed, 61c. Barley, No. 3, \$1.18; No. 4, \$1.14; rejected and feed, \$1.10. Flax, No. 1 N. W. C., \$3.33; No. 2 C. W., \$3.26 1/2; No. 3 C. W., \$3.16.
 September 4.—Wheat, No. 1 northern, \$2.22; No. 2 northern, \$2.20; No. 3 northern, \$2.14; No. 4 northern, \$2.04; No. 5 northern, \$1.79; No. 6 northern, \$1.61; feed, \$1.51. Oats, No. 2 C. W., 64c; No. 3 C. W., 62 1/2c; No. 1 feed, 62 1/2c; No. 1 feed, 61c; No. 2 feed, 60 1/2c. Barley, No. 3, \$1.18; No. 4, \$1.14; rejected, \$1.10; feed, \$1.10. Flax, No. 1 N. W. C., \$3.29; No. 2 C. W., \$3.22 1/2; No. 3 C. W., \$3.12.

1,440 ACRE FARM—FOR QUICK SALE

Price \$47.50 an acre

Included in total sale price are 25 milch cows, 40 head young cattle and 90 head of hogs—Good buildings—Several hundred acres under cultivation—Possession this fall or March 1—Terms \$20,000 cash; balance optional payments. For further information address

J. H. BABCOCK

317 Van Slack Building

ABERDEEN, SOUTH DAKOTA

TELEPHONE CONSTRUCTION

MINNESOTA

Marshall.—The Northwestern Telephone Company is extending its line to Hendricks.

Morris.—The Stevens County Telephone Company will string 13,100 feet of new cables.

Granite Falls.—The Granite Falls Telephone Company will improve its system here with new cables.

NORTH DAKOTA

Inkster.—The local telephone lines have been purchased by a Mr. Stockesberry.

Kildeer.—The Kildeer-Grassy Butte Telephone Company has been chartered with a capital of \$5,000. Robert Wilcox, E. P. Merrill, John E. Grande and D. J. Price are the incorporators. Twenty-nine miles of line will be built.

Thorne.—A charter has been granted to the Thorne Telephone Company with a capital of \$25,000. Francois Grenier, R. A. Darling, Joseph Renaud, Joseph Darling and R. A.

Nordbye are the incorporators. Twenty-eight miles of line will be built at an estimated cost of \$2,760.

IOWA

Fonda.—The Northern Telephone Company has been dissolved.

Humboldt.—The Iowa Telephone Company is improving its system here with new cables.

Marcus.—The recent election resulted in a denial of franchise for the Marcus Telephone Company.

Clarinda.—L. F. Evans has resigned as manager of the Farmers Mutual Telephone Company to accept the management of a telephone company at Washington.

NEBRASKA

Jensen.—Mrs. John Cressman has been elected manager of the Farmers Cooperative Telephone Company here.

Osceola.—The Lincoln Telephone & Telegraph Company has completed a copper toll line from here to Polk and from Stromsburg to York.

FARM LAND TRANSFERS

MINNESOTA

Mower County.—John Ostenson to Melvin Martin, se $\frac{1}{4}$ se $\frac{1}{4}$ 19-101-17, \$4,000.

Ottertail County.—H. W. Freeman to G. E. Pingree, n $\frac{1}{2}$ sw $\frac{1}{4}$ 1-133-37, \$3,360.

Renville County.—H. A. Anderson to Hans M. Strandjord, sw $\frac{1}{4}$ 22-115-37, \$4,440.

Waseca County.—Henry Splett to Gust Blasing, 80 acres in Sec. 9, Janesville, \$7,800.

Lyon County.—George W. Young to John Devos, se $\frac{1}{4}$ and s $\frac{1}{2}$ ne $\frac{1}{4}$ 33-113-41, \$19,200.

Faribault County.—Torbjorn Hove to Eddie O. Hove, w $\frac{1}{2}$ sw $\frac{1}{4}$ 32-101-25, Seely, \$8,000.

Polk County.—A. M. Johnson to H. A. Stillwell, nw $\frac{1}{4}$ 23-148-45 and e $\frac{1}{2}$ 23-148-45, \$12,000.

Nobles County.—Harm Wilcox to Jennie K. Whipple et al, an undivided $\frac{1}{2}$ of the e $\frac{1}{2}$ 5-102-37, \$18,400.

Martin County.—Albert Stachowiak to Harry E. Brown, se $\frac{1}{4}$ and e $\frac{1}{2}$ sw $\frac{1}{4}$ Sec. 23, East Chain, \$25,680.

Pipestone County.—T. P. Hermanson to G. G. Gilbertson, a strip of land in nw $\frac{1}{4}$ sw $\frac{1}{4}$ 11-108-44, \$1,160.

Douglas County.—Ingvold Sivertson to Bert C. Carpenter, nw $\frac{1}{4}$ Sec. 27 and sw $\frac{1}{4}$ ne $\frac{1}{4}$ 27-127-40, \$1,952.50.

Wright County.—July 27, John A. Juetten to Leo J. Juetten, nw $\frac{1}{4}$ ne $\frac{1}{4}$ and s $\frac{1}{2}$ n $\frac{1}{2}$ nw $\frac{1}{4}$ 23-121-27, \$10,000.

Kandiyohi County.—John F. Piscator to International Christian Missionary Association, s $\frac{1}{2}$ sw $\frac{1}{4}$ Sec. 14, Edwards, \$6,000.

WISCONSIN

Barron County.—Hans N. Sands to Frank C. Murry, ne $\frac{1}{4}$ 5-34-13, \$6,400.

Burnett County.—John F. Feeney to Claude Mason, se $\frac{1}{4}$ 4-40-15, \$3,000.

Polk County.—Martin Bakke to Gust Bakke, s $\frac{1}{2}$ nw $\frac{1}{4}$ 21-33-15, \$7,500.

Langlade County.—Mary Koebke to Frank Shisel, s $\frac{1}{2}$ ne $\frac{1}{4}$ 12-30-12, \$1,200.

Trempealeau County.—Lewils L. Instenes to M. L. Olson, se $\frac{1}{4}$ ne $\frac{1}{4}$ 22-23-9, \$1,800.

Burnett County.—Frank Turnlund to Karl A. Bloom, se $\frac{1}{4}$ nw $\frac{1}{4}$ ne $\frac{1}{4}$ se $\frac{1}{4}$ 9-38-18, \$2,200.

Walworth County.—Albert Sievert to Floyd W. Wallmer, e $\frac{1}{2}$ and strip 8 rods wide on s side n $\frac{1}{2}$ se $\frac{1}{4}$ ne $\frac{1}{4}$ Sec. 5, Whitewater, \$6,500.

NORTH DAKOTA

Bottineau County.—Emil Johnson to A. E. Johnson, se $\frac{1}{4}$ 7-160-83, \$4,000.

Foster County.—Fred W. Meiske to J. A. Marston, ne $\frac{1}{4}$ 11-145-65, \$5,800.

McHenry County.—Swain Thorwaldson to Florence M. Chantland, nw $\frac{1}{4}$ 23-165-78, \$4,000.

Cass County.—Elmer G. Opfer and John L. Opfer to Oscar E. Hedberg, ne $\frac{1}{4}$ 5-143-50, \$12,000.

Grand Forks County.—Mary E. Ness to Martin E. Ness, w $\frac{1}{2}$ se $\frac{1}{4}$ and se $\frac{1}{4}$ sw $\frac{1}{4}$ Sec. 23 and ne $\frac{1}{4}$ nw $\frac{1}{4}$ Sec. 26, Niagara, \$5,000.

SOUTH DAKOTA

Charles Mix County.—Emilin M. Jepson to Wm. Jepson, e $\frac{1}{2}$ se $\frac{1}{4}$ 13-97-68, \$1,060.

Gregory County.—Percy Wilkins to Julius Vanoverschelde, se $\frac{1}{4}$ 15-95-72, \$4,500.

Minnehaha County.—Lars Simonson to Lewis Simonson, e $\frac{1}{2}$ ne $\frac{1}{4}$ 31-104-49, \$3,000.

Beadle County.—Richard Champ to Cora E. Williams, w $\frac{1}{2}$ Sec. 34 and se $\frac{1}{4}$ 34-110-65, \$15,000.

Union County.—Clyde Tennis to Lewis Smith, s $\frac{1}{2}$ sw $\frac{1}{4}$ Sec. 21 and s $\frac{1}{2}$ se $\frac{1}{4}$ Sec. 20, less 2 $\frac{1}{2}$ acres w of creek, 95-48, \$17,352.50.

Haakon County.—Fred H. Root to C. Vere Standiford, n $\frac{1}{2}$ ne $\frac{1}{4}$ Sec. 32 and sw $\frac{1}{4}$ nw $\frac{1}{4}$ and n $\frac{1}{2}$ sw $\frac{1}{4}$ and sw $\frac{1}{4}$ sw $\frac{1}{4}$ 33-2-24, \$3,635.26.

Lyman County.—Charles Crosser to Marie L. Wagus, Foster, Nebr., sw $\frac{1}{4}$ sw $\frac{1}{4}$ Sec. 29 and se $\frac{1}{4}$ se $\frac{1}{4}$ Sec. 30 and w $\frac{1}{2}$ nw $\frac{1}{4}$ 32-106-79, \$2,500.

IOWA

Chickasaw County.—W. N. Wesp to P. H. Bestor, e $\frac{1}{2}$ se $\frac{1}{4}$ 9-94-13, \$10,400.

Fayette County.—Sarah E. Freakes to John W. Strawn, sw $\frac{1}{4}$ 12-91-8, \$3,500.

Hamilton County.—C. J. Lund to Osmund J. Torkelson, se $\frac{1}{4}$ se $\frac{1}{4}$ 5-89-23, \$22,200.

Wright County.—Gertrude L. Sollitt to W. K. Blackwell, w $\frac{1}{2}$ sw $\frac{1}{4}$ 12-92-26, \$11,400.

Sac County.—John Kinkade to L. S. Hartman, w $\frac{1}{2}$ ne $\frac{1}{4}$ Sec. 22, Wall Lake, \$15,000.

Harrison County.—Hans Peterson to A. D. Smith, n $\frac{1}{2}$ ne $\frac{1}{4}$ and ne $\frac{1}{4}$ nw $\frac{1}{4}$ 3-80-43, \$6,360.

Dickinson County.—Bert C. Carpenter to Ingvold Sievertsen, w $\frac{1}{2}$ nw $\frac{1}{4}$ 31-99-37, \$18,312.

Buena Vista County.—Peter Pedersen to Andrew A. Pedersen, ne $\frac{1}{4}$ nw $\frac{1}{4}$ 13-92-38, \$6,000.

Humboldt County.—C. J. Lund to Osmund J. Torkelson, n $\frac{1}{2}$ ne $\frac{1}{4}$ and ne $\frac{1}{4}$ nw $\frac{1}{4}$ 31-92-27, \$19,000.

Monroe County.—Joseph H. Adams to H. N. Shuler, part s $\frac{1}{2}$ se $\frac{1}{4}$ Sec. 5 and part sw $\frac{1}{4}$ sw $\frac{1}{4}$ Sec. 4 72-19, \$2,500.

MONTANA

Stillwater County.—Olaf Sandvik to L. E. Nordhop, s $\frac{1}{2}$ sw $\frac{1}{4}$ 6-2n-21, \$4,000.

Madison County.—Chas. H. McLean to Chas. C. Goddard, land in 25-5-5w, land in 30-5-4, \$1,000.

Cascade County.—Louis H. Kommer to Dougar H. Carson, 240 acres Sec. 27 and 34-17-4 east, \$1,633.20.

MINNESOTA SUGAR BEET YIELD ABOVE NORMAL

The beet sugar crop of Minnesota is above normal.

J. A. Brock, agriculturist for the Domestic Sugar Producers and agricultural editor of "Facts About Sugar," their publication, has just completed a survey of the beet sugar crop in this state and here is what he found:

There are 5,000 acres in sugar beets in 12 counties of Minnesota. Eight hundred farmers raise beets. The present condition of the crop indicates that the production will be 10 to 12 tons an acre. This means that there will be about 60,000 tons of beets and, with the sugar company

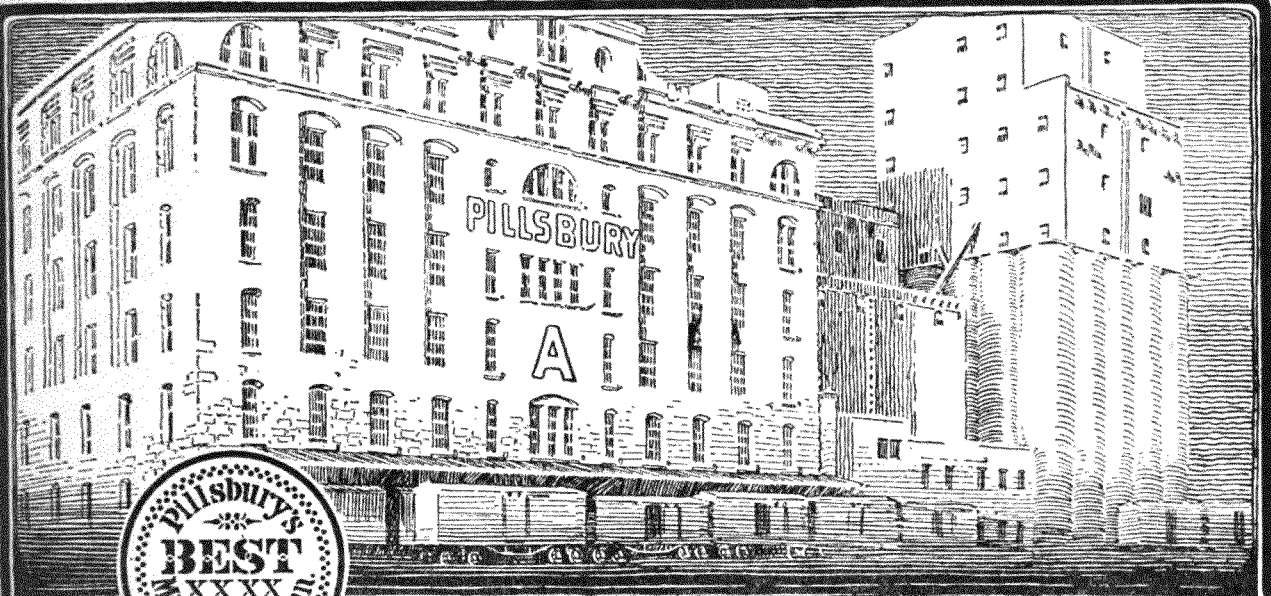
at Chaska, paying \$7 a ton delivered at factory way stations, the crop will be worth \$420,000.

"The stands of beets are almost perfect," says Mr. Brock. "The beets are of exceptionally good color in spite of the fact that weather conditions have not been ideal."

"The industry is only half a dozen years old in Minnesota and the amount of sugar produced this year will far outstrip that of last year which was the biggest year of the state.

"Practically every county in the state is adapted to beet growing and the prospects for next year are the best ever."

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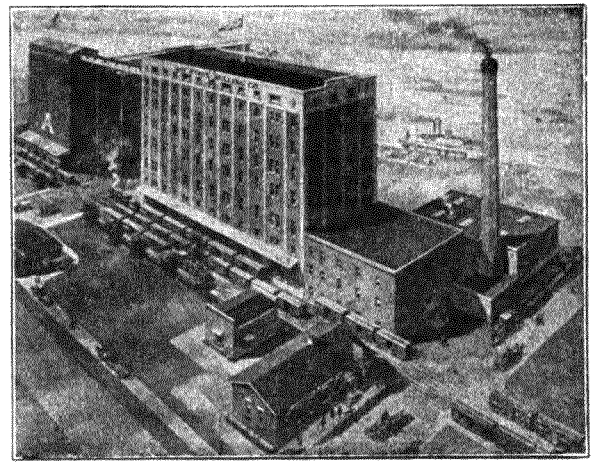
BEET SUGAR IS ESTIMATED AT 895,000 TONS

New York—Latest estimates by Willett & Gray, sugar statisticians, fix the 1917-1918 output of beet sugar at 895,000 tons, an increase of 161,000 tons over last year's figures. Generally clear weather has prevailed during the past week over beet sections, with the exception of a few cloudy days in California. Work has already been started in the factories of that state, and while some labor troubles are encountered, conditions generally are favorable. Huntington Beach, California, was the first to open the sugar beet campaign this year, opening a month earlier than in 1916. Steps have been taken to insure cooperation of beet growers and sugar companies.

Directors of the Utah-Idaho Sugar Company have decided that the sugar company will share its profits with the beet growers on the following basis: First, contracts for beets in 1918 will be made on the basis of \$7 a ton as at the present, the beets to contain 15 sugar. This would tend to assure the farmer of a good profit, regardless of any other consideration, as the average cost of production is about \$4.50 a ton of beets, leaving the growers a profit of \$2.50 a ton on an average crop. Second, the sugar company will retain a profit of \$1 a 100 pounds of sugar, and all profits above that figure will be equally divided between the farmers and the company. The farmers are to be allowed to name their own expert representatives to examine the sugar company's books to satisfy themselves as to the cost of production, etc.

The price of \$7.25 a 100 pounds, f. o. b. seaport refining points, fixed at the conference between Food Administrator Hoover and representatives of the beet sugar industry, is said to be high enough to stimulate production, and it is believed the 1918 beet acreage will exceed that of the current year.

Meanwhile the sugar shortage continues. Only about 200,000 tons of Cuban sugar remain unsold, and no more will be available until late December or January. Holders are very firm in their ideas. Beet sugar orders have already been filled as far east as Buffalo, and it is possible that beet sugar will make its appearance in the New York markets if high prices continue.



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