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THE NORTHERN TRUST COMPANY

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WESTERN MUNICIPAL BONDS

FUTURE BOND ELECTIONS

- October 27.**—Geraldine, Mont., \$31,500 waterworks bonds.
- October 27.**—Stites, Idaho, Stites-Clearwater Highway District, \$100,000 bonds.
- October 29.**—Bemidji, Minn., \$25,000 bridge bonds.
- October 29.**—Garrison, N. D., \$2,000 street improvement bonds.
- October 29.**—Luverne, Iowa, \$6,000 waterworks system bonds.
- October 29.**—Madras, Ore., North Unit Irrigation District, \$5,000,000 bonds.
- October 29.**—San Francisco, Cal., \$3,500,000 school bonds.
- October 30.**—Mitchell, S. D., \$125,000 waterworks improvement bonds.
- November 1.**—Vail, Iowa, \$11,000 waterworks and electric light bonds.
- November 3.**—Bonner County, Idaho (P. O. Sandpoint), \$200,000 highway bonds.
- November 3.**—Grandview, Iowa, Consolidated Independent School District, \$73,000 bonds.
- November 6.**—Ely, Minn., \$180,000 municipal bonds.
- November 6.**—Poplar, Mont., \$28,000 waterworks bonds.
- November 6.**—Morris, Minn., \$10,000 refunding bonds.
- November 12.**—Story City, Iowa, Independent School District, \$50,000 building bonds.
- November 17.**—Twin Falls County, Idaho (P. O. Twin Falls), \$1,000,000 road bonds.
- November 20.**—Omaha, Neb., \$2,250,000 school bonds.
- November 20.**—Madison County, Iowa (P. O. Winterset), \$500,000 road bonds.
- November 27.**—San Francisco, Cal., \$3,500,000 school bonds.

FUTURE BOND SALES

- October 27.**—Burley, Idaho, Burley Highway District, \$100,000 bonds; 10-20 years; 6 per cent. Address, Secretary.
- October 27.**—Isanti County, Minn. (P. O. Cambridge), \$62,200 ditch bonds; certified check 10 per cent. B. C. Smith, County Auditor.
- October 27.**—Olympia, Wash., School District No. 1, \$75,000 bonds; 10-20 years optional; not exceeding 6 per cent.; certified check 1 per cent. E. C. Townsend, Clerk.
- October 27.**—Pend Oreille County, Wash., School District No. 5 (P. O. Newport), \$2,000 bonds; denominations \$500; 5-20 years; not exceeding 6 per cent. Louise S. Lewis, County Treasurer.
- October 29.**—Nobles County, Minn. (P. O. Worthington), \$27,000 ditch bonds; denominations \$500 and \$1,000; 5-20 years; not exceeding 5 per cent.; certified check \$500. Gus Swanberg, County Auditor.
- October 30.**—Troy, Wis., \$8,000 bonds; denominations \$200; 1-3 years; 5 per cent. Robert Fuchs, Town Clerk.
- October 30.**—Kooskia, Idaho, Klidder-Harris Highway District, \$31,000 bonds; 6 per cent.; 10-20 years optional; certified check \$1,550. F. E. Quist, secretary.
- October 30.**—Fair Oaks, Cal., Carmichael Irrigation District, \$25,200 bonds; denominations \$100 and \$500; 22-25 years; certified check 10 per cent. C. L. Warren, Secretary Board of Directors.
- October 31.**—Ozone, Ore., School District No. 43, \$1,200 bonds; 10-20 years; 6 per cent. Address, Clerk.
- October 31.**—Minneapolis, Minn., \$242,085.06 street improvement bonds; denominations \$50 or multiples thereof; 1-20 years; not exceeding 5 per cent.; certified check 2 per cent. Dan C. Brown, City Comptroller.
- November 1.**—Tucson, Ariz., School District No. 7, \$10,000 bonds; denominations \$1,000; 20 years; 5½ per cent.; certified check \$100. Bertram L. Hitch, Clerk.
- November 1.**—Douglas County, Neb. (P. O. Omaha), \$100,000 refunding bonds; denomination \$1,000; 20 years; 4½ per cent.; certified check \$1,000. Frank Dewey, County Clerk.
- November 2.**—Warroad, Minn., School District No. 12, \$50,000 bonds; denominations \$1,000; 15 years; 6 per cent.; certified check \$1,000. K. C. McKenzie, Clerk.
- November 5.**—Todd County, Minn. (P. O. Long Prairie), \$35,000 ditch bonds; 6-10 years. E. M. Berg, County Auditor.

- November 5.**—Maddock, North Dakota, \$7,000 electric light bonds, denomination \$500; 5 per cent.; 20 years; certified check \$500. E. A. Nelson, city auditor.
- November 5.**—Eureka, Mont., \$16,000 waterworks bonds; denominations \$1,000; 10-20 years optional; 6 per cent.; certified check \$800. H. C. Pomeroy, City Clerk.
- November 5.**—Becket, Mont., School District No. 185, \$2,500 building bonds; denominations \$500; 10-20 years optional; not exceeding 6 per cent.; certified check \$125. Anne Metzger, Clerk.
- November 6.**—Lancaster, Minn., \$8,000 electric light bonds; 1-15 years; 5 per cent. T. W. Shogren, Village Clerk.
- November 6.**—Sargent County, N. D. (P. O. Forman), \$10,568.59 drainage bonds; denominations \$500; interest bid. H. N. Nyste, County Auditor.
- November 6.**—Boise, Idaho, \$1,878.20 improvements bonds; denominations \$187.82; 1-10 years; 6 per cent.; certified check \$500. Nancy E. Robertson, City Clerk.
- November 10.**—Kevin, Mont., School District No. 15, \$500 bonds; denominations \$100; 6-10 years optional; not exceeding 6 per cent.; certified check \$25. Charles Schauer, Clerk.
- November 10.**—Peace Township, Minn. (P. O. Mora), \$20,000 road and bridge bonds; denominations \$1,000; 1-20 years; 6 per cent.; certified check 10 per cent. W. J. Korschgen, Town Clerk.
- November 12.**—Poplar, Mont., \$28,000 waterworks bonds; denominations \$500; 15-20 years optional; 6 per cent.; certified check \$2,800. W. E. Inglehart, Town Clerk.
- November 15.**—St. Paul, Minn., \$600,000 school bonds; 30 years; 4½ per cent.; certified check 2 per cent. A. L. Eggert, Deputy City Comptroller.
- November 15.**—Flatwillow, Mont., School District No. 62, \$300 bonds; 15-20 years optional; not exceeding 6 per cent.; certified check \$30. Mrs. Lena T. Tibbetts, Clerk.
- November 17.**—Olive, Mont., School District No. 28, \$5,000 bonds; denominations \$1,000; 8-10 years optional; not exceeding 6 per cent.; certified check \$25. Mrs. V. S. Rowsey, Clerk.

BOND NOTES

- Neola, Iowa.—An issue of \$18,000 school bonds have been sold.
- Kaukauna, Wis.—The city council has authorized the issuing of \$261.25 sewer bonds.
- Fairbury, Neb.—The city council has authorized the issuance of \$50,000 paving bonds.
- Imogene, Iowa.—A vote of 57 to 10 carried the proposition to issue \$4,000 waterworks bonds.
- Van Wert, Iowa.—The proposition to issue \$20,000 school bonds was defeated at an election.
- Green Bay, Wis.—All bids for the purchase of \$107,000 school building bonds were rejected.
- Oskaloosa, Iowa.—An issue of \$175,000 school building bonds was authorized at an election.
- Cheney, Wash.—An issue of \$20,000 street improvement bonds were authorized at an election.
- Cassia County, Idaho (P. O. Albion).—An election resulted in favor of issuing \$100,000 road bonds.
- Gold Hill, Ore., Gold Hill Irrigation District.—An issue of \$60,000 bonds has been authorized by a vote.
- Story City, Iowa.—An election has been called to vote on the proposition of issuing school building bonds.
- Lincoln County, Ore. (P. O. Toledo).—An election defeated the proposition to issue \$200,000 highway bonds.
- Gallatin County, Mont., School District No. 76.—The State was the successful bidder for \$3,000 bonds at par.
- Highmore, S. D.—An election authorized an issue of \$10,000 electric light and power plant purchase bonds.
- Kearney, Neb.—An election will be called to vote on the question of issuing \$150,000 bonds for school purposes.
- Crookston, Minn., Independent School District No. 1.—An issue of \$15,000 refunding bonds has been authorized.
- Odebolt, Iowa, Independent School District.—An election will be called to vote on the question of issuing bonds.
- St. John, Wash.—C. H. Green & Co., of Spokane were the successful bidders for \$16,000 water system bonds at par.
- Poplar, Mont.—Sweet, Causey, Foster & Co. of Denver were the successful bidders for \$25,000 waterworks bonds at par.

COUNTY—CITY—SCHOOL BONDS

BOUGHT AND SOLD *Correspondence solicited*

The Hanchett Bond Company

79 South La Salle Street CHICAGO

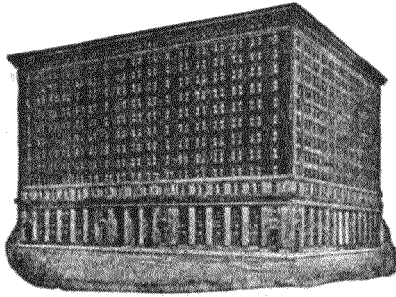
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THE FIRST NATIONAL BANK OF SAINT PAUL

Capital and Surplus, Five Million Dollars

Tehama County, Cal., Gerber School District.—An election has been held to vote on the question of issuing \$4,500 bonds.
Saryp County, Neb. (P. O. Papillion).—Peters Trust Company of Omaha was the successful bidder for \$44,000 bridge bonds at par.

Grand Forks County, N. D. (P. O. Grand Forks).—The State was the successful bidder for \$14,000 drainage bonds at par.

Pierce County, Neb. (P. O. Pierce).—An issue of \$65,000 funding bonds has been purchased by Peters Trust Company of Omaha at par.

Morgan County, Colo., School District No. 4.—Bosworth, Chanute & Co. of Denver were the successful bidders for \$17,600 bonds.

Yellowstone County, Mont., School District No. 2 (P. O. Gillings).—An issue of \$113,000 refunding bonds has been awarded to the State at par.

Cass County, Minn. (P. O. Walker).—The Capital Trust & Savings Bank of St. Paul was the successful bidder for \$105,000 ditch bonds at a premium of \$730.

Indianola, Neb.—An issue of \$11,400 electric light bonds has been sold to the Lincoln Trust & Savings Bank at a premium of \$25-100.21, a basis of 4.95 per cent.

Benton County, Iowa (P. O. Vinton).—An issue of \$18,000 voting machine bonds has been awarded to George M. Bechtel & Co., of Davenport at 101.02, a basis of 4.85 per cent.

Surplus and Profits Invested in Liberty Bonds Held Legal Act

"Can a corporation having a surplus and undivided profits legally invest the same or either thereof in United States Liberty loan bonds, to be thereafter sold or distributed to its stockholders as dividends, without increasing thereby the amount of the income tax or excess profit tax to which such corporation or such stockholders would be liable for the year 1917?"

This query was put up to the Minnesota Loan and Trust Company of Minneapolis and was answered by J. M. Martin, chief counsel for the company. As it is a question of great public interest at the present time, in view of the Liberty bond sale, Mr. Martin's reply to the query is given herewith in full:

"I answer the query in the affirmative," Mr. Martin wrote in his reply.

Might Lessen Taxable Profits

"Moreover, as to excess undivided profits, that is, profits not distributed as dividends, the taxes of the corporation might be lessened in certain cases by such investments.

(a) "As to the normal tax to which corporations are subject for the year 1917 upon their net income, the rate for 1917 is six per centum, and there is practically no change in the method of determining the amount of the net income, but there is added 'an additional tax of 10 per centum upon the amount remaining undistributed six months after the end of each calendar or fiscal year of the total net income of every corporation received during the year as determined for the purpose of the tax imposed by such subdivision the six per cent. tax),' but this tax shall not apply to that portion of such undistributed net income which is actually invested and employed in the business or is retained for employment in the reasonable requirements of the business 'or is invested in obligations of the United States issued after September 1, 1917.'

(b) "As to the excess profits tax. The surplus of a corporation can, in my opinion, be used to purchase Liberty loan bonds by any corporation (whose articles of incorporation do not fix the character of the investment or bonds in which surplus shall be invested) without such investment increasing the amount of the excess profits tax.

"This, I determine from the provisions of the law defining 'invested capital' of a corporation, a percentage thereof not less than seven per cent. nor more than nine per cent. is to be exempted, and which definition is as follows:

"Sec. 207 * * * As used in this title 'Invested Capital' does not include stocks, bonds (other than obligations of the United States) or other assets the income from which is not subject to the tax imposed by this title, nor money or other property borrowed, but includes:

"(1) Actual cash paid in; (2) the actual cash value of tangible property paid in other than cash for stocks or shares in such corporation or partnership at the time of such payment * * * ; (3) paid in or earned surplus and undivided profits used or employed in the business exclusive of undivided profits earned during the taxable year.'

"It should be noted that neither the war tax nor excess profits tax of the corporation would be lessened for the year 1917 by investment of undivided profits earned in 1917 in Liberty loan bonds, nor, in my opinion, would the tax of the stockholders be lessened by a distribution of Liberty loan bonds in lieu of cash."

GOVERNMENT BOND QUOTATIONS

U. S. Government Bonds

Price range for week ended October 24, 1917, furnished by C. F. Childs & Co. of Chicago and New York:

	High	Low	Last Sale	Yield
2s, Registered	98 3/4	97 1/4	98	2.18
2s, Coupon	98 3/4	97 1/4	98	2.18
3s, Registered	100	99 1/4	100	3.00
3s, Coupon	100	99 1/4	100	3.00
4s, Registered	106 1/2	105 1/4	106	3.07
4s, Coupon	106 1/2	105 1/4	106	3.07
Panama 2s, Registered	98 1/2	97	98	2.11
Panama 2s, Coupon	98 1/2	97	98	2.11
Panama 3s, Registered	87	82	85	3.07
Panama 3s, Coupon	87	82	85	3.07
Liberty Loan 3 1/2s	99.80	99.60	99.80	3.51

*Based upon assumed maturity.

U. S. Territorial Bonds

Philippine 4s	100	93	99	4.12
Hawaiian 4s	100	94	99	4.12
Porto Rican 4s	100	94	100	4.00
District of Columbia 3.65s	102	100	102	3.33

Foreign Government Bonds

Amer. For. Secur. 5s	Aug. 1, 1919	95 1/2	93.35
Anglo French 5s	Oct. 15, 1920	92	8.05
Argentine Gov. 6s	Dec. 15, 1917	100	6.00
British 5s	Sept. 1, 1918	98 1/4	7.49
British 5 1/2s	Nov. 1, 1919	95	8.26
British 5 1/2s	Nov. 1, 1921	93 1/4	7.52
British 5 1/2s	Feb. 1, 1918	99 3/4	7.90
British 5 1/2s	Feb. 1, 1919	98 1/2	6.50
Gov. of Canada 5s	Apr. 1, 1921	94	6.95
Gov. of Canada 5s	Apr. 1, 1926	94 1/2	5.82
Gov. of Canada 5s	Apr. 1, 1931	92 1/2	5.67
French Rep. 5 1/2s	Apr. 1, 1919	96 1/2	6.75
Russian Gov. 5 1/2s	Dec. 1, 1921	63	6.3
Russian Gov. 5 1/2s	Feb. 14, 1926	\$139*	6.3
Switzerland Gov. 5s	Mar. 1, 1920	100	5.00

*Per 1,000 roubles net.

Country Bankers as Insurance Agents

The country banker must do as his friend the doctor and the lawyer and every other enterprising business man in his community does, viz., increase the lines that he handles. So he considers the various activities that are financial in their character and can easily be handled in connection with the bank. He finds open to him, perhaps, the opportunity to write fire insurance. Most bankers write fire insurance on the side, as they call it, and make from \$200 to \$500 a year as an additional emolument. Country bankers find that the largest financial operations in their communities relate to the sale of land, and as that is the chance for investment and speculation nearest at hand, they frequently buy and sell land and sometimes sell land on a commission. Opportunity is open to pick up a few commissions on the selling of indemnity bonds and casualty insurance. However, the greatest opportunity open to the country banker, to handle a line purely financial in its nature, capable of great development and yielding a most satisfactory remuneration, is life insurance. Country bankers are fast recognizing it. Many men in country banks are making good money, but they are not those who do nothing but sit behind the counter and receive deposits and make loans. The country banker who is building a fortune and occupying a large place in his community is the one who improves the opportunities to add to his income from those lines that are sometimes called outside strict banking.

Do Not Let Life Insurance Writing Interfere With the Bank's Business

Even though he might gain a fair profit personally and render a valuable service to the community, the country banker is not warranted in writing life insurance if in so doing he is damaging the business of the bank. An indiscriminate solicitation of life insurance in a tactless manner would work a great damage to the business of any bank. It is just as true that any of the activities of a banker, prosecuted without discrimination and without good judgment, whether strictly along the line of banking or along the line of the so-called outside activities, will work the same damage to the business of the bank. Presuming that he conducts his life insurance business with good judgment and with the thought in mind of the general good of his business, I know it to be a fact that the writing of a large amount of life insurance is a boon to the banking business in general and especially to that bank actively engaged in it. In my own experience a large number of persons who have not been customers of our bank, to whom I have sold life insurance, have thus been brought to the bank to pay the premiums. The solicitation of life insurance has taken me through the country and given me a large acquaintance that has enabled me to attract other banking business. A large number of young men, who will be the new customers of a bank, feel well acquainted at our bank after the life insurance interviews.

The Value of Life Insurance to the Country Banker

I live in a country town of 1,500 inhabitants; our bank has a capital of \$50,000 and deposits of about \$400,000. We now have in force nearly one million and a half of life insurance in our vicinity. Please look down into the future a few years, from the standpoint of the stockholders of the bank. This million and a half of life insurance will become payable at some time. Where will the banking business connected with the settlements go? I was instrumental in putting the insurance in force; I have been somewhat instrumental in keeping it in force; I expect to make the settlements—will it not be the most natural thing in the world for the proceeds of the policies to be left in my care? Can any one conceive of any scheme that would be more successful and far-reaching in bringing to the bank a large amount of the most desirable deposits?

The writing of life insurance by the country banker follows the trend of the times to cover a general field of activities in the country districts. The writing of life insurance opens up a large opportunity to increase his income in a manner that is in keeping with the nature of his other business. In the writing of life insurance the country banker renders a great and useful service to his

community, and in so doing starts a stream of business toward his bank that may exceed his fondest hopes and continue for many years. Therefore, the country banker is warranted in being an active life insurance solicitor.—C. W. Soesbe in Pacific Banker.

IMPORTS OF RAW MATERIAL PASS THE BILLION DOLLAR MARK

Washington—For the first time in the history of American trade the imports of raw materials passed the billion-dollar mark during the fiscal year 1917. According to statistics published by the Bureau of Foreign and Domestic Commerce of the Department of Commerce, the exact total was \$1,109,655,040, a noteworthy increase over the \$948,825,500 in 1916 and the \$632,865,860 in 1914, the last normal year before the war.

The raw materials now imported in the greatest quantities are hides, India rubber, raw silk, wool, raw cotton, copper ore, and flax seed, and important increases are recorded for furskins, gums, mineral oils, uncut diamonds, manganese ore, nickel ore, zinc ore, and dyewoods.

The table that follows shows the quantities and values of the principal raw materials imported during the fiscal year 1917 as compared with the normal year 1914.

Imports of Crude Materials

	1917		1914
Hides, lbs.	700,207,497	\$216,363,609	\$120,289,781
India, rubber, lbs.	333,373,711	189,328,674	71,219,851
Silk, raw, lbs.	33,868,885	156,085,649	97,828,243
Wool, unmanf., lbs.	372,372,218	131,137,170	53,190,767
Fibers, unmanf., tons	408,618	67,709,758	54,349,995
Cotton, raw, lbs.	147,061,635	40,429,526	19,456,588
Copper ore, tons.	613,593	32,576,082	13,696,984
Flaxseed, bushels	12,393,988	25,149,669	10,571,410
Furskins, unmanf.		21,553,375	8,840,321
Gums, crude		18,644,347	11,992,777
Mineral oils, gals.	1,034,590,849	14,109,035	11,776,737
Diamonds, uncut		11,717,175	7,519,688
Manganese ore, tons	656,988	10,545,986	1,841,451
Nickel ore, tons.	60,132	9,970,967	6,109,547
Zinc ore, tons.	324,767	7,596,930	251,479
Dyewoods, tons	181,689	4,326,576	486,992

Only a few crude materials show decreases in 1917 compared with 1914. The principal classes follow:

Leaf tobacco, lbs.	46,136,347	25,481,979	35,029,055
Wood, unmanf.		14,876,214	18,038,678
Iron ore, tons.	1,149,958	3,986,742	6,984,577
Feathers, crude.		1,479,216	4,871,663

Lee, Higginson & Co.

Boston Chicago New York

Higginson & Co., London

Justus F. Lowe

Northwestern Representative

533 McKnight Building Minneapolis

\$242,085.06

City of Minneapolis, Minnesota

Special Street Improvement Bonds

Sealed bids will be received by the Committee on Ways and Means of the City Council of the City of Minneapolis, Minnesota, at the office of the undersigned, WEDNESDAY, OCTOBER 31, 1917, at 3:00 o'clock p. m., for \$242,085.06 Special Street Improvement Bonds, dated September 1st and November 1st, 1917; to become due and payable one-twentieth each year thereafter, the last one being payable September 1, 1937, and November 1, 1937, and no bid will be entertained for said bonds for a sum less than the par value of the bonds bid for and accrued interest to date of delivery, and the rate of interest must be bid by the purchaser and must not be in excess of 5 per cent. per annum payable annually or semi-annually.

The right to reject any or all bids is hereby reserved.

A certified check for Two Per Cent. of the par value of the bonds bid for, made to C. A. Bloomquist, City Treasurer, must accompany each bid.

Circular containing full particulars will be mailed upon application.

DAN C. BROWN, City Comptroller,
Minneapolis, Minn.

THE LONDON CITY & MIDLAND BANK LIMITED.

HEAD OFFICE: 5, THREADNEEDLE STREET, LONDON, E.C. 2

FOREIGN BRANCH OFFICE: 8, FINCH LANE, LONDON, E. C. 3

Subscribed Capital	---	---	---	(\$5-£1.)	\$114,739,020
Paid-up Capital	---	---	---		\$23,903,960
Reserve Fund	---	---	---		\$20,000,000
Deposits	---	---	---		\$966,110,435
Reserves	---	---	---		\$241,454,680
Bills of Exchange	---	---	---		\$111,760,185

This Bank has Branches in all the Camps where American Troops are stationed in England.

Sir EDWARD H. HOLDEN, Bart., *Chairman*

Farm Mortgages

We are prepared at all times to loan money at current rates on improved farms in Minnesota, North Dakota and Montana.

Applications will be given prompt consideration.

We invite correspondence from banks and others who desire to establish a permanent connection for placing their loans.

Capital Trust and Savings Bank

Capital and Surplus \$500,000.00

JEROME W. WHEELER, President
JOHN R. MITCHELL, Vice President

SAINT PAUL MINNESOTA

We are equipped to give country banks the service they require.

No matter how small, your business will have personal attention.

METROPOLITAN NATIONAL BANK
METROPOLITAN BANK BUILDING
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Take advantage of our service to save money under the new postage rates.

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JEWELERS EXCHANGE BUILDING
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Minneapolis, Minnesota

The Dominion Bank

Head Office TORONTO, ONT.

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

Capital Paid up	\$6,000,000.00
Reserve Fund and Undivided Profits	7,300,000.00
Total Assets	87,000,000.00

Over Seventy Branches throughout Canada.

Collections in Western Canada
given prompt attention.

WINNIPEG BRANCH

F. L. PATTON,
Manager

R. K. BEAIRSTO
Ass't Manager

H. R. LYON, President

JOS. P. HESS, V. Pres't and Treas. F. M. BROWN, Vice President
C. L. HOYT, Vice President RUDOLF HOBL, Secretary

First Loan & Securities Company

This Company is in funds at all times with which to consider both large and small FARM MORTGAGE LOAN applications in the states of Minnesota, North and South Dakota and Montana.

Correspondence from banks within these states with a view of making permanent connections, is solicited.

First Loan & Securities Co.

Security Bank Building
MINNEAPOLIS, MINN.

AMERICAN EXCHANGE NATIONAL BANK

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of DULUTH

Capital, Surplus and Profits
\$2,500,000.00

OLDEST BANK AT THE HEAD OF THE LAKES

COMMERCIAL WEST

A WEEKLY JOURNAL

COVERING

BANKING, GRAIN AND WESTERN INVESTMENTS

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SATURDAY, OCTOBER 27, 1917

Clear the Track and Full Speed Ahead

There is just one sort of criticism that the people will tolerate or that the Government should welcome at this time, and that is constructive criticism.

If the Washington Post is correct in its statement that the red tape of the Navy Department is holding up the work of ship building, some dynamite should be exploded there and clear away the obstacles without a moment's delay.

If there is any possible way of utilizing the 500 submarines, now in possession of the Allies, to combat or check the activities of the German U boats, as suggested by the Scientific American, let us put them in service at the earliest possible moment.

We are spending billions of money and preparing to sacrifice thousands of lives if necessary. Shall we hesitate to sweep aside Government red tape or get rid of the inefficient in any part of the service, that is a hindrance to the great task of ending the war?

If this war is costing the world \$160,000,000 a day, as estimated, every day's delay is immensely costly, and it requires no expert mathematician to figure how long it will be before the world is bankrupt. To win the war by universal exhaustion is to lose it.

Throw the machine into high, and let nothing interfere with a speedy ending of this bloody business. As it must be done, it were better to be done quickly.

Security Prices in Time of War

The successful Liberty bond campaign, which closes today, should pave the way for a more nearly common sense attitude toward securities, not only on the part of the pessimists in Wall Street, but those who have sold securities blindly in all parts of the United States.

After all, the main thing is to use every effort to end the war by striking sledgehammer blows.

When finis is written against the world war, sane and normal prices will return and market values will draw near to intrinsic values. As J. P. Morgan put it in a statement on the Liberty loan, "I understand that there is in some quarters a feeling of pessimism caused by declining security markets. It seems to me that this does not change the duty of every American to do everything possible. After all, what the security market does within the next month or two will not be of much importance one year from now. On the other hand, whether the war is won or lost is a matter of supreme importance."

For those obliged by stern necessity to sacrifice securities under present market conditions, there can be only pity. Those, however, who hold securities as an investment would do well to ask "Isn't the turn in the ebb tide of security prices about due?" before selling out their investments.

Seriousness of the depreciation in quoted stocks and bonds was brought directly home to the banking world by John Skelton Williams' instructions heralded broadcast to national bank examiners, not to require national banks holding high-grade bonds of unquestioned intrinsic value to charge them down to present abnormal figures.

It is high time for the security holder to investigate carefully what sales at this time really mean. With no suddenness and no large slump, both railroad and industrial stocks have declined heavily from the October-November 1916 level. Since last June the depreciation has been steady with no sign of a rally. Many railroad stocks have fallen below the 1907 panic mark and some have not seen such low prices in 25 years.

It is obvious that the developments unfavorable to railroad and industrial market values have been discounted. Further news should be constructive, especially for some of the stocks which appear now to be selling at real bargain levels. Rates for transportation are on a peace basis, while expenses and taxes are on a war basis and it is not conceivable that a government, which fixes wheat, copper, steel and coal prices at a level large enough to more than offset the cost of production, will deny railroads an opportunity to sell transportation, which they produce, at prices sufficient to offset increased expenses, etc. Better rates for railroads would be speedily reflected in higher market values.

Turning to bonds, the price index of 40 representative issues, compiled by Dow Jones & Co., stood at 73.85 for September, the lowest since the reopening of the New York Stock Exchange in December, 1914. Highest grade rails are eight points below the price a year ago, second grade rails and public utility bonds are nine points below the level at this time last year. All of these bonds are selling far below intrinsic value and important financial houses believe the turn in bond prices has come, although the upward progress will necessarily be slow and prolonged.

With America's entrance into the world war, with the Liberty bond competition for the country's loaning power, declines in security values were to have been expected. The wonder has been that the

falling off was so slow and gradual with nothing remotely resembling a panic.

In other countries, after their participation in the war, the declines in security values were precipitous, but our Allies now find their security markets stabilized. It is not too much to hope that the ebb tide in our securities has ended and that the flood tide of rising market values will set in. At any rate, the present is not the time for investors to rid themselves of their securities.

Sane Germany vs. Mad Prussianism

Some weeks ago we published a short address made at Harrisburg by Otto H. Kahn, partner in the New York banking house of Kuhn, Loeb & Co. The requests for extra copies of that issue quickly exhausted the supply, proving that Mr. Kahn had made a valuable contribution to the discussion of the war.

The address of Mr. Kahn has been given generous publicity and we understand that it can be had in pamphlet form from Kuhn, Loeb & Co., New York. For the benefit of those who missed reading it, we reprint the following digest:

God strengthen the conscience and the understanding, the will and the power of the German people so that they may find the only road which will give to the world an early peace, and in time, lead Germany back into the family of nations from which it is now an outcast.

I speak as one who has seen the spirit of the Prussian governing class at work from close by, having at its disposal and using to the full, practically every agency for moulding the public mind.

I have watched it proceed with relentless persistency and profound cunning to instill into the nation the demoniacal obsession of power-worship and world dominion, to modify and pervert the mentality, indeed, the very fibre and moral substance of the German people—a people which until misled, corrupted and systematically poisoned by the Prussian ruling caste, was, and deserved to be, an honored, valued and welcome member of the family of nations.

I have hated and loathed that spirit ever since it came within my ken many years ago, hated it all the more as I saw it ruthlessly pulling down a thing which was dear to me, the old Germany to which I was linked by ties of blood, by fond memories and cherished sentiments.

From each of my visits to Germany for 25 years, I came away more appalled by the sinister transmutation Prussianism had wrought amongst the people and by the portentous menace I recognized in it for the entire world.

It had given to Germany unparalleled prosperity, beneficent and advanced social legislation and not a few other things of value, but it had taken in payment the soul of the race. It had made a "devil's bargain."

And when this war broke out in Europe, I knew that the issue had been joined between the powers of brutal might and insensate ambition on the one side and the forces of humanity and liberty on the other, between darkness and light.

Many there were at that time—and amongst them men for whose character I had high respect and whose motives were beyond any possible suspicion—who saw their own and America's duty in strict neutrality, mentally and actually, but personally I believed from the beginning of the war, whether we liked all the elements of the Allies combination or not—and I certainly did not like the Russia of the Czars—that the cause of the Allies was America's cause.

The duty of loyal allegiance and faithful service to his country, even unto death, rests upon every American.

But, if it be possible to speak of a comparative degree concerning what is the highest as it is the most elementary attribute of citizenship, that duty may almost be said with

an even more solemn and compelling obligation upon Americans of foreign origin than upon native Americans.

For, we Americans of foreign antecedents, are here not by the accidental right of birth, but by our own free choice for better or for worse.

As Washington led Americans of British blood to fight against Great Britain; as Lincoln called upon Americans of the North to fight their very brothers of the South; so Americans of German descent are now summoned to join in our country's righteous struggle against a people of their own blood which, under the evil spell of a dreadful obsession, and, Heaven knows, through no fault of ours, has made itself the enemy of this peace-loving nation.

No editor or writer, not even President Wilson himself, has been able to bring to bear such a cutting indictment of Prussianism as this. Born and reared in Germany, educated in her universities, serving in her army, and a frequent visitor to his native land during the past 25 years, Mr. Kahn speaks as one having authority of the highest order.

If President Wilson tried to "drive a wedge between the Kaiser and his people," Mr. Kahn has, with his keen intellect, cut out the cancer of Prussian madness and held it up to the world's gaze. Nothing short of the extermination of that hideous disease can bring peace and security to the world and save the life of the German nation. The world is determined to rid itself of this monster and intends to do it now.

Mobilizing Minnesota

Citizens of Minnesota have every reason to be proud of the steps taken to mobilize the state and to anticipate that every emergency that arises will be dealt with adequately. Credit for what has been accomplished should go to the Minnesota Commission of Public Safety and to the legislature that passed the law creating the commission.

Every state has a council of defense, but very few have clothed such a commission with the authority of law and none has granted broader powers. Best of all Minnesota has found the men with courage and ability to put punch into the execution of the law.

Members of the commission, created just six months ago, are C. H. March, vice chairman; C. W. Ames, John Lind, John F. McGee, A. C. Weiss and ex-officio Governor Burnquist, chairman, and Lyndon A. Smith, attorney general.

In the broadest terms power was given this commission in the event of war "to do all acts and things non-inconsistent with the constitution or laws of the state of Minnesota or of the United States, which are necessary or proper for the public safety and for the protection of life and public property, or private property of a character as in the judgment of the commission requires protection," and "All acts and things necessary or proper so that the military, civil and industrial resources of the state may be most efficiently applied toward maintenance of defense of the state and nation, and toward the successful prosecution of such war."

Whatever affects the conduct of the war, so far as Minnesota is concerned is the business of the Public Safety Commission and its state organization. The Commission of Public Safety, its county directors, and their committees and allied agencies therefore

include among their duties the following: Preservation of order and public safety, food supply and conservation, labor supply and conservation, mobilizing of labor, economies in distribution, economies in transportation, discouragement of disloyalty, promotion of patriotism, aid to recruiting, and attention to moral and physical sanitation.

Organized on April 23, 1917, the Commission of Public Safety proceeded to establish county committees and representatives and within one week issued its first order closing saloons, pool halls, etc., in the Bridge Square District of Minneapolis for the duration of the war. Then came the order for a dry zone around the Fort Snelling military reservation, the organization of a home guard, the appointment of peace officers with the power of constables, the closing of all saloons on registration day.

Forest fire emergencies were dealt with by the commission as well as vagrancy and the theretofore unregulated sale of intoxicating liquors in St. Louis county in close proximity to mines and timber lands was stopped. By far the most important of the early orders of the commission was that relating to saloon hours and cabaret entertainment. This order was carried out without a murmur of discon-

tent even from those whose pocketbook was affected.

The citizen has also received protection by orders of the commission. Only the other day the price of milk was reduced from 12 cents a quart to 11, with the prospect of a lower figure later on. Striking street car men, whose effort was to force recognition of a union, were ordered peremptorily back to work by the Commission of Public Safety and they promptly obeyed.

From the outline of activity given above, it is obvious that the past six months have been full of activity for the Public Safety Commissioners, but they have met squarely from day to day every problem that has presented itself, and each has been solved. The most recent problem is that of the disproportion between prices charged by the retailer and the wholesaler.

It may be that some legislators did not realize just how much power they were delegating to the Minnesota Commission of Public Safety, but the beneficial results of its creation are common knowledge. Every state in the Union would do well to have its safety commission clothed with authority of the law and manned by those able to enforce its powers to the limit.

THE BULL'S-EYE BY THE SHARPSHOOTER

London is to have a bronze statue of Abraham Lincoln, heroic size, and Paris has been offered a like one, both replicas of the much criticised Barnard statue in Cincinnati. These have been offered by two American societies, and London has already sent her acceptance. Many Americans will regret that in selecting a statue of our Great Commoner to stand in Europe's leading capitals, it had not happened that one was chosen of which America in general warmly approves. We would like to have the common people everywhere, whose hero Lincoln preeminently is, see him at his best if possible. We know he was neither handsome in feature nor courtly in figure; but the Barnard statue has seemed to accentuate his uncouthness, and unattractiveness in face, form and dress. Nor is this statue a likeness of the man. Robert Lincoln, whose judgment in this regard may be considered authoritative calls the statue "a monstrous figure, grotesque as a likeness and defamatory as an effigy."

On the other hand some of the greatest American artists see in it "fine feeling, inexpressible tenderness and nobility of character," and such effect may indeed be there. But if one may judge by the published photographs of the work, it will take an artist of high degree to find these qualities in this bronze figure. Lincoln may often have made as weary and slouchy an appearance in face, attitude and dress as the Barnard statue declares; but this is not the best that Lincoln did. Lincoln had his live, alert moments, in which a sparkling, inspiring soul shone out in his face and in his form. He had at times features radiant with kindness. He owned, and wore at times, a

better suit of clothes—undoubtedly better boots—than Barnard has given him. Why did Barnard not take him at his best.

* * *

In selecting a photograph of one's self or of one's father to send to a distant friend, one will instinctively choose the most cheerful, the best dressed, and if possible the one with a touch of the idealistic. This is a human instinct and a good one. It is an instinct that has done much toward making this world cheery and inspirational. There is a fitting place in art galleries, and in public parks, perhaps, for weeping madonnas and Lions of Lucerne, but not for tired presidents. Barnard's Lincoln is tired—dead tired, and the public always wearies of tired people—particularly of the human tired feeling done in bronze, standing unrested through weary centuries.

America has accepted Stuart's portrait of Washington, not because it is true to nature but because it symbolizes what we believe Washington at his best stood for. We honor our country when we accept a noble portrait of the father of our country. Why is the equestrian statue of Washington standing in New York City rather than a statue of Washington on his knees in the snow at Valley Forge? Why is the statute of LaFayette offering his sword to America the one chosen to represent our French here, instead of one showing him in a prison cell? Because these inspire the common people to high action rather than the other. Sadness is and should be, but for the moment. Cheerfulness is the ideal fixed habit. America has unquestionably great statues of Lincoln. Replicas of these would have no doubtful effect on the esteem for him which we hope to inspire and perpetuate in London and Paris.

MINNEAPOLIS EXCEEDS LOAN QUOTA FIFTY PER CENT.

Returns for the entire country at this writing, Thursday, indicate that the three billion Liberty loan will be oversubscribed.

The ninth Federal Reserve district will reach its quota of \$105,000,000.

Minneapolis set a fast pace for all cities of its class by rolling up a total of \$24,000,000, which was 50 per cent. above its quota. Over 130,000 people participated in the subscription. This included 60,000 children in the public schools.

St. Paul made a three day whirlwind campaign and went over its quota of \$15,000,000.

METROPOLITAN NATIONAL BANK OF MINNEAPOLIS INCREASES CAPITAL TO \$500,000

At a special meeting of stockholders of the Metropolitan National Bank of Minneapolis it was voted to increase the capital stock from \$300,000 to \$500,000 and its surplus from \$60,000 to \$100,000. According to J. W. Barton, vice president of the institution, the increases in capital and surplus were found necessary to take care of increasing business. The bank has been in its new quarters, Sixth Street and Second Avenue South, since June 11.

Special Business Briefs

The American dye industry has not only grown big enough to supply practically all domestic needs, but is now exporting important quantities to other nations. In July nearly \$500,000 worth of aniline dyes were shipped abroad, according to figures published by the Bureau of Foreign and Domestic Commerce of the Department of Commerce. This is the first time that separate statistics for aniline exports have ever been issued, the innovation resulting from the recent striking growth of the trade. Of all the industries created or developed as a direct result of war conditions, none has shown more rapid progress than American dyestuffs. From only seven establishments in which 528 people were engaged in producing 6,619,729 pounds of coal-tar colors, valued at \$1,126,699, in 1914, the industry has developed until now it not only supplies the domestic demand for colors but has even invaded the foreign market in European neutral and allied countries, Canada, Mexico, Argentina, Brazil, British India and Japan.

Consolidation is announced of the operation of all the various shipbuilding yards controlled by the Bethlehem Steel Corporation under a new corporation to be known as the Bethlehem Shipbuilding Corporation, Ltd., to coordinate and expedite work on the increased volume of government shipbuilding demands. The new company will be capitalized at \$12,500,000, all the stock to be owned by the Bethlehem Steel Corporation or its subsidiaries, with the exception of directors' qualifying shares. The president will be E. G. Grace and the vice president in charge of sales and operations will be J. W. Powell, now president of the Fore River Shipbuilding Corporation, Quincy, Mass., included in the merger.

Western Union is morally sure to round out in 1917 the most prosperous 12 months in its long career. As things are moving it is very probable that the full year will show profits for the \$99,786,000 stock of close to \$15 per share. In order to do this the company would need to gain but \$100,000 in net per month for the final quarter of the year. In the first nine months of this year the increase in net for dividends was almost \$150,000 per month. In 1916 Western Union earned \$13.59 per share and in 1915 \$10.19 per share. The present earning power of 15% is suggestive that sooner or later if present prosperity holds the company may again advance the dividend rate and to a seven per cent. basis.

That iron ore shipments from the Lake Superior district will show a falling off of approximately 6,000,000 tons for the present season from last year's record figure of 65,188,648 tons is predicted by authorities in the trade. Ore shipments for the season up to October 1 from the Lake Superior district were 46,059,706 tons, a falling off of 2,756,044 tons compared with the same period last year. With the diversion of shipping from the ore to the grain trade and the expected cutting down of shipments from the ore to the grain trade and the expected cutting down of shipments by operators who are carrying large stocks at lower lake ports, ore forwardings from now on are expected to show further curtailment.

The General Motors Corporation officially announces undivided profits for the month of September this year of \$3,225,000, compared with \$2,200,110 in the same month of 1916, an increase of \$1,024,890, or 46.5 per cent. The number of cars and trucks sold last month was 16,923, compared with 13,880 in September, 1916, an increase of 3,043. Net sales for September totaled \$16,850,000 against \$11,557,061 a year ago, an increase of \$5,292,939. Cash in the bank and sight drafts with documents attached at the close of business October 8, 1917, amounted to \$22,043,500. In first two months of fiscal year General Motors earned at annual rate of 46 per cent.

In year ended June 30 Atchison, Topeka and Santa Fe Railway Company earned \$15.02 a share on \$219,648,500

common stock after dividends on \$124,173,700 preferred stock, as compared with \$12.30 a share earned in the previous year on \$214,312,500 common stock.

RESOURCES OF BANKS SHATTER RECORDS

Washington—Resources of national banks, notwithstanding the government's present program of war financing, again have exceeded their previous record of strength. Comptroller Williams announces that total resources on September 11, the day of the last bank call, were \$16,543,000,000.

"If \$5,000,000,000 of deposits should be withdrawn from the national banks of the country," the comptroller said, "their deposits would still be \$286,000,000 greater than they were at this time in 1913, the year before the outbreak of the European war.

"It is also significant that while the national banks of the country have assisted so largely in the financing of the first Liberty loan, involving to a certain extent the withdrawal of deposits, their deposits, as compared with May 1, last, before the Liberty loan was announced, show an actual increase of \$154,000,000.

"Deposits are \$1,872,000,000 greater than on September 12, 1916."

Total deposits are given as \$13,234,000,000. These figures include only national banks and are independent of savings banks, trust companies and other similar institutions.

Their resources have increased \$392,000,000 since the call of June 20 this year, and \$2,132,000,000 since September 12, 1916.

The resources of the national banks today exceed by approximately a billion and a half dollars the total resources of all the banks of the country, national, state savings banks, and trust companies as late as the year 1914. Deposits also exceed the deposits of June 20, 1917, by \$462,000,000 and are \$1,872,000,000 greater than on September 12, 1916.

Loans and discounts amounted to \$9,055,000,000, an increase over June 20, 1917, of \$237,000,000, and an increase as compared with September 12, 1916, of \$1,195,000,000. United States bonds and certificates of indebtedness, including Liberty bonds held by national banks on September 11, 1917, amounted to \$1,159,000,000, an increase as compared with June 20, 1917, of \$83,000,000 and are \$429,000,000 over September 12, 1916. Other bonds held amounted to \$1,863,000,000, an increase of \$20,574,000 over June 20, and an increase of \$239,000,000 for the 12 months.

Cash in vaults and due from Federal reserve banks, including collection items, September 11, 1917, amounted to \$1,666,000,000, an increase over June 20, 1917, of \$93,124,000, and an increase as compared with September 12, 1916, of \$290,206,000. Notwithstanding the large balances carried with the Federal reserve banks the amount due to national banks from other banks and bankers amounted to \$1,634,000,000. Bills payable and rediscounts on September 11 amounted to \$285,000,000, a reduction as compared with June 20, 1917, of \$88,000,000, but an increase as compared with September 12, 1916, of \$193,000,000.

The deposits in the national banks four years ago, on August 9, 1913, amounted to \$7,948,000,000, an increase during these four years of \$5,286,000,000, or 66 per cent.—a growth which is unprecedented.

The 10 states showing the greatest increase in the deposits since the call of June 20, 1917, were, in the order named: Pennsylvania, \$30,000,000; Ohio, \$21,000,000; New Jersey, \$19,000,000; California, \$16,000,000; New York, \$15,000,000; Virginia, \$14,000,000; Texas, \$12,000,000; Indiana, \$11,000,000; Illinois, \$9,000,000; Kansas, \$9,000,000. The only states showing a reduction of as much as \$2,000,000 in deposits were Florida and Connecticut.

Among reserve and central reserve cities, those showing an increase in deposits of as much as \$6,000,000 or more were: New York, \$72,000,000; San Francisco, \$25,000,000; Philadelphia, \$24,000,000; Pittsburg, \$20,000,000; Cleveland, \$15,000,000; Cincinnati, \$11,000,000; Washington, \$10,000,000; Houston, \$8,000,000; Baltimore, \$7,000,000; Indianapolis, Boston, and Kansas City, \$6,000,000 each.

War Taxation Causes Unsettled Conditions

New York—"The whole explanation of the present most unsatisfactory market conditions is summed up in the two words 'war taxation,' with taxation spelled in capital letters," said a prominent international banker to Dow Jones & Company.

"A heavy burden has been thrown upon business and capital which has broken its back. Not because the burden is heavier than the country's back can bear, but because the burden was thrown on instead of being scientifically adjusted and arranged so that it would be easy to bear. It is the same as if a big load were thrown precipitately upon the back of a beast of burden. The beast would stagger under a load imposed in this manner, whereas if the load were carefully placed and properly adjusted the burden would not be irksome nor would the animal have the least difficulty in walking away with it.

"This is in effect the way the taxation burden has been precipitately thrown upon the back of American business and capital. A committee of business and scientific men should immediately be organized to adjust this burden. This country, if the present taxation burden is adjusted correctly, can bear it easily. As a matter of fact it could stand up to \$2,500,000,000 taxation annually if the burden were scientifically and economically adjusted.

"There is only one way to remedy such unfortunate situations and that is to have the President give his mind to the matter and guide Congress into the paths of common sense. The Senate appointed its experts to committees who after the most careful study of several months evolved a bill which the Senate itself with one day's deliberation tore into shreds. The House proceeding was the same. The report of its committee of experts submitted after months of deliberation and study was also torn into shreds by the House with little if any deliberate consideration. Economic matters which are scientific matters cannot be left to Congress without guidance, for in that event either nothing happens or the result is an abortion such as the tax bill, which was in desperation adopted and passed in a day, after the popular assemblies had ripped up and nullified the deliberations of its own committees. Not only did Congress not ask outside advice, but it overruled the advice of its own experts.

"There is nothing aside from the uneconomic application of the tax bill for this country to worry about. The Liberty loan will be a success. Price fixing has been wisely done with the exception of bituminous coal prices, the Administration's conduct of the war has been most satisfactory, and the only thing we have to deplore is that Congress was allowed to go ahead and precipitately pass a half-baked tax bill without being scientifically guided in the matter.

"It would have been a simple matter to have taken a leaf out of England's book, which is raising as much out of about 50,000,000 people by taxation as we are out of 100,000,000 population, and has at the same time kept business prosperous and the people contented. Our income tax is 50 per cent. higher than England's and while the sliding rates of 20 per cent. to 60 per cent. make it appear that we are taxed less than England with its 80 per cent. of excess profits, it is an actual fact that in this country if a man has all his money invested in his business and he comes within the highest excess profit and income tax class, his taxes would amount to 87½ per cent. of his income and profits.

"I cannot do better than call attention to the remarks made by the Canadian Minister of Finance when he introduced the Canadian Government's income tax measure. He said: 'We will need men of enterprise and ability who can bring capital into the country and develop our immense resources, and in reviewing this measure after the war I think consideration should be given to the question whether the taxation is so heavy as to operate to prevent men of that type from coming to this country and giving us the benefit of their enterprise and capital.'"

FEDERAL LEGISLATIVE COMMITTEE FOR FARM MORTGAGE BANKERS ASSOCIATION

President Corwin of the Farm Mortgage Bankers Association announces the following members of the Federal legislative committee: G. B. Ellis, Empire Trust Company, Americus, Ga.; Joseph McNary, State Savings & Trust Company, Indianapolis, Ind.; Levering Moore, Mortgage Securities Company, New Orleans, La.; W. N. Fitch, Mississippi Valley Trust Company, St. Louis, Mo.; J. W. Wheeler, Capital Trust & Savings Bank, St. Paul, Minn.; R. C. Peters, Peters Trust Company, Omaha, Neb.; L. W. Clapp, First Trust Company, Wichita, Kans.; W. T. Day, Day & Hansen Security Company, Spokane, Wash.; J. E. Maxwell, Maxwell Investment Company, Kansas City, Mo.; K. N. Robins, Mortgage Investors, Rochester, N. Y.; Judge Edward Gray, Dallas Trust & Savings Bank, Dallas, Texas; L. C. Miller, Miller & Velie, Salt Lake City, Utah; O. M. Corwin, chairman, Wells-Dickey Company, Minneapolis, Minn.; F. W. Thompson, Merchants Loan & Trust Company, Chicago, Ill. (ex-officio member).

LIBERTY LOAN TO PROMPT STATE BANKS' TEST CASE

A friendly suit will be brought, F. E. Pearson, state superintendent of banks, announced, to determine whether Minnesota state banks can invest in Liberty loan bonds in amounts in excess of 15 per cent. of their combined capital and surplus. Definite arrangements for the test case have not been fully completed, he said.

Attorney General Lyndon A. Smith explained in a recent decision that in his opinion the laws prohibit state banks from loaning amounts in excess of 15 per cent. of their combined capital and surplus to a single person or corporation.

REMARKABLE PROSPERITY IN WISCONSIN EXHIBITED

Madison—Remarkable prosperity in Wisconsin is indicated by an announcement of the state tax commission that, without a change in income tax rates, the income from this source from corporations has virtually doubled in a year. The income tax on corporations assessed today is for \$7,348,868, compared with \$3,743,180 last year.

The individual income tax has not been computed yet, but if it increases proportionately to that on corporations the state by January will have collected \$10,000,000 from these sources. Seventy per cent. of the tax goes to the city or town in which the tax arises, 20 to the county and 10 to the state, which bears the expense of making the assessment.

CUT DOWN!

Cut down! Cut down auto mileage and save gas, tires and lubricants. The army and navy can use them. Cut down sugar consumption. France needs sugar. Cut down on wheat bread. Corn is good. The Allies need wheat. Cut down beef consumption, and help the poor here and the armies abroad. Save milk for the children; adults do not need much. Cut down! If by doing so you save money, there are the bonds!—New York World.

CALL FOR STATEMENT ISSUED TO STATE BANKS OF MINNESOTA

A call for statement showing condition at the close of business October 18 has been issued to Minnesota state banks by F. E. Pearson, state superintendent of banks. The number of active state banks in Minnesota now totals 1,102. It is expected that the call will show an unusually prosperous condition throughout the state.

MINNESOTA BANKER GETS FIVE YEARS

George J. Piersol, former cashier of the First National Bank of Clarkfield, plead guilty to embezzling \$95,000 from the bank, and was sentenced by Judge Booth at Mankato to five years in Fort Leavenworth Federal prison.

War Tax Analysis

For Individuals, Partnerships and Corporations

An expert interpretation of the Income Tax, the War Income Tax and the War Excess Profits Tax. This analysis covers the many perplexing problems confronting those subject to taxation.

This booklet CM-66 will be sent upon request

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LIBERTY BONDS MAINTAIN POSITION

Chicago, October 23—Last week's operations in the 3½ per cent. Liberty loan bonds supplied an interesting commentary on the investment strength of the government bonds already issued. It was a popular theory that the banks supported the market for the 3½ per cent. issue. On the contrary, the banks were constantly liquidating them. That the public demand was sufficient to hold the bonds close to par, and at times to carry them to substantial premium, indicated that the bonds were easily distributed even after the selling campaign had closed. The majority of the banks which took large blocks of the 3½s sold them in the open market in preparation for the present issue.

Bonds Subsidiary to United States Government Issues

Chicago bond houses which determined to keep salesmen in the field and attempt to transact a part of their normal business during the second Liberty loan campaign have practically abandoned the plan. The bond market struggled bravely during the first two weeks of the sale, but finally surrendered. Business is almost entirely confined to trading on the Chicago Exchange. Prices in listed bonds showed fluctuations of a somewhat wider range, most issues indicating a lower trend and transactions of fair volume on the Chicago Stock Exchange. Edison 5s lost 1¼ points to 96½, Public Service 5s lowered ½ to 87½ and Chicago Railway 5s B indicated a point decline to 59. City Railways 5s fell off a half point to 91¼ and Chicago Railway 5s ¾ to 87¼. Armour 4½s recorded a loss of a half point to 89½, also Swift 5s a half to 95. There was a sale in Peoples Consolidated 6s at 96, as compared with 114½ about a year ago.

Gas Bonds Break

On the first sale recorded this year, Peoples Gas six per cent. bonds on the Chicago Exchange last week showed a net decline of 18 points. The transaction involved \$1,000, par value, and was negotiated at 96. This clearly indicates the feeling with regard to the recent passing of the dividend by directors of Peoples Gas. On January 17 last there was a sale of the six per cents. at 115 and this is the only transaction that has been recorded this year.

Chicago List Weakens

Chicago stocks did not do very well last week. There was a renewal of liquidation on a small scale. It resulted in closing prices being generally below the opening. Prest-O-Lite from 123½ dropped to 112. There appears to have been some large but not well margined speculative accounts in the stock. Peoples Gas declined 10 points to 37, a new low mark. Union Carbide was under pressure and the price was carried down to 140½, a break of 13½ points. There was some dismay occasioned by the sale of Linde Air at 215, a loss of 50 points from the last previous sale. The price appears, however, as a belated move to adjust prices of the carbide stocks to conform to the terms of the merger of them into the new Union Carbide and Carbon Company. There still is a disparity in values that is puzzling. According to the terms of the merger National Carbon is exchangeable share for share for the stock in the new company. Prest-O-Lite old stock receives two shares of new, Union Carbide gets two and one-half shares of new, and Linde Air three and one-quarter shares of the new. There has not been sufficient trading in the new stock

to fix a market value for it. But assuming that Carbon selling at 60 and exchangeable share for share furnishes a fair measure for the value of the new stock, every other issue in the deal is out of line. Linde Air should sell at 195 instead of 215; Carbon at 150 instead of 143 and Prest-O-Lite at 120 instead of 115½. Almost without variation in the past when such a deal is announced the issues involved adjust themselves to the exchange basis unless rights are involved to equalize the price. If insiders are certain that the plan will prevail they have opportunities, not open to the public, for profitable "straddles." Commonwealth Edison declined three points, Sears-Roebuck four and Stewart-Warner two, but later recovered. American Strawboard came to life with a transaction involving 50 shares of 50, which represents a decline of 10¼ points from the last previous sale.

Curb Issues Quiet

Trading in Chicago unlisted securities last week was on a limited scale and no material changes in quotations took place. Avery & Co. preferred changed hands at 96½, closing at 96@97. The common was 90, with very little stock offered. Emerson Brantingham preferred was 44½ and J. L. Case preferred 80, with light offerings at 83. Moline Plow preferred showed a slight decline to sales at 95¾, but closed at 96 bid. Inland Steel was traded in around 175 and 176; National Grocer common, 102; United States Gypsum preferred, 90.

The week end witnessed a softening in the average of utility security values. There were a few exceptions, including Cities Service, which presented a favorable earnings statement, and announced a prospect of higher dividends for the year. There was some sentimental selling on the report submitted to the annual convention of railway commissioners in Washington which said the trend is unmistakably in the direction of complete public control and ownership of public utilities. Men having large capital invested in utilities believe to the contrary; they are convinced that the public ownership propaganda is weakening and that instead there will be established a policy of customer ownership and intelligent regulations. Sales of public utility securities were: Cities Service common, 218; preferred, 79; United Light and Railways common, 34; preferred, 64; Standard Gas and Electric common, seven; preferred, 29½; American Light and Traction common, 230; American Public Utilities preferred, 58; Pacific Gas and Electric common, 38; Middle West Utilities preferred, 60@62.

Utility Outlook Clouded

Concerning the outlook for marketing corporation emissions, Henry A. Blair, president of the Chicago Railways Company, said: "This Liberty loan and the ones that will succeed it within the next nine months promise to attract a great deal of investment funds that might otherwise go into corporate bond issues. It would appear that as long as the war lasts this condition will continue and there cannot be a very large source of funds for application to extension of general plant or facilities, if such enlargements require new capital. It is a time for utilizing present facilities rather than planning for new."

Traffic of the Chicago surface lines to date shows an increase of about 3¼ per cent. over the corresponding

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.

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period last year. The large part of this gain will be absorbed by the increase in wages and the higher cost of material. Relative to the Chicago Railways Company, there is considerable probability that after the end of the present fiscal year, January 31, 1918, the series two certificates may receive a distribution. The earning on that issue should be around three per cent.

Cities Service Cuts Melon

Cities Service directors not only declared the cash dividend of six per cent. and stock dividend of six per cent. on common stock, payable January 1 to stockholders of record December 15, but also an increase in stock dividend as previously outlined. This means that on February 1 stockholders of January 15 will receive six per cent. cash and nine per cent. in stock dividends.

Spencer, Trask & Co. issued a circular in which is indicated the level at which holders of 3½ per cent. Liberty bonds advantageously may convert the same into four per cent. bonds, and the amount of 3½ per cent. or four per cent. bonds which investors may hold profitably, according to the amount of their income.

The Stewart-Warner Speedometer Corporation statement for the quarter ending September 30 shows net profits of \$640,485, and for nine months ended September 30 net \$1,840,390, after deducting six per cent. income tax, but not allowing for the war tax. Estimating the war tax at \$190,000, the company's net profits for nine months would be \$1,650,000. Last year for the same period the net was \$1,880,000.

BUSINESS' "TEN DEMANDMENTS"

Up in Canada there is a successful business concern that expects, as most successful concerns do, that every employe shall do his full duty. To assist him in the task that concern places conspicuously before him these "Ten Demandments:"

1. Don't lie. It wastes my time and yours. I am sure to catch you in the end, and that is the wrong end.
2. Watch your work, not the clock. A long day's work makes a long day short; and a short day's work makes my face long.
3. Give me more than I expect and I will give you more than you expect. I can afford to increase your pay if you increase my profits.
4. You owe so much to yourself you cannot afford to owe anybody else. Keep out of debt or keep out of my shop.
5. Dishonesty is never an accident. Good men, like good women, never see temptation when they meet it.
6. Mind your own business, and in time you'll have a business of your own to mind.
7. Don't do anything here which hurts your self respect. An employe who is willing to steal for me is willing to steal from me.
8. It is none of my business what you do at night. But if dissipation affects what you do the next day, and you do half as much as I demand, you'll last half as long as you hoped.
9. Don't tell me what I'd like to hear, but what I ought to hear. I don't want a valet to my vanity, but one for my dollars.
10. Don't kick if I kick. If you're worth while correct-

ing you're worth while keeping. I don't waste time cutting specks out of rotten apples.—Houston Post.

TREASURY CERTIFICATES IN INDEFINITE AMOUNT OFFERED

Washington—A new offering of treasury certificates of indebtedness of indefinite amount, to be issued in anticipation of Liberty bond receipts, was announced by the Treasury Department. The new issue is the first on which no definite limit has been placed.

"Secretary McAdoo announced that under the authority of the act of Congress, approved September 24," the official announcement said, "for the purpose therein indicated, and as a convenience to banks and trust companies and other subscribers to the second Liberty loan, and as a further means of avoiding concentration of payments on bond subscriptions, he will receive through the Federal reserve banks subscriptions at par and accrued interest for a limited amount of treasury certificates of indebtedness.

"The certificates will bear four per cent. interest from October 24, will mature December 15, and will be accepted if tendered November 15 or December 15 as payment for Liberty bonds."

What Will Your War Taxes Be?

We have just prepared and now have ready for distribution a complete digest of the new War Tax Law.

This pamphlet is designed to meet the needs of the average business man and will enable him easily to determine how the new Law will affect his income.

We will gladly furnish copies of this pamphlet on request.

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OF CHICAGO

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

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EREMAN WALDMOK, Vice President
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H. ERSKINE SMITH, Assistant Cashier
DAN NORMAN, Assistant Cashier
GEORGE A. JACKSON, Assistant Cashier
JOHN F. CRADDOCK, Mgr. Credit Dept.
JOSEPH McCURRACH, Mgr. Foreign Dept.
R. G. DANIELSON, Mgr. Transit Dept.

Continental and Commercial Trust and Savings Bank

Capital \$3,000,000

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

Surplus \$1,500,000

HULBERT ATTACKS AMERICAN FARMERS

Chicago, October 23—A fearless champion of the administration and an intimate adviser of President Wilson, E. D. Hulbert, president of the Merchants Loan and Trust Company, scathingly attacked the American farmer last week when returns from the interior indicated that subscriptions to the Liberty loan by agriculturists were ridiculously small in comparison with the purchase of the new four per cent. bond issue in urban communities. Incidentally he paid his respects to the political type of senators of La Follette and Gronna.

Neglect Bonds; Won't Fight

"The one weak spot in our existing situation," he said, "is in the attitude of farmers. They will neither buy Liberty bonds, pay taxes, sell their produce nor fight. I have asked many out of town bankers who have called here about farmers paying taxes, and I have learned of but one instance in which a farmer has paid an income tax. They have profited throughout the entire period of the war, but are unwilling to help the government in any of the four ways mentioned.

"The Comptroller of the Currency has estimated the gross income of the United States to be about \$40,000,000,000. Of this he estimates farm produce and animals to bring a gross return of about \$17,000,000,000. The farmers according to this estimate, are getting 42½ per cent. of the country's income and giving nothing out of it. It is left for the government to raise taxes and sell the bonds to the remaining 57½ per cent. while the class which as a whole has profited most escapes any burden.

Politicians Pamper Farmer

"The farmer has been hampered by politicians until he seems to feel he is in a preferred class, and, as I said, he doesn't want to buy Liberty bonds, he doesn't want to fight, and he avoids his income tax. It is about time the farmer should appreciate the position in the country and help do his part in a war as much for his benefit as for those who are putting up the money and doing the fighting for him."

Country Must Aid

On the same topic, George M. Reynolds, president of the Continental & Commercial National Bank, said, "The cities and city banks cannot be left alone to furnish the sinews needed by the government. It is a common obligation resting upon all of us. Indeed, if the work were left to the cities unaided there would come a time when they would be unable to do more, a condition that cannot be permitted. Particularly should the farmer be aroused to an appreciation of his duty to the government in this crisis. Compared with the great wealth enjoyed by farming communities their service to the government in the way of subscriptions to Liberty bonds has been the smallest. It is possible the farmer does not yet realize his individual obligation. He is further removed from the currents of excitement and activity so pronounced in the cities. He will surely, however, not be unresponsive to the call of his government if the call be brought home to him. The value of farm products, I may say, is roundly \$15,000,000,000. There is assuredly the ability and certainly we may expect the willingness on his part to help the country as others are doing.

"Up to June 30 of next year the government will seek to

raise \$14,000,000,000 by the sale of bonds. We must get together in order to advance this huge sum and every one must do his part. There must be some real sacrifices made. I feel that the banks of the country should operate together in subscribing for these treasury certificates which furnish the government with immediate means for carrying on war expenditures. The certificates are good bank paper and run about 90 days. They are ready cash for the government while disposing of bond issues.

"The Secretary of the Treasury is authorized to issue a total of \$4,000,000,000 certificates. There is outstanding at this time something over \$1,500,000,000. Before the end of October there will be offered \$600,000,000 more and they must be taken. That will make \$900,000,000 in a little more than 30 days. The resources of all the banks of the United States are estimated at roundly \$37,000,000,000. If a campaign should be inaugurated to make clear to the banks of the country the national duty resting upon them to subscribe according to their means for these certificates there would be furnished the government continuous working capital of at least \$4,000,000,000, since large corporations other than banks subscribe for the certificates."

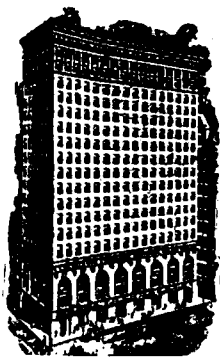
Bankers Heed President

The heads of Chicago's large state banks and trust companies find food for thought in President Wilson's "call to the colors," urging them to join the Federal reserve system. James B. Forgan, chairman of the Board of the First Trust & Savings Bank, recommended to directors of the bank that it apply for membership in the Federal reserve system. In explanation of the move Mr. Forgan said: "The First Trust & Savings Bank does not accept commercial accounts, nor does it discount commercial paper. It does not therefore carry the class of paper available for rediscount at the Federal Reserve Bank of Chicago. President Wilson has pointed out that from the standpoint of patriotism, it is the duty of state banks to mobilize their cash reserves in the Federal reserve banks for the purpose of strengthening the Federal reserve system, on which we are now relying and must continue to rely in carrying out the enormous financial transactions confronting us."

John J. Mitchell, president of the Illinois Trust and Savings Bank, says that the nation's chief executive has placed the matter in such a light as to force serious consideration of the question. Mr. Mitchell points out, however, that officials of the bank have felt that it would be of no special benefit to the government or the Illinois Trust if that institution entered the Federal reserve system, particularly in view of the fact that most of its gold has been transferred to the reserve bank. However, the matter will again be taken up by the board of directors, because of President Wilson's statement.

Dawes Guides Purchases

The newest adjunct of the United States purchasing board, which was created several weeks ago on the initiative of General Pershing, is an auxiliary civilian advisory council, composed of five or six American business men resident in France. Its chief, Colonel Charles G. Dawes of Chicago, former Comptroller of the Currency and president of the Central Trust Company of Illinois, has already surrounded himself with nearly a dozen expert quartermaster



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officers, who are purchasing officers also of their respective branches of service, and is rapidly coordinating the work of purchasing supplies for the present as well as prospective armies in France.

Ease In Money Expected

Arthur Reynolds, vice president of the Continental & Commercial National Bank, anticipates easier money market conditions with the advent of the new year. He said: "If the flow continues from the interior in large volume I believe the increase in deposits will continue, and would not be surprised if aggregate deposits in the various banks reach a new high level early in the coming year."

Deposits in the Chicago banks are increasing. This trend which set in early in the present month in a few of the banks is now developing into a general movement, and is regarded by bankers as indicative of the return flow of the proceeds of the Liberty loan. One institution recording over \$20,000,000 in three weeks. Money rates in Chicago are steady at 5½@6 per cent., but the pressure is not quite so great as it was, although the change is not sufficient to cause an easing in rates. Manufacturing is active and the requirements in the way of credit continue large.

The demand for money in the agricultural sections is increasing but the return now indicates that the benefit of the bumper crop is beginning to have its effect on the banking situation. Bankers all over the Chicago district are turning to the Federal Reserve Bank of Chicago for assistance in financing the Liberty bond flotation, and while some of the larger banks are beginning to reduce their volume of discounted bills, rediscounting at the present time has increased materially. The Chicago Federal Reserve Bank reported the gold settlement fund increased more than \$8,000,000, while gold held with the Federal reserve agent gained over \$11,000,000. The amount due from banks in checks for collection increased over \$9,000,000. Federal reserve notes in actual circulation gained nearly \$6,000,000.

BANK OF AMERICA TO JOIN FEDERAL RESERVE SYSTEM

New York—The Bank of America has made application for admission to the Federal reserve system. Action to this effect was taken by the directors, thus securing to the institution the honor of being the first New York bank to accede to the President's suggestion for the mobilization of the banking resources of the entire country. The Bank of America in 1915 had a capital of \$1,500,000 and surplus of \$6,000,000, with upward of \$40,000,000 in deposits. It was founded in 1812.

Later in the day the directors of W. R. Grace & Co.'s bank held a special meeting and unanimously voted to apply for admission to the Federal reserve system.

The Mercantile Trust and Deposit Company, which was founded on May 1 last, and the Industrial Trust Company of Providence, R. I., the largest financial institution in Rhode Island, having assets of upward of \$70,000,000, also announced that their directors had decided to apply for membership in the Federal reserve system. The Industrial Trust Company is the first Rhode Island state bank to apply.

RECENT BOOKLETS

Two attractive booklets received this week were one on "War Taxes 1917," by the Northwestern Trust Company of St. Paul and the other "Analysis of the War Revenue

Act of 1917," by Kalman Matteson and Wood of St. Paul and Minneapolis.

Fourth Street National Bank of Philadelphia has prepared for free distribution a "Hand Book of the War Revenue Act of 1917."

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125 WEST MONROE STREET, CHICAGO

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

Accounts of banks and bankers received upon favorable terms.

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

Enemy Trade Act Now in Effect

Washington—President Wilson has issued the regulations for the trading with the enemy act. They constitute the most far reaching control of every phase of intercourse between the United States and the rest of the world. They give legal force to every move of the United States in casting about Germany an economic barrier which will compel her into submission.

Not only are the new regulations to cut off trade between the United States and Germany, but they do the following:

Cut off trade with Germany's allies.

Cut off trade with those who do trade with either Germany or her allies.

Provide custodians for all enemy property in the United States.

Require special licenses for trade or intercourse with any enemy or ally of an enemy within the United States.

Authorize the Secretary of the Treasury to investigate and supervise all foreign exchange and prevent its working to the advantage of the enemy.

Empower the Secretary of the Treasury to stop the taking from or into the United States of any communication other than by mail, telegraph, cable or wireless.

Creates Censorship Board

Officially creates a censorship board consisting of representatives of the Secretaries of War and the Navy, Postmaster General, War Trade Board and committee on public information to censor mail, cable, radio and other means of communication.

Authorize the Federal Trade Commission to keep secret all patents that may be developed for the interest of the United States and to provide for working in the United States under patents held by enemies or allies of the enemy.

Vest in the Postmaster General the authority to censor foreign language publications.

Charge the Secretary of State with control over the entry and egress from the United States of enemies or allies of the enemy.

Authorize the Secretary of Commerce to hear appeals of refusals of customs officers to grant clearance papers to vessels.

Charge the Attorney General with the enforcement of the criminal sections of the trading with the enemy act.

Empower the President to regulate imports as well as exports.

The new regulations will be of importance to every citizen of the United States. In an official statement accompanying the regulations this is said of the definitions:

"It is highly important that every citizen of the United States should promptly familiarize himself with these definitions for his own protection and for the loyal support of the government in its efforts to wage the war to a successful conclusion."

These are the definitions:

Any person, of no matter what nationality, who resides in the territory of the German empire or the territory of any of its allies, or the territory occupied by any of their military forces is expressly made an "enemy" or an "ally of the enemy." Thus those American citizens who have remained in these territories are nevertheless the enemies for the purpose of these regulations.

Any person, no matter where residing or of what nationality, who is doing business within these territories is made an enemy or an ally of the enemies. This, of course, applies with special force to the border neutrals, and it is this definition that will give great force to the embargo.

Any corporation created by Germany or its allies is an enemy or ally of the enemy, no matter where located.

Specific in Definitions

Not only is it made unlawful to trade with persons and firms defined above, but it is unlawful to trade with:

"Any person who there is reasonable cause to believe is acting for, or on account of, or for the benefit of an enemy or any ally of the enemy, wherever and wherever they may be." It is pointed out in the President's order that in dealing with subjects of Germany who are residents of the United States it must be remembered that their nationality does not prevent ordinary commercial intercourse with them.

The test of their enmity in this law is whether or not they are trading with or for the benefit of the fatherland. It is pointed out that they may be interned under other provisions of law.

"Trading," is defined minutely as:

(a)—To pay, satisfy, compromise, or give security for the payment or satisfaction of any debt or obligation.

(b)—To draw, accept, pay, present for acceptance or payment, or indorse any negotiable instrument or chose in action.

(c)—To enter into or carry on, complete or perform any contract, agreement or obligation.

(d)—To buy, sell, loan or extend credit, trade in, deal with, exchange, transmit, transfer, assign or otherwise dispose of or receive any form of property.

(e)—To have any form of business or commercial communication or intercourse with.

New War Trade Board

To enforce and administer all of these provisions the President creates the War Trade Board. This board for good and sufficient reasons may license the trading prohibited generally. It thus will have absolute control of practically every phase of world trading which Germany or her agents, enter or may try to enter.

One of the far reaching effects of this power will be to enable the United States legally to cut off from South American and other neutral countries supplies for German corporation and induce neutral trade to cease doing business with German agents if the same trade expects to do

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OF CHICAGO

DAVID R. FORGAN, President

business with the United States. The trade board is the same in personnel as the exports administrative board heretofore operating. Vance McCormick, is chairman, and represents the Secretary of State. The Secretary of the Treasury has not appointed his representative. Dr. Alonzo E. Taylor represents the Department of Agriculture; Thomas D. Jones, represents the Secretary of Commerce; Beaver White the food administration and Frank C. Munson the Shipping Board.

This board also will have the power to permit enemy companies to do business in the United States on license and to permit persons and firms who have been of enemy nature to change their names.

TRADE WITH SOUTH AMERICA

New York—Trade of the United States with South America in 1917 far exceeds that of any earlier year. For the seven months ending with July in 1917, the exports to South America were \$162,698,000 against \$117,738,000 in the corresponding months of 1916; \$73,118,000 in 1915 and \$60,000,000 in the corresponding months of 1914, all of which immediately preceded the war. As the war began in the month of August, 1914, an opportunity is now given to compare in very exact figures our trade with South America during the war period with that in the period which preceded it.

A compilation by The National City Bank of New York of the trade with South America in the first seven months of 1917, shows a total of \$547,000,000 for the seven months ending with July, 1917, against \$202,000,000 in the corresponding months of 1914, or an increase of over 170 per cent. in the three year period.

This increase occurs in both imports and exports. Imports from South America, which amounted to only \$142,352,000 in the seven months ending with July, 1914, the period immediately preceding the war, were for the corresponding months of 1917 \$384,119,000, an increase of 170 per cent., while the exports to South America which were \$60,091,000 in the seven months of 1914 were \$162,698,000 in the same months of 1917, also an increase of 170 per cent.

This increase of 170 per cent. in the trade with South America in the three years since the beginning of the war is greater than that of the trade with other parts of the world, which show an increase of only 120 per cent. in the same period. The increase in commerce with South America occurs in the trade with all countries in both imports and exports, but is more distinctly marked in the trade with Argentina, Brazil, Chile and Peru.

Exports to Argentina which amounted to but \$18,677,000 in the seven months of 1914, which immediately preceded the war, were in the corresponding months of 1917 \$52,614,000, or nearly three times as much in 1917 as in 1914, while imports from Argentina grew from \$36,578,000 in the 1914 period to \$119,402,000 in the seven months of 1917. To Brazil the exports grew from \$14,369,000 in the seven months of 1914 to \$35,795,000 in 1917 and the imports from that country from \$57,539,000 in 1914 to \$96,845,000 in the corresponding months of 1917. To Chile the exports grew from \$10,204,000 in the seven months of 1914 to \$27,895,000 in the corresponding months of 1917, while the imports from Chile advanced from \$14,746,000 in the 1914 period to \$50,728,000 in the same period of 1917. To Peru the exports increased from \$3,847,000 in the 1914 period to \$11,567,000 in the seven months of 1917.

Reports from Chile indicate that a proposition has been

submitted to the Chilean government for the establishment in that country of extensive manufacturing works for the production of explosives, arms, and other military requirements and also for the manufacture of other products of the general character required by the commercial and industrial community of Chile and adjacent countries.

NEW OFFICIAL FOR FEDERAL RESERVE BANK OF MINNEAPOLIS

Roy A. Young, until recently vice president of the Citizens National Bank of Houghton, Mich., has been appointed assistant to Theodore Wold, governor of the Federal Reserve Bank of Minneapolis.

Scarcity of silver coins in Peru has resulted in the passage in the Senate of a bill authorizing an issue of \$5,000,000 of paper currency against an equivalent sum in gold deposited with the Junta de Vigilancia.

NEW SECRETARY OF FARM MORTGAGE BANKERS ASSOCIATION

E. D. Chassell has tendered his resignation to Governor Harding of Iowa as state railroad commissioner, and will, on November 5, become secretary and treasurer of the Farm Mortgage Bankers Association of America. His office will be in the Merchants Loan & Trust Building, 112 Adams street, Chicago.

Mr. Chassell has had a wide range of business interests, having large land holdings in Iowa and Canada, has had extensive newspaper experience, and served in the Iowa legislature for two terms. President Corwin thinks the association has found just the man for this important work of promoting the farm mortgage business and giving it the right sort of publicity.



E. D. CHASELL

New Secretary-Treasurer Farm Mortgage Bankers Association and Former Iowa State Railroad Commissioner

SCIENCE AND CREDIT

Alexander Wall, Manager Credit Department National Bank of Commerce, Detroit, in Banking Law Journal

With the formation of bank credit departments began an attempt to standardize the study and reduce it to a scientific basis. It seemed only logical to the first student of credit that some sort of a standard could be created by which to measure the credit risk. In this study he found at the start that there were two most important divisions of the statement. First, the main liquid part of the assets that could be realized on in time of stress with a fair degree of rapidity, and second, that part of the liabilities that demanded a ready and quick settlement. It soon became evident that these two factors bore a distinct relationship to each other and it has become a practice to demand that they bear a relationship to each other in the proportion of two dollars of current assets for every one dollar of the same type of liabilities. The reason for this ratio or proportion is not one of any very definite origin. It is rather the result of a hard won knowledge that the assets in the case of there being a liquidation rarely equal the value as expressed in the book records, while the liabilities not only do not shrink in the same proportion but in some cases have a tendency to increase due to unknown or unentered facts that make for more liability either direct or of an indirect nature. But the two for one standard while being fairly sound, is not the result of a basic study on scientific lines; so, it has only a secondary value as a standard of value. All credit men take it with a grain of salt and many loans are made where this standard does not maintain because the credit men feel that, in this particular case, in a particular line the two for one is too high to demand of the borrower. Manifestly this ratio is not enough to use in the judgment of the statement, even from the purely mathematical standpoint even before considering the human interest element. We must find some way of further developing this ratio to make it a little more accurate.

Proportionate Value of Current Assets

Current assets are made up primarily of cash, accounts and bills receivable, merchandise finished, and in process of manufacture and raw materials used in the manufacture of the products of the concern in question. Obviously the quickest and best for the current ratio is cash. The relative values of the others is somewhat open to choice, but there can hardly be any argument that raw material, if still in the original state and package, or unit, so that it can be put back into the original raw material market as a finished product of that state of manufacture, is a close second especially where the raw material is of a standard sort such as steel plates, grains, raw material for textiles, etc. Materials once cut to varying shapes, sizes or partially manufactured, lose their finished character. They then rely on their value in being made up. This holds in each stage of development and the raw material of one stage is in reality the finished product on the stage next lower down. There is little or no ready market for the semifinished product, and in case there is a liquidation to go through, the goods that are in the process of manufacture will have to be carried along at a considerable expense, and in some case this expense precludes their ever being made up at all and possibly having to be sold on a junk basis. Therefore, it seems logical that the length of time in making up the goods plays a great part in the current ratio and in the value of the two for one standard as a measure of soundness. Likewise the more we keep to the raw material stage in the merchandise item, the more marketable an asset have we for disposal in time of need. When the semifinished item represents too large a ratio of the years sales as compared with finished product, except in such businesses as have a very decidedly seasonal period of manufacture, we have a condition that should be a warning signal to the credit man.

Merchandise Should Be Carried At Cost

It has become the banking custom to insist that all borrowers put merchandise in their statements at cost, or give some very good reason why it is otherwise carried. The

reason for this is almost too self evident to discuss, but the fact of this being insisted upon, is of interest in another item found among the current or quick assets, which is of more than passing interest to us at this time. Merchandise should be carried at cost because if any part of it is carried at the selling price a certain amount of pre-taken profits have been injected into the current side of the statement. This swells the proportion and makes less effective the results based on the use of the current ratio. In some lines of trade a trade practice has grown up that makes a close observation of this feature absolutely necessary. It is sometimes a custom to figure finished goods at a sales price, less an arbitrary amount, generally in the form of a percentage, apparently based on the principle that the concern has never been able to get its amount of product on hand up to the demand, and so deducts what is figured as an amount sufficient for selling cost, and returns from the finished goods figured at a selling price. Theoretically this may be good accounting but it is a bad credit practice and should be discouraged when met. Figuring all merchandise at cost allows for an amount of credit to the partly finished goods, which will more than offset in most instances, any gain coming from the finished goods, due to the necessary further cost, often at a greater rate in the finishing, and the necessary allowances for selling at a less than the regular market of the product of a failed concern. Cost is the only true value to put on merchandise or market price if that be less than cost.

Following the argument of the preceding paragraph the writer had an experience with a very progressive manufacturer whose paper is sold on the open market and is considered very prime, generally drawing the lowest rate. He carried his finished goods at selling price and when rather closely questioned about this practice displayed his books with enough orders to take all the finished goods on hand and allow a very considerable margin for return on defective goods and bad accounts. He claimed that the goods were in truth sold, and that his accounting department and his shipping department were not able to keep up with the manufacturing end. It was an extreme case of this kind of thing and perhaps might have been justified except that it was impossible to convince him that perhaps some time he would not be in similar circumstances and that in that case his methods would certainly come in for severe and just criticism.

The case of this particular manufacturer is not of any great moment, except that it opens up a new line of thought in connection with the current ratio. We are very chary of anything that will inflate this fetish of the credit analyst, but we pass by another item that is the next door neighbor to merchandise without even thinking of this kind of inflation or considering it at all. Accounts and bills receivable are only merchandise fully manufactured and sold. In the case of the manufacturer mentioned the goods were very little different from the finished goods that he had on his shelves, bought in fact but not shipped or entered as a ledger account. These are still subject to the shrinkage of bad debts, returns, loss in transit and other such kindred calamities. They have in their amount the expected profit, and in some instances they do not even represent a true sale. It has been known that a concern in a tight place has sent out considerable merchandise without having a bona fide order so as to be able to make a showing at statement time. Still the credit man has not yet been heard to call for receivables at cost as he has for merchandise.

Figuring Receivables At Cost Not Necessary

Receivables at cost is a new cry and one that would raise a great howl from the borrower. It is conceivable that it could be insisted upon and the booking way found to carry it in a practical manner. But luckily it is not necessary to insist upon this interesting feature because we can get at the meat of the matter in another and easier way if we will be painstaking enough to make a little fundamental

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Northwestern National Bank

MINNEAPOLIS, MINNESOTA

Resources

\$57,800,000

analysis of the statement of this year, the last year and as many other years as we have on file.

Everything in the statement is of value, not as an individual item, but in the relationship that it bears to some other item or items on the same or previous balance sheets. Each item of assets must bear a relative amount of value in the current ratio. As we have said, cash is of unquestioned quickness and needs no explanation. This is not so of accounts and bills receivable. We should make a further analysis of this item and the logical thing to compare it to is the merchandise item from which it came and to which it is still related. It is often of very instructive value to take a hypothetical case when discussing a theory so as to arrive at a conclusion and we will so try to do at this time.

We will take a most elementary case in which a manufacturer starts with nothing as an asset on his statement, in fact presuppose that he is just beginning business. He has, we will suppose bought \$25 of material to do which he has had to borrow \$12.50. This establishes our accepted ratio of 200 per cent. He then proceeds to manufacture and gets a completed product. To do this he has had to expend another \$25 and has had to borrow another \$12.50, this still leaves him in the 200 per cent. class and under general practice within the credit law. Now he sells his goods and ships them; they may still be on his loading platform. To do this he has had to borrow nothing, but he adds \$25 to the cost to cover profits, etc. We then have the interesting condition of the same goods representing a ratio of 300 per cent.

Make Due Allowance For Inflation

Now the question comes up as to what we can do to be more fully cognizant of the effects of this practice, and be in a position to make due allowance for inflation along this line. Let it become a practice, where there is any question of solvency at least, to make the following ratio or percentage analysis. Strike a percentage ratio between the receivables and the merchandise for each statement

for a number of years, and take careful notice whether this ratio is increasing or declining in proportion to the current ratio. If we find that the receivables ratio is increasing with a stationary or declining current ratio, then we are pretty sure to find that the pretaken profit is figuring more largely than is healthy in the current ratio and this should be a danger sign to the credit grantor. Likewise it may at times explain a slight decrease in the current ratio that otherwise might be alarming to the conservative credit man.

There are men who believe, and perhaps correctly, that receivables are more desirable in a statement, and therefore may not approve of this feature of analysis. But there can be no question that an increased amount of receivables, in proportion to the other items, means that more profits are figured as current assets. These may be good, but if the ratio shows a continuing tendency to increase, it may also mean that there is a very great tendency to lose credit granting, and bad or at least, slow accounts. A secondary feature of this kind of analysis is, that if the amount of bills receivable shows as a large part of the increase in the receivables item, then we are pretty sure to find that they represent a goodly amount of slow accounts settled by notes.

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ARE YOU PATRONIZING YOUR BANK?

George E. Lees in the Burroughs' Clearing House

You can't plant a big tree in a small flower pot, but you can plant a big man in a small town. The only trouble is to keep him planted.

In the most general classification, there are two kinds of men: the men who pull themselves up by the roots and transplant themselves into bigger companies and bigger cities as they themselves grow larger; and the men who stay where they are planted and pull their companies and their cities up with them to a size that makes a comfortable fit.

The measure of a bank is the measure of its men. Big or little, the actual and potential size of a bank is arrived at by adding up the individual capacities of its men, from the members of the board of directors down to the janitor, and dividing by the number of men in the list.

That gives a better index figure for your bank than your bank statement. Your bank statement shows only what your bank is today; but the index figure based on the manpower of your organization shows what it will be tomorrow or next year.

It is mathematically true that a bank can't be any bigger than the town it is in; but with similar precision it may be stated that no town is as big as it can be, and that the way to have a bigger bank is to build a bigger town about it.

That brings us right around the circle again to the men in the bank, and we arrive at the conclusion that the size of a town, as well as the size of a bank, is measured by the men in the bank.

Be a Dynamic Bank

Banks are like electricity. There are two kinds—static and dynamic. Static electricity never did anything but make a thunderbolt; and a static bank can't do much more than depolarize opportunities. It's the dynamic banks that are building towns, moving businesses and creating wealth.

Lots of small town banks don't know where they are going. Some of them are not going at all. You can't arrive at a desirable destination until after you have decided where to go.

Walk across the street and take a look at your bank. Size it up physically. Is the pavement good? Are the windows large and clean? Is the building good in condition and in appearance? Is the entrance convenient? Is the location desirable? Has it got good, dignified signs to mark it out? Is there anything interesting in the windows? Would you like to go in if you didn't work there?

If you can't say yes to all of this, you've got a job on your hands right away—perhaps several jobs. And after you become affirmative to all these questions, you can sit down and think of many other things that may need attention—all on the outside of the bank.

Now come back and go inside. It doesn't make any difference whether you are the president or the messenger boy. Walk inside and look around. What's the matter?

Isn't this the most important institution in town? Shouldn't it have the nicest, lightest, most convenient, most comfortable and most attractive store in town? Shouldn't its employes be the most intelligent, courteous, obliging, neat and attentive salespeople in town? Isn't it customary to expect and to find all these things in a progressive store? And what is your bank but a store that deals in money and services, and that wants the biggest and most profitable business in town?

If it isn't all this and more, it must be a static institution—a sort of half-inch pipe through which there may or may not be something flowing, of its own accord.

Are Your Men Bank Boosters?

But let's get behind the counter and into the cages where the work is done. When a poor woman asks this young man for all the money she has in her savings account, can he and will he treat her like a lady and persuade her to leave at least a dollar, so she can keep her pass book? And if she doesn't know how to make out her withdrawal slip, will he have courage and sense enough to break the ordinary routine by writing it out for her and politely showing her where to sign her name? He ought to.

When a farmer comes in and wants to open a savings account with a dollar, is your receiving teller a good enough salesman to boost the account to five, with a polite suggestion that regularity pays and that he'll be glad to take more next week or whenever the new customer wants to come in?

If you have a fur storage vault did it ever occur to you to watch your customers in the winter time, and for every one that wears good furs to pull out the signature card and simply write on it the letter "F," thereby making for your bank a perfectly up-to-date and wasteless mailing list for use when fur storage business is needed?

Every Individual a Potential Patron

Consider the peddler who sells brooms. He never hesitates to go into a Chinese laundry, nor does he discriminate between rich and poor in his itinerant salesmanship. Think of the broom business he takes away from the corner grocery store. Then consider that every living individual in your town is a potential patron of your bank. What are you doing to close the circuit and get the business? Every new-born baby ought to have a savings account with one parent as trustee. Every foreigner ought to be taught that his money is safer in your bank than sewed up in his or her clothes. Every Chinaman, junk dealer, garbage man, push-cart peddler and what-not should get your appeal for business, with an offer of your services, just as courteously as you would deal with a millionaire.

What does your stationery look like? It's very fine to have a steel engraved or lithographed letter head, but how do you write on the blank paper? I have some letters from bank cashiers who can't spell, punctuate or capitalize

Grain Drafts

Grain draft drawees in Minneapolis are always glad to have drafts sent through this Bank. Our system for handling these items is simple, expeditious and unsurpassed. We invite your business.

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Ten Million Dollars



correctly. I hold the idea that if accuracy is important anywhere on earth, it is vital in a bank, and that fiscal accuracy is not the only essential. I doubt a man's business ability if he can't spell or won't hire a stenographer who can. I don't put much stock in a bank employe who cannot write a good letter and make it look right.

Educate Your Employes

What deliberate attempt are you making to educate your employes or to help them educate themselves? What do they know about money, business principles, manufactures, economics, and wealth, and the development and conservation of wealth? What understanding do they possess of the vast commercial machine of which the bank is so important a part? What kind of vision do they have of local opportunities, which if grasped and matured, would prove profitable to your institution? Is yours a one-man bank, or has it a multiple brain?

If you are spending money for advertising, do you know what you want to accomplish, and are you getting what you want? To find out, ask yourself what you have to sell. Write down the whole list of services you can render to the community—then tell about them. If you owned a department store you'd look over your merchandise very carefully every day, and when it was the right time for certain goods to move, or if they didn't move as fast as you liked, you'd get busy and tell people about them. You'd put them in the windows, push them to the front of the store, display them on the counters and buy a page in the newspapers. There's only a mental difference between a department store and a bank. Both run on the same principles. Yet the average banker would throw a fit if his advertising manager worked up a piece of good copy and wanted a page in the paper for it.

Do Not Work Caution Overtime

The first word in every banker's lexicon is caution. That's right. But caution is a negative quality. It begets a negative state of mind right down from the director's table to the bars on the front door.

The second word in the banker's dictionary is "No." It is the word most frequently thought and spoken in a bank. It is absolutely negative of course, and it is derived from caution.

No business can go very far in an atmosphere of negation. Banking is now a business. It used to be a profession, but progress has dignified it into being a business. It needs a positive vocabulary in which the first three words are vision, judgment and action.

No town is too small to offer an ample supply of raw materials from which a larger town can be constructed, but the actual building cannot begin without a plan, and plans for the enlargement of cities ought to be laid out by capable, far-seeing, active bankers.

SEVENTY BANKS ASK TO JOIN FEDERAL RESERVE SYSTEM

Washington—Seventy state banks and trust companies, among them some of the largest in the country, have joined the Federal reserve system, or made application for membership, since October 1. Applications continue to come into the board at the rate of three to five a day and decided increase in this number is expected within a short time.

James F. Ellis

Morton M. Newcomb

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(BANKING DEPARTMENT)

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A BANKER'S PLEA FOR TRADE ACCEPTANCE

By Beverly D. Harris, Vice President of the National City Bank of New York

That the country's new banking system will not reach its maximum efficiency and usefulness until the business interests of the nation adopt the trade acceptance method of settling commercial transactions is the opinion of Beverly D. Harris, vice president of the National City Bank of New York, a banker who has made a special study of the subject. While we have created a modern piece of banking machinery, we have not, he believes, made the same degree of advancement in our credit system and in the creation of those instruments of credit necessary properly to utilize its functions, to give scientific application to its principles, and to bring about that perfect coordination between credit and banking operations, that liquidity and soundness of credit, that maximum efficiency, that clearings of credit against credit, that minimum of expense and lost motion, and maximum credit potentiality which will be possible of accomplishment when our entire credit system is properly organized.

Mr. Harris points out that much has been done in respect to the introduction of bankers' acceptances in financing foreign trade transactions and that these instruments are now being used with the greatest effectiveness and will be invaluable in developing and regulating the flow of credit between the American and foreign markets. Following the adoption of bankers' acceptances for foreign business operations, the same type of instrument was made use of for financing domestic transactions in commodities. The third step in the development contemplates the adoption of the trade acceptance, but thus far the movement has been decidedly slow.

Trade Acceptance Will Give Elasticity

"The vital principle of the Federal reserve banking system," says Mr. Harris, "is that credit and currency operations shall be based upon only that class of live commercial credits which are of an essentially self-liquidating character, representing the purchase and sale of merchandise going into general consumption. Upon this depends the elasticity of our currency and our credit and the soundness, strength, and usefulness of government banking functions. It is the theory and purpose of the law to segregate credits of this character into a special and distinctive class which will show on their face that they represent only that distinctly and not confused with any other kind of credit operations. That is the essence of a trade acceptance. That is why it receives a preferential rate by the Federal Reserve Board. That is why it is bound to come into use as the logical credit instrument—because all the weight of argument and consistent reasoning is for it—because, when the whole subject is clearly understood, the combined wisdom of the country will approve it, insist upon it, and get it. It may take some time, but it will come. There is a great forward movement developing in this direction, due mainly to the active work of the National Association of Credit Men."

It has been found, Mr. Harris observes, that there exists a great deal of confusion of thought, controversy, misunderstanding, and lack of unanimity or positive action among merchants and bankers in respect to trade acceptances.

"There seems to be an impression in some quarters," he says, "that the trade acceptance system is intended to do away with cash payments and the discounting of bills for cash, substituting time obligations therefor. This is not at all the case. Every consideration for sound business is to encourage cash payments or as short credits as possible. As a means to this end a properly adjusted system of cash discounts is not objectionable. Discounts out of proportion to current money rates, however, may be criticised as expensive to the country and not warranted by present conditions. The introduction of trade acceptances will help to scale abnormal discounts to a more reasonable ratio. The principal thing now to be accomplished is to put the large mass of outstanding unavailable credits represented by open accounts into acknowledged negotiable form. The open-account system is expensive, it is economically wrong, and lays an undue tax on the ultimate consumer. There is no more reason why merchants should sell goods on open account than that a bank should lend money that way or pay cash on a charge without taking a check.

"If the substitution of trade acceptances for open accounts can be brought into general practice, with the result that the bulk of the outstanding credits for goods sold would be in the form of negotiable paper, the custom of rediscounting acceptances would probably come into general use, as more economical to the borrower in operating on less capital, as well as absence of the preferential rates made by the Federal Reserve Banks."

In regard to the argument that if trade acceptances represent practically such accounts as do not discount their bills they represent an inferior grade of credit, Mr. Harris said:

"In an abstract and qualified sense this is true, but as a practical proposition, owing to trade conditions, multiplied millions of dollars are carried in just such open accounts, against which the best merchants borrow on their plain paper, and if these accounts were not good and did not liquidate periodically, the big merchants of the country would be in a bad way. Under good management experience shows only a small percentage of loss in these open accounts.

Those Who Think Giving Acceptances Hurts Their Credit Are Mistaken

"Some buyers object to giving acceptances because they think it hurts their credit. We must not let this impression exist. The merchant whose statements show acceptances payable and acceptances receivable should be entitled to a higher grade of rating than one whose state-



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Up-to-date National Cash Registers stop lax methods in Retail Stores—save time, work and money.

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ments show accounts payable and accounts receivable, because it shows in the first place that the merchant is willing to put his debt in an acknowledged form and intends to meet it, and in the second place that he has his own assets in the best form for collection, and that his business is systematically conducted.

"Some buyers, particularly those in localities where crop conditions and the like make the time of liquidation variable, dislike to give acceptances, fearing they may mature before they make their collections, and that they may not be able to get extensions. I believe their creditors could and would grant them the same indulgence—not only to hold their trade, but the more so in appreciation of their evident intention to meet obligations promptly, according to contract, by giving the acceptances. The creditor would take up the acceptance and carry it accordingly, as circumstances justified, and would still be in a better position with the debt, either to carry it, sue on it, or even go through bankruptcy proceedings with it, than if it had been an unproved account in the first place. It would put the management of the debt where it belongs—with the creditor.

"Debtors will, however, hang on to the credit leeway

afforded by the open-account system, in very many cases, unless firmness is exercised in requiring the account closed either with cash or acceptance. One of the difficulties is that merchants are afraid of losing trade to competitors, and this firmness is shown only here and there. Merchants' organizations could accomplish this, I think, by taking a vote of their members on the proposition of uniform terms of sale, transactions to be closed either by cash or acceptance, such terms to be in effect with the association when a sufficient number of their members ratified it.

"Another objection that has been advanced is that merchants rediscounting acceptances might find themselves forced to the wall by having to take up their customers' paper in panics. The answer to that is, this system is a cure for panics. It is the prime function of the Federal reserve banks to provide rediscount facilities, particularly in times of money stringency, especially to prevent forced liquidation and to avert the panics of former times. Under such circumstances the trade acceptance is peculiarly useful and available. With the ability to convert their acceptances promptly into cash, merchants under such circumstances could also operate on less borrowed money than would be the case if they were carrying their customers on open account, and could only borrow 50 per cent. against their quick assets."

THE FEDERAL LAND BANK

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4½% FARM LOAN BONDS

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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.

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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.

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FEDERAL LAND BANK, OF ST. PAUL

BUSINESS AS USUAL—NO!

Ralph W. Manuel, President Exchange State Bank of Minneapolis, in Commerce and Finance

This country has enormous resources in its wide area of fertile lands, large and varied mineral deposits, and extensive forests. These resources are not absolutely unlimited, of course, but, so far as our present needs are concerned, they may be said to possess no limits that will cause us inconvenience.

We have a vast capital in our tools and machinery of production and distribution. This equipment has very definite limitations, however, and our producing power is more or less limited thereby.

We have in our 40,000,000 of workers, great and small, a huge volume of that labor and service power which is called social energy. This possession of the nation, however, has its physical limitations also and cannot, like the tools of production, be immediately and artificially increased.

It is, of course, the play of this social energy through the tools of production, upon our national resources that constitutes our producing power.

How Our Producing Power Has Been Utilized

Before the European war a certain portion of our normal producing power was inoperative. That is to say there was always more or less unemployment of men and tools. A second portion, and by far the greater portion, of our producing power was employed in the production of things that we consumed, both necessary and unnecessary. How much was employed in producing necessities and how much in producing luxuries it is impossible to say with even approximate accuracy because no two persons would be able to agree as to where to draw the line between the things that are necessary and the things that are not.

A third portion of our producing power was employed in producing goods to be exported. These exports represented chiefly the exchange of our own production for goods produced elsewhere that we consumed here. There was normally a modest balance of trade in our favor which was used mainly to pay the interest on our European debts and to pay for the goods and services furnished to our American travelers abroad.

A fourth portion of our producing power, representing perhaps one-sixth of the whole, was occupied in producing goods that were not immediately consumed, mainly additional tools of production and transportation. For instance, the building of new plants and their equipment, the development of new mines and new farms, the construction of wagon roads and railroads, the erection of new buildings, both public and private. These things, of course, represent the savings of the community—the net gain of the nation.

The keen demand for our products, developed by the European war, quickly took up the slack in our producing power and set our idle labor and idle plants in motion. Under this spur new plants were built, improved machinery was devised and created, and the existing plants were

operated 24 hours a day. We still produced what we consumed. We produced as much, or more, new capital than before and in addition we exported enormously more than we imported. This huge and ever increasing balance of trade paid off the bulk of our old indebtedness to Europe, brought us from Europe more than a billion dollars in new gold, and the balance we accepted in European government bonds. During this period our net savings were represented not only by the new plants we built, the new mines we opened, the additional acres we developed, etc., but by the indebtedness we paid off, the gold we accumulated and the debt that Europe still owes us on the bonds we took in exchange for goods.

Our Producing Power Now Overtaxed

At the moment of entering the war ourselves it seemed that our producing power was already taxed to capacity, but now we are confronted with the necessity of placing immense new burdens upon it.

In the first place we must withdraw somewhere from two to five million of our ablest workers from the field of production and apply them to the activities of destruction. This would probably represent from 10 to 25 per cent. of our total available social energy. At the same time we must produce enormously for these men. They will consume and destroy many fold more than they would in their peace pursuits and what they consume must be transported vast distances by land and water. Our now depleted stock of social energy must not only produce these things, but must maintain the rails and railway equipment that the enormous stream of transportation wears out on the land and replace the goods and ships that the submarines sink in the sea. It has been computed that for every soldier that we maintain in France, we must produce and transport to the seat of war 50 tons of equipment, supplies and munitions per annum.

No doubt the machinery of production can still be speeded up greatly under the stress and stimulus of war. This is already being done. Men, and particularly women, who were not previously factors in our industrial life, have become producers, and men and women, who previously contributed but little producing power, are now contributing more. By cooperation and coordination our processes of production and transportation are being rendered much more efficient. But it is idle to suppose that we can withdraw 10 to 25 per cent. of our social energy from production, keep on producing all that we produced before and also produce and transport the vast quantities of food, equipment and munitions which our own armies and the armies and people of our allies require.

This enormous new use of social energy must displace

1. The production of new capital assets that do not directly promote the enterprises of war.
2. Production of unnecessary goods for consumption.

This means in the first instance that the building of

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new office buildings, stores, houses, schoolhouses, court-houses, churches, etc., should wait until the war needs are satisfied. In the second instance it means that the people of the country should limit their purchases to the minimum.

Every Unnecessary Item of Consumption Must Be Eliminated

If we are to do our full share in the great adventure in which we have embarked, we must increase our producing efficiency by every conceivable means and we must eliminate every unnecessary item of consumption in order that the producing power previously employed in producing luxuries may now be free to produce food, clothing, equipment and munitions for our armies and our allies.

We have only so much producing power. As much of it as is used to make an unnecessary suit of clothes for me cannot be used to make a uniform for a soldier. As much of it as is used to build me an automobile cannot be used to build a truck or an aeroplane for the army. The theory that I must continue to buy unnecessary things in order to keep business good and enable the manufacturer of the goods to pay an income tax, belongs to the political economy of the rough stone are.

The exigencies of the occasion demand that we shall refrain from every unnecessary expenditure for two reasons. First, to prevent to the greatest possible degree our becoming competitors with our own government in the labor market; and second, to enable us to pay or lend to the government this same money to be expended in the employment of the labor left free and available because of the demand upon it that we have withheld by the limitation of our own purchases.

MORE NEW YORK BANKS JOIN THE FEDERAL RESERVE SYSTEM

New York—President Wilson's request to state banks and trust companies to enter the Federal reserve system has been answered by several important institutions in Manhattan and Brooklyn. The Pacific Bank, with total resources of \$14,000,000, applied for admission. The bank's main office is at Broadway and Grand Street, and three branches are maintained in the city. The president is O. H. Cheney, former state superintendent of banking.

Directors of the Fidelity Trust Company at Chambers Street and West Broadway, voted to join the system, to "help mobilize with the government the gold reserves of the country and to strengthen its financial measures during the present war." The Peoples Trust Company of Brooklyn decided to enter the system, with total resources of approximately \$30,000,000 and deposits in the neighborhood of \$26,500,000.

WISCONSIN BANKS MAY BUY FARM LOAN BONDS

Madison—The Wisconsin General Assembly has amended the savings bank investment law so as to permit investment of deposits of any mutual savings bank in Federal farm loan bonds.

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MUNICIPAL AND CORPORATION BONDS

Pioneer Building
ST. PAUL

McKnight Building
MINNEAPOLIS

STOCK AND BOND QUOTATIONS

MINNEAPOLIS BANK STOCKS

	Div. Rate Pct.	Bid	Asked
Northwestern National	12	262	267
First and Security National	12	...	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	...

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.	...	116	...
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	...

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.	...	82	84
St. Paul Cattle Loan Company	...	150	...
Foot, Schulze & Co., pfd.	...	100	101
St. Paul Union Stockyards	...	80	100

LOCAL BONDS

	Pct.	Bid	Asked
City of Minneapolis	4	4.89B	4.42 1/2 B
Twin City Rapid Transit (1919)	5	99	99 1/2
Twin City Rapid Transit (1928)	5	94	96
Twin City Rapid Transit (1938)	5	94	96
Minneapolis General Electric	5	99	100 1/2
Minneapolis Gas Light (1930)	5	95 1/2	...
Donaldson Realty	6	100	...
First National-Soo Bldg.	5	99	...
Shevlin-Clarke	5	99 1/2	100 1/2
Minnesota & Ontario	6	79	100
Powell River	6	...	101
Pillsbury & Washburn (1928)	5	82	84
St. Paul Gas Light (1918)	6	89	100
St. Paul Gas Light (1944)	5	82	84
Twin City Telephone	6	...	6 per cent. basis
Northern States Power (1941)	5	90	92 1/2
Northern States Power (1926)	6	95	97
City of St. Paul	4	4.55B	4.45B
St. P. City Ry. Cable Con. 5s, 1937	...	94	96
St. Croix Power Co. 1st 5s, 1929	...	91	...
St. P. Un. Stk. Yds. Co. 1st Mfg. 5s, 1946	...	98	99
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	...	90	92 1/2
St. Paul Bridge & Ter. Ry. 1st 6s, 1929	...	...	106 1/2
Duluth St. Ry. Co. 1st 5s, 1930	...	88	91
Duluth Street Ry. Co. Gen'l 5s, 1930	...	...	89

CHICAGO BANK STOCKS

Quotations for October 16, 1917, by John Burnham & Co.,
41 South La Salle street, Chicago:

	Bid	Asked	Book Value
Adams State Bank	125	...	108
Aetna State Bank	...	109	116
American State Bank	181	186	162
Atlas Exchange National	...	105	117
Austin Avenue Trust & Savings	...	100	120
Austin National Bank	119	126	128
Austin State Bank	215	...	138
Bowmanville National Bank	175	...	145
Calumet National Bank	205	...	176
Calumet Trust & Savings Bank	180	200	142
Capital State Savings Bank	107	110	118
Central Manufacturing District	167	175	147
Central Trust Company	187	192	146
Century Trust & Savings	120	122	128
Chicago City Bank	255	265	215
Chicago Savings Bank	144	147	135
Citizens State of L. V.	125	130	123
City National of Evanston	325	350	349
Continental & Commercial	253	256	208
Corn Exchange National	414	420	357
Depositors State & Savings	158	162	140
Drexel State Bank	170	180	149

Drovers National Bank	224	235	159
Drovers Trust & Savings	325	...	222
Englewood State Bank	155	160	128
First National Bank	450	460	353
First National (Englewood)	340	345	296
Fort Dearborn National	202	208	141
Fort Dearborn Trust	178	...	148
Franklin Trust & Savings	166	170	175
Fullerton & Southport	...	100	120
Garfield Park State Savings	135	140	139
Greenebaum Sons Bank & Trust	...	290	146
Guarantee Trust & Savings	155	160	145
Halsted Street State	123	127	123
Harris Trust & Savings	575	...	250
Highlands State Bank	128	133	131
Hill State Bank	...	145	131
Home Bank & Trust Company	160	167	139
Hyde Park State Bank	141	144	137
Illinois Trust & Savings	460	466	344
Independence State Bank	125	140	113
Irving Park National Bank	150	...	131
Jefferson Park National	173	...	152
Kaspar State Bank	294	304	193
Kenwood Trust & Savings	250	...	199
Lake View State Bank	105	108	103
Lake View Trust & Savings	180	185	144
Lawndale State Bank	245	250	206
Liberty Trust & Savings	160	163	138
Lincoln Trust & Savings	120	125	122
Live Stock Exchange National	245	250	168
Maddison & Kedzie State	134	138	143
Market Trust & Savings	106	110	123
Mechanics & Traders	127	130	142
Mercantile Trust & Savings	158	163	136
Merchants Loan & Trust	468	473	397
Michigan Avenue Trust	120	125	141
Mid-City Trust & Savings	220	230	144
National Bank Republic	160	165	166
National City Bank	142	145	156
National Produce Bank	170	...	140
Noel State Bank	164	167	140
North Avenue State Bank	112	116	129
North Side State Savings	108	112	110

LANE, PIPER & JAFFRAY (INC.)

COMMERCIAL PAPER

835 FIRST NAT.-SOO LINE BLDG., MINNEAPOLIS

CORRESPONDENTS

BLAKE BROTHERS & CO., NEW YORK & BOSTON

MCCLUNEY & COMPANY, ST. LOUIS

W. T. RICKARDS COMPANY, CHICAGO

Northern Trust Company.....	270	274	259
Northwestern Trust & Savings.....	237	242	168
Oak Park Trust & Savings.....	245	250	168
Peoples Stock Yards State.....	298	305	161
Peoples Trust & Savings.....	275	285	178
Phillip State Bank.....	111	116	120
Pioneer State Savings.....	102	106	121
Pullman Trust & Savings.....	210	...	225
Ravenwood National Bank.....	150	160	122
Reliance State Bank.....	135	140	109
Schiff & Co. State.....	275	300	162
Security Bank of Chicago.....	280	...	257
Sheridan Trust & Savings.....	165	170	134
3rd & Halsted State.....	118	120	118
South Chicago Savings.....	228	...	184
South Side State Bank.....	160	...	135
South West State Bank.....	118	122	126
South West Trust & Savings.....	117	121	118
Standard Trust & Savings.....	160	163	156
State Bank of Chicago.....	405	412	358
State Bank of Evanston.....	325	...	302
State Bank West Pullman.....	250	...	121
Stockmens Trust & Savings.....	145	150	144
Stock Yards Savings.....	350	...	198
Union Bank of Chicago.....	125	133	135
Union Trust Company.....	300	325	217
United State Bank.....	108	112	120
Washington Park National.....	250	...	174
West Englewood-Ashland.....	...	151	123
West Side Trust & Savings.....	300	306	155
West Town State Bank.....	119	123	128
Woodlawn Trust & Savings.....	250	...	198

CHICAGO SECURITIES

Quotations for October 16, 1917, by John Burnham & Co., 41 South La Salle street, Chicago:

	Bid	Asked
*Albough Dover Company.....	48	51
American Chiclé Company, com.....	47	49 1/2
American Chiclé Company, pfd.....	68	70
American Fork & Hoe Company, com.....	112	115
American Fork & Hoe Company, pfd.....	...	120
American Hominy Company, com.....	48	50
American Hominy Company, pfd.....	74	78
American Laundry Company, com.....	48	52
American Laundry Company, pfd.....	110	116
American Public Utilities, com.....	...	27
American Public Utilities, pfd.....	...	62
American Type Founders, com.....	38	40
American Type Founders, pfd.....	85	88
Atlas Powder Company, com.....	167	162
Atlas Powder Company, pfd.....	99 1/2	100 1/2
Aurora, Elgin & Chicago, pfd.....	7	9
Avery Company, com.....	89	91
Avery Company, pfd.....	95 1/2	96 1/2
Babcock & Wilcox Company.....	110	115
Barnhart Bros. & Spindler.....	86	90
Beatrice Creamery Company, com.....	225	235
Beatrice Creamery Company, pfd.....	107 1/2	109
Bordens Condensed Milk Company, com.....	98	101
Bordens Condensed Milk Company, pfd.....	99	102
Brunswick-Balke Coll., pfd.....	102	105
Bucyrus Company, com.....	...	8 1/2
Bucyrus Company, pfd.....	54	56
Buda Company, pfd.....	96	97
Butler Brothers.....	194	198
By-Products Coke Corporation.....	148	153
Chalmers Motor Company.....	2 1/2	6
Chicago Mill & Lumber, pfd.....	102	104 1/2
Chicago Railway Equipment.....	108 1/2	109 1/2
*Cities Service Company, com.....	214	218
*Cities Service Company, pfd.....	78	80
Columbia Sugar Company.....	12	12 1/2
*Commonwealth Power, Railway & Light, com.....	41	45
*Commonwealth Power, Railway & Light, pfd.....	72	76
Consumers Company, com.....	...	28
Consumers Company, pfd.....	80	81
Continental Motor Company.....	5 1/2	6 1/2
Creamery Package Company, com.....	78	80
Deere & Co., pfd.....	99 1/2	100 1/2
E. I. du Pont de N. Company, com.....	280	286
E. I. du Pont de N. Company, debentures.....	99	100 1/2
Elgin National Watch Company.....	135	145
Emerson Brantingham Company, com.....	11	12
Emerson Brantingham Company, pfd.....	43 1/2	45 1/2
Federal Sign System, com.....	4	8
Federal Sign System, pfd.....	30	38
Firestone Tire & Rubber, com.....	99	101
Firestone Tire & Rubber, pfd.....	99	101
Fox River Butter Company, com.....	200	210
Fox River Butter Company, pfd.....	105	107
Goodyear Tire & Rubber, com.....	153	159
Goodyear Tire & Rubber, pfd.....	99	101
Great Lakes Dredge & Dock.....	65	68
Hercules Powder Company, com.....	257	262
Hercules Powder Company, pfd.....	112	114
Holland St. Louis Sugar Company.....	13	13 1/2
Inland Steel Company.....	175	182
Ins. Exch. Bldg. Corp., pfd.....	99	101
Kellogg Switchboard & Supply.....	...	255
Linde Air Products Company, com.....	205	215

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Unlisted Securities
Bank Industrial Insurance Stocks
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N. C. SMITH & CO.
INVESTMENT SECURITIES
WE SPECIALIZE IN BANK STOCKS
331 FIRST NATIONAL-BOO LINE BLDG., MINNEAPOLIS, MINN.

BOND & GOODWIN
COMMERCIAL PAPER
MUNICIPAL, CORPORATION AND COLLATERAL LOANS
Boston New York Chicago San Francisco
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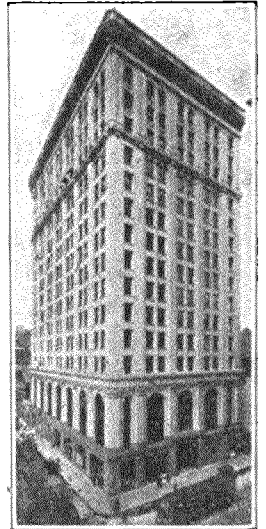
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NEW BANKS AND CHANGES

MINNESOTA

Mendota.—George Schwartz has been elected cashier of the recently organized State Bank.

Fairmont.—A charter has been issued to the Citizens' National Bank with a capital of \$50,000.

Swift Falls (R. F. D. from Benson).—The newly organized Swift State Bank has opened for business.

Redwood Falls.—The title of the Redwood County State Bank has been changed to the Farmers State Bank.

Eveleth.—W. D. Ellsworth has resigned as assistant cashier of the First National Bank to engage in other work.

Pine River.—M. R. Estensen, formerly of Minneapolis has been elected assistant cashier of the Farmers State Bank.

Clarkfield.—The Citizens State Bank has been incorporated with a capital of \$20,000. J. N. Silver and others are interested.

Monticello.—Oscar Lind has resigned as assistant cashier of the State Bank to accept the cashiership of a bank at Westbury.

Red Wing.—F. S. O'Neill has resigned as assistant cashier of the Goodhue County National Bank to accept a position with the Federal Reserve Bank of Minneapolis.

Danvers.—The Danvers Farmers State Bank has been incorporated with a capital of \$10,000. F. J. McCullough and A. M. McCullough are the principal stockholders.

St. Cloud.—At a meeting of the directors of the Merchants' National Bank Carl O. Bensen was advanced from cashier to vice president and George Moore was promoted from assistant cashier to cashier succeeding Mr. Bensen.

Duluth.—At a meeting of the directors of the Duluth State Bank F. S. Beamsley was elected cashier to succeed the late Edgar Johnson. Mr. Beamsley was formerly a deputy national bank examiner.

So. St. Paul.—The recently organized Live Stock State Bank has opened for business in the O'Toole building at Grand avenue and Concord street. The officers are as follows: F. A. Samels, president; Fred W. Grism and W. D. Hogan, vice presidents, and W. A. Samels, cashier. The new bank is capitalized at \$50,000.

NORTH DAKOTA

Fargo.—J. J. Hastings has been elected vice president of the Scandinavian American Bank.

Stirum.—A charter has been granted to the Farmers & Merchants State Bank with a capital of \$20,000.

Alamo (P. O. Cottonwood Lake).—C. O. Highum has been elected cashier of the Alamo State Bank to succeed Joseph Wendel.

Spiritwood.—O. J. Nygaard has been elected cashier of the Spiritwood State Bank succeeding the late W. P. Hayes. Mr. Nygaard was formerly assistant cashier of the Cleveland State Bank.

Walum.—At a meeting of the directors of the Farmers State Bank Carl F. Werner was promoted from assistant cashier to vice president, and E. W. Iverson was elected to succeed E. L. Nelson as assistant cashier.

Dunseith.—At a meeting of the directors of the recently chartered Farmers State Bank G. I. Dobbin of Overly was elected president and G. E. Wagner, cashier. The new bank is expected to commence business about November 1.

WISCONSIN

Elba.—A bank is being organized here with a capital of \$30,000. H. A. Haase is interested in the organization. Work will commence soon on the erection of a building.

Darlington.—Certificate of authority to commence business has been issued to the Lafayette County State Bank with a capital of \$25,000. S. P. Nelson is president and C. M. Lund, cashier.

Canton.—The Farmers State Bank has opened for business with a capital of \$10,000. The following are the officers: C. J. Johnson, president; J. M. Ward, vice president, and Erland Engh, cashier.

Park Falls.—At a meeting of the directors of the First National Bank D. E. Riordan of DePere was elected president to succeed R. J. Haggerty, who resigned. Mr. Riordan was formerly a director of this bank.

Superior.—Articles of incorporation have been filed for the Workers' Mutual Savings Bank. John Nummlivuori, Otto

Arlund, Martin Mattila, Axel A. Kantola, William Peterson, Onni Saari and Gust Lundeen are among the incorporators.

IOWA

Hanlontown.—The Farmers Savings Bank is now open for business. C. H. Thompson is the cashier.

Winterset.—At a meeting of the directors of the First National Bank H. C. Husted was elected cashier to succeed Eugene Wilson.

Atlantic.—C. F. Anderson of South Omaha has purchased a part of the stock of I. R. Cheney in the Iowa State Bank and has been elected cashier.

Sharpsburg.—B. F. Wilson has resigned as vice president of the State Savings Bank to accept the cashiership of the Home State Bank of Humeston.

Aurelia.—L. Hilmo has been elected assistant cashier of the Farmers National Bank. Mr. Hilmo was formerly assistant cashier of the First National Bank of Walker, Minn.

Edgewood.—At the annual meeting of the State Bank the following officers were elected: Charles Blanchard, president; F. T. Pilkington, vice president, and J. P. Wiley, cashier.

Lowden.—Charles C. Mertens, formerly with the Reinbeck State Bank of Reinbeck has purchased an interest in the Lowden Savings Bank, and will become active in the management.

Orange City.—J. L. Smith has sold his stock in the Orange City National Bank to local investors. R. P. Dethmers, county treasurer has been elected to succeed Mr. Smith as president.

Villisca.—F. F. Jones has disposed of his interest in the Villisca National Bank to other stockholders and has resigned as president of the institution. Mr. Jones has also sold his stock in the Bank of Morton Mills.

MONTANA

Galata.—The First National Bank has been chartered to succeed the Galata State Bank. The new bank is capitalized at \$25,000.

Windham.—Barbara Eckley has been assistant cashier of the State Bank to succeed M. D. Eckley who resigned to accept the cashiership of the First National Bank of Grass Range.

Conrad.—The Farmers State Bank is being organized with a capital of \$50,000. C. B. Roberts of Fortine is among the organizers. Work has commenced on the erection of a building.

Lehigh.—Articles of incorporation have been filed for the Leigh State Bank with a capital of \$20,000. W. L. Eckley, T. T. Taylor, P. J. Osweller, B. E. Brown and D. B. Bolton are interested.

Lodge Grass.—A charter has been issued to the First National Bank. A. H. Bowman, W. O. Lee, B. S. Langworthy and C. T. Garvey, cashier of the Stockmens National Bank of Hardin are the incorporators.

Brockton.—The First National Bank has opened for business. The following are the officers: E. F. Volkman of Fessenden, N. D., president; Archie Curran of Brockton, vice president, and Clyde Reed, of Poplar, cashier.

Williams.—The organization of the First State Bank has been completed and the new bank is expected to commence business about November 1. James T. Stanford will be the president and H. E. Richard, cashier. A new building which is being erected for the bank's use is almost completed.

NEBRASKA

Leigh.—E. M. Nelson and F. L. Vlach have purchased the controlling interest in the Leigh State Bank.

Ord.—A. J. Firkins, vice president of the First National Bank has sold his interest to W. T. Barstow and Frank Koupal.

Long Pine.—The Acron State Bank has been chartered with a capital of \$25,000. W. A. Bucklin is president, Fred Barclay, vice president, and Howard O. Wilson, cashier.

Stoddard.—The Farmers State Bank has been authorized to commence business with a capital of \$15,000. Ernest Pohlman is president, German Brettmann, vice president, and M. J. Dagefoerde, cashier.

Obert.—Articles of incorporation have been filed for the Obert State Bank with a capital of \$15,000. A. R. Olson, L. C. Gothier, Fritz Paulson, P. A. Sullivan and Edward Wilkinson constitute the board of directors.

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1st Vice President
2nd Vice President
Cashier

WM. B. LAVINIA,
THOS. D. ALLEN,
LOUIS J. MEARL,
WM. C. FREEMAN,

Assistant Cashier
Assistant Cashier
Assistant Cashier
Assistant Cashier

Lodge Pole.—Authority to commence business has been granted to the Fidelity State Bank. The new bank is capitalized at \$15,000 and the officers are as follows: F. B. Knapp, president; Roy Isenberger, vice president, and W. T. Tate, cashier.

OREGON

Silverton.—The title of the Peoples Bank will be changed to the First National Bank.

Monitor.—Application has been filed for a charter for the Monitor State Bank with a capital of \$15,000. A. W. Gilles, E. F. Giesy and Guy M. Hickok are the incorporators.

Lakeview.—The Lake County State Bank has filed an application for a charter with a capital of \$50,000. Charles E. Sherlock, John C. Flynn, A. Bieher, Henry O'Keefe and George Fitzgerald are interested.

COLORADO

Kiowa.—W. D. Rellly is president and James Ringold, vice president of the Kiowa State Bank.

Flagler.—Application has been filed for a charter for the First National Bank with a capital of \$25,000 to succeed the Farmers State Bank.

UTAH

Lehi.—The Peoples Bank has been incorporated with a capital of \$25,000. The following officers have been elected: Ira D. Wines, president; L. B. McCormick and Thomas Webb, vice president; Herbert Taylor, cashier and Thomas Powers, assistant cashier.

WYOMING

Glenrock.—Application has been filed for a charter for the First National Bank to succeed the Bank of Glenrock.

WASHINGTON

Grandview.—G. W. Snowden has resigned as assistant cashier of the Grandview State Bank.

Seattle.—Victor J. Bouillon has been elected to succeed William Norwuiast as assistant cashier of the King County State Bank.

Sprague.—John F. Kumpf has resigned as assistant cashier of the Bank of Sprague to accept the assistant cashiership of the State Bank of Connell. Mr. Kumpf will be succeeded here by R. P. Stowers, now assistant cashier of the State Bank of Connell.

ILLINOIS

Bedford.—The Farmers National Bank has been chartered with a capital of \$25,000.

Urbana.—Abner Silkey has resigned as cashier of the First State Trust & Savings Bank.

Chicago.—B. M. Blankenheim has been appointed assistant cashier of the Atlas Exchange National Bank.

Forest Park.—The private bank of A. Roos & Sons will reorganize under the title of the Forest Park State Bank.

Taylorville.—James A. Adams, cashier of the Farmers National Bank has been elected president to succeed D. W. Johnson, who resigned.

Tolono.—D. E. Godfrey has been elected cashier of the Citizens Bank succeeding the late A. B. Campbell. Mr. Godfrey was formerly cashier of the Philo Commercial Bank of Philo.

BANKING NOTES

Eugene, Ore.—The First National Bank building is being remodeled.

Crosby, N. D.—The Citizens National Bank has moved into its new home.

Seattle, Wash.—The Seaboard Bank is now located in its new building.

Eagle, Wis.—The Bank of Eagle is erecting an addition to its building.

Carbury, N. D.—The Citizens' National Bank building has been completed.

Solon, Iowa.—Ulch Brothers State Bank is now located in its new building.

Luxemburg, Wis.—The Bank of Luxemburg has moved into its new building.

Oshkosh, Neb.—The Oshkosh State Bank plans the erection of a new building.

Cresbard, S. D.—All claims against the defunct Bank of Cresbard have been settled in full.

Falls Creek, Wis.—The capital stock of the State Bank will be increased from \$10,000 to \$15,000.

West Allis, Wis.—The First National Bank plans some interior improvements on its building.

Wells, Minn.—Work on the new building of the Wells National Bank is progressing rapidly.

Topeka, Ind.—The capital stock of the State Bank has been increased from \$25,000 to \$40,000.

Okabena, Minn.—Work on the new building of the First State Bank is being rushed to completion.

Mosinee, Wis.—Work on the new building of the State Bank is progressing rapidly and the building will probably be ready for occupancy about December 15.

Kewanee, Ill.—The remodeling of the Kewanee State Savings Bank building is almost completed.

Lincoln, Ill.—The new building of the Lincoln State Bank is expected to be ready for occupancy about January 1.

Minneapolis, Minn.—The capital stock of the Metropolitan National Bank has been increased from \$300,000 to \$500,000.

Union City, Ind.—The charter of the Commercial National Bank has been extended until the close of business October 13, 1927.

Northern Minnesota Bank

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DECLINING RAILWAY PROSPERITY DENIED

C. E. Mitchell, President of National City Company, in the Annalist

Railroad pessimism is the vogue. In railroad circles, in bond houses, in brokerage houses, on the street, in the clubs of every city of this country, one is constantly hearing expressions regarding declining earnings, increased operating expenses, increased taxes, and lack of consideration by the Interstate Commerce Commission, that seem to sound the death knell of railroad prosperity and value in railroad securities. Is there no silver lining to this cloud? Let us see.

The price of Pennsylvania Railroad stock has recently fallen below its par value for the first time in 22 years. Holders of the stock are perturbed and make haste to study the latest reports of earnings, naturally assuming that the margin of safety for the six per cent. dividend has been impaired. They find that in the first seven months of 1917, earnings available for dividends have decreased by \$5,709,000, which statement, on its face, is discouraging. Yet this year's earnings are nearly \$5,000,000 greater than the earnings for the same period two years ago. In 1915 the Pennsylvania Railroad earned 6½ per cent. on the stock, and in 1916, 10½ per cent. Indicated earnings for 1917 will exceed 8½ per cent. even if they do not equal 1916's excellent showing. The decline in the price of the stock, therefore, cannot be attributed to the shrinkage in the earnings of the company.

In the railway bond list declines have occurred which have doubtless created anxiety in the minds of investors. For example, Chicago, Milwaukee & St. Paul general mortgage fours are now selling at 78, which is the lowest price these bonds have touched since they were listed on the Stock Exchange 27 years ago. In 1891 the bonds sold at 81½ and in that year the railway company earned its fixed charges slightly less than one and a third times. In the fiscal year ended June 30, 1916, the company earned nearly twice its fixed charges. In the meantime, the position of the general mortgage bonds had been greatly strengthened. In 1891 these bonds were the last mortgage on the property; today they are an underlying mortgage, followed by more than \$200,000,000 of junior mortgage bonds, and the earnings available for this issue and all prior charges are three and a half times such requirements. Here, again, the decline in the price has obviously no relation to the earnings of the company.

Market for Railway Stock Does not Reflect Earnings

That the market for railway stocks is not reflecting railway earnings is evident from an expert's recently published compilation, which makes the following interesting comparison:

	Sept., 1915.	Sept., 1917.
Average price 24 railway stocks.....	\$80.00	\$78.00
Average earnings per share, seven months..	2.52	4.90

Current prices are thus lower than they were two years ago at this time, while current earnings available for the stocks are nearly double what they were then.

The railway situation can best be pictured by a study of aggregate railway earnings. The trend of earnings in the industry cannot be determined by selecting isolated examples. The fiscal year 1916 was the most prosperous the railways, considered as a whole, have enjoyed since 1907. In the past year they earned their fixed charges nearly twice over, and paid out in dividends to stockholders only about one-third of the remaining earnings, leaving a very large balance to be returned to the prop-

erties, either to strengthen cash position or to improve physical assets. As analyzed by the Bureau of Railway News and Statistics, the results of all railroads (considered as a single system) in the United States for the 1916 fiscal year are as follows:

Total revenues from operation.....	\$3,455,900,000
Operating expenses and taxes.....	2,417,400,000
Total operating income.....	1,044,000,000
Interest, rents, sinking funds, etc.....	579,800,000
Balance	\$464,200,000
Dividends	185,500,000
Surplus for betterments, etc.....	\$278,700,000

These earnings were equivalent to 6.40 per cent. on the "cost of property," which exceeds the return in any of the last 10 years. It compares with the years immediately preceding as follows:

	Per cent.
1915	5.24
1914	4.09
1913	4.68

If it were possible for the railroads to maintain profits on the 1916 basis, the edge would soon be off the acute problem of interesting new capital.

It is not generally appreciated how favorably the earnings for the 1917 fiscal year compare. The increase in gross earnings, which began in the middle of 1915, has been continued at an almost uninterrupted pace. Notwithstanding the enormous increase in operating expenses, which caused a rise in the ratio of operating expenses to gross earnings (from 66 per cent. to 68 per cent.), net earnings have not declined, but have registered an increase over the record-breaking figures of 1916.

Mistaken Impression of Decrease

It may be objected that as the greatest increase in operating costs did not become effective until after the first of January, 1917, statements covering the 12 months period are not truly indicative of the present situation. It may be thought that the earnings in the last six months of 1916 were sufficiently favorable to cover up poorer returns made in the first six months of 1917. This impression, if it exists, is unfounded.

The fact is that aggregate railway earnings since the first of the current year compare, all things considered, astonishingly well with the figures of last year, and still more favorably with the figures of two years ago. The following are the results of operation for the six months ended June 30, 1917:

Gross earnings	\$1,898,210,538
Operating expenses	1,354,295,938
Net operating revenue.....	\$543,914,600

As compared with the same six months of 1916 and 1915 the earnings show the following changes:

	Increased from 1916.	Increased from 1915.
Gross earnings	\$201,159,300	\$528,938,689
Net operating expenses.....	207,202,160	370,883,682
Net operating revenue.....	*\$6,042,860	\$158,055,007

*Decrease.
Had the railroads included in operating expenses only the same amounts for maintenance this year as last, net earnings would have been increased by \$50,000,000, and the net decrease of \$6,042,000 shown above would have been turned to an increase for the period of some \$44,000,000.

The following comparison of net earnings with earnings

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of the same month of 1916 is a conclusive refutation of the popular impression of declining railway prosperity:

	Per cent.
January net earnings increased.....	10.98
February net earnings decreased.....	26.59
March net earnings decreased.....	8.18
April net earnings increased.....	0.07
May net earnings increased.....	3.33
June net earnings increased.....	10.13

The eastern carriers have been those most grievously burdened by increased transportation costs, their net revenues from operation declining 15.5 per cent., while the revenues of the roads of the southern district increased 5.9 per cent., and those of the western district increased 11.7 per cent. The increases allowed the eastern roads under the Interstate Commerce Commission's decision (estimated to exceed five per cent.) have only recently gone into effect and are therefore not reflected in the foregoing returns.

The situation of the railways, considering the industry in its entirety, certainly does not warrant prevalent pessimism. Current earnings, and those in sight for some time to come, are ample to support the existing capitalization. There is a margin over fixed charges which should be comforting to very bondholder and the average stockholder's position cannot be considered precarious.

Railways Deserve Increases

It cannot be said, however, that railway earnings are sufficient and that no increases in freight and passenger rates are justified. On the contrary, it is emphatically obvious to those engaged in railway finance that rates must be increased liberally if new capital, which the railways sorely need in abundance, is to be attracted. The very prosperous year 1916 gave the railways a net return on their property investment of only 6.40 per cent., while for the last 16 years the average return, using the representative roads, has been:

	Per cent.
Eastern district	5.48
Southern district	4.69
Western district	5.04

These rates of return do not attract investment money. This is not an academic opinion. It is the reasoned conclusion of the investing public, institutional and individual. The situation is admirably summed up in the brief opinion of Commissioner Harlan submitted in the recent rate advance case, as follows:

What the country as a whole needs, as all participating in the hearing seemed to agree, is much larger terminals, more tracks, more cars, and more locomotives * * *. In other words, our population and commerce have largely expanded, but there has been no expansion, relatively speaking, in our transportation facilities * * *.

The record, in my judgment, demonstrates a proposition that has long been clear to me, namely, that a rate is a public question and that the existing rates, aside from any interest that the owners of our railroads may have in the matter, could well be advanced in the public interest, in order that assurance may thus be given for the early enlargement of our transportation facilities.

Pessimism Really Caused by Competition for Capital from Other Securities

Declining prices of railway securities have, to a very great degree, generated a pessimism relative to railways in general which is not conclusive to an unprejudiced appraisal of security values. Investors who, because railway bonds and stock prices have fallen rapidly in recent months, have

(Continued on Page 48)

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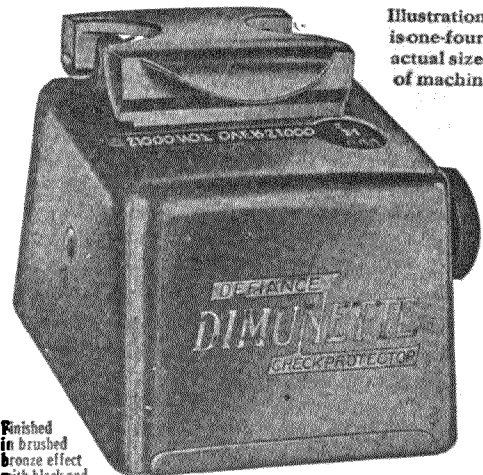


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FARM LOAN
DEPARTMENT

RECENT LEGAL DECISIONS

Renewal of Chattel Mortgage Leaves Rights of Parties, As to Unsecured Creditors, Unchanged

Plaintiffs were wholesalers located in Bay City and Saginaw, Michigan, and defendant Hanson is a private banker at Grayling, Michigan, where defendant Brink owned and ran a retail grocery store from some time in November, 1910, until about November 11, 1914. On November 22, 1910, Hanson sold Brink a stock of groceries and fixtures on credit, at the appraised price of \$2,134.29, taking a chattel mortgage for that amount as security for the purchase price, in which it was provided that the stock on hand, inventoried at cost, should at least be maintained at 25 per cent. above "the entire indebtedness hereby secured from time to time existing." It was a long-form, commercial mortgage covering existing and future indebtedness, for which was pledged the property then purchased, and also all merchandise, furniture, fixtures, etc., "which at any time hereafter may be purchased for, or added to, or used in connection with, said stock or business, or commingled with the same." Fifty dollars per month, with interest, was to be paid on the indebtedness, and in case of default in any payments "thereby secured, whether heretofore existing or hereafter contracted," Hanson was empowered to take possession of the mortgaged property, "and to hold the same at said place of business of said party of the first part," or remove it to some other place within the state, "and there retain such property," for such time as he deemed best and convenient, and proceed to sell the same, "either at private sale or public auction, in bulk or parcels." The instrument contained, in regular form and legal phraseology, the usual provision relative to retaining out of the proceeds sufficient to meet the sums owing under the mortgage, expenses, etc., and rendering to the mortgagor the surplus, if any. This mortgage was recorded in the office of the township clerk at Grayling on March 23, 1911, and renewed by proper affidavit, filed October 16, 1912, alleging the amount due on that date to be \$2,134.29. A second renewal affidavit was filed by Hanson on November 4, 1914, stating there was then due and owing on said mortgage \$2,084.29. Only those two renewal affidavits were filed.

Brink carried a commercial account in Hanson's bank, which he was largely over-drawing at times, and during the same period he was making payments on his mortgage until on October 14, 1912, his checking account was over-drawn \$2,350, and credits on his mortgage account had reduced it to \$909.29, when, by mutual consent, the credit on his mortgage was transferred to the commercial account to apply on the overdraft, leaving the original amount owing on the mortgage, with the overdraft reduced to below \$1,200. On January 2, 1913, a note of Brink for \$1,600 was credited to his checking account, which practically balanced his overdrafts, so at that time his indebtedness to Hanson was practically the amount of this note and original amount of the mortgage, with interest. He continued in business unsuccessfully, with increasing indebtedness, until November, 1914, when he was found to be owing Hanson \$6,178.42, and other creditors about \$2,800, including plaintiffs' claims of approximately \$2,000 for merchandise sold him between November 1, 1913, and November 4, 1914. He then owned a house and lot in Grayling, valued at \$1,000, and 60 acres of wild land, valued at \$300. His stock of merchandise was inventoried on November 8th at \$3,315.65, and his store accounts, or bills receivable, totaled \$3,547.88. He at various times talked over the matter of his indebtedness with Hanson, and states that he generally gave him a list each year of the amounts he was owing,

including his indebtedness to plaintiffs, of whom he had bought merchandise to a greater or less extent from the time he went into business in 1910. Early in November, 1914, he told Hanson there was no use of his keeping on in the business; "we were getting in deeper all the time." He states that he then decided to go out of business, and pay his creditors so far as possible with his assets. On November 10, 1915, he voluntarily deeded his house and lot and 60 acres of land to Hanson at an agreed price of \$1,300, which was credited upon his \$1,600 note, previously reduced to \$1,375. He told Hanson that he did not want to go through bankruptcy, owing to the expense of such proceeding, and after talking the matter over with Hanson, he executed an instrument, on November 14, 1914, by which he assigned to Mr. Palmer, an attorney of Grayling, all his accounts, bills receivable, and choses in action, amounting at face value to \$3,547.88, delivering to him all bills, statements, account books, and evidence of indebtedness in relation thereto, authorizing and directing him as trustee to collect the same and pay the sums collected to Brink's general creditors in proportion to the amounts due them, and surrendered at about the same time possession of the mortgaged stock of merchandise to Hanson, delivering him the keys and inventory of the property taken November 8, 1914. He stated that he then thought "the property belonged to Mr. Hanson by virtue of the mortgage."

At the time of the hearing Palmer testified of the accounts receivable turned over to him as trustees:

"I have collected \$1,004, enough to pay, roughly, 40 per cent. on Brink's accounts. * * * It is a conundrum how much more I can collect on his accounts. I think I can collect 50 per cent. It is simply guesswork. I wouldn't guarantee to exceed 50 per cent. of the whole, although there may be more."

Plaintiffs promptly filed this bill and obtained a preliminary restraining order to preserve the stock of merchandise in statu quo, which, under an arrangement between the parties and stipulation of counsel, dated November 16, 1914, was set aside without prejudice, and Hanson permitted to sell the stock he had taken possession of at the invoice price to a purchaser he secured. Plaintiffs ask that Hanson be held a receiver of the proceeds from the sale of this stock of merchandise for the benefit of Brink's creditors, because it was voluntarily sold, transferred, and delivered to him as an entirety, otherwise than in the ordinary course of trade or usual prosecution of the retail grocery business, and in violation of the bulk sales law, and that by reason of the non-renewal of the chattel mortgage, after October 16, 1912, it became absolutely void under the provisions of section 9526, Comp. Laws 1897, as to creditors for accounts created by sale of goods to Brink between November 1, 1913, and November 4, 1914.

The Michigan Supreme Court ruled in this case of Symons Brother & Co., et al versus Brink et al, 160 Northwestern Reporter 638, that under Comp. Laws 1897, § 9526, providing that a chattel mortgage shall cease to be valid as against creditors of a mortgagor at the expiration of one year, unless renewed by affidavit within the preceding 30 days, which affidavit, if filed before any purchase of the mortgaged property, or any other mortgage or lien, and in good faith, shall be valid to continue such mortgage in effect as if it were filed within the time prescribed, the filing of a renewal of a chattel mortgage before a general unsecured creditor had acquired any lien, etc., against the mortgagor's stock of goods, left the rights of the parties the same as if the affidavit of renewal was made and filed within the specified period.

The Sales in Bulk Act (Pub. Acts 1905, No. 223), requiring notice to creditors of all sales in bulk and out of the usual course of the business, was intended to protect creditors against fraudulent sales, and does not preclude the foreclosure of a recorded chattel mortgage given in good faith for a valuable consideration.

BANK TRANSACTIONS

The following cities report totals of bank transactions to Bradstreet's for the week ended October 17, with percentages of change shown as compared with this week last year:

	Amount	Per Cent—	
		Inc.	Dec.
San Francisco	\$286,270,000	62.0	.....
Kansas City	253,678,000	.....	.....
Richmond	183,201,000	67.0	.....
Minneapolis	173,831,000	25.2	.....
Cincinnati	145,416,000	33.7	.....
Detroit	126,738,000	4.8	.....
Omaha	92,741,000	13.0	.....
New Orleans	82,692,000	24.3	.....
St. Joseph	80,642,000	30.9	.....
Memphis	73,122,000	16.2	.....
Seattle	58,189,000	.....	.....
Toledo	54,461,000	12.4	.....
Los Angeles	48,688,000	12.0	.....
Indianapolis	42,865,000	18.4	.....
Des Moines	35,279,000	38.2	.....
Providence	25,307,000	.....	5.0
Hartford	11,547,000	.....	33.0
Spokane	20,445,000	20.3	.....
Scranton	8,700,000	11.3	.....
Trenton	8,138,000	.....	.....

*Last week's.

BANK CLEARINGS

Bank clearings in the United States for the week ended October 18 aggregated \$6,367,465,000, against \$5,843,831,000 last week and \$6,668,221,000 in this week last year. Canadian clearings aggregated \$303,373,000, as against \$247,341,000 last week and \$253,126,000 in this week last year. Following are the returns for this week with percentages of change as compared with this week last year, as reported to Bradstreet's:

	Amount	Per Cent—	
		Inc.	Dec.
New York	\$3,636,633,000	.....	11.7
Chicago	514,963,000	.....	3.8
Philadelphia	340,354,000	.....	3.6
Boston	265,444,000	.....	1.8
Kansas City	176,668,000	39.2	.....
St. Louis	155,587,000	23.0	.....
San Francisco	100,973,000	4.1	.....
Cleveland	81,175,000	19.2	.....
Pittsburgh	76,222,000	.....	1.4
Twin Cities	60,341,000	11.0	.....
Detroit	58,895,000	9.7	.....
Baltimore	48,269,000	6.5	.....
New Orleans	43,891,000	20.4	.....
Omaha	43,237,000	16.8	.....
Cincinnati	43,126,000	4.6	.....
Minneapolis	42,569,000	12.4	.....
Richmond	35,342,000	54.0	.....
Los Angeles	30,308,000	.....	3.1
Milwaukee	30,098,000	19.7	.....
Atlanta	51,298,000	59.5	.....
Seattle	29,863,000	34.6	.....
Portland, Ore.	24,551,000	12.2	.....
Denver	23,237,000	43.4	.....
Louisville	23,169,000	7.0	.....
Buffalo	21,861,000	3.7	.....
Houston	18,850,000	15.0	.....
Salt Lake City	18,176,000	41.2	.....
St. Paul	17,772,000	9.0	.....
Fort Worth	17,741,000	13.5	.....
Memphis	17,432,000	14.4	.....
St. Joseph	16,265,000	41.3	.....
Savannah	14,081,000	35.1	.....
Nashville	13,842,000	33.3	.....
Indianapolis	13,811,000	.....	1.3
Toledo	12,679,000	.....	1.1
Spokane	9,564,000	22.8	.....
Des Moines	8,892,000	27.4	.....
Sioux City	8,701,000	64.9	.....
Duluth	8,603,000	.....	5
Grand Rapids	5,156,000	2.4	.....
Lincoln	4,523,000	3.3	.....
Tacoma	4,300,000	24.1	.....
Evansville	3,008,000	14.0	.....
Waterloo	2,493,000	19.1	.....
Cedar Rapids	2,894,000	68.5	.....
Helena	2,696,000	7.6	.....
Fargo	2,586,000	33.0	.....
Topeka	3,274,000	26.8	.....
Davenport	2,235,000	12.7	.....
Boise	2,206,000	45.1	.....
Sioux Falls	2,131,000	38.0	.....
Billings	1,947,000	100.0	.....
Aberdeen	1,588,000	49.0	.....
Grand Forks	1,596,000	.....	.....
Total, United States	\$6,367,465,000	.....	4.6
Total, outside New York	2,730,832,000	7.2	.....

	Amount	Per Cent—	
		Inc.	Dec.
Montreal	\$97,030,000	7.3	.....
Winnipeg	82,356,000	70.0	.....
Toronto	64,326,000	.....	3.0
Vancouver	11,001,000	44.9	.....
Calgary	10,429,000	82.2	.....
Ottawa	5,773,000	.....	15.9
Hamilton	5,443,000	10.4	.....
Regina	5,195,000	47.9	.....
Quebec	4,062,000	.....	2.9
Halifax	3,134,000	.....	.9
Edmonton	3,373,000	51.5	.....
Total, Canada	\$303,373,000	19.9	.....

MONEY AND EXCHANGE RATES

Boston	..... 4 @ 6	6	5 1/2 @ 6	Par
Providence	..... 6	6	6	Par
Philadelphia	..... 5	5 @ 5 1/2	5 @ 6	Par
Buffalo	..... 5 @ 6	5 @ 6	5 @ 6	\$1.00 P
Cincinnati	..... 6	6	6	Par
Cleveland	..... 5	5	5	Par
Detroit	..... 6	6	6	\$1.00 P
Chicago	..... 5 1/2	5 1/2 @ 6	6 1/2	\$0.10 D
Minneapolis	..... 4 1/2	5 @ 5 1/2	6	\$0.10 P
St. Paul	..... 4 1/2 @ 6	5 1/2 @ 6	.....	\$0.25 P
St. Louis	..... 6 @ 6 1/2	6 @ 6 1/2	.....	Par
Kansas City	..... 5 @ 6 1/2	5 @ 6 1/2	.....	Par
Baltimore	..... 4 1/2	5 @ 5 1/2	5 @ 5 1/2	Par
New Orleans	..... 6 @ 8	6 @ 8	6 @ 8	Par
Atlanta	..... 4 1/2 @ 5	4 1/2 @ 5	4 1/2 @ 5	Par
San Francisco	..... 6 @ 7	.....	6 @ 7	\$0.10 P
Montreal	..... 5 1/2	6	6	\$2.81 1/2 D

Tin plate production in this country for 1916, 12 companies reporting, amounted to 38,700,000 base boxes estimated hot mill production, and 36,450,000 boxes of coke tin plate. Total shipments for first eight months of 1917 were 22,843,779 boxes, 10 companies reporting.

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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WE ARE PREPARED TO BUY A SMALL BANK

WHERE DEPOSITS EXCEED LOCAL DEMANDS

NORTHERN INVESTORS' Co. (LTD.)

CAPITAL PAID IN \$400,000

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MANAGER BANK BROKERAGE DEPT.

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Strong Twin City institution with ample resources, has opening for a practical, all-around farm mortgage man. Must be experienced, a good examiner, and able to sell the loans made. Confidential.

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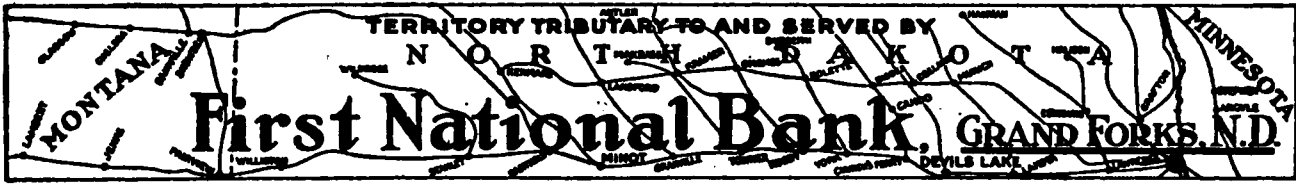
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DESIGN - CONSTRUCTION - MECHANICAL EQUIPMENT - HEATING - PLUMBING - WIRING - DECORATING - FURNISHINGS — UNDER A SINGLE CONTRACT.

THE FREDERICK VAN ANTWERP Co.

McKNIGHT BUILDING MINNEAPOLIS, MINN.

President Swift of Swift & Co., replying to questions by Federal Trade Commission, stated that the company's average net profit over a series of years has been less than three cents per dollar of sales. Average profit from cattle in five years to September 30, 1916, has been \$1.22 per head, before paying interest on borrowed money; from sheep and lambs, 19.9 cents per head, including sale of all by-products; and from hogs, 58.5 cents per head.



BIG INCREASE IN NORTH DAKOTA ACREAGE

Bismarck, N. D.—The fact that the winter rye acreage in North Dakota has been increased 100 per cent. will tend to cut down next spring's wheat acreage, in the opinion of John N. Hagen, commissioner of agriculture and labor for this state.

"Farmers have gone in unusually strong for rye. It is a popular crop for several reasons," said Mr. Hagen. "It spreads the harvest over a longer period and does not make such a great demand for labor at a season of the year when it always is short, and when it probably will be so next year. There is practically as much money in it as in wheat, and it has been almost a certain crop of recent years.

"There are already seeded fully twice as many acres of rye as we harvested this year. The fact that many North Dakota wheat farmers will devote their attention largely to rye next year will not work any hardship. There is no question as to the food value of rye, and it will do all of us good if we learn to eat more corn and rye."

DAYS OF CATTLE KING NOT YET OVER, RANCH IN NORTH DAKOTA ATTESTS

Anyone who believes that the day of the cattle king has passed in North Dakota is invited to take note of the fact that C. P. Burnstad, owner of the largest individual ranch in North Dakota, is located within 80 miles of the state capitol, in almost the center of the state and that he is absolute lord of 33,820 acres of land; stands at the head of a clan of 35 of the doughtiest riders the cow country has ever produced, and has on the hoof 5,000 head of cattle, 300 horses and 1,200 sheep, not to mention a general store, an automobile agency and sundry other little enterprises included in the town which bears his name.

The Burnstad ranch is one of North Dakota's show places. Its owner came to North Dakota 11 years ago with \$1,000 capital.

WOULD INVEST FUNDS OF DAKOTA IN LIBERTY LOAN

The North Dakota board of university and public school lands after a few minutes' deliberation Saturday afternoon adopted a resolution directing the secretary, if funds proved sufficient, to invest \$200,000 of the permanent moneys derived from the sale of North Dakota's public lands in the second Liberty loan, and in almost the same breath directed that certain well known members of the

Old Guard, who have owed the state since as long as 1905, produce the required funds.

NONPARTISAN LEAGUE ACQUIRES TWO NORTH DAKOTA BANKS

Fargo—With the purchase of most of the stock held by H. J. Hagen, president of the Scandinavian American Bank of this city, by J. J. Hastings, financial secretary of the Nonpartisan League, and Porter Kimball of Hope, another power in league affairs, it is admitted by Mr. Hagen that the future policy of the bank will be directed by the league interests. Kimball and Hastings have also purchased Hagen's holdings in the Citizens Bank of Lisbon. It is understood the Nonpartisan League is behind a movement to obtain a controlling interest in several banks over the state, with their business to be transacted through the Scandinavian American Bank of Fargo.

KEEP BREEDING STOCK, COOPER ADVISES NORTH DAKOTA FARMERS

Another appeal to the farmers of the Northwest to conserve their livestock was made by Thomas Cooper, director of the North Dakota experiment station.

Mr. Cooper, pointing to the fact that prices are maintained despite the large numbers of livestock marketed, makes the point that the world stock supply is depleted to such an extent that prices are certain to be high for a long period.

"In spite of the large numbers of livestock being marketed the price keeps up," says Mr. Cooper. "Livestock has been decreased at an unusual rate in the warring countries, both because of the need of meat for the armies and the civil population, and, secondly, because of the difficulty of securing food for livestock. In England, for instance, 3,000,000 acres that have been regularly in grass and so used in livestock production have been plowed up to be sown to grain for human food. In England, France and Italy the reduction has been 33,000,000 meat animals. The export of meats are now more than four times as much as before the war. To secure this large amount of meat the present high prices are brought about. When the number of meat animals is reduced it takes time to increase them, which means that high prices for stock will maintain for several years. This means that every effort should be made by the North Dakota farmer to hang on to breeding stock.

"The stock also pays in that crops grown for the stock put the land in shape for increasing the yields of grain crops.

"In one investigation in Minnesota with grain at normal prices, it paid to keep cattle even when the loss per head was as much as \$7. The increase in the grain crops was enough to more than offset this loss on the cattle."

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South Dakota 1917 Auto Licenses Double

Pierre, S. D.—More than 65,500 automobiles so far this year have been licensed in South Dakota. A total for the year of at least 70,000, nearly twice as many as were registered in 1916, is expected to be shown.

HURON FARMER GETS \$6,900 FOR 150 HOGS

Huron—W. L. Branson, a farmer living near this city, has just sold a carload of 150 hogs for \$6,900.

Mr. Branson made an interesting feeding record in preparing these hogs for market. Not one pound of hand picked corn was used in fattening the hogs. Last winter the hogs were allowed to run in the corn stalks. They were fed some alfalfa hay. During the summer the hogs were turned into a sweet clover pasture and on September 1 the hogs were turned into squaw corn.

FROZEN CORN IS GREAT FOR SILAGE

Frozen corn makes splendid silage, says Professor C. Larsen of State college. This robs the procrastinating farmer of his last excuse for not putting up silage this year as a war feed emergency. "Corn that has been frozen will not make quite as good colored or palatable silage," says Professor Larsen, "but when winter comes the cows will not discriminate against it. Although frosted corn leaves wilt and dry, yet the stalk or the main part of the plant will be in good succulent condition."

Professor Larsen suggests that frosted corn should not be left in the field several days after cutting but should be siloed as soon as possible. If the corn becomes too dry, water should be added when it is put into the silo—the amount of water depending upon the degree of dryness.

If the corn is entirely weather-dried water equal to the amount of corn by weight should be added as it is put into the silo, since weather-dried corn fodder contains only about 18 to 25 per cent. of water. However, if water is added to frosted corn that is still in the field, only about half as much water is required. By examining the cut corn fodder in the silo one may determine if there is enough moisture and whether the silage packs properly. The moistened fodder should be thoroughly tramped down. In moderate weather it is well to pour a constant stream of water into the cutter fan box which will distribute it evenly over the cut fodder.

DAKOTA SEED GROWERS PLAN "SAMPLE SHOW"

The North Dakota Improved Seed Growers' Association's annual contest will be conducted as a "sample show," according to announcement by H. L. Bolley of the North Dakota Agricultural College.

Samples of one pound of any seed may be exhibited at the auditorium, 10 tubers of potatoes and 10 ears of corn.

The contest will be held at the Tri-State Grain Growers' convention, January 15 to 18.

SAVING FOR SAVINGS CERTIFICATES

Deposit \$1 a week for 49 successive weeks and receive three weeks after the last deposit a \$50 coupon investment certificate drawing four per cent. interest from the date of issue, running for three years and payable quarterly by means of 12 coupons.

This is the attractive proposition offered depositors by the Central National Bank, of Battle Creek, Mich.—a saving plan which has been meeting hearty response and approval for several years.

The certificate, in reality a bond whose coupons are virtually checks on the bank which may be deposited as cash in any bank or cashed by draft when mailed to the bank, is issued for not less than \$50, for \$100, for \$150 or for any amount in excess of \$50 not necessarily a multiple of 50.

Secured by the entire assets of the bank, the certificate can be cashed for full value at any time; thus differing from most investments and from most bonds. No notice is required.

By depositing \$2 per week for 49 weeks, the investor receives a certificate for \$100 at the end of one year. A \$150 certificate is issued for regular deposits of \$3 a week, and so on for any amount, stipulating only that payments must be in even dollars.

An increase in the "car shortage" in the country during the last month was indicated in a statement by the railroads' war board. On October 1, it was said, the excess of unfilled orders for freight cars from shippers was 70,380, compared with 34,605 on September 1. The actual number of cars and locomotives now in service on American railroads is only slightly more than last year.

5 1/2% Northwestern 6%
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Write for descriptive list of current offerings.

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Prompt and efficient service

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6% MONTANA FARM MORTGAGES

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Write for list of offerings

First Mortgage Loan Company of Montana

Capital \$500,000.00

REFERENCES

First National Bank, St. Paul, Minn.
First National Bank, Great Falls

American Bank & Trust Co., Great Falls
Commercial National Bank, Great Falls

GREAT FALLS, MONTANA

MONTANA OPPORTUNITIES GAIN ATTENTION

Great Falls—That much used expression of "back to the land" has a new eloquence after one has become acquainted with Montana agricultural possibilities, according to H. E. Perz, immigration agent of the Chicago Milwaukee and St. Paul Railway Company. Mr. Perz was in the city on business in connection with his department, and while here was in conference with George E. Hughes of the Hughes Loan & Land Company who handles the business for the Milwaukee in this section of the state.

"More and more attention is being paid to Montana agricultural land," said Mr. Perz, in discussing the subject. The unusually satisfactory prices which are being paid for everything produced on the farm prove alluring to those seeking investments or an opportunity to prosper by a little personal effort and enterprise and I am confident that the next few months will see a considerable increase in land seekers in this state. Next spring I forecast a very keen interest in your lands and whenever the lands are well settled the building of cities will not be a matter to worry about. Farms will furnish the incentive to the city builders."

BIRTHDAY ANNIVERSARY

Billings—Security Trust and Savings Bank has just celebrated its first birthday, announcing deposits in excess of \$600,000. W. E. Waldron is president; Harry F. Scott, vice president, and W. B. Vaughn, cashier.

ANACONDA COPPER INTENDS MANGANESE EXPERIMENTING

Butte—The proposed shipment to Pittsburgh of five carloads of "pink" manganese ore from the Emma mine indicates the intention of the Anaconda Copper Mining Company to follow the lead of the Davis-Daly Copper Company into the manganese industry. The Anaconda also has sent five tons of ore to the Washoe smelting works laboratory where experiments will be made.

The Butte labor situation, while it maintains a slow improvement, is yet somewhat distant from normal, the Anaconda company reporting approximately a 70 per cent. force at work, the Butte & Superior 60 per cent., the Elm Orlu 60 per cent., Davis-Daly 60 per cent., the North Butte 33 1-3 per cent. and the East Butte 60 per cent.

Despite the labor scarcity the East Buttes Pittsmont smelter for September made a record showing in the number of pounds of copper turned out, a showing contributed to somewhat by the ores of the Davis-Daly company, shipment of which was started to the Pittsmont when the reduction plants of the Anaconda were compelled to suspend the latter part of August.

The Anaconda company is making a practice of suspending mining operations in such properties as are short handed and concentrating its crews in order to provide full shifts for a number of the mines, this program resulting in an economy of operations as compared with the greatest possible tonnage. Advantage also was taken of the situation to start repair work in many mines where such was needed and had been delayed in the past in order not to interfere with the campaign to get out every pound of copper ore possible. Considerable development work, too, is planned, and the shaft of the East Colusa will be sunk. At the present time the following Anaconda mines are working with practically full crews: Mountain View, Original, Stewart, East Stewart, Pennsylvania, Grey Rock, Silver Bow, Leonard, Badger State, Pilot-Butte, Emma, Tropic, Nettle, Mountain Con, Anaconda and the West Colusa. The following have suspended mining operations: High Ore, Belmont, Neversweat, Bell, Diamond, Lexington, Alice, East Colusa, Tramway and the Berkeley.

The production of the Anaconda company is approximately 10,000 tons of ore daily, but the zinc tonnage has been reduced temporarily and a little more than 600 tons now are being lifted daily.

The North Butte is rushing the concreting of its new Granite Mountain shaft, the work progressing at three points and within three months the completion of the task is expected. Development work is being pushed above the 1,600-foot level, with the idea of opening the upper portions of the Sioux Chief vein, and in connection with this work around a carload of ore daily, about 50 tons, is being hoisted. Five hundred men are afforded employment, this number including the force engaged in concreting.

Davis-Daly at the Hibernia has opened 10 feet of manganese ore at a depth of 75 feet running as high as 44 per cent. manganese and carrying up to 19 ounces of silver. The lowest assay had in the course of 50 feet of drifting was eight ounces and the average is placed at 15 ounces. It is a question of whether the ore is worth more for its silver or its manganese. Recovery of both is impossible under present milling conditions. Drifting at the Mount Moriah shaft has shown an increased width of silver ore there of from five to nine feet. In the Lizzie claim, just east of the Colorado mine, a 10-foot vein has been opened showing five feet of zinc ore carrying 35.7 per cent. of the metal.

Crosscutting will start at the Butte-Zenith City property within the week. The cutting out of a station at the 1,500 level is about completed. Half a dozen veins will be cut on this level.

Tuolumne Copper has about completed the installation of its new compressing plant and the work of setting up an electrical hoisting plant is well under way. The east crosscut has shown up already a width of ore of more than

GREAT FALLS MONTANA'S MILLING CENTER

Second city of the state, population 38,000.

Nine lines of railroad center in Great Falls.

154,000 H. P. Hydroelectric plants.

Extensive local coal deposits make cheap fuel.

Home of large smelters—flour mills and packing plants.

The manufacturer and jobber desiring to reach Montana's trade to best advantage should investigate this city's superior facilities.

Unusual opportunities for investors.

Ask us to give you the facts. We welcome close comparison. In your inquiry also mention booklet "E".

GREAT FALLS COMMERCIAL CLUB

A. J. Breitenstein, Secretary

GREAT FALLS, MONTANA

Commercial National Bank

Great Falls, Montana

CAPITAL - - \$200,000.00

A bank thoroughly familiar with Montana conditions. We guarantee prompt and satisfactory attention to collections or other bank matters entrusted to us.

We Invite Correspondence

L. H. HAMILTON, President
L. H. BOOKER, Cashier

H. F. LEE, Vice President
E. R. FUNK, Asst. Cashier

Farm Mortgages for Sale

Made on improved farms in good agricultural districts in Montana and Wyoming. We are on the ground and make our own inspections and appraisals. We have invested our own money in all mortgages offered.

Send for our list

Bankers Loan & Mortgage Company

BILLINGS, MONTANA

Incorporated under the laws of Montana

Capital \$500,000.00

OFFICERS

T. A. SNIDOW, President
 FRANK O'MEARA, Vice President
 LEE N. GOODWIN, Secretary
 HERMAN J. WITT, Treasurer
 CLYDE McLEMORE, Ass't Treasurer

20 feet. Sinking is under way at the Colusa-Leonard shaft of the Tuolumne.

MONTANA WOOL CLIP IS SMALLER FOR 1917

Helena—Montana's 1917 wool clip is estimated at 16,000,000 pounds, 5,000,000 pounds less than last year, by E. A. Gray, general agent in Montana for the Chicago and Northwestern with headquarters here.

"The falling off is due in large part to the severe winter of 1916-17," he said, "with the lamb crop last spring cut in half."

LAND AT \$70 PER ACRE

Lewistown—Andrew J. Smith, of Kendall, has just purchased the E. J. Christie ranch near Lewistown, comprising 480 acres, for \$33,600 or \$70 an acre, and the property is considered a bargain at that comparatively high valuation.

RESERVES WILL GRAZE ALL STOCK POSSIBLE

Bozeman—R. E. Bodley, supervisor of the Gallatin Forest Reserve, has returned to Bozeman after an inspection trip of all the ranges in the reserve, this inspection being made in order to see if it is possible to allot more stock next year to these ranges. This inspection, Mr. Bodley says, is being made on all the national forest reserves, for the purpose of taking care of as many stock as possible during the war period. This will probably mean the allotment of many more stock on some of the ranges next year, but the allotment is so complete in the Gallatin grazing forest reserve that there will not be room for many more.

WYOMING OIL DEVELOPMENT RAPID

Cheyenne—Prospecting and development work in the Wyoming oil fields, according to western oil men, have far exceeded in the last three months the tremendous efforts now being made in Pennsylvania and Oklahoma to further increase the supply of crude oil and thus prevent a shortage of gasoline, which at this time, would very seriously embarrass the government in its war plans.

The Midwest Refining Company, a pioneer in Wyoming, has been, perhaps, more active than any of the other companies, principally because it was, so to speak, "on the ground floor." The Texas Company, the Roxanna Petroleum Company, and other independents, as well as the Ohio Oil Company, a Standard Oil subsidiary, have nevertheless engaged in extensive operations.

The well of the Producers Oil Company, the producing subsidiary of the Texas Company, which was brought in several weeks ago in the Big Muddy field, at the rate of 1,000 barrels a day, is now running, a telegram received in this city from Caspar states, at 2,500 barrels a day. Other big wells have recently been drilled by the Merritt Oil Corporation and the Ohio Oil Company, which are now said to be flowing at about 1,000 barrels a day.

The Northwestern Oil Company, late advices say, has

two rigs drilling in the Big Muddy field "offsetting" a big well of the Glenrock Petroleum Company, and the Merritt Company. One of these is expected in in the next few days. The Midwest Refining Company, which is drilling these wells, is also operating for the Merritt Company.

No information is available as to the results of the first drilling operations of the Roxanna company. About three months ago the Roxanna company sent a half dozen drilling outfits to its newly acquired properties in Wyoming and while it is believed that some good properties were proven, nothing definite has been forthcoming.

PRICE-MOFFETT CO.

BILLINGS, MONTANA

CAREFULLY NEGOTIATED FARM MORTGAGES.

FARM LAND BONDS SECURED

BY SELECT STOCK RANCHES

CORRESPONDENCE INVITED

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

Interest Paid on Time Deposits

DALY BANK & TRUST CO.

of BUTTE, Butte, Montana

(ESTABLISHED 1882) Capital and Surplus \$400,000.00

Charles J. Kelly, President C. C. Swinborne, R. 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

5% Interest paid on TIME DEPOSITS

Investors and others not wishing to tie up their idle or surplus funds in long-time securities will find our 5% certificates of deposit for six or twelve months an ideal investment.

AMERICAN BANK & TRUST Co.

Capital \$150,000

BILLINGS MONTANA

Thos. H. Snidow, President O. W. Allen, Cashier
 Wm. M. Spear, Vice President Jos. L. McClellan, Ass't Cashier

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

723 Plymouth Building
 MINNEAPOLIS, MINNESOTA

J. E. MARCELL

The Canadian Bank of Commerce

Paid-up Capital
\$15,000,000

HEAD OFFICE, TORONTO
Established 1867

Rest
\$13,500,000

SIR EDMUND WALKER, C. V. O., LL. D., D. C. L., President SIR JOHN AIRD, General Manager H. V. F. JONES, Assistant General Manager
V. C. BROWN, Superintendent of Central Western Branches, Winnipeg C. W. ROWLEY, Manager, Winnipeg Branch

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

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 TRADE INCREASES

Ottawa—For the first six months of the fiscal year ended September 30, the total trade of the Dominion was \$1,347,781,936, against \$1,148,859,412 in the previous fiscal year. In September Canada's trade was \$193,803,517, against \$161,767,951 in September, 1916.

For the six months period imports of goods free were \$250,836,205 and dutiable were \$299,089,013, a total of \$549,925,218, against \$390,965,243 in the previous year. Domestic goods to the value of \$767,091,657 were exported during the six months, against \$536,722,671 last year.

The total value of domestic manufactured goods exported for the six months was \$345,960,399, compared with \$190,823,240 last year. Agricultural products exported during the six months period were \$260,654,960, against \$206,141,326 last year. Domestic animal exports were valued at \$83,002,705, against \$53,382,886 last year.

CANADA TO REGULATE RAILROADS

The government will at once endeavor to put into force in Canada, a system on the railways of the Dominion which will make it compulsory for those companies to rush necessary commodities and to prevent congestion of traffic after the way it has been done in the United States. The Canadian railway officials will be asked to name a board whose duty will be to inaugurate a system whereby this can be done with the least inconvenience to the roads and yet accomplish the government's desires. The government will also ask the railways to make a standardization of rails so that steel companies will be better able to supply a standard rail which can be used on any road in Canada. By so doing there will be a much better chance of obtaining sufficient rails to keep the equipment of the roads in better running order.

CANADA, OUR NORTHERN NEIGHBOR

Chicago—Canada is the western hemisphere's country of the future—the English-speaking young man's country—the best place for investment of America's surplus wealth after our own vast industrial and transportation needs, to say nothing of our military needs, have been attended to.

Canada's industrial development after the war will be in the East and perhaps, too, in the Pacific West. The openings for our manufacturers in Canada from the head of the lakes to the seaboard and also in British Columbia, are numerous, so diversified and so attractive as to bewilder the imagination.

Deep in the War

It is impossible to discuss Canada after the war without considering Canada in the war—and she has been very much in it from the start. England and her Allies have every reason to be proud of Canada, and Canada of herself. Canada has the same place in the sun as before this war, but the sun shines more brightly upon her. The Canadian people thrill with a sense of nationhood for the first time. There never was any doubt of their loyalty to the Union Jack except in the Prussian mind. Their sacrifices in this war have been great indeed, but Canada

is ready to sacrifice all if necessary. No nation ever attained greatness until its ideals and institutions were cemented with the blood of its people.

There is a serious, almost grim expression on the Canadian countenance, except in Quebec, where the French-speaking population failed to realize fully their danger and their duty until the draft was forced on them. There are no greater, truer Canadians living than ex-Premier Laurier, leader of the opposition at Ottawa, and Sir Lomer Gouin, the Premier of Quebec, but they are held back by racial and religious ties.

Nowhere in Canada is there any lugubrious utterance, nowhere any frivolity, except in a few spots. Practically all Canada is dry except Quebec. Nothing could better illustrate the Canadian character than the sudden swing to prohibition as an economic measure of war times. The Canadians drank freely and their democratic natures abhor sumptuary legislation or legislative paternalism of any sort. But they swallow traditional prejudices and personal preferences over night when their conscience and common sense so dictate. They are not statute-mad, like the American people, and they respect their laws.

High Character of Citizenry

It is the high average character of the Canadian citizenship above all else that gives it today the best credit of all foreign countries in New York. Credit is based upon confidence and confidence upon character. There are other reasons, such as Canada's propinquity and racial sympathy, the similarity of our manners and methods, with the same speech, the same sort of money and measurements and weights. Our essential achievements and aspirations we must have in common. Indeed, Americans do not regard Canada as a foreign country.

Canada's banking law is excellent—for Canada and few other countries directly involved in the war escaped a banking moratorium three years ago.

There was a great deal of bitter feeling against the United States in Canada, because the Canadians felt that while they were fighting for us, as well as for themselves, at terrible sacrifice, we were wallowing in blood money and exacting usurious terms for credits. This notion was accentuated by sensational stories in some American publications having wide circulation in Canada, telling about the orgies of extravagance in New York, which has certainly been assuming her share of this country's war burden since we entered the war.

Financial Condition Sound

All Canadian bankers agree that Canada's financial condition is sound. She has been able to finance herself in this war and to help the Mother Country financially too. Canadians have learned to work harder and more ingeniously; to spend less, to save more. They are getting "as hard as nails" and religious. As C. W. Rowley, manager of the Canadian Bank of Commerce at Winnipeg,

BANK OF MONTREAL

Established 1817 Incorporated by Act of Parliament

Capital Paid up - - \$16,000,000	BOARD OF DIRECTORS SIR VINCENT MEREDITH, Bart., President Sir Charles Gordon, K. C. B. E., Vice President R. B. Angus, Esq. D. Forbes Angus, Esq. Lord Shaughnessy, K. C. V. O. Wm. McMaster, Esq. C. R. Hosmer, Esq. Maj. Herb't Molson, M. C. Col. Henry Cockshutt Harold Kennedy, Esq. J. H. Ashdown, Esq. H. W. Beauclerk, Esq. George B. Fraser, Esq.
Rest - - - - - 16,000,000	
Undivided Profits - 1,557,034	
Total Assets (April 1917) 386,806,887	

SIR FREDERICK WILLIAMS-TAYLOR
General Manager

THOSE DOING BUSINESS IN CANADA

will appreciate the exceptional facilities of the BANK OF MONTREAL for the satisfactory transaction of all Banking business in the dominion.

With branches in all important cities and towns throughout Canada, Collections are made at favorable rates.

Sterling Exchange and Cable Transfers Bought and Sold.

BANKERS IN MINNEAPOLIS Northwestern National Bank	BANKERS IN ST. PAUL First National Bank of St. Paul	CHICAGO BRANCH 108 S. LaSalle St.
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WINNIPEG BRANCH

says: "Our people are going to church again, and they go to pray."

Western Canada is in better position than eastern Canada in one respect, the western prosperity is agricultural, while the eastern prosperity is based directly upon munitions. Stories of sudden wealth in the prairie provinces are like tales of the Klondike Trail, and they are mostly true. The bucolic parvenue is a common type out there. The wealth of the Canadian West has increased greatly the past three years and it has changed hands. The town lot man who was rich on paper before the realty boom exploded is hard up now, while the farmer, who had nothing four years ago and had to get his seed wheat from the government, has paid for his farm, increased his land holdings legitimately, built a new home, put his family in furs, and has a big bank balance left.

Rural Blood Loss

But in human sacrifice the West is suffering now more relatively than the East. The West contributed relatively more men, Alberta more than eight per cent., and British Columbia nearly 12 per cent. of their entire population. One reason for this remarkable showing is that the West has so many people who were born in England and Scotland, and these scrambled into the service upon the first roll of the war drum.

The East has drawn upon its idle female population to take men's places in stores, offices and factories, whereas the women of the West, as always in a new rural area, have always worked hard. Now that they have their first taste of luxury and ease, they do not want to resume drudgery in its old forms, nor need they, but they have to work as hard as ever, more so in the fields. The entire country is better for having a higher standard of farm life as well as of farming. Canadian farmers are intelligent and

closely organized. Some of their legislation is rather populist but, as Land Commissioner Thompson, of the Hudson's Bay Company, says: "You can safely trust people on the soil to be good honest citizens."

Farm Labor Need Exigent

The labor problem in western Canada this year has been acute. Last year the soldiers worked on the farms and many Americans were imported. Now the soldiers are overseas and our own labor problem is much more serious than it was last year, but Canada got her usual quota of American farm hands and the crop was smaller. It is not to be expected that Canada will raise many freak crops like that of 1915, when the soil products of three prairie provinces had a market value greater than Canada's war debt up to that time. Think of \$500,000,000 to \$600,000,000 new wealth from the soil—field crops—distributed in one year among the 1,500,000 to 1,600,000 inhabitants of three prairie provinces. No large area ever before produced such large per capita wealth in one season.

The northern country, between Ontario and British Columbia, has greater resources than eastern Canada but they are largely beyond the present line of population density. Alberta has 1-18 of known coal deposits of the world. British Columbia mineral production last year was worth \$43,000,000, compared with around \$65,000,000 for Ontario, which has been exploited a great deal more. Some large American and international interests have turned their telescopes toward the far North of western Canada, and industrial development there may be nearer than now seems possible. R. Martens & Co., Inc., have expended their activities all over Canada. Through a shipping agency in Toronto and Montreal they sent several hundred thousand dollars worth of tractors from Canada to Russia

(Continued on Page 48)

WASHINGTON BANK DEPOSIT GUARANTY LAW

Olympia—It is announced by W. E. Hansen, state bank examiner, that there now are 41 banks and three branch banks, making a total of 44 banks, under the state bank deposit guaranty law. At the recent meeting the following banks were admitted to membership: Wheeler State Bank, Wheeler; Scandinavian American Bank, Seattle (branch at Ballard); Guardian Trust & Savings Bank, Seattle; Naches State Bank, Naches; State Bank of Conway.

In order to head off what is regarded as the worst evil which banks have to contend with—overdrafts—Bank Examiner Hanson has issued the following statement to all state banks:

"Chapter 156, session laws of 1915, provides that the drawer of checks against accounts that do not have sufficient funds to cover is guilty of larceny. In the opinion of the United State Supreme Court, the practice of officers of banks in permitting overdrafts is irregular and cannot be countenanced by a court of justice.

"A bank has no right to allow its depositors to overdraw and thus pay out upon their checks the moneys of other

depositors and stockholders. No vote could authorize the directors of banks to divide among themselves the capital stock or justify the officers to embezzle its funds. Therefore, a depositor should not be permitted to embezzle the

Send That Northwestern ^{B₁}/_L 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

Experienced bank man wishes to buy control of small country bank carrying cashiership; western Minnesota or Dakota; all correspondence confidential. Address "V66" Commercial West. (6-18)

General merchandise business in good town northeastern North Dakota for sale, or will trade for bank stock in Minnesota or North Dakota bank. Address "Z47" Commercial West. (5eow19)

BANK OUTFIT consisting of Burglar-proof Manganese Safe; Vault Doors, Safety Boxes, Adding Machine, and Typewriter; bought at "before the war" prices and never used; owing to changed plans have no use for same, and will discount for quick sale; will sell any part separately. Address "X68" Commercial West. (6-1f)

funds of a bank by overdrawing his account. An officer or employe permitting the same is aiding and abetting in the crime. The granting of accommodations in the form of overdrafts is objectionable and cannot be countenanced by this office."

WORK OF AN AGRICULTURAL DEPARTMENT

Portland—The agricultural department of the Live Stock State Bank has opened a new line of service to the farmers and stock growers of the Northwest. The free exchange bureau is now offered, which opens a medium through which the stockman is placed in touch with parties who want to purchase what livestock he wants to dispose of.

The advantage of this becomes apparent when it is seen that the bureau works through the banks of Oregon, Washington, Idaho and Montana, acting as a clearing house for the entire Pacific Northwest.

A card system is used and a list prepared at times throughout the year.

OREGON BANKS INTERESTED IN AGRICULTURAL WELFARE

That banks are now taking a more active interest in the agricultural welfare of their communities becomes evident on the increased number of notices that arrive almost daily.

The Bank of Commerce at Oregon City, under the direction of John R. Humphries, now appears in the new role of developing the dairy industry in that country. The bank has set aside \$11,000 for the purpose of purchasing 35 head of Guernsey cows, to be distributed to the farmers surrounding Oregon City. Professor Westover, of Corvallis, and J. T. Whaley have been secured to make a trip into the Guernsey center of Wisconsin. They will tour Waukesha county and sections of Ohio in quest of the best types of animals that can be secured.

Mr. Humphries is following the plan proposed by the Department of Agriculture, and is offering these animals at a special rate of six per cent. Farmers will draw by lot for their cow. The Clackamas County Guernsey Club, with Mr. Retchie as president, has already been organized for the purpose of taking over the animals.

In speaking of the plan with R. A. Blanchard, agriculturist for the Live Stock State Bank, Mr. Humphries said: "We heartily endorse the idea of the agricultural depart-

HELP WANTED

Wanted.—Young German Catholic for assistant cashier in country bank in southern Minnesota; good chance for advancement for the right man. Address "Y69" Commercial West. (6-18)

SITUATION WANTED

Position Wanted.—Young man with three years' banking experience wishes position in some bank doing bookkeeper and teller's work; nationality Norwegianian. Address "M59" Commercial West. (6-17)

Wanted.—Position as cashier or assistant cashier in Minnesota bank; five years' experience; employed at present; Scandinavian; can furnish best of references. Address "U65" Commercial West. (6-19)

Wanted.—A position as cashier of a country bank by a married man 31 years old; eight years' experience in banking; can furnish first class references; am now employed. Address "N60" Commercial West. (6-17)

Banker, American-Scandinavian descent, married, age 38, with 15 years of thorough executive experience, excellent record and reputation, desires active official position with city or country bank; will invest; competent to take full charge. Address "P61" Commercial West. (6tf)

Position Wanted.—Young man with three years' experience in bank wishes position as an assistant cashier and bookkeeper in some southern Minnesota or Montana town of about 1,000 population; can furnish bank references; Scandinavian. Address "T64" Commercial West. (6-18)

SITUATION WANTED

Wanted.—Cashiership in country bank by married man; German; age 29; city and country bank experience; A1 reference and can invest. Address "S63" Commercial West. (6-18)

Wanted.—Position as assistant cashier in a country bank; have had two years' experience in banking and insurance writing; best of reference. Address "W67" Commercial West. (6-19)

MUNICIPAL BONDS

BOND SALE

CITY OF MADDOCK, NORTH DAKOTA ELECTRIC LIGHT BONDS

Sealed bids will be received by the undersigned until November 5, 1917, for the sale of \$7,000 electric light bonds to be issued by this city; 5 per cent.; twenty years. Certified check for \$500 must accompany each bid.

E. A. NELSON, City Auditor,
Maddock, N. D.

UNFILLED STEEL TONNAGE IS LESS

New York—The unfilled tonnage of the United States Steel Corporation on June 30, 1917, was 11,383,287 tons, a decrease of 503,304 tons, compared with the figures for May 31, according to the monthly report, issued July 10.

Nicholson Brothers

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

TAILORS

FOR PARTICULAR PEOPLE

709 Nicollet Ave. MINNEAPOLIS,
Second Floor MINN.

ment of your institution. We believe that this form of endeavor means more real progress and up-building than one hundred years of advertising in the usual manner."

ASKS BANKERS TO MEET FARMERS OF STATE

Olympia—W. E. Hanson, state bank examiner, is sending out to all of the bankers in the state notices of the banker-farmer convention, to be held Friday and Saturday, November 9 and 10, at the Washington State College at Pullman. The gathering held last year proved to be a big success and Mr. Hanson is confident that by getting acquainted with one another and cooperating the bankers and farmers can solve many of the difficult problems that have arisen as a result of the war. He is convinced that great interest in the matter of increasing the food supply and helping out the stock industry can be developed by the two forces working together.

SHEEP SHIPMENTS SO HEAVY, YARDS INADEQUATE

Baker, Ore.—So many sheep have been brought to Baker during the last few days for shipment that it has been necessary to bed more than 3,000 head in nearby pastures at night until the local yards could be cleared.

H. H. Rogers, representing a Denver firm, received 10,000 lambs today. It is reported that 58 cars of beef stock left Enterprise for Seattle.

BANKERS URGED NOT TO LEND MONEY FOR OTHER THAN WAR PURPOSES

Washington—Frank A. Vanderlip, president of the National City Bank of New York and chairman of the treasury's war saving certificates committee, urged bankers in an address to advance money on loans only for necessities and for the production of material needed for the war.

"If a borrower," said Mr. Vanderlip, "wants money for a plant, the production of which will not be necessary to the war, for a theater, or anything that is not a part of our great purpose he ought not to be permitted to have it, no matter what security he offers."

Illinois Central directors have declared the regular quarterly dividend of 1½ per cent. and an extra dividend of one per cent, the latter for the year 1917. Both dividends are payable December 1 to stock of record November 5.



LEGAL TENDER
3000 YEARS B. C.

LIVE STOCK STATE BANK

LOCATED AT PORTLAND STOCK YARDS

NORTH PORTLAND, OREGON

Served by five trans-continental railroads and deep water to the sea

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

W. P. Dickey,
C. C. Colt,

President
Vice President

OFFICERS AND DIRECTORS
T. J. Mahoney, Cashier
Carleton B. Swift, Assistant Cashier

Elliott R. Corbett, Assistant Cashier
R. A. Blanchard, Agriculturist

REVIEW OF THE LIVE STOCK MARKETS

South St. Paul, Minn., October 24—Between an early winter, a shortage of cars, rumors of price fixing by the government and high feed costs the live stock industry is having its problems at the present time. From all appearances winter has practically set in in the Northwest. So far the weather has not been bad enough to hamper loading of live stock in the country, but the snow and wind and cold have been a kind to give stockmen a scare and cause them to speed up their marketing. This is being hampered some by a shortage of cars on most of the northwestern roads. The Great Northern, a heavy carrier of live stock from the western country, was forced this week to place an embargo on live stock from Minnesota and North Dakota until some standing orders for cars from Montana are taken care of.

No one knows definitely how much cattle there is back in the country yet to come. Reports made to the St. Paul Union Stockyards Company here are that there is a lot of stuff awaiting shipment, railroads being unable to take care of it as fast as offered them. In one way the car shortage has been a blessing, if there is any such amount of stock waiting cars as is reported. The markets have been well nigh glutted the past two weeks and if the supply of cattle had been much greater, there is no telling to what depth values would have descended. As it was they dipped to the low point of the year last week. The first three weeks of the month brought out 150,000 cattle here, 42,000 more than were received in the corresponding period last year, the biggest month heretofore in the local trade. Last week alone saw 55,000 cattle marketed here and prices declined 50 cents to \$1.

Marketing Slows Down

This week there has been a noticeable let-up in marketing all through the West, and prices have begun to react. Part of last week's loss has already been recovered and there is a strong, buoyant swing to the trade. A wide range rules on steers. Packers paid up to \$11.75 this week for some choice fat Montana stock while they were able to buy the rank and file of the native steers from \$9 down and some of the canner steers sold down to \$5. On the butcher cows and heifers native stock is selling largely at \$5.50 to \$6.50; a sprinkling of choice offerings up to \$7 but only western stuff is going above \$7 as a rule. One load of prime Montana cows sold at \$9. Cannors and cutters are going at \$4.50 to \$5.40; bulls at \$5.75 to \$6.75 mainly and veal calves from \$5 to \$14.

A strong healthy demand prevails for stockers and feeders. Weight is not so much of a requisite as quality. Heavy cattle still have the preference and quite a few deals have been made this week from \$9 up to \$10.75. Most of the light cattle are selling from \$5.50 to \$6.50. Stock heifers are in good demand but are selling comparatively cheap, mainly at \$6 and lower. Prices all around on stockers and feeders are working higher. Dairy cows are in good demand where they have quality.

Hog Market Still Weak

Hogs apparently have not reached the bottom yet as a further decline this week put everything down to \$15 and lower. Top hogs now are within a dime of being \$4 lower than the recent high time early in the month. A half dol-

lar spread is taking about everything here, the quality being pretty common. The sharp reduction in pig prices last week brought in a rush of orders from the country and prices have begun moving upward. Top pigs are now worth \$14 to \$14.40, but a lot of the stuff coming is a kind that sells from \$10 to \$12. Receipts of hogs are holding up well, the month of October thus far showing a decrease of only about 10,000 compared to last year.

The trend of the lamb market is all one way, downward, but the decline is slow. Prices declined 50 cents last week and another 25 cents today. Sheep are holding steady. Neither packer or country demand is very brisk and with liberal receipts the market is on a slow, weak basis.

CHICAGO

Chicago, October 24—Support which had been expected for hog values failed to develop at the opening of the week and prices sagged a little further. The week started out with liberal receipts and demand still lacking the punch to steady values after last week's record-breaking decline of \$2 and more. This market had around 120,000 hogs last week, a gain of 43,000 over the previous week but nearly 49,000 less than the corresponding week a year ago.

The cattle market reacted slightly at the opening of the week and actual price recovery was substantial. There was a much better feeling to the trade, however, and with a falling off in receipts throughout the West, the trade figured that the bottom had been reached in the decline. The loss last week amounted from 50 cents to \$1.50, steers of value at \$9 and downward showing a loss of 50 cents while other grades looked 75 cents to \$1 off. Fat cows and heifers were \$1 to \$1.50 lower; canners and cutters, 50 cents to \$1; bulls, 50 cents; veal calves, 50 cents down and the heavy calves about \$1. Stockers and feeders declined 25 to 50 cents during the week. Cattle receipts last week at 102,000, set a new week record at this market.

Weakness was evident in the sheep and lamb trade when the week opened and still further reductions are expected. Declines the past week have been about 25 to 40 cents on fat lambs and 25 to 50 cents on feeding stock. Fat sheep are about 25 to 40 cents lower than a week ago while the feeding and breeding sheep are unevenly lower and weak. Current quotations:

Hogs—Bulk, \$14.65@16.20; light, \$14.15@16.25; mixed, \$14.65@16.55; heavy, \$14.35@16.50; rough, \$14.35@14.55; pigs, \$10.25@13.75.

Cattle—Native steers, \$6.85@17; western steers, \$5.90@13.65; stockers and feeders, \$6@11.40; cows and heifers, \$4.75@11.75; calves, \$9@16.

Sheep—Wethers, \$8.80@12.75; lambs, \$12.50@17.75.

SIoux CITY

Sioux City, Iowa, October 24—Increasing runs and the unfavorable outside influences have been factors in depressing the hog market. Last week's sensational declines and additional loss this week lowered values around \$1.75. The run here last week approximated 55,000, double the supply of the previous week and of the corresponding week last year. The range is remarkably narrow, a spread of about 40 cents taking all grades of hogs. Cattle opened

(Continued on Page 44)

THE RECORD FOR 1916 Insurance in Force - - \$52,190,750.00
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 Review of the Markets Current Weekly Price Statistics Current Commercial News Forum
 Crop Reports and Estimates Cable Reports Miscellaneous Information Transportation
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GRAIN AND MILLING

Commercial West Office, October 24—Minneapolis flour mills are again operating on full time schedule. The government's order limiting output to 60 per cent. of capacity, after being in operation for 10 days, has been rescinded. The ruling was put into effect to permit eastern mills to obtain grain from the Northwest. Through the diversion of Canadian wheat and increased receipts of winter wheat, eastern mills now have a new source of supply, relieving the necessity of shipping grain to the East and permitting enough grain to remain in the Northwest to keep the mills running full time. All flour mill employes that have been laid off are being rapidly taken back into service.

Canadian wheat has been arriving in Winnipeg at the rate of 800 to 1,000 cars a day or faster than it can be exported. Canadian wheat now on the Great Lakes destined for export is being diverted to mills in the United States by reason of arrangements between the United States Food Administration and the Wheat Export Company, the British government agency.

A. C. Loring, president of the Pillsbury Flour Mills Company, says that the application of the wheat now on its way to American mill grinding will be followed by a continued supply, insuring a greatly increased amount of hard wheat available for milling in this country, and for supplying demand in the East throughout the winter months. It is now planned to replace the wheat from Canada during the crop year by exportation to the Allies of an equivalent amount of flour. It is a splendid thing for business in the Northwest to have flour exports instead of wheat exports, as it permits mills to operate freely and gives employment to the millers and to the fixed capital invested in the milling business. Prompt resumption of flour mill operation at full capacity is a fine thing for the Northwest.

Minneapolis Flour Output

According to the Northwestern Miller, the Minneapolis flour output last week decreased 195,895 barrels. In the week ended October 20, the mills made 289,355 barrels against 391,780 in 1916, 490,890 in 1915, and 299,990 in 1914. The removal of the rule limiting the output of Minneapolis mills should make the outturn this week much larger. The problem of the mills now is not the sale of flour, but of spreading what little supply there is over as broad a territory as possible.

Chicago Board of Trade Stops Speculation in Corn

Late yesterday the Chicago Board of Trade directors voted to stop all trading in November and December corn futures, limiting business to contracts already entered into. This ban on speculation was made necessary by the dearth of old corn. The ban will probably be lifted as soon as new corn comes on the market in big quantities.

France Needs 122,000,000 Bushels of Grain

For the 1918 campaign, France faces the problem of purchasing abroad and transporting about 122,000,000 bushels of wheat and other cereals. It is estimated that France will require 400,000 tons of shipping a month for the importation of supplies the country must get on the outside.

Winter Wheat Conditions

The condition of early sown winter wheat throughout Kansas, Oklahoma and the Panhandle region of Texas is good except in the vicinity of northwestern Oklahoma, where moisture is greatly needed. Some seeding of winter wheat is still going on in the Southwest, but the work is largely completed. There is no doubt but what there will be a substantial increase in the winter wheat acreage, taking the belt as a whole, but it is impossible at this writing to estimate how great the increase will be.

Winter Rye Acreage Increased

In the state of North Dakota there has been an increase of 100 per cent. in winter rye acreage. Taking the winter rye states as a whole, there is a substantial increase in acreage. It is asserted that the big increase in winter

rye acreage in North Dakota will decrease the spring wheat acreage next spring. Indications are, however, that North Dakota's spring wheat acreage will at least hold its own and the big problem will be how to get an increased yield per acre.

Corn Crop Made

In an interesting report on crop conditions, the American Steel & Wire Company, says:

"All reports indicate that the crop is now made and the frost damage was not as severe as was at first anticipated. Much of the damaged corn has been placed in silos and has in this way been saved for stock feeding purposes. The crop will at least be normal and it may turn out to be a bumper crop after all of it is harvested. This is chiefly due to the greatly-increased acreage planted this year.

"Great preparations are being made to increase the winter wheat acreage, but this activity is somewhat handicapped by weather conditions which in the East are too wet and in the Central West, as well as in western Oregon, too dry, making it impossible to thoroughly prepare the ground in a proper manner for high-priced seed.

"It is to be noted that the Kafir corn section of Oklahoma and Texas has been damaged by frost which may result in a loss of from 10 to 15 per cent. average.

"The livestock situation also merits comment. The farmers are getting panicky with fear that the government may so reduce prices as to make livestock feeding unprofitable. Hence live stock is being rushed to market in an unfit condition and stock is being sold that should remain on the farm. The government should adopt strong measures to check this panicky condition.

"The government is strenuously agitating the conservation of wheat by substitutes and lesser value grains for the same in preparing breadstuffs for the country, but reports persist in coming in that the wheat is being fed to hogs and livestock because it is cheaper to feed than corn. This malicious practice should at once be corrected at the source."

Flaxseed Advancing in Price

During the past week there has been an advance in flax prices of 15 cents a bushel. The low mark was reached October 15. Since that date the advancing movement has been steady. The increase in price has been due to a wave of short covering, helped out by the car shortage which will make the movement to terminals slow and prolonged. The demand for linseed oil has been quiet and as a result a cut of 10 cents a gallon in quotations was attempted in order to stimulate business. Crushers are buying seed moderately in anticipation of requirements.

Price Current Crop Report

According to the Price Current the winter wheat seeding in western Kansas and Oklahoma continues to be delayed by dry weather and western southern Texas is experiencing the worst drought in years. In other sections the early-sown is up to a good stand and in the Southwest is being pastured quite generally. With the possible exception of Nebraska the acreage reports indicate a heavy increase. Husking of new corn in the more northerly section has scarcely begun as husking prices are very high and labor scarce. In Illinois husking is not expected to become general until the middle of November and the movement of new corn will probably be slow in beginning.

SUCKING FARMERS' INITIATIVE

A. C. Townley declares that high farming in North Dakota has sucked the plant food from the soil to such an extent that the best the North Dakota farmer can do is to raise seven bushels of wheat to the acre. Perhaps, if the Socialist farmers represented by Townley were to pay more attention to the science of farming and less to the science of obstruction in government affairs, the soil of North Dakota might be weaned of its pernicious habit.—Seattle Post Intelligencer.

CHICAGO GRAIN MARKET LETTER

Chicago—Trading in November and December corn has been stopped by vote of the Board of Trade directors. Only contracts now in existence can be fulfilled.

It is the government's policy to increase food supplies in every way possible. We have raised the largest crop of corn ever grown. Now the thing is to turn this into live stock—hogs, cattle, sheep, poultry, etc., etc., and to do this successfully and to the fullest advantage and most economically, some control of the corn price is desirable. To this end the government is opposed to any speculative activity, therefore, anything in the way of wide fluctuations or rampant speculation is not permissible by the Exchange, because it would result in the closing of the corn pit, just as effectually as the wheat pit has been put out of existence. There is in our judgment no possibility of the maximum of \$1.28 fixed by the Board of Trade being removed or raised, therefore, moderate advances and moderate declines in price are all that can in reason be looked for. The corn pit hopes to continue in existence, but the trade now begins to realize that if speculation is to live, it must be controlled and kept within very reasonable bounds.

The government does not desire to eliminate speculation, but it will not permit anything to interfere with government control and in any way hamper the government's efforts to produce the greatest good for the greatest number.

The oat market continues to show nothing. It is fractionally higher or lower in sympathy with corn. The price for cash oats continues to rule even higher than the price for May delivery. This because the farmer continues slow to sell and the exporter is active buyer. From all directions reports of a tightening in the railroad car situation are coming and this tends to keep the movement smaller than it probably otherwise would be.

We anticipate much complaint this winter of inability to ship grain to market, because when winter weather conditions are upon us, the efficiency of the railroads will be correspondingly reduced and if the car situation be tight now, it will be that much worse later on. We do not expect much change in prices in the immediate future, except that the price of corn must suffer a sharp decline in changing from the present price for old corn to the readjusted price basis for new corn.—W. G. Press & Co.

FARMERS AND LIFE INSURANCE

Should farmers buy life insurance? This question was answered by M. B. Farr, Regina representative of the Monarch Life Insurance Company, Winnipeg, at the company's recent convention. "The agriculturist," he said, "depends largely upon climatic conditions, and his season's profit may disappear over night. Every farmer runs the danger of a bad year, and it is his duty to protect his dependants. This can only be done by life insurance. A life insurance policy not only creates an immediate estate, but may also serve as security for a loan just at a time when the farmer needs financial assistance.

Suppose a farmer should die with his farm and crop mortgaged; what then? His widow has to hire a man of experience and pay his wages, in addition to the interest on loan, etc., before getting anything for herself or children. Had the deceased carried adequate life insurance, the widow and children would have had a much better opportunity of deriving a decent living from the farm. I know of a case where a farmer had a \$2,000 20-payment life participating policy on which he had paid three years, but de-

cidied to drop it. To use his own words: 'I'll be — if I am going to buy any more automobiles or fat cigars for head office officials.' Eighteen months after, he slipped through the ice while fishing and was drowned. The wife, three children, and a \$700 mortgage survived him. The mortgage company commenced foreclosure proceedings, and then the silver lining to the dark cloud appeared. Our own agent, on being told by the widow that her deceased husband had taken out a policy but which had been dropped, asked if he had received any money back, and she said No. To make a long story short, our salesman got a cheque for this widow for approximately \$1,900, the policy being still in force under the automatic nonforfeiture condition. She paid off the mortgage and had \$1,200 left and a clear titled quarter-section.

There is no better argument for life insurance for farmers than this actual example. I have never yet heard of a valid reason why farmers should not buy life insurance.—The Monetary Times.

NEXT CROP REPORT

Washington—On Thursday, November 8, at 2:15 p. m., the Bureau of Crop Estimates, United States Department of Agriculture, will issue a crop summary which will give the following information: The production and quality of corn, buckwheat, potatoes, sweet potatoes, tobacco, flaxseed, apples, and pears; the percentage of the 1916 corn crop on farms November 1, 1917; the average weight per measured bushel of the wheat, oats, and barley crops of this year.

A general review of crop conditions on November 1 will be given, which will include the following items: The production, compared with a full crop, of clover seed, grain sorghum, field peas, grapes, cranberries, peanuts, almonds, and walnuts; average yield of sirup per acre of sorghum: condition on November 1, or at time of harvest of sugar cane, sugar beets, oranges, lemons, limes, grapefruit, and olives. No report on cotton will be issued in November.

REVIEW OF THE LIVE STOCK MARKETS

(Continued from Page 41)

the week on a steady basis after a dull, depressed market all last week during which values dropped to the low point of the season. The western ranges are rolling in stock at a rapid rate, hurrying to beat the bad weather which is already at hand in some of the plains country.

The greatest trouble the past week has been the marketing of too many cattle at a time when feeder trade was halting. Logically there should be a country demand at this time that would quickly absorb large supplies but there is no denying the fact that the country is somewhat timorous. Quality of beef offerings has not been good, around \$12 being about the best paid lately. Bulk of steers have been going at \$9.25 down. Many of the common steers have been cashing at \$7 and lower.

A weak undertone has ruled the sheep and lamb market with an additional decline noted the first of this week. Supplies have not been large yet the market has been slow with demand indifferent. Current quotations:

Hogs—Light, \$15.25@15.60; mixed and butchers, \$15.45@15.60; heavies, \$15.50@15.70; range, \$15.25@15.70; bulk, \$15.45@15.60.

Cattle—Steers \$5@11; cows and heifers, \$6@8.50; stockers and feeders, \$7@11.50; stock cows and heifers, \$5.50@5.70.

The Northern States Power Company will double track its power line to South St. Paul immediately at a cost of \$50,000, according to an announcement by P. T. Glidden, general manager. The new line will be entirely separate and routed over a different territory so as to minimize the chances for being put out of commission. Several suburban plants using the company's electricity have been forced to shut down a couple of times the past month owing to accidents to the single line. This trouble will be avoided, hereafter, when the new unit is completed, Mr. Glidden said.

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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):

	Oct. 20	Oct. 13	Oct. 21 1916	Oct. 23 1915
No. 1 hard	.....	.....	266	19
No. 1 northern	.....	.....	1,758	251
No. 2 northern	.....	.....	1,178	178
Other grades	.....	.....	4,103	425
Totals	458	359	7,305	873
In 1914	13,713	12,095	.....	.....
In 1913	13,835	13,019	.....	.....
In 1912	6,484	5,274	.....	.....

At Duluth

Duluth-Superior wheat stocks, October 20 (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.	.....	.....	.....	.....	.....	.....
1 nor, 2 nor.	290	3,405	591	334	242	1,406
2 dk. nor.	.....	.....	.....	.....	.....	.....
3 dk. nor.	.....	.....	.....	.....	.....	.....
3 nor.	27	473	33	55	82	45
All other spring	177	2,440	2,405	89	199	1,203
Mixed	.....	.....	.....	155	95	263
1 amb. dur.	.....	.....	.....	.....	.....	.....
2 amb. dur.	172	.....	.....	64	.....	.....
1 dur., 2 dur.	.....	.....	.....	.....	.....	.....
3 amb. dur.	.....	.....	.....	.....	.....	.....
3 dur.	40	.....	.....	42	.....	.....
All other durum	522	1,742	1,569	90	115	2,026
1, 2 dk. wnt.	.....	.....	.....	.....	.....	.....
1, 2 hd. wnt.	6	.....	.....	9	.....	.....
All other winter	52	1,706	144	7	80	80
White	48	.....	.....	.....	5	64
Totals	1,286	9,814	4,642	845	818	5,987

At Chicago

Wheat stocks in all positions in Chicago decreased 40,000 bushels last week, corn 45,000 bushels, oats 114,000 bushels and barley 8,000 bushels, while rye increased 16,000 bushels. Wheat in public elevators decreased 9,000 bushels and oats 220,000 bushels. Wheat in private elevators increased 123,000 bushels and oats 106,000 bushels, while corn decreased 45,000 bushels. Wheat stocks afloat decreased 154,000 bushels. Details follow:

	Public.	Private.	Total.	Last yr.
Wheat	44,000	267,000	311,000	6,342,000
Corn	.....	36,000	36,000	1,058,000
Oats	1,181,000	2,141,000	3,322,000	19,511,000
Rye	.....	140,000	140,000	129,000
Barley	92,000	37,000	129,000	128,000

CROP-YEAR RECEIPTS

Receipts of wheat in Minneapolis and Duluth from September 1, 1917, to October 20, 1917, were as follows, with comparisons, in bushels (000's omitted):

	1917.	1916.	1915.	1914.
Minneapolis	20,865	25,288	35,824	36,295
Duluth	6,532	8,505	33,351	25,762
Totals	27,397	33,793	69,175	62,057
Duluth, bonded	.....	420	1,703	803
Totals	.....	34,213	70,878	62,860

*Includes Canadian.

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
October 17	416	435	151	126	1,046	623
October 18	430	455	156	94	948	818
October 19	332	453	96	130	599	696
October 20	425	385	124	100	946	694
October 22	700	705	155	97	1,046	812
October 23	249	448	278	212	987	1,781
Totals	2,552	2,881	960	759	5,572	5,424

UNITED STATES VISIBLE GRAIN SUPPLY

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

	Oct. 20				
	Wheat	Corn	Oats	Rye	Barley
Baltimore	384	918	660	1,151	31
Boston	4	.....	431	3	.....
Buffalo	355	19	753	106	693
Chicago	311	36	3,322	140	129
Detroit	153	11	127	32	.....
Duluth	1,286	.....	205	872	1,229
Galveston	30	10	.....	40	85
Indianapolis	262	61	798	37	.....
Kansas City	631	46	1,093	53	.....
Milwaukee	19	10	525	47	72
Minneapolis	458	.....	1,710	322	655
New Orleans	49	66	1,435	.....	462
Newport News	.....	.....	446	.....	.....
New York	1,313	402	2,033	510	254
Omaha	318	53	886	27	40
Peoria	11	5	476	.....	.....
Philadelphia	626	7	421	28	1
St. Louis	210	4	812	71	2
Toledo	358	8	207	5	.....
Canals	36	.....	.....	.....	.....
Lakes	2,898	.....	.....	.....	240
Totals	9,712	1,656	16,340	3,451	3,893
October 13, 1917	9,596	1,551	15,323	2,734	4,754
October 21, 1916	60,228	3,870	43,180	1,812	2,397
October 23, 1915	20,613	3,975	15,269	1,150	3,476
October 24, 1914	62,149	3,074	32,016	1,940	5,033

Changes for the week: Increases—Wheat, 116,000 bushels; corn, 105,000; oats, 1,017,000; rye, 720,000. Decreases—Barley, 861,000 bushels.

Canadian Visible

Canadian visible supply of wheat increased 7,447,000 bushels last week and oats decreased 25,000 bushels. Last year wheat increased 497,000 bushels and oats 447,000 bushels. Details follow:

	This Wk.	Last Wk.	Yr. ago.
Wheat	14,572,000	7,125,000	16,814,000
Oats	3,496,000	3,521,000	12,862,000
Barley	1,077,000	787,000	1,770,000

WORLD'S GRAIN SHIPMENTS

World's shipments of wheat were mainly from North America. Details follow:

	This Wk.	Last Wk.	Last yr.
Wheat—			
America	5,204,000	4,881,000	4,580,000
India	120,000	190,000	1,712,000
Argentina	.....	195,000	1,792,000
Australia	680,000	720,000	2,088,000
Others	28,000	58,000	240,000
Total, bushels	6,032,000	6,044,000	10,412,000
Corn—			
America	286,000	630,000	285,000
Argentina	.....	43,000	3,299,000
Others	68,000	119,000	188,000
Total, bushels	354,000	792,000	3,772,000
Oats—			
America	3,482,000	4,145,000	2,817,000
Argentina	45,000	.....	1,550,000
Total, bushels	3,527,000	4,145,000	4,367,000

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:

	Oct. 20	Oct. 13	Oct. 21, 1916	Oct. 23, 1915
Minneapolis	289,355	485,250	391,780	490,890
Duluth-Superior	20,500	38,305	32,710	41,300
Milwaukee	7,500	13,000	4,000	23,000
Totals	317,355	536,555	428,490	555,190
Outside mills*	154,995	.....	164,355	.....
Aggregate spring	472,350	.....	592,845	.....
St. Louis	29,450	37,450	27,600	30,000
St. Louis†	44,700	40,400	46,700	51,100
Buffalo	63,700	61,500	119,200	164,700
Rochester	5,500	5,000	12,300	18,700
Chicago	22,750	24,250	23,500	22,000
Kansas City	76,900	70,600	63,200	61,800
Kansas City‡	243,560	242,445	242,745	200,465
Toledo	35,900	39,600	39,700	36,950
Toledo§	66,755	82,230	90,335	78,585
Nashville**	168,930	137,335	97,110	91,120
Portland, Ore.	28,635	28,325	.....	.....
Seattle	43,285	43,380	29,710	25,210
Tacoma	48,965	39,605	54,520	28,730

Flour output for week ending October 20 at all above points shows a decrease of 12 per cent. compared with week ending October 13.

*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.

NORTHWESTERN FLOUR OUTPUT—EXPORT

The attached tables show the flour output and foreign shipments and approximate consumption of wheat by mills of Minneapolis and Duluth; also by 66 "outside" mills with a daily capacity of 57,600 barrels, from January 1, 1917, to October 12, 1917, with comparisons, in barrels (000's omitted):

	Output		Exports	
	1917.	1916.	1917.	1916.
Minneapolis	12,785	14,675	839	1,114
Duluth-Superior	772	929	10	60
66 outside mills	7,935	8,360	81	117
Totals	21,492	23,964	930	1,291

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

	1917.	1916.
Minneapolis	57,532	66,038
Duluth-Superior	3,474	4,180
66 outside mills	35,708	37,620
Totals	96,714	107,838

FLAXSEED RECEIPTS AND SHIPMENTS

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

	Receipts			In store		
	1917.	1916.	1915.	1917.	1916.	1915.
Minneapolis	217	665	304	69	13	18
Duluth	84	171	35	312	847	213
Totals	301	836	339	381	860	231

Receipts and shipments of flaxseed at Minneapolis and Duluth, September 1, 1917, to October 20, 1917, were, in bushels (000's omitted):

	1917.	1916.	1917.	1916.
Minneapolis	797	1,705	52	161
Duluth	342	334	289	543
Totals	1,139	2,037	341	704

THE CHICAGO GRAIN MARKETS

Chicago, October 24—Trading in November and December corn has been stopped by decision of the Board of Trade directors. The announcement was made last night following a meeting of the committee which lasted several hours and had been adjourned from Monday. The members of the board were notified to cease trading in the two futures except to fulfill such contracts as are in existence. Public notice of the action of the directors was given out at the close of the meeting.

Narrow Market Expected

Operations in corn and oats futures are restricted and a narrow market is expected. Those in control of the leading exchanges throughout the country realize the perilousness of the situation and are said to be planning an appeal for the cooperation of the large speculators working on both sides of the market to reduce their operations, so that they will not advance or depress values to an extent that will result in drastic action. The exchanges can render good service to the general public, and when large stocks of corn are accumulated the market will be in a position to take care of itself. Food Administrator Hoover practically told a number of grain men from different parts of the country, who conferred with him in Washington that they were sitting on a keg of powder that might explode at any time when the bulls in corn and provisions become too enthusiastic and advance prices out of reason or the bears become too aggressive.

Speculation is Discredited

On the Chicago Board of Trade great caution is being demanded by President Griffin and his board of directors relative to speculation. There are no big men in grain. James A. Patten is working in the Evanston Hospital to perfect his physical condition. Arthur Cutten, who was the largest general speculator in grain, is giving his attention to agricultural pursuits. He is said to have grown a big crop of grain this year and will market it to show his loyalty to the United States Government and its allies. James Rankin is out of the markets and there are many other big people who gave grain speculation all their attention before the breaking out of the war who have stepped down and out, at least for the present.

Car Shortage Acute

The shortage of cars throughout the grain belts is an unfortunate affair at this particular time. There has been little wheat moved to points of distribution up to the present time, and the crop is a big one. The movement of oats has been on a large scale, but there are many millions of bushels available in the interior, and as much of this has been sold to leave the farms and go to points of distribution, there will again be great disappointment because of the lack of cars. On top of the big crop of wheat and oats is the bumper crop of corn. Just where the railway officials of the country are to secure enough cars with which to furnish the wants of manufacturers and others in the trade is an enigma.

New Equipment Needed

To make shipments of the various grains to the seaboard ports so that they may be sent abroad, there must be not only an increase in the number of cars, but there must also be an increase in the number of locomotives. On October 1 the excess of unfilled orders from shippers for freight cars, over and above all idle cars at different points, numbered 70,380, as compared with 77,682 in July, 33,776 in August, and 34,605 on September 1. The actual number of unfilled car orders on October 1 was 97,572, as compared with 97,854 for the same period last year. The difference in the excess of unfilled orders over the idle cars is accounted for by the fact that on September 30, 1916, 34,157 cars were idle, whereas on October 1, 1917, 24,192 were reported as being idle. On October 10 the railroads' war board had been in existence exactly six months and returns show that during that period the railroads of the United States have rendered upward of 15 per cent. more

service than they did during the same period of last year, with practically the same equipment.

Coarse Grains Irregular

Coarse grains were irregular last week, December corn showing a gain of $1\frac{1}{2}$ c, while May was $\frac{1}{8}$ c lower. Corn specialists expect an erratic market until there is a complete readjustment of value from the old to the new crop basis. This will take more than a month, as the trade sees it. There are many bullish factors developing which, under ordinary conditions, would have an influence on values, but for the present most traders regard them as having been discounted. It is the belief of most traders that sentiment is running the market for the present and operators in the main are working along the lines of least resistance and trying to line up with the ideas of the food administration and of the government officials.

Shorts Cover Corn

Heavy covering of short corn last week by eastern bears left the technical situation of the market weaker, as most operators saw it and resulted in liberal buying of bids. Sentiment is growing more bearish as the time for the movement of the new crop approaches. The general belief and mainstay of the bears is in the attitude of the government in favoring limited bull speculation and lower prices for feed. Corn prices for December showed the most strength. This created the belief among a number of traders that a break is due, on the theory that the technical situation is right for it. Those who watch the movement of new corn in the South are bearish and sell short, but have made little progress so far, having been run in on the bulges. Trade in December is decreasing and the disposition is to let it alone. May is so far removed that there is a possibility of getting a stock here, while December is easily affected by the light supplies, small receipts and weather conditions.

Traders Bearish on May

The grain trade is bearish on May, taking most of the pit element and many of the local professionals and some are taking \$1. The disposition is to trade almost exclusively in May, and to get out of December as fast as possible. There is little prospect of getting much corn here to deliver on December trades, while the May is a long way off, and is less liable to congestion. Summing up the corn situation, a close observer of conditions figures that there will be a saving of about 110,000,000 bushels in the amount consumed by hogs as compared with last year, 60,000,000 bushels through the ban on whisky, 100,000,000 bushels as the result of good fall pasturage and about an equal amount due to economies practiced as the result of high prices. This makes an aggregate saving of around 370,000,000 bushels, which, with a crop 600,000,000 bushels in excess of last year, makes a net change in the situation of nearly 1,000,000,000 bushels.

New Corn Plenty Assured

Bearish factors in corn are tersely summed up by a country observer as follows: "As compared with a year ago, we have 5,500,000 less hogs to feed, according to government figures, a saving of 110,000,000 bushels corn. The production of whisky is under ban, effecting a saving of 60,000,000 bushels. Last year a fall drought made corn feeding begin by the middle of August; this year fall pasture has been much better than usual, and this difference may easily represent 100,000,000 bushels decreased consumption. The natural farm economies due to current high prices can easily account for another saving of 100,000,000 bushels. In short, with a corn crop 600,000,000 bushels greater than last year, it is easy to see where the consumptive demand may be fully 370,000,000 bushels less than last year, a net change in the supply situation of nearly a billion bushels."

Receipts Are Light

Receipts here for the week were 615,000 bushels and shipments 306,000 bushels. Last year receipts were 923,000

bushels and shipments 1,291,000 bushels. Primary receipts and shipments were materially short of last year. Country offerings of new were generally small, although relatively high bids were made to arrive for near-by shipments. Old is expected to move more freely, however, as farmers show a disposition to accept present premiums as compared. That the food administration is determined to get lower prices for corn, largely for the purpose of stimulating feeding and breeding of live stock and also to keep wheat out of the feeding class, is the general belief of the grain trade. There was considerable talk that it is the purpose of the government to furnish cars in order to stimulate an early movement of new corn and to move some of the accumulated oats out of the country elevators. The theory is that it is aimed to get new corn into consumption in competition with old corn as quickly as possible. The Mexican government is said to be after 3,000,000 bushels and the recent sharp advance in Louisiana and Mississippi prices on buying credited to Texas may have been to fill such sales. Under normal conditions Mexico takes considerable white corn from the United States every year. Notice is being taken of the fact that prices bid for the better grades of new for shipment this year are much higher than the December price. This is one of the factors which is driving trade out of December delivery, with the poor car situation also an important item.

Small Acreage Hurt

About 8,000,000 acres or 6.5 per cent of the total acreage of the United States, was seriously damaged by frost up to October 1. Special reports to the Department of Agriculture showed that 85 per cent. of the North Dakota crop had been damaged, 54 per cent. in Minnesota, 47 per cent. in Wisconsin, 33 per cent. in Michigan, 10 per cent. in Iowa and Indiana, nine per cent. in Ohio and eight per cent. in Illinois. On October 1 about 62 per cent. of the total crop in the eleven leading states had matured with little or no damage, while 26.4 per cent. had not matured, but had suffered little or no damage. Taking the loss of 8,000,000 acres in corn owing to the frost, on the estimated yield per acre given in the October crop report, it would make the crop 3,000,000,000 bushels. This loss does not scare the bears, but encourages the bulls to believe that there will be little contract corn here for delivery in December.

Exporters Help Oats

Oats were aided by the spot demand here and liberal purchases at the seaboard for export, but the future market was a sluggish affair and declined fractionally. Despite the light country offerings, many traders are bearish and look for bulges to be short-lived. It was noticeable that eastern shorts who were the largest buyers at the close Saturday were active buyers at the last yesterday. A few of the big houses favor buying on sharp declines, December being the favorite.

Professionals Sell December

Selling of December by several of the largest professionals was said to be on the expectation that there may be an investigation on the part of the government to see whether there is a concentrated holding and the reason for it. The December-May spread widened. Bears expect that December will lag unless there is a lifting of the embargo on shipments to the seaboard, which will enlarge shipments and may have a bullish effect. For the week arrivals were 2,960,000 bushels, or 1,059,000 bushels in excess of shipments. Last year receipts were 4,759,000 bushels and shipments 2,005,000 bushels.

Large Receipts Expected

A great deal of selling by some of the largest houses made it difficult for those to watch the trading to tell where all the oats went to. There were half a dozen houses that had liberal selling orders, but the losses were small. There is talk of a freer movement from the country, and of a lighter export demand until prices have dropped somewhat lower. Reports from the country say farmers who have their corn cribs full of oats are beginning to move them to make room for corn. This is expected to enlarge the receipts within a week. Farmers generally are not disposed to sell freely. It is suggested

by conservative men in the trade that it would be well to sell while there is a good demand abroad as the trade is likely to turn to Canadian later, and as cars are scarce it may be difficult to get them for oats when the corn movement gets well under way.

Little was heard of seaboard bids late in the week, which were mainly on the basis of 6½c over Chicago December, track Newport News, but with No. 3 whites and standards in the sample market selling at 1¼@2c over December sellers could not be interested and no business was reported. Demand for cash was understood to have been largely for shippers who were covering old sales and it advanced premiums ¼@½c relative over December. Most of the No. 3 white oats brought 1¼c over December price, with sales ranging from 1½ to 2c over.

Wheat Scarcity Felt

Millers acutely felt the scarcity of wheat last week. Local arrivals for the week were 574,000 bushels and shipments 337,000 bushels. Last year receipts were 1,511,000 bushels and shipments 1,122,000 bushels. Primary receipts and shipments were heavily short of last year's. After allowing 450,000,000 bushels wheat for consumption, 90,000,000 bushels for seed and about 27,000,000 bushels already exported so far this season, B. Frank Howard estimates that there is 141,000,000 bushels left for export, during the next nine months, and for carry-over into the new crop.

Estimated bread and seed requirements of the United States this season are officially estimated by the Department of Agriculture at 582,000,000 bushels, or 78,000,000 bushels less than the preliminary returns on production. Consumption is about 10 per cent. below normal. The crops this year are about 109,000,000 bushels in excess of the average consumption of the 1909-13 period.

Surplus Is Shown

A world's available exportable surplus of around 750,000,000 bushels, or far in excess of the allied requirements, is indicated by Broomhall's summary. He estimates that North America holds around 400,000,000 bushels, Australia has 120,000,000 bushels and Argentina 144,000,000 bushels, and India could easily spare 86,000,000 bushels. It is not a question of wheat but of ocean tonnage. Australian grain may be shipped in sacks on Australian government steamers to the Canadian elevators at Vancouver, and probably transhipped to the allies. Australia has guaranteed to pay farmers there 75c per bushel for best quality wheat. The grain can be laid down in this country and Canada at a much lower price than the governments on this continent have guaranteed to pay their own farmers.

Seeding Checks Marketing

Farmers throughout the Southwest are still giving attention to farm work and consequently delaying the movement of wheat for the time being. Millers say that prospects are for an increased movement, producers being satisfied that the present price will be the highest one. While seeding has proceeded with a rush and the acreage is larger than normal, there has been some delay in this work in western Kansas because of the lack of moisture. Threshing is more general over both of the wheat belts of the country. The estimated acreage of winter wheat sown compared with the fall of 1916 is as follows: Ohio, 110; Indiana, 108; Illinois, 126; Missouri, 141; Iowa, 111; Nebraska, 97; Oklahoma, 108. The amount of wheat reported sown ranges from 40 per cent. in South Dakota to 68 per cent. in Missouri, 67 per cent. in Illinois, 57 per cent. in Ohio. Other states report less than 50 per cent. sown. Threshing of wheat is largely concluded. Amount of fall plowing compared with last year already completed is estimated as follows: Ohio, 88; Indiana, 76; Illinois, 69; Missouri, 87; Iowa, 62; Minnesota, 57; North Dakota, 54; South Dakota, 66; Oklahoma, 88.

The semi-annual meeting of the National Millers' Federation was held at the Blackstone Hotel on October 19. Over 100 millers and representatives from all over the country attended.

DECLINING RAILWAY PROSPERITY DENIED

(Continued from Page 31)

concluded in their own minds that the basis of railway credit is being weakened, must, in view of the figures presented in this article, look further afield for the cause of such declines. To be sure, labor unrest, always unusually obvious in any public service enterprise, and the constantly increasing operating expenses, in the face of legally fixed compensation for service, with an Interstate Commerce Commission obdurate in its denial of the appeal of the roads, have had a distinctly depressing influence on security-market values. A broader reason for this depression would seem to lie, first, in the naturally enforced readjustment of values to make them commensurate with the values of foreign government, industrial, public utility, municipal, state and United States Government securities which have flowed into the investment market during recent years and months in unprecedented volume; and, second, in the unfavorable comparison, which cannot but be obvious to all, between the scant percentage of earning power to invested capital in the case of railroads and the gigantic industrial corporations whose earning power has astounded even the most enterprising United States and whose future stability, as a result of the conservation of such earnings, presents an alluring picture to the mind of the market investor. The competition of foreign government secured obligations, selling today at better than an eight per cent. basis, of securities of industrial corporations earning today close to 100 per cent. and paying from 15 to 20 per cent., will not continue indefinitely.

Mitchell Predicts Railroad Securities Will Again be Favored by Investing Public

The day must return when foreign government securities will not be pressed for sale in this market, when industrial corporations, forced to compete in the world market, must be satisfied with more normal profit returns, when taxes will not present to the investor of large means the necessity for the purchase of tax-exempt securities, and when railroads, enfranchised for a paramount public necessity and protected by proper legal regulation, must again re-establish themselves in the favor of the investing public. In the meantime, it is not clear that the cramping regulation of rates will do more, generally speaking, than to force the railroads to curtail a more efficient service to the public and deprive stockholders of returns on their investment commensurate with their returns on investments on other lines to the end that surplus moneys may flow back into necessary improvements, betterments, and extensions, which should more properly be provided for by new capital attracted by the promise of adequate return.

Pessimism in the railroad situation today should properly be a pessimism based on the thought that under existing restrictive conditions the public and the great commerce of these United States cannot be afforded the transportation facilities of the prime character expected of American enterprise.

CANADA, OUR NORTHERN NEIGHBOR

(Continued from Page 39)

last year, and its president, Lord Rhondda, has extensive holdings in coal, iron and ore land in the new Peace River country of western Canada.

Agriculture Trade Base

Trade is founded upon agriculture. To give an idea of what is being done with new agricultural wealth in Canada, the Canadian Pacific and the Hudson Bay Company last year sold in western Canada \$9,000,000 worth of land, practically all to residents, in small parcels at an average price of \$16 to \$17 per acre. The Canadian Pacific has 7,000,000 acres, not including its post lands in the far North.

Expert opinion on the subject of immigration after war is as mixed in Canada as in the United States. One of Canada's big problems will be the care of returned soldiers. Elaborate plans are being made by the Dominion and Imperial governments and by the Canadian Pacific and other large Canadian interests. Soldiers do not take kindly to

the soil but some unusually attractive inducements will be made to them in Canada. J. Bruce Walker, Commissioner of Immigration at Winnipeg, says many others will follow the returned soldiers into the newer sections. Not much immigration from Europe is expected—none, of course, from the Central Powers but Canada will get the cream of it because England's policy is to keep her human resources within the Empire, and the element of comradeship established by Canadian soldiers will not be a negligible factor with either the English or American boys, the Tommies and Sammies. Canada looks to the United States for her new men as well as her new money in large numbers and amounts. It is surprising how many young American farmers are moving in now, about 100 a month into the Calgary district of Alberta alone the past two years. Fear of taxation is a deterrent. There is no war tax on the land and there is not likely to be, but Canada is on the way to a general income tax.

Local Administration Improved

One important benefit of the war has been that governmental affairs, municipal and provincial, are administered more scientifically than before, which means more economically and more efficiently. There are few financial soft spots in the three prairie provinces, and the outside world will not hear about them because the bankers and provincial authorities will take care of all emergencies.

The realty boom was just such an obsession as possesses all communities, old or young, in some form or another at intervals; only Canadians had an even better foundation for their speculative excess than they realized. They overplayed the realty end of their resources and opportunities and neglected the industrial end.

Industrial emigration from this country to Canada after the war will be better for her because thus she will become more self-sustained commercially and better balanced politically. War so dominates all physical and mental activities that no concrete plans have been developed far with respect to manufacturing, mining or farming after the war, but the right preliminary steps have been taken.

Inventory of Humans

Canada is taking a careful inventory of her manhood and womanhood as well as of her natural resources; mobilizing, coordinating, solidifying.

This scheme was launched by Col. J. S. Dennis, assistant to Baron Shaughnessy, president of the C. P. R., who recently "loaned" Colonel Dennis to the British government to take charge of recruiting in the western states, with headquarters in Chicago. The American end of the C. P. R. publicity campaign for Canada has been in charge of Herbert Vanderhoof, of Chicago.

Vanderhoof Explains

Mr. Vanderhoof says: "Canada's present prosperity, much greater than before the war, with business better than usual, is due to her sane and firm handling of the situation. Excess of her export trade over her import trade and enormous increase in her bank deposits are not fortuitous. Canada has not found war profitable, but her part in the war compelled her to make better use of what she had. Our problem is simpler because we have Canada's experience as a guide. The whole problem resolves itself into one of increased production, stimulation of sane, steady buying, and elimination of waste.

"Thrifty in Canada has proven, as it did in France long before the war, that it is possible for the wise family to live better on a small income than the foolish family on a large one, and the whole nation is more prosperous.

"It took Canada six months to adjust her food problem. When her wheat crop was threatened in the early part of the season, the farmers said: 'We may lose our wheat. Let us plant barley, which matures quickly and makes as good bread as rye.'

"The wheat crop did not fail, but the Canadian spirit was equal to any emergency. Canada did not fear business depression, and keeping her head, she did not have to face it.

"There is no reason why the people of the United States should suffer hunger or depression unless their own fear brings it upon them."—The Rosenbaum Review.

GOVERNMENT PLANS LOWER TWINE PRICE

Washington—The price of binding twine is to come down. A conference of representatives of the state prison manufacturing twine, the cordage companies and the rope manufacturing companies with Henry Wolfer, special representative of the food administration in charge of sisal importations and prices, resulted in the appointment of two committees to fix prices on twine and rope.

Ralph W. Wheelock of the Minnesota board of control, who represented the Minnesota state penitentiary, said the Reguladora of Yucatan has indicated that it will be willing to reduce the price of twine because the United States can withhold from Mexico some of the food supplies needed there. This will result in a reduction of the price of twine.

Two committees were appointed, one which will fix the price of twine and cord and the other the price of rope. Mr. Wolfer is chairman of both committees as the representative of the food administration.

RAILROAD WORKERS SEEK BIG WAGE RAISE

Ottawa, Ont.—Representatives of 200,000 organized railroad workers in the northeastern part of the United States and eastern Canada decided here to recommend to their unions that they demand from their employers wage increases of not less than 20 per cent.

The workers involved are trainmen, conductors, baggage-men, brakemen and yardmen.

The vote in favor of the demand for increased pay was unanimous on the part of 104 chairmen of Brotherhood of Railroad Trainmen and the Order of Railway Conductors, who have been in session here for three days.

The question will be submitted to a referendum of the members of the brotherhoods, and if their vote is affirmative, negotiations with the railroad companies will be begun.

If the increases are granted millions of dollars will be added to the annual payrolls of about fifty companies which are involved.

CLOSING OATS AND CORN FUTURES

December Oats						
	Oct. 18	Oct. 19	Oct. 20	Oct. 22	Oct. 23	Oct. 24
Minneapolis	.58	.57 1/2	.57 1/2	.58	.57 1/2	.58
Chicago	.58 1/2	.58 1/2	.59 1/2	.58 1/2	.58 1/2	.58 1/2

May Oats						
	Oct. 18	Oct. 19	Oct. 20	Oct. 22	Oct. 23	Oct. 24
Minneapolis	.59 1/2	.59 1/2	.59 1/2	.59 1/2	.59 1/2	.59 1/2
Chicago	.60 1/2	.60 1/2	.59 1/2	.60 1/2	.59 1/2	.60 1/2

Chicago Corn						
	Oct. 18	Oct. 19	Oct. 20	Oct. 22	Oct. 23	Oct. 24
December	1.15 1/2	1.15 1/2	1.14 1/2	1.16 1/2	1.15 1/2	1.16 1/2
May	1.11 1/2	1.10 1/2	1.09 1/2	1.10 1/2	1.10 1/2	1.11 1/2

Minneapolis Cash Standard Oats						
	Oct. 18	Oct. 19	Oct. 20	Oct. 22	Oct. 23	Oct. 24
October 18	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2
October 19	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2
October 20	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2
October 22	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2
October 23	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2
October 24	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2	.58 1/2

Duluth Cash Oats						
	Oct. 18	Oct. 19	Oct. 20	Oct. 22	Oct. 23	Oct. 24
Duluth	.57 1/2	.57 1/2	.56 1/2	.54 1/2	.57 1/2	.57 1/2

WHEAT RECEIPTS—CARS

	Minneapolis		Duluth		Chicago		Winnipeg	
	1917	ago	1917	ago	1917	ago	1917	ago
October 18	430	455	156	94	27	153	948	623
October 19	332	453	98	100	72	74	599	818
October 20	423	385	124	100	65	61	946	696
October 22	700	705	155	97	15	98	1046	694
October 23	249	448	278	212	130	241	987	804
October 24	526	459	164	110	83	79	840	977

MINNEAPOLIS DAILY RECEIPTS OF COARSE GRAIN

	Oats	Barley	Rye	Corn	Flax
	Cars.	Cars.	Cars.	Cars.	Cars.
October 18	77	99	49	5	32
October 19	65	88	44	2	24
October 20	67	92	46	2	28
October 22	172	207	63	4	58
October 23	80	86	28	1	27
October 24	24	100	66	1	31

DULUTH DAILY RECEIPTS OF COARSE GRAIN

	Oats	Barley	Rye	Flax	Year ago
	Cars.	Cars.	Cars.	Cars.	
October 18	1	25	19	20	25
October 19	1	15	7	9	76
October 20	4	3	13	5	57
October 22	3	5	11	17	54
October 23	4	51	15	23	118
October 24	3	12	8	10	78

CLOSING FLAX PRICES

	Oct. 18	Oct. 19	Oct. 20	Oct. 22	Oct. 23	Oct. 24
Minneapolis cash	3.14 1/2	3.14	3.12	3.14	3.17 1/2	3.23
Duluth cash	3.11 1/2	3.11 1/2	3.09 1/2	3.12	3.16 1/2	3.22 1/2
October	3.09 1/2	3.09 1/2	3.08 1/2	3.11	3.15 1/2	3.21 1/2
November	3.09 1/2	3.09	3.08	3.11	3.14 1/2	3.20
December	3.03 1/2	3.03	3.03	3.06 1/2	3.09 1/2	3.15

CLOSING OATS PRICES

Daily Closing Prices of No. 3 White Oats in Minneapolis

October 18	.58	@ .59 1/2
October 19	.57 1/2	@ .59 1/2
October 20	.57 1/2	@ .59 1/2
October 22	.58	@ .59 1/2
October 23	.57 1/2	@ .59 1/2
October 24	.58	@ .59 1/2

CLOSING RYE PRICES

No. 2 Rye in Minneapolis

October 18	1.80	@ 1.81
October 19	1.81	@ 1.82
October 20	1.80 1/2	@ 1.81 1/2
October 22	1.79	@ 1.80
October 23	1.78 1/2	@ 1.79 1/2
October 24	1.77 1/2	@ 1.78 1/2

CHICAGO COARSE GRAIN

October 20.—Corn, No. 2 yellow, \$1.98; No. 3 yellow, nominal; No. 4 yellow, nominal.
 Oats, No. 3 white, 60 @ 60 1/2 c; standard, 60 1/2 @ 60 1/2 c.
 October 22.—Corn, No. 2 yellow, \$1.99 @ 2; No. 3 yellow, \$1.98 @ 1.99; No. 4 yellow, nominal.
 Oats, No. 3 white, 60 @ 60 1/2 c; standard, 60 1/2 @ 61 c.
 October 24.—Corn, No. 2 yellow, \$2.04 @ 2.05 1/2; No. 3 yellow, \$2.03 @ 2.05; No. 4 yellow, nominal.
 Oats, No. 3 white, 60 1/2 @ 61 c; standard, 61 @ 61 1/2 c.



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Has world's largest, finest lounge car. Special compartment for women.



TELEPHONE CONSTRUCTION

MINNESOTA

Elk River.—The Meadow Vale Telephone Company has commenced the rebuilding of its line.

Backus.—An ordinance has been passed authorizing the Backus Rural Telephone Company to place, construct, erect and maintain poles in the village.

WISCONSIN

Glenwood.—General Manager Peterson of the West Wisconsin Telephone Company and crew have installed a metallic circuit in the country south of here.

SOUTH DAKOTA

Astoria.—The Deuel County Telephone Company will build a brick central office in the same block as the Astoria State Bank.

Zeal.—Articles of incorporation have been filed for the Pioneer Independent Telephone Company with a capital of \$15,000. Incorporators are G. W. Shepard, R. H. Dingdol and Bynn Thomas.

IOWA

Beaver.—The Boone County Telephone Company has been

working on a number of changes in their line, in and near Beaver.

Rockford.—Manager Baltzer of the local telephone exchange has been busy installing a new cable to replace the old one, which was too small.

Elkader.—November 12th a special election will be held to vote on the proposition of granting a franchise to the Standard Telephone Company of Waukon, the right to construct, maintain, and operate a telephone system in Elkader.

MONTANA

Grass Range.—J. O. Burt has been voted a franchise for the construction of a telephone line here. Work will commence at once.

Dillon.—The toll line of the Southern Montana Telephone Company is being improved by the rewiring and resetting of new poles in the vicinity of Mill Point and Bannack.

NEBRASKA

Alliance.—The Nebraska Telephone Company will extend the metallic circuit to Hoffland, Antioch, Lakeside and Ellsworth.

FARM LAND TRANSFERS

MINNESOTA

Pope County.—J. M. Totton to J. B. Wall, w $\frac{1}{2}$ se $\frac{1}{4}$ 34-124-36, \$4,800.

Renville County.—George B. Marsh to Eugene I. Dodge, ne $\frac{1}{4}$ 33-115-32, \$16,000.

Pipestone County.—J. S. Menning to A. D. Chisholm et al, ne $\frac{1}{4}$ 24-105-44, \$16,000.

Martin County.—Albert Bettin to W. D. Rust, ne $\frac{1}{4}$ Sec. 28, Lake Fremont, \$21,400.

Stevens County.—Kasper Fuchs to John M. Fuchs, se $\frac{1}{4}$ se $\frac{1}{4}$ 34-126-30, Holding, \$2,400.

Rice County.—Herman Schmidtke to Emil Bremer, n $\frac{1}{2}$ of nw $\frac{1}{4}$ Sec. 7, Morristown, \$10,000.

Lac qui Parle County.—Axel G. Carlson to Gjorand K. Nelson, e $\frac{1}{2}$ sw $\frac{1}{4}$ 27-116-43, \$7,000.

Washington County.—Scandia State Bank to Frank L. Lofgren, e $\frac{1}{2}$ ne $\frac{1}{2}$ 20-31-20, \$2,900.

Swift County.—Samuel Dahlberg to Peter Larson, se $\frac{1}{4}$ nw $\frac{1}{4}$ of Sec. 26, Pillsbury, \$2,015.

Anoka County.—Adolph W. Ohman to John Stone, sw $\frac{1}{4}$ nw $\frac{1}{4}$ and nw $\frac{1}{4}$ nw $\frac{1}{4}$ 29-34-22, \$2,700.

Mower County.—A. L. Dennstedt to C. W. Bedford, s $\frac{1}{2}$ sw $\frac{1}{4}$ and s $\frac{1}{2}$ n $\frac{1}{2}$ sw $\frac{1}{4}$ 4-101-15, \$13,800.

Steele County.—J. W. Wilker to Minea Krippner, sw 35 acres in sw $\frac{1}{4}$ Sec. 30, Owatonna, \$4,000.

Kandiyohi County.—Jos. O. Estrem to Martin Anderson, ne $\frac{1}{4}$ ne $\frac{1}{4}$ se $\frac{1}{4}$ Sec. 2, Whitefish, \$20,680.

Meeker County.—L. O. Westman to Alfred Nelson, ne $\frac{1}{4}$ Sec. 20 and w $\frac{1}{2}$ ne $\frac{1}{4}$ Sec. 21, Darwin, \$26,000.

Winona County.—D. G. Jenkins to Fred O. Jenkins, 80 acres in Fremont and 80 acres in Utica, \$16,000.

Lyon County.—Frank L. Woodruff to Joseph C. Woodruff, und. $\frac{1}{2}$ Int. nw $\frac{1}{4}$ and n $\frac{1}{2}$ sw $\frac{1}{4}$ 14-112-40, \$6,350.

Polk County.—D. D. Layton to J. M. Halderson, s $\frac{1}{2}$ Sec. 9 and ne $\frac{1}{4}$ ne $\frac{1}{4}$ and nw $\frac{1}{4}$ nw $\frac{1}{4}$ 16-148-47, \$24,000.

Waseca County.—Henrietta Kaiser to Henry W. Kaiser, se $\frac{1}{4}$ of se $\frac{1}{4}$ of Sec. 28 and sw $\frac{1}{4}$ of Sec. 29, Vivian, \$10,000.

WISCONSIN

Dane County.—Rudolph Wild to Fred Wild, 320 acres, Montrose, \$32,000.

Polk County.—Jens H. Jensen to H. L. Biermann, w $\frac{1}{2}$ sw $\frac{1}{4}$ 26-36-18, \$3,000.

St. Croix County.—John Jacobson to John C. Jacobson, e $\frac{1}{2}$ sw $\frac{1}{4}$ Sec. 1, Eau Galle, \$5,000.

Walworth County.—Herman Dopke to Charles Dopke, part ne $\frac{1}{4}$ Sec. 30, Geneva, \$13,557.50.

Jefferson County.—Frederick Banneck to August Naatz, e $\frac{1}{2}$ se $\frac{1}{4}$ Sec. 7, Concord, \$10,000.

Sheboygan County.—Anton Goebing to Levi Hauert, 70 acres ne $\frac{1}{4}$ Section 3, Sherman, \$10,000.

Rock County.—Erick Smithback Estate sold their 80-acre farm in the Town of Christiana to Braaton Bros. for \$12,000.

NORTH DAKOTA

Cass County.—Wm. W. King to Chris Erickson, ne $\frac{1}{4}$ 18-139-55, \$7,200.

Nelson County.—Ole H. Reiten to Ole Hildre, nw $\frac{1}{4}$ 30-152-57, 151 acres, \$5,285.

Hettinger County.—C. A. Albrecht to Mathias Lisher, nw $\frac{1}{4}$ 27-136-36, \$5,000.

Stutsman County.—Foss Investment Company to D. L. Ellis, nw $\frac{1}{4}$ 8-142-64, \$7,200.

CROP GAIN \$8,500,000,000

Baltimore.—The Manufacturers' Record of last week, in giving in detail the total value of agricultural products of this year and a number of preceding years, shows that the total of all farm products for 1917 for the United States will amount to about \$21,600,000,000, an increase of more than \$8,500,000,000 over 1916. As compared with a total value of 1915 there is a gain of \$10,800,000,000.

The total production of grain in 1917 shows a gain over 1916 of 1,051,000,000 bushels. While the production of grains increased by 21 per cent. over the output of last year, the value of the crops, as paid to the farmers,

based on the Government's figures of October 1, shows an increase of \$4,206,000,000, or 98 per cent.

The increase of 1,000,000,000 bushels of grain this year over last year's yield is in part offset by a decrease this year in the hay yield of 18,000,000 tons, which almost offsets one-half of the increase in grain and must be taken into account in considering the supply of foodstuffs.

In nine months ended September 30 Lackawanna Steel earned \$52.12 a share on \$35,096,500 common stock, as compared with \$24.11 a share earned on \$34,750,000 common stock in corresponding period of 1916.

Asks South to Help Curb War Taxation

New York—Fred I. Kent, vice president of the Bankers Trust Company, appealed to the South in his address at the cotton conference of the Southern Commercial Congress to use its power over its representatives in Congress to check destructive taxation and financial legislation, which he held to be responsible for impeding the response to a second Liberty loan.

"Should any Liberty loan fail," he said, "taxes built on false principles will be responsible, and we may look for a prolongation of the war with all its horrors."

Mr. Kent asserted the business men of the country were ready to bear their full share of the burden of carrying on the war, but that they were greatly concerned whether sufficient income was going to be left to American industry to earn an income for stockholders. He continued:

"The Liberty loan, and our very success in the war, are in jeopardy today because of Federal taxes, which have been made law, that have so shocked those in this country responsible to millions of stockholders and bondholders that they are at actual loss to know how to proceed, and are positively unable to determine what amount can be safely invested in Liberty bonds and still leave a sufficient margin to pay their Federal taxes, without having to over-borrow, or be forced into bankruptcy. Because their hearts are right, the will is there to do their part, but great accomplishment requires inspiration as well as will, and inspiration is being killed.

Excess Profits Tax a Burden

"We have a so-called excess profits tax that is not a tax on excess profits at all but is merely a further burden on all incomes, whether they have increased or decreased since the war started. Then there is an undistributed surplus tax that menaces conservative financing, and that will have a tendency to curtail development in the future.

"We have a tax on trades, business, occupations, and salaries that entirely ignores the value to the community of the industrious and that does not properly differentiate between dead and living income, that is, income from securities held and income produced by the individual through labor of brain and body."

Mr. Kent said that only a failure on the part of government could result in a poor response to the Liberty loans. He said:

"We are told that, if the Liberty loans are a failure, it may be necessary for the government to conscript the credit that has been built up in our nation, that has been the foundation of our great industries, and the basis of the success of our people. If a government cannot so conduct itself that such conscription is not necessary, that government is a failure."

Mr. Kent asserted that the government could gain nothing by such a course for the reason that, if conscription had to be resorted to, the policy which made conscription necessary would previously have rendered stocks and bonds valueless. He continued:

"We recognize today that a single purpose prevails among all our people, and, in the light of that belief, we ask you of the South to come to the aid of our country in the ways that you only at the moment have power to do. We ask that you demand of those of your Representatives in Congress, who, through ignorance or in the fancied belief that they were carrying out your wishes, have stood for the passage of ill-advised tax legislation, that they return to Congress in December and correct those things which have caused men of affairs throughout the length and breadth of this country to stop and wonder if their power to help our Government in its great emergency has been taken from them.

South Has Balance of Power

"If you do this the South will have accomplished a great thing toward bringing our whole people together and making possible prosperity after the war is over. You can do this, you men of the South, because today you hold the balance of power in the legislative halls. In so far as legislation can control, the responsibility is yours. Every

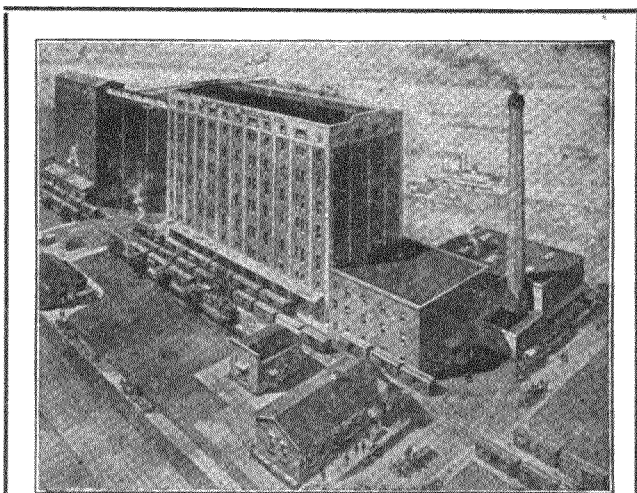
part of this country, North, South, East and West, will give gladly of men, money, and energy to help win the war, but the means of making such men, money, and energy available, for the greatest power and greatest good, lies today with the Southern people.

"With suffering and death facing the young men of our nation, events have so shaped themselves that the responsibility for their protection has fallen largely upon the South. The representatives of the Southern people in the Congress of our country have such firm control that the success or failure of the great institutions of our nation is today within their hands. We of the North are not concerned that this should be so, if the real men of the South—those who have our country's good at heart and those broad enough to see that no section of this country can prosper at the expense of any other section—are in control. On the other hand, if the narrow, sectional politician, who unfortunately exists in every community, is allowed to feel that he can carry out his ideas of destruction, we will descend to the autocracy of the mob.

Politics Divides the North

"The men of the North who would have good government in their city, state, and country, are divided by the politician into two principal parties, so that the balance of power is held by those who can often be bought by the false promises of the demagogue. You in the South have one dominant political party, so strong that if the great mass of your liberty-loving, broad-minded people demand that of your legislators which you know to be right, the South can take a part in stopping this world's catastrophe far beyond your wildest dreams.

"Today our President and his advisers are striving to the limit of their ability to fit our country to take a proper part in subduing an evil thing which has hold of a great nation, and which, if allowed to succeed, will destroy all nations, and yet some of those who should be counted upon to help most are committing sabotage and jeopardizing the success of the nation. It is today within the power of you men of the South, as it has never been with any people before in the history of the world, to bring order out of a world of chaos, and prevent suffering to millions who have not yet been touched by the bloody hand of war."



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