

# COMMERCIAL WEST

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INVESTMENTS

INSURANCE

GRAIN AND MILLING

VOL. XXXVIII—No. 4.

MINNEAPOLIS, SATURDAY, JULY 31, 1920

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### Western Municipal Bonds

#### FUTURE BOND ELECTIONS

**July 31**—Mason City, Iowa, \$300,000 waterworks system bonds.

**August 2**—O'Neill, Neb., \$31,000 water bonds.

**August 3**—Concord, Neb., \$5,000 electric light system bonds.

**August 3**—Selby, S. D., School District No. 9, \$2,500 building bonds.

**August 3**—Douglas, Wyo., \$75,000 waterworks extension bonds and \$5,000 sewer bonds.

**August 3**—Murray City, Utah, \$50,000 paving bonds and \$10,000 waterworks system bonds.

**August 6**—Cloverdale, Iowa, Consolidated Independent School District, \$65,000 building bonds.

**August 11**—Muscatine, Iowa, \$425,000 school building bonds.

**August 13**—Gem County, Idaho (P. O. Emmett), \$200,000 highway bonds.

**August 18**—Duluth, Minn., \$400,000 school building bonds.

**August 24**—Meagher County, Mont. (P. O. White Sulphur Springs), \$150,000 court house building bonds.

**September 7**—Marinette, Wis., \$225,000 high school building bonds.

#### FUTURE BOND SALES

**July 31**—Independence, Ore., School District No. 29, \$15,000 bonds; denominations \$500; 1-15 years; 6 per cent.; certified check 10 per cent. C. G. Irvine, Clerk.

**August 2**—Caldwell, Idaho, \$23,500 bonds; 6 per cent.; certified check 5 per cent. W. S. Maxey, City Clerk.

**August 2**—Deer Lodge, Mont., \$20,000 city hall bonds; denominations \$1,000; 15-20 years; 6 per cent.; certified check \$2,000. I. S. Eldred, City Clerk.

**August 2**—Kemmerer, Wyo., \$15,000 sewerage system bonds; denominations \$1,000; 8½ year (average); not exceeding 6 per cent. M. S. Reynolds, Town Clerk.

**August 2**—Oskaloosa, Iowa, \$25,000 School Bonds; 20 years; 5 per cent. L. T. Shangle, Secretary Independent School District.

**August 2**—Winnett, Mont., \$35,000 water bonds; denominations \$1,000; 15-20 years (optional); 6 per cent.; certified check \$3,500. Nick Langhausen, Town Clerk.

**August 2**—Livingston, Mont., School District No. 14, \$2,700 bonds; denominations \$100; 5-10 years (optional); 6 per cent.; certified check \$200. Nellie Jarrett, Clerk.

**August 2**—Torrington, Wyo., \$15,000 waterworks bonds; denominations \$500; 15-30 years; not exceeding 6 per cent.; certified check 5 per cent. R. F. Tebbet, Town Clerk.

**August 2**—Cut Bank, Mont., \$28,000 water bonds; denominations \$1,000; 15-20 years (optional); 6 per cent.; certified check \$2,000. F. E. Van Demark, City Clerk.

**August 2**—Cut Bank, Mont., \$15,000 sewerage system bonds; denominations \$1,000; 15-20 years (optional); 6 per cent.; certified check \$1,500. F. E. Van Demark, City Clerk.

**August 2**—Torrington, Wyo., \$31,500 sewerage system bonds; denominations \$500 and \$1,000; 10-20 years; not exceeding 6 per cent.; certified check 5 per cent. R. F. Tebbet, Town Clerk.

**August 2**—Homestead, Mont., School District No. 41, \$16,500 building bonds; denominations \$500 and \$1,000; 5-20 years (optional); not exceeding 6 per cent.; certified check \$1,000. B. Van Vorous, Clerk.

**August 3**—Cass County, Minn. (P. O. Walker), \$75,000 funding bonds; denominations \$1,000; 11 years; 6 per cent.; certified check \$5,000. C. D. Bacon, County Auditor.

**August 5**—Lavina, Mont., School District No. 41, \$8,500 bonds; denominations \$500; 10-15 years (optional); not exceeding 6 per cent.; certified check \$850. Oscar P. Balford, Clerk.

**August 5**—Mohave County, Ariz. (P. O. Kingman), \$300,000 road bonds and \$80,000 hospital bonds; denominations \$1,000; 21½ year (average); 6 per cent.; certified check 5 per cent. J. S. Withers, Clerk Board of Supervisors.

**August 7**—Glenrock, Wyo., School District No. 15, \$35,000 bonds; denominations \$1,000; 10-20 years (optional); 6 per cent. F. A. Bielenberg, Clerk.

**August 9**—Helena, Mont., \$200,000 water bonds; denominations \$1,000; 6-15 years; not exceeding 6 per cent. certified check \$10,000. V. N. Kessler, City Clerk.

**August 9**—Pondera County, Mont. (P. O. Conrad), \$50,000 expense bonds; denominations \$1,000; 10-19 years; 6 per cent.; certified check \$2,500. James T. Green, County Clerk.

**August 9**—Madison County, Mont. (P. O. Virginia City), \$105,000 highway bonds; denominations \$1,000; 11½-12½ years (optional average); 5, 5½ or 5¾ per cent.; certified check \$7,000. Peter Grant, County Clerk.

**August 10**—Huron, S. D., \$70,000 school bonds; 10-25 years; not exceeding 6 per cent. W. C. Peterson, Board of Education.

**August 10**—Gallatin County, Mont. (P. O. Bozeman), \$125,000 road bonds; denominations \$1,000; 10 years; not exceeding 6 per cent.; certified check \$4,000. D. S. McLeod, County Clerk.

**August 10**—Boulder, Mont., School District No. 10, \$3,000 bonds; denominations \$500; 5-19 years (optional); not exceeding 6 per cent.; certified check \$300. Oline Murray, Clerk.

**August 14**—Marshland, Ore., Marshland Drainage District, \$50,000 bonds; 6 per cent. Thomas W. Tandy, Secretary Board of Directors.

**August 16**—Duluth, Minn., \$150,000 bonds; denominations \$1,000; 20 years; 5 per cent.; certified check 2 per cent. F. D. Ash, City Clerk.

#### At Once

Green County, Wis. (P. O. Monroe)—\$125,000 highway bonds; denominations \$500; due April 1, 1921; 5 per cent. W. F. Trukenbrod, Chairman of the County Board.

#### BOND NOTES

Milwaukee, Wis.—Bonds totaling \$5,290,000 is being offered for sale.

Currie, Minn.—An issue of bonds was authorized at an election by a vote of 86 to 5.

Nashwauk, Minn.—No bids were received for the purchase of \$370,000 school building bonds.

Cambria, Iowa—An election defeated the proposition to issue \$20,000 school building bonds.

Brainerd, Minn.—Improvement bonds to the amount of \$33,400 have been sold to local banks.

Ventura, Cal., Oxnard School District—An issue of \$150,000 bonds will be sold at private sale.

David City, Neb.—Waterworks bonds to the amount of \$30,000 were authorized at an election.

Hood River, Ore.—An issue of \$45,000 city hall and fire department bonds is being offered for sale.

### COUNTY—CITY—SCHOOL BONDS

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Wood County, Wis. (P. O. Grand Rapids)—All bids for the purchase of \$200,000 road bonds were rejected.

Draper, Wis.—An election resulted in a vote of 27 to 2 in favor of issuing \$10,000 bonds for road improvements.

Stapleton, Neb.—An election has been called to vote on the question of issuing bonds for an electric light system.

Evanston, Wyo.—An election resulted in favor of the proposition to issue \$290,000 water improvement bonds.

Taylor Falls, Minn.—An election resulted in a vote of 78 to 14 in favor of issuing \$10,000 bonds for a hospital.

Twin Falls, Idaho—The Warren Construction Company was the successful bidder for \$604,213 paving bonds, at par.

Wallowa County, Ore. (P. O. Enterprise)—No bids were received for the purchase of an issue of \$100,000 road bonds.

Sheboygan, Wis.—The city council has authorized the issuance of \$950,000 bonds for the erection of a new high school.

National City, Cal.—A recent election resulted in a vote of 495 to 181 in favor of issuing \$180,000 street improvement bonds.

Dear Lodge County, Mont., School District No. 10 (P. O. Anaconda)—No bids were received for the purchase of \$65,000 bonds.

Miles City, Mont.—The \$100,000 issue of water bonds which were recently offered without success will be re-offered this fall.

Goodman, Wis.—An election resulted in favor of issuing bonds for the purpose of erecting a new high school to cost about \$150,000.

Bell, Cal.—The First National Bank of Santa Barbara was the successful bidder for \$5,000 school bonds at 100.12, a basis of 5.95 per cent.

Hollister, Cal.—An issue of \$110,000 school bonds has been awarded to the First National Bank of Hollister at 101.18, a basis of 5.85 per cent.

Santa Monica, Cal.—The \$75,000 issue of waterworks bonds which were recently offered without success will be re-offered in the near future.

La Crosse, Wis.—The question of issuing bonds in the amount of \$300,000 is being considered. The bonds will be issued for school building purposes.

Maricopa County, Ariz., School District No. 11 (P. O. Peoria)—Only one bid was received for the purchase of \$200,000 school bonds. The bid was rejected.

Little Falls, Minn.—Permanent revolving fund bonds to the amount of \$95,000 have been authorized. An issue of \$40,000 permanent improvement bonds were also authorized.

### BANK TRANSACTIONS

Washington—The Federal Reserve Board's weekly statement of debits to individual account covers the weekly periods ending Wednesday, July 21 and July 14 of the present year and July 23, 1919. Debits to individual account reported by 152 clearing houses outside of New York City aggregated 4,890 millions, compared with 4,819 millions shown the week before. All the larger centers, with the exception of New York City, Baltimore, Minneapolis, Kansas City, and Los Angeles, show larger totals than the week before. For New York City a decrease from 4,557 to 4,383 millions is shown.

As compared with 1919 figures, the most recent aggregate for 152 cities shows an increase of 619 millions, or 14.5 per cent., as against a decrease of 19.3 per cent. for the New York clearing house banks. A year ago debits to individual account reported by the New York City banks constituted 56 per cent. of the total shown, while last week,

because of the reduced volume of trading on the exchanges, this share declined to 47 per cent.

City	Week ending		
	July 21, 1920	July 14, 1920	July 23, 1919
New York	\$4,382,556,000	\$4,556,620,000	\$5,433,175,000
Chicago	816,123,000	769,067,000	694,491,000
Philadelphia	349,136,000	347,789,000	358,851,000
Boston	333,990,000	322,284,000	319,780,000
San Francisco	239,562,000	229,798,000	188,687,000
Pittsburgh	209,546,000	202,371,000	196,839,000
Cleveland	205,989,000	201,537,000	162,210,000
Detroit	179,234,000	159,382,000	129,364,000
St. Louis	160,981,000	153,220,000	151,400,000
<b>Twin Cities</b>	<b>123,486,000</b>	<b>136,045,000</b>	<b>108,972,000</b>
Los Angeles	106,850,000	107,112,000	85,630,000
Baltimore	106,374,000	112,150,000	112,315,000
Minneapolis	87,490,000	97,397,000	69,200,000
Milwaukee	77,722,000	71,692,000	41,327,000
Kansas City, Mo.	75,889,000	92,198,000	114,643,000
New Orleans	75,886,000	74,362,000	67,129,000
Omaha	57,186,000	58,004,000	61,971,000
Portland	46,538,000	49,499,000	33,448,000
Seattle	47,428,000	47,840,000	44,919,000
Denver	40,655,000	43,370,000	28,500,000
Duluth	35,996,000	38,648,000	39,772,000
St. Paul	23,806,000	23,866,000	21,015,000
Des Moines	20,884,000	25,039,000	18,020,000
Spokane	12,527,000	13,332,000	10,970,000
Sioux City	18,611,000	16,036,000	14,695,000
Sioux Falls	6,057,000	6,126,000	.....
Superior	2,180,000	2,036,000	1,256,000
Winona	1,409,000	1,507,000	1,069,000
Fargo	3,407,000	3,892,000	5,673,000
Grand Forks	1,602,000	1,845,000	1,628,000
Great Falls	1,822,000	1,982,000	1,621,000
Helena	2,368,000	2,369,000	2,052,000
Aberdeen	.....	1,840,000	2,498,000
Billings	2,135,000	2,037,000	2,114,000
<b>Totals</b>	<b>\$9,272,267,000</b>	<b>\$9,375,651,000</b>	<b>\$9,704,193,000</b>

### GOVERNMENT BONDS

Price range for week ending July 27, by C. F. Childs & Co., Chicago and New York:

United States Government Bonds				
	High	Low	Last Sale	Yield
First Second 4 1/4s, 19-32-47	95	90	92	4.51
2s, Consols (after April, 1930)	101 3/4	100 1/2	101 1/2	1.98*
4s, Old (after February, 1925)	105 3/4	105	105 1/2	2.53*
2s, Panama, 1936-38	101 3/4	100 1/4	101 1/2	1.89
3s, Panama, June, 1961	82	77	81	3.71
3s, Conversion (after Apr., 1943)	83	79	82	3.88
Liberty Loan 3 1/2s, 1932-47	91.06	90.88	91.04	3.97
Liberty Loan 1st 4s, 1932-47	85.90	85.70	85.80	4.98
Liberty Loan 2nd 4s, 1927-42	85.94	84.38	84.38	5.06
Liberty Loan 1st 4 1/4s, 1932-47	86.26	85.62	85.62	5.20
Liberty Loan 2nd 4 1/4s, 1927-42	85.36	84.60	84.72	5.30
Liberty Loan 3rd 4 1/4s, 1928	89.42	88.50	88.70	5.75
Liberty Loan 4th 4 1/4s, 1933-38	85.54	84.80	85.02	5.30
Victory Loan 3 3/4s, 1922-23	95.88	95.64	95.66	5.25
Victory Loan 4 3/4s, 1922-23	95.90	95.60	95.62	6.25
U. S. Certificates of Indebtedness, 5% to 6 1/2% basis.				

United States Territorial Bonds				
	High	Low	Last Sale	Yield
Philippine 4s, February, 1934	92	80	84	4.85
Hawaiian 4s, August, 1941	92	80	84	4.49
Porto Rican 4s, January, 1937	92	80	84	4.66
District of Columbia 3.65s, August, 1924	97	92	95	3.85

Foreign Government Bonds				
	High	Low	Last Sale	Yield
Anglo-French 5s, October 15, 1920	99 1/2	99	99 1/2	6.75
Belgian Govt. 6s, January 1, 1925	93	93	93	7.80
Belgian Govt. 7 1/2s, June 1, 1945	100	100	100	7.50
Govt. of Canada 5s, April 1, 1921	97 1/4	97 1/4	97 1/4	9.59
Govt. of Canada 5s, April 1, 1926	89	89	89	7.45
Govt. of Canada 5s, April 1, 1931	86 1/2	86 1/2	86 1/2	6.70
Govt. of Canada 5 1/2s, August 1, 1921	97 1/4	97 1/4	97 1/4	8.40
Govt. of Canada 5 1/2s, August 1, 1929	91	91	91	6.80
City of Paris 6s, October 15, 1921	92 1/2	92 1/2	92 1/2	13.90
French Cities 6s (Lyons, Bordeaux, Marseilles), November 1, 1934	84 1/4	84 1/4	84 1/4	7.80
Jap. 1st, February and July, 1925	73 1/2	73 1/2	73 1/2	12.30
Second Series	72 1/2	72 1/2	72 1/2	12.00
Russian Govt. 5 1/2s, February 14, 1926	30 1/2	30 1/2	30 1/2	.....
Swedish Govt. 6s, June 15, 1939	84 1/2	84 1/2	84 1/2	7.55
Switzerland Govt. 5 1/2s, August 1, 1929	84 1/4	84 1/4	84 1/4	8.00
Switzerland Govt. 8s, July 1, 1940	103	103	103	7.70
United Kingdom of Great Britain 5 1/2s, November 1, 1921	96 1/4	96 1/4	96 1/4	8.78
United Kingdom of Great Britain 5 1/2s, November 1, 1922	91 3/4	91 3/4	91 3/4	9.39
United Kingdom of Great Britain 5 1/2s, August 1, 1929	86 5/8	86 5/8	86 5/8	7.50
United Kingdom of Great Britain 5 1/2s, February 1, 1937	85	85	85	7.15

\*Per 1,000 rubles net.



# Imperative That Railroad Transportation be Improved

Views of An Authority Voiced Before the Engineers Club at Philadelphia

Philadelphia—Speaking before a recent meeting at the Engineers Club here Samuel M. Vauclain, president of the Baldwin Locomotive Works said: "Don't worry about how much business you are doing, for you will not do any more until transportation is improved."

"Transportation is the key of business. Without it business cannot go on. For business to be successful the railroads must be successful. Why I could use 5,000 more men at the Baldwin Works if I could get the materials hauled in to work with. What the railroads need is an increase in rates of 50 per cent.

## Roads Must Earn More Money

"The railroads must be allowed to earn money the same as any line of business. Railroads are business concerns. They manufacture transportation and it is just as important that the railroads should earn money as any business. Railroads have to pay more for their coal, for their labor and for materials the same as other lines of business. Unless they are allowed a price for their transportation that allows them a profit there is no incentive for the railroads to go on. If it costs more to operate the roads than they receive, why the less business they do the less money they lose.

"If the Baldwin Locomotive Works had to pay \$750,000 more a year in increased rates I could make \$1,500,000 more net a year because of the larger business the increased transportation facilities made possible by increases in rates would permit me to do, and after deducting the \$750,000 increased freight rates I would have \$750,000 more for my stockholders.

## Attitude of the Public

"The attitude of the public towards transportation must be changed. We can afford to pay a vastly increased amount for freight if it would give us an adequate service in place of the abominable service we are now getting."

Mr. Vauclain went on to say that what little transportation facilities the Baldwin Works does enjoy have been interfered with during the past 60 days by outlaw strikes. The strikers do not stop to think what loss their interruption of traffic is causing business, is causing stockholders or the farmers, but think only of themselves. By their interference with traffic production is stopped and there is an increase in the price of everything they buy. The sooner the wage question is settled the sooner production will pick up.

## Using Motor Trucks

Taking the Baldwin Locomotive Works as an example, he said that because of the congestion it had to use 100 trucks to bring materials to the works, some coming from Pittsburgh, in order to oblige a customer whose business might be at stake.

"Regardless of profit, we must see that we carry out our part of the contract. But for this interruption in traffic, we would have shipped \$2,000,000 more work in June than we did.

"The minute that the railroads suggest an increase in freight rates, 95 per cent. of the shippers and manufacturers of the country rise up in protest. I have figured that the maximum increase in rates that the railroads have asked, that is, 30 per cent., would mean to the Baldwin Works a minimum of \$65,000 a month in increased freight. If the railroads should be given a 50 per cent. increase in freight rates, and an equal amount on passenger rates, transportation facilities would be returned to normal ten times sooner than if granted an increase of 25 per cent. Business men must regard the transportation situation in a bigger and broader light, if they want to get production up to normal.

## Situation in Europe

"Europe is suffering from a lack of transportation. In one country the people are starving for lack of food and in another country wheat is rotting in the field for lack of locomotives to move it. They have found one way to rehabilitate their transportation machine, that is by barter as is illustrated by the engines sold Rumania to be paid

for in oil. The ministry of that country is now considering proceeding along the same lines for other goods. We sold engines for oil and then sold the oil. That gave them the idea of peddling the oil themselves and using the proceeds to buy locomotives. I feel sure that in a short time instead of doing a credit business with these countries we will be doing a cash business. The first cash business from Rumania has recently come to us."

## RECEIVER ASKED FOR NEBRASKA BANK

Lincoln, Neb.—A petition, asking that a receiver be appointed for the Farmers Bank of Page, has been drawn by the attorney general's office.

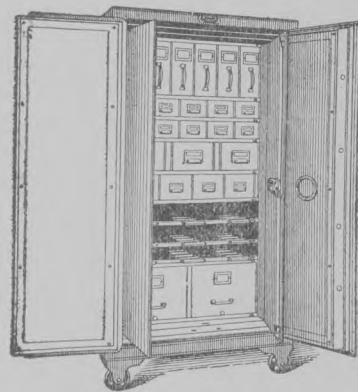
The Farmers Bank was closed by state officials on July 12, and is now in charge of bank examiner, H. W. Everts. W. H. Smith, president of the bank, was found dead with his head immersed in a stock watering tank at his home on July 6. Cashier Townsend, who then took charge of the bank, asked that state officials take the bank over.

The petition for receiver alleges that the state bank examiners find a shortage of approximately \$60,000; is insolvent and unable to pay depositors.

Deputy Attorney General Laverty says that the bank's affairs are in such a scrambled condition that it will be some time before the actual shortage is learned.

## GOLD MINING NEAR YELLOWSTONE PARK

Livingston, Mont.—Jardine, a gold tungsten mining camp in the southwestern part of this county near the north entrance to the Yellowstone National Park now has the largest gold plant in the state in full operation. The mill is equipped with 50 stamps, amalgam plates, batteries, concentrating tables and all modern machinery necessary for the most perfect extraction of tungstic ores that run with the gold ores. The plant is handling 250 tons of ore a day.



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OLDEST BANK AT THE HEAD OF THE LAKES

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SATURDAY, JULY 31, 1920

## Farmers Should Stack Their Grain

In view of the congestion in railroad transportation and the scarcity of cars to move crops, coal and other necessities, farmers should plan to stack their wheat and other small grains this season, and thresh it only as fast as country elevators can care for it. In southern Minnesota and South Dakota farmers have been in the habit of stacking wheat, but in northern sections of the spring wheat belt it has been the custom to thresh the grain direct from the shock. Unless stacking is practiced more generally this year or additional storage for grain provided on the farms, many farmers will suffer loss.

The American Railway Association reviews what is being done by the roads to meet the problem of moving crops and issues this important statement: "Under present conditions it cannot be expected that the railroads can provide sufficiently prompt movement to do away with the necessity of local storage at the points of production."

While many farmers in the older established farming districts have some storage capacity for small grain, most of them depend on stacking the wheat and threshing it after the fall plowing has been done. This of course means more labor but farm labor in the Northwest is now more plentiful, on account of the slowing down of various industries. But unusual efforts should be made to stack much stored in the country elevators, and this is bound to move out slowly next fall, even with the best efforts on the part of the railroads to provide cars. As it will require labor, and money besides, to build farm storage, the easiest solution is stacking the grain.

In the good old days when there was ample railroad service, and vast fleets of surplus cars were stored in the grain districts ready to transport the harvested crops, wheat was considered the same as money in the bank, but this year much of the wheat will have to remain on the farm for some length of time, and this is not equivalent to money in the bank. Wheat is not sold until it reaches the country elevator and therefore is not convertible into

bank credit, until it is bought by the mills or elevator companies. Farmers are confronted with the necessity of providing some form of local storage for this year's grain crops and cannot put it in country elevators that are already full, or sell it to such concerns when they are without storage capacity.

If farmers generally follow this method of handling this year's crops of grain they will not only avoid losses, but will acquire a habit that will help to steady grain prices, when crops can be moved promptly. The custom of rushing such a large volume of grain to market early in the fall always tends to depress prices below the level that the crop itself justifies.

## Advancing Cost of Rail Transportation

The Federal Railway Labor Board has granted an increase in wages aggregating some 600 million dollars to the 1,800,000 railway employes of the country. Last year these employes received two and one-third billions in wages against one and one-third billions in 1915. In 1919, 53 per cent. of the railroad dollar received by the carriers was paid out in wages.

Railway executives in commenting on this generous wage increase to their employes say that they will insist upon 100 per cent. efficiency from their men. Just how they expect to get this is not disclosed, as the effect of most big wage increases is for not only decreased efficiency, but a tendency to take more vacation days.

It is expected that the Interstate Commerce Commission will take action right away and may grant an increase in railroad rates aggregating one and one-half billions of dollars. This will be to care for the wage increase and also to enable the roads to provide necessary equipment, improvements and extensions to meet the demands of increasing business. It is hinted that the Interstate Commerce body will recognize what should be the basic principle of railroad rate making, and grant various percentage of increased rates to different roads according to their needs. An advance of 40 per cent. in freight rates has been suggested on some roads.

If there is any place where the cost-plus system of arriving at fair rates is justified, it would seem to be that of railroad rates. A flat rate applied to all roads, regardless of size or expense of operation, either gives the strong roads too much revenue or the weak ones not nearly enough.

People being served by a railroad should be willing to pay for whatever such service costs, plus enough to keep the road solvent and with a sufficient surplus to meet emergencies. Solvent, successful corporations, whether in railroad or industrial lines, are the ones that can maintain adequate service.

## Some Facts on Parring Bank Checks

Opinions may be valuable or carry more or less weight according to the individual, but in arriving at sound conclusions facts are always useful. There is a difference of opinion even among country bankers as to the wisdom of the system of universal



parring of checks. Many are opposed to it and some defend it. It depends much on the point of view and also whether certain facts are recognized.

It has been estimated by those who have studied this matter that 90 per cent. of the volume of bank checks were cleared at par, even prior to the establishing of the Federal Reserve banking system. The reason for this was that city bankers in most of all the clearing house centers, especially in the larger cities, had developed an extensive par list. There was keen competition among city banks to have the most extensive par list to offer as an inducement for accounts from country banks. In its efforts to make this system entirely universal the Federal Reserve Board has encountered the opposition of country banks that are still charging for exchange. A considerable part of this 10 per cent. of business that previously paid exchange charges has been brought under the par list through the operation of the Federal Reserve act, so there is a very small proportion now of checks that have to stand the expense of exchange.

The bankers in various states who took this matter up with the Reserve Board some months ago, received a suggestion from Governor Harding of the Board, that one solution of the problem would be to urge Congress to have the law amended so that all banks could charge on these cash items. A banker from Wisconsin, L. A. Karel of Kewaunee, at the recent Wisconsin convention, warned his country banker friends that this bill, if enacted in the law, would prove a boomerang. It would enable the city banks of the large financial centers to charge on all items sent them by their country correspondents. If this should happen the country banks would lose far more than they would gain from such a law. We are indebted to Mr. Karel for thus bringing out the point that what defenders of collection charges desire is not a universal system, but a one-sided affair, whereby they can charge on items sent them, but items they send to their city correspondents will be cleared free of charge.

The action of the South Dakota legislature, which recently passed a law providing that the banks of South Dakota may charge a collection fee on all cash items, presents a curious spectacle before the bankers of the country. Two facts are outstanding in this silly legislation. The first is that the legislature of South Dakota has no jurisdiction over the 135 national banks of that state, which are operating under Federal charters. The other point is that the 600 or so state banks already had the privilege of charging a collection fee on exchange, before such law was passed, and many of them have collected such charge, so this law was quite superfluous as far as they are concerned.

One country banker, W. H. Doyle, cashier of the State Bank of Platteville, Wisconsin, remarks that the exchange charge made by some country banks is collected from the wrong party, that the maker of the check should bear the expense if anyone, and not the innocent holder, who as a creditor is entitled to 100 cents on the dollar to square his account. He openly states that these charges are passed on to the distant creditor because he is dis-

tant, and because the bankers do not dare make the charge against the drawer of the check, who is a customer of his bank.

Mr. Doyle is not arguing for a collection charge, as he was one of the country bankers who believes that the advantages of a universal clearing plan far outweigh the small revenues derived from making a collection charge. He also thinks it infinitely better than the former practice of having billions of dollars in forms of checks cavorting around the country in order to dodge the exchange charge. Under the present Reserve system of clearing checks at par, items are sent direct and much time is thereby saved. Mr. Doyle holds that it is in accordance with sound economic law to develop this system of parring of checks, so that it will become universal and that the transaction of business will be aided by having all checks on all banks passing at par throughout the country.

Considerable space is given elsewhere in this issue to Mr. Doyle's address on this subject, given before the Wisconsin Bankers Association. The reasons for this are that Mr. Doyle manages a state bank and he appears to have given much study to the matter. He describes the check clearing system as in vogue prior to the existence of the Federal Reserve banks, and brings out in bold relief the unfairness of that plan. No one seems to question the advantages to business generally of the Reserve Board system of clearances, the sole objection being that it deprives the country bank of some revenue.

If the banking business had developed in this country along the lines of making charges for everything, and from everybody including exchange, the situation would be entirely different. With 90 per cent. of clearances free of exchange charge for many years it would now be difficult to adopt the other plan. This is not saying it would be impossible, but business concerns would not now approve of such a change.

### Shorter Work Days a Detriment

Many discerning business men have opposed and are opposing the demands of some radical labor union leaders for a six-hour day, as they realize that even an eight-hour day provides idle hours that are wasted, or used for detrimental purposes.

James Couzens of Detroit, who is credited with furnishing the business brains that made the great success of the Ford Motor Company, does not approve of the proposed six-hour day. Mr. Couzens on leaving the Ford Motor Company, became police commissioner, and is now mayor of Detroit. He is quoted as saying that it would be a mistake to establish shorter work day, while men persist in carousing and wasting their idle hours. He says that even with eight hours of work, eight hours of sleep, many spend the other eight hours loafing on the streets, because they do not know what else to do with their time. He believes that education would be necessary to fit wage earners so that they will make good use of their leisure hours.

Of course, Mr. Couzens is an industrious worker and has been all his life. He says that when other

people were idling their time attending places of amusements, he was out selling automobiles and spending 150 nights in a year in sleeping cars. Of course, he is just one of many hundreds of thousands of business hustlers who pay little attention to any fixed hours for a day's labor, but who work early and late to attain business success. Eight hours for a day's work is certainly no great hardship for an able bodied man and until production in many lines of industry has caught up with the demand, it seems folly to think of cutting down the work day to six hours. European countries that have suffered most from the ravages of war are finding it necessary to work more than eight hours a day, and in some cases considerably more.

Whether union labor has acquired the mistaken habit of looking upon work as a curse, as some evil to be reduced to the minimum, or whether it is only the labor chief's zeal in trying to get more concessions for his organization, or part of both, it is a safe conclusion that most of us need to have our hours occupied by useful work. If we don't we are not so well off, either physically or mentally, as happiness is found in the satisfaction of work well done.

### Agitators of Today Not a New Specie

Many of us who are absorbed in present day problems and only occasionally dig into the history of former periods, think of the present day profes-

sional agitator and disturber as a product of very recent times, but he was here on the job in Daniel Webster's time, 80 years ago. In 1833 Daniel Webster addressed the United States Senate and spoke as follows:

"There are persons who constantly clamor. They complain of oppression, speculation and pernicious influence of accumulated wealth. They cry out loudly against all banks and corporations, and all means by which small capitalists become united in order to produce important and beneficial results. They would choke the fountain of industry and dry all streams. . . . In a country where property is more evenly divided than anywhere else, they rend the air shouting agrarian doctrines. In a country where wages of labor are high beyond parallel, they would teach the laborer that he is but an oppressed slave."

That old time stalwart American evidently was well acquainted with the Bolsheviki of his day and they were as much of a nuisance and about as senseless in their talk as the present day Townleyites and I. W. W.'s. In fact Webster's description of the agitators of those early times would apply to those of the present, and so well does it fit the case that the above paragraph looks like current comment. The world has improved in a thousand ways, but radicalism appears just as bad or worse than in the early part of the 19th century.

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

This afternoon for the first time in my life I saw the Grand Canyon of the Yellowstone as viewed from the cliff below the falls and from Inspiration Point. For five days we have been seeing wonders of high degree. Possibly most of the readers of this column have made the grand round of this grand park and know well what we have seen for the first time this week. The official route from the Gardinere entrance is wisely planned to bring this canyon as the culmination of the tour. If this canyon were the only uncommon sight in the park it would be well worth all the tour might cost any traveler.

\* \* \*

We first saw the falls from the observation cliff below, in the light of a cloudy afternoon. Then as we stood in silence watching it plunging into the canyon the clouds opened and a spotlight of sunshine fell directly upon it—that great falling body of water, translucent green at the crest, plunging in a snow white, crinkly, thundering mass shot through with sunshine and shrouded below in a cloud of shining spray. The great earth trough into which the river falls is unearthly in its dimension and color. One might stand before it and say: "This is not true. There is no such place as this." It is not to be described nor pictured. It is only to be felt. One might search his vocabulary for a word to fit, to express the impression upon him. But he will not find it. There is no word.

\* \* \*

From the view of the falls we drove down to Inspiration Point, where one looks up the great multi-colored canyon with the flowing stream in the far bottom, with a partial view of the falls over a crag in the turn of the vast depression, and down for miles along the twisting, titanic trough, where the river, blue and white in its rainbow ravine, goes winding and rushing to its lower levels.

\* \* \*

There are times and places when a human soul should be left alone with his own thought, and this is one of

those places. I was gratified to see that all the tourists I met coming up the stairway from this point had serious faces and that no one said much as we stood and gazed into this wondrous colored abyss. Finally one of our party said: "Let's get away to something more commonplace." We hurried away, and gratefully, too.

\* \* \*

A physical exhaustion follows such a sight. An hour of it is a full day's seeing. I would not take big money for what I saw; but I would not wish to spend a summer there. One's understanding should be greatly enlarged by a view of Yellowstone Canyon. But visions are only for occasions. It is better for the most of us to spend the days of our years among the ordinary, everyday things, using the vision as an inspiration to the better doing of the daily round.

### PROPOSED MERGER HELD IN ABEYANCE

New York—Harvey D. Gibson, president of the Liberty National Bank, has issued the following statement relative to the report of a merger with the Bankers Trust Company:

"The matter of the merger of the Bankers Trust Company and the Liberty National Bank has been the subject of informal discussion for some time. No decision or definite understanding has resulted and we cannot say when anything will occur which could be published properly. The matter has not even reached a point where it could be referred to the board of directors."

The Bankers Trust Company is the second largest trust company in the United States with a capital of \$20,000,000; surplus and profits of approximately \$18,000,000 and net deposits of about \$262,000,000, and is surpassed only by the Guaranty Trust Company, which is capitalized at \$25,000,000, with deposits amounting to \$674,525,852, and resources of \$907,169,457.

The Liberty National Bank has a capital of \$5,000,000, surplus of \$7,161,100 and net deposits of \$81,968,200. This institution not long ago absorbed the Scandinavian Trust Company, which merger gave the Liberty important Scandinavian connections.



## Northwest Car Shortage Presents Serious Problems

That Minnesota, North and South Dakota and Montana, promising a 650,000,000 bushel yield of small grains, have a stated elevator capacity of but 225,000,000, which in operation is probably 20 per cent. less, are statements included in a bulletin of the Minneapolis Federal Reserve Bank warning farmers that transportation conditions will probably be unsatisfactory and calling to their attention an urgent need for supplying grain storage facilities on their farms. Furthermore, there was on July 1 approximately 24,000,000 bushels of old crop grain, valued at \$50,000,000, still on the farms, according to the report, which was given out by Chairman John H. Rich. Of this, 15,800,000 bushels, valued at \$33,337,000, was in country elevators.

"When the grain crops are cut and threshed, the farmer will have only two alternatives," said the report. "He must deliver his grain at the elevator where the ability to receive it will be governed by the car supply or he must store it on his own farm. The total available farm storage capacity for small grains does not seem to be greater than 10 per cent. of the approximate production, and in all probability is considerably less."

### Traffic Situation

The report declared that country elevators in Minnesota and the Dakotas received an average of but 2.12 cars of grain during May and of only 2.22 cars each during June.

"Improvement in the traffic situation is shown. The prospective small grain crop involves the movement of approximately 550,000 cars. The rate of improvement in the traffic situation," the report said, "is not sufficient to justify the hope that the grain carrying lines will be able to effect a normal movement, and in all probability the crop will move slowly and its progress from the farms to the markets will be subject to the same delays."

### Prepare for Storage

"In view of this situation, it is of the utmost importance that each grain grower investigate at once the possibilities for the prompt marketing of grain from his own farm this fall.

"There is sufficient time to erect new grain bins and take other appropriate steps for the safety of the new crop after it is threshed. One of the serious dangers is the prospect that many farmers will place too much reliance upon shipping conditions, and if they are disappointed when the grain is ready to move, will store it out of doors."

### CHICAGO-MINNEAPOLIS AIRPLANE MAIL SERVICE

The Minneapolis Speedway is pronounced the best aerial field in the United States. Carl F. Egge, superintendent of aerial mail, recommended that the inaugural flights of the Twin Cities, Chicago and St. Louis air service be made Aug. 10, followed by regular daily service thereafter, in a report sent to Otto Praeger, second assistant postmaster general.

The report was made after an official inspection of the field and hangars by Mr. Egge, Postmaster E. A. Purdy, Walter F. Brooks, president of the Twin City Aero Corporation, and H. M. Gardner, vice president and general manager of the Minneapolis Civic and Commerce Association.

Mr. Egge, who was pleased with the progress made in the preparations, recommended a four hour schedule between Minneapolis and Chicago be established and that the De Haviland 4 planes, with a capacity of between 15,000 and 20,000 letters, be sent as soon as possible.

A schedule of one trip each way a day has been made and as many planes as necessary will be provided, according to announcement of postal authorities.

### DECREASES IN EARNINGS SHOWN BY MINNESOTA RAILROADS

St. Paul—Three out of five reports of railroads operating in Minnesota, submitted to the state tax commission in compliance with the five per cent. gross earnings tax law, showed decreases in gross earnings for the first six months of 1920 compared with the corresponding period in 1919. The greatest reduction in receipts was reported by the Du-

luth & Northern Minnesota road, which collected \$24,539 to June 30, 1920, compared with \$129,091 receipts during the first six months of 1919. A proposal to abandon the road as unprofitable is pending. The Minneapolis & Rainey River railway reported receipts of \$93,536 against \$118,177 in 1919. The Hill City road report showed earnings of \$27,742 and \$34,324, respectively, in the two periods.

### Central West's Contribution in Internal Revenue Tax

Washington—Internal revenue taxes amounting to \$5,410,284,874 were collected during the fiscal year ending June 30, 1920, according to a compilation made by the bureau from field reports just received. This total exceeds by \$1,560,134,796 the collection for 1919 and is the greatest annual tax collection made by the bureau since its establishment in 1862. The cost of collection, it is stated, will approximate 55 cents on each \$100.

Tax collections of districts in the middle west follow:

Illinois (Chicago) .....	\$286,693,270
Illinois .....	25,598,260
Indiana .....	49,691,162
Iowa .....	30,325,441
First Michigan .....	176,903,568
Fourth Michigan .....	19,103,179
Minnesota .....	53,406,118
Wisconsin .....	69,561,696

Revenues received from income and excess profits taxes amounted this year to a total of \$3,944,555,737, an increase of \$1,434,716,815 over last year, and from miscellaneous taxes, \$1,465,729,136.

Hennepin county furnished \$19,000,000, or approximately one-fourth of the record breaking federal tax total of \$76,997,401 paid the government by Minnesotans during the fiscal year ending June 30, according to a statement from Washington. With Ramsey and St. Louis counties, Hennepin county paid nearly 60 per cent. of the total. Ramsey paying about one-half as much as Hennepin, the report showed.

The 1919-1920 figures exceeds by nearly \$7,000,000 the largest previous payment of federal taxes from Minnesota. In 1917 \$70,000,000 was paid, the assessment having leaped to that figure from \$3,225,000 in 1912.

Total federal taxes collected during the fiscal year just closed amounted to \$5,410,284,874, of which New York, the largest source, paid \$1,416,939,276. North and South Dakota combined in a single district, yielded \$9,541,683.

### E. A. EVERETT MADE DIRECTOR OF THE WELLS-DICKEY COMPANY

E. A. Everett of Waseca, one of the pioneer business men of Southern Minnesota, has been elected to the board of directors of the Wells-Dickey Trust Company of Minneapolis. Mr. Everett is known throughout Minnesota as one of the organizers of the Everett, Aughenbaugh Flour Milling Company of Waseca and of the First National Bank of Waseca. He was president of the bank until 1908 when he sold his interest. During the last few years Mr. Everett has been identified in business enterprises with a number of Minneapolis men. In 1902, with George C. Bagley, he successfully organized the Sabine Canal Company which had charge of a large irrigation project in Louisiana and Texas. He later aided in the organization of the Black Swan Company of Minneapolis.

He succeeds on the board of the Trust company the late John S. Watson, formerly of Fargo, N. D., who was a director from the time of its incorporation until his death, recently.

### FORMER MINNESOTAN PRESIDENT OF A CALIFORNIA BANK

Dr. John Willis Baer, who began his business career with G. W. Van Dusen & Co., of Minneapolis, has been elected president of the Union Trust and Savings Bank and the Union National Bank of Pasadena, Calif., according to dispatches. Dr. Baer formerly was president of the Occidental College in Los Angeles.



## Western Steel Manufacturers Oppose Pittsburgh "Plus" Plan

Duluth—An immediate appeal to the Federal court in an attempt to bring about an elimination of the Pittsburgh plus system is predicted by T. T. Hudson of the Duluth joint basic steel committee and by H. G. Pickering of Superior, attorney for the Western Association of Rolled Steel Consumers. The association is an organization of manufacturers west of Chicago who consume about 5,000,000 tons of steel annually.

Steel manufacturers throughout the Northwest say they will attend a meeting in Chicago to join other Western manufacturers whose principal raw material is rolled steel, in their effort to have the \$5.40 freight penalty annulled on steel bought elsewhere than in Pittsburgh.

"The sum taken each year from the pockets of Western steel consumers through retention of the 'Pittsburgh plus' plan would build a steel rolling mill the size of the new one in Duluth," says George M. Gillette, president of the Minneapolis Steel & Machinery Company.

"We pay for such a plant every year but title to the suppositious plant remains with the big steel producing companies. The \$5.40 differential charged us on each of 5,000,000 tons of steel amounts to more than \$25,000,000.

"Graphically put, the manufacturer whose raw material is rolled steel must always be on the eastern edge of his territory. Anyone to the east of him has the freight advantage as long as the differentials, \$5.40 from Pittsburgh to Chicago and \$9.10 from Pittsburgh to Duluth, remain in effect.

"Structural steel going into buildings of all sorts, the farmer's barbed wire, the steel bought by Western manufacturers of tractors, farm implements and engines, also steel shipped for manufacture into machinery of other kinds in Western plants must all yield this tribute. The public may be assured that this fight is not at an end."

The Duluth joint basic steel committee is formulating plans for a continuance of the campaign against Pittsburgh plus, Mr. Hudson says.

### DULUTH-SUPERIOR TRACTION NET INCOME SMALLER

Duluth—Through the gross revenue of the Duluth-Superior Traction Company during June was \$34,491.46 larger than in the same month three years ago, the net income showed a decrease of \$12,964.10. The net revenue for the month was \$10,104.54, after deducting \$25,611.64 for interest, sinking fund and taxes, and \$127,020.82 for operating expenses.

For the half year to June 30 the net income was reported at \$32,604, as compared with \$141,805.34 during the same period three years ago, a falling off of \$109,201.34. The unsatisfactory showing was brought about through the heavy increase in operating expenses.

### RED RIVER FARM IS SOLD FOR \$123,000

Crookston, Minn.—A local land man has just sold the 1,600 acre Buffington farm, near here, to J. E. Harris of Melstone, Mont., for \$123,000. The Buffington farm is only a few miles from the city and was formerly owned by the Thomas Henen estate. The sale price included ownership in all the horses, machinery and other personal property.

Mr. Harris, the new owner, is said to be one of the big stock men of Montana. He will raise blooded Herefords on a scale larger than ever attempted in Minnesota, it is said.

### CUT-OVER LAND ENRICHES MINNESOTA BY \$250,000,000

St. Paul—Clearing of the 10,000,000 acres of cut-over land in northern Minnesota will increase the annual production of this state by at least \$250,000,000, according to a joint report by the land development and the railroad committees of the St. Paul Association on the results of the recent "land clearing special."

"It is very conservative to state that every acre of this land that is cleared will increase in value at least \$50 and that each acre cleared will return a crop product each year worth from \$25 to \$50," the report says. "Conse-

quently the development of Northern Minnesota is a problem in which every citizen, regardless of his occupation, must be interested."

### THRIFT SHOWN BY DEPOSITS IN SCOTTISH BANKS

Washington—The United States Consul at Edinborough in his review of conditions in Scotland says:

"The Scottish banks had a good year during 1919. A loan drive was made to assist the Government during the first five months, but in spite of this there was an increase in deposits over the preceding year of £32,000,000 (\$155,728,000), the deposits for 1919 being £241,000,000 (\$1,172,826,500) against £209,000,000 (\$1,017,098,500) in 1918. The general rate of interest allowed by Scottish banks was from three to four per cent., and the banks loaned money at five to seven per cent.

"As soon as the war was over there was a great demand for loans, money being immediately needed for the first phases of reconstruction. These were almost invariably associated with firms who, in order to quickly build up a financial base, were in need of ready money. The rate increased fully one per cent. over that of 1918. Owing to the tremendous strain on all financial institutions loaning money which a reconstruction period always brings about, the banks were hard pressed, and until this stage is passed this feature of banking will necessarily be limited.

"There was also a remarkable increase in the circulation of notes in 1919. In 1918 there were £22,000,000 (\$107,053,000) in notes in circulation as compared with £27,000,000 (\$131,395,500) for 1919, making an increase of £5,000,000 (\$24,332,500). The net profits for the fiscal year 1919 were £2,360,000 (\$11,484,940) as compared with £2,186,000 (\$10,638,169) for 1918, making a net increase of £174,000 (\$846,771). (The par rate of \$4.8665 to the pound sterling has been used in the conversions in this report). This increase in note circulation, coupled with a steady demand on the mint for supplies of coin, was a certain indication of increased spending power, which included the wage-earning classes.

"As in 1918, a number of Scottish banks continued during 1919 to cooperate with London banks in all foreign-exchange transactions. The British Linen amalgamated with Barclay & Co., the National Bank with Lloyd's, and the Clydesdale Banks with the London Joint City and Midland Banks. The commercial firms greatly appreciate these combinations, which give greater facilities for increasing the trade of the country."

### THE GUARANTY COMPANY OF NEW YORK ORGANIZED

New York—The Guaranty Company of New York, Inc., a \$5,000,000 corporation has just been formed by the Guaranty Trust Company for the purpose of taking over and operating the bond department of the trust company. This move, is being taken to facilitate the handling of the investment securities business of the Guaranty Trust Company, a business which has become so large as to warrant the formation of a separate concern to attend to it.

All of the capital stock of the new company will be subscribed for and held by the Guaranty Trust Company. Charles H. Sabin, president of the trust company, also will be president of the new concern. Harold Stanley and Joseph R. Swan, vice presidents of the Guaranty Trust, will be officers of the new company, and the directors will be the managing committee of the trust company, which is composed of Albert Breton, W. Palen Conway, Eugene W. Stetson, Harold Stanley and Francis H. Sisson.

The new company, in addition to taking over the trust company's bond department, will have thirty-one branches, including offices in the trust company's Fifth Avenue and Madison Avenue branches. Among the more important out-of-town offices will be those in Philadelphia, Pittsburgh, Hartford, Boston, Albany, Rochester, Buffalo, Cleveland, Cincinnati, Detroit, Chicago, Minneapolis, St. Louis, Kansas City, San Francisco, Los Angeles, Atlanta and Baltimore. The main office will be located at 140 Broadway. The company is expected to begin active operations about October 1.

## Investment Bankers Strengthen Their Organization

Chicago, July 27—Investment bankers of the Chicago district, for the first time in their history, are to have an active and efficient local organization for the handling of problems affecting banking, bond brokerage houses and the investing public in this territory.

Heretofore they have been only a cog in the big national organization machine and, when the machine was idle, which was about 50 weeks in the year, the cog also stood still. The machine seldom or never runs on business of interest peculiar to the Chicago district. The cog, therefore, has been equally ineffective locally. Chicago has had two or three members of the board of governors of the national association and they have done good work as such, but they have been only ex-officio heads of the local membership, and without the effective support of a compact organization behind them have been able to accomplish little in their own field.

### Wendell Is Chairman

At an organization meeting of the central states group of the Investment Bankers Association of American held in Chicago last Thursday, committees were appointed and plans were made for active work. Barret Wendell, Jr., of Lee, Higginson & Co., is chairman of the executive committee; Eugene M. Stevens, vice president of the Illinois Trust & Savings Bank, is vice chairman; Charles F. Glore, of Glore, Ward & Co., is secretary-treasurer and the other members are George H. Taylor, Robert P. Minton, Roy C. Osgood and James C. Ames, of Chicago, Robert Baird of Milwaukee and H. F. Clippinger of Indianapolis.

### Traylor Heads Committee

The committee on legislation follows: Melvin A. Traylor, chairman, First Trust & Savings Bank; John Jay Abbott, Continental and Commercial Trust & Savings Bank; John E. Blunt, Jr., Merchants Loan & Trust Company; Walter Brewster, Russell, Brewster & Co.; Paul Cleveland, John Burnham & Co.; Chester Corey, Harris Trust & Savings Bank; John J. English, William R. Compton Co.; W. L. Ross, W. L. Ross & Co.; C. W. Sills, Halsey, Stuart & Co.; Frank F. Winans, National City Co.; Henry C. Quarles, Second Ward Securities Company, Milwaukee; Morris F. Fox, Morris F. Fox & Co., Milwaukee; John C. Partridge, First Wisconsin Company, Milwaukee; George M. Bechtel, George M. Bechtel & Co., Davenport, Iowa; George C. Forre, Jr., Breed, Elliott & Harrison, Indianapolis; G. B. Clippinger, Fletcher American Company, Indianapolis.

### Three States Included.

In the central states group are Illinois, Wisconsin and Indiana. In the course of blue sky legislation in these states investment bankers and the investing public have had no effective agencies through which they could act and some mistakes to the disadvantage of both may be traced to this cause. Hereafter, these interests will be in much better position to be helpful for framers of these laws. The entertainment committee is expected to have an important part in bringing the membership closer together and increasing the organization's usefulness. Meetings quarterly or oftener are to be held and speakers of note will be invited to address the bankers.

### Check on Advertising.

With the question of fraudulent advertising, the group will be able to cope more successfully than has ever been the case with the national association. Directness will take the place of the haphazard method of past and the organization expects to be of material assistance to the authorities in the enforcement of the laws on this subject. Members of the other committees follow:

### Members of Committees

Entertainment—Frank McNair, chairman, Harris Trust & Savings Bank; Rodger K. Ballard, Illinois Trust & Savings Bank; James R. Buck, A. G. Becker & Co.; Thomas K. Carpenter, Taylor, Ewart & Co.; James L. Martin, James L. Martin & Co.; Gerald W. Peck, Emery, Peck & Rockwood; Donald Scott, Wm. A. Read & Co.

Fraudulent Advertising—E. J. Birmingham, chairman, Wm. A. Read & Co.; Heman Gifford, Blair & Co.; W. W. Hill, McCoy & Co.; Stanley G. Miller, Fort Dearborn Trust & Savings Bank; Joseph A. Rushton, Babcock, Rushton & Co.; Averill Tilden, Merrill Cox & Co.; S. W. White, Lee, Higginson & Co.

Membership—Philip R. Clark, chairman, Federal Securities Corporation; Wm. T. Bacon, Northern Trust Company; Ralph Bard, F. B. Hitchcock & Co.; Arthur Cable, Montgomery & Co.; George T. Leath, A. B. Leath & Co., Inc.; Martin Lindsay, Rutter, Lindsay & Co., Inc.; William Mitchell, Mitchell, Hutchins & Co.

### Public Utilities Favored

That public utilities are gaining in favor among conservative investors is apparent from growing popularity of such issues. Corporations furnishing power and light are enjoying unequaled prosperity. There has been an enormous increase in motor driven machinery within the past few years. More and more discriminating investors are analyzing the public utility situation and as a result there is an increased interest regarding this class of security. The field is one which requires careful study. It is one, however, which will repay the investor through liberal return and strong security.

### High Return Attractive

Larger distributors of bonds report that the subscriptions now being received from investors for recent offerings for securities show a steady expansion in the number of investors making purchases. A good percentage of the increase also represents initial purchases by owners of surplus capital who are being attracted by the unusually large returns that are being offered by corporations for loans. One firm states that its subscriptions so far this year show an increase of about 50 per cent. over the number received the corresponding period last year. Bond dealers state that the growing confidence that the Interstate Commerce Commission will announce a substantial increase in freight rates in line with the spirit of the Transportation Act is causing many persons to purchase semi-speculative railroad bonds in preference to railroad stock. Steady absorption of this class of security is reported. The average course of the market for high grade bonds has been downwards for many years. There are various indications that it is now close to the low point and perhaps already past it. In any event, the investor who uses the best judgment will get the most satisfactory results.

### Chicago Stocks Dull

Chicago stocks continued dull last week, prices were irregular most of the period, but a firm tendency was shown at the close and net gains outnumbered losses. Anticipation of the earnings statement caused considerable activity in the common stock of Lindsay Light. More than 4,500 shares changed hands, during which the price was bid up to 9¼. The common had paid no dividend since the latter part of 1919. Net earnings of the company for the quarter ended June 30 were \$52,323. This compared with \$11,699 in the second quarter of 1919.

### Armour's Foreign Trade Decreased

A side light on the foreign trade situation is contained in a report by Armour & Co. for the first half of the fiscal year ended April 30. Gross sales showed a decrease of \$34,000,000, total sales being \$476,000,000, compared with \$510,000,000 in the corresponding months of the previous fiscal period. The foreign business of the company was carried on in greatly reduced volume, but domestic business showed a marked increase, the total tonnage of meats handled being substantially the same in both years. The apparent decrease in business is ascribed to lower prices. Shrinkage of the European demand for American meat products is due primarily to the low rate of foreign exchange, which placed American shippers at a disadvantage.



# Bankers National Bank of Minneapolis

Capital and Surplus \$1,000,000.00

**OFFICERS:**

C. E. OVENSHERE, Vice President  
 HARRY S. QUIGGLE, Cashier  
 C. L. ATWOOD, President  
 E. A. PURDY, Vice President  
 JOHN SCHUKNECHT, Ass't Cashier  
 JAMES THORNE, Vice President

**DIRECTORS:**

P. N. Aggergaard, Sioux Falls, S. D.	Leslie Fawkes, Minneapolis	E. M. Langemo, Minneapolis
V. P. Stockyards State Bank	President Fawkes Automobile Co.	Wagner-Langemo Co.
C. L. Atwood, President	W. I. Forbes, Gilby, N. D.	W. H. L. McCourtie, Minneapolis
F. B. J. Bickle, Glenwood, Minn.	President Bank of Gilby	Portland Cement Manufacturer
Capitalist.	J. B. Funke, La Crosse, Wis.	C. W. Nye, Minneapolis
G. C. Bohn, St. Paul, Minn.	President Jos. B. Funke Co.	President Minnesota Stove Co.
President Bohn Refrigerator Co.	William Furst, Minneapolis	C. E. Ovenshere, Minneapolis
Edwin Erickson, Adrian, Minn.	Attorney	Manager Mpls. Knitting Works
Cashier Adrian State Bank	George L. Gillette, Minneapolis	E. A. Purdy, Minneapolis
H. J. Clark, Minneapolis	President Twin City Co.	Postmaster
President J. R. Clark Co.	Carl L. Hamilton, St. Paul	H. S. Quiggle, Cashier
Henry Deutsch, Minneapolis	White Pine Bureau	Payson Smith, Minneapolis
Attorney	Wm. Hoese, Spencer, S. D.	President Payson Smith Lbr. Co.
John Elliott, Minneapolis	Cashier Farmers & Merch. St. Bk.	James Thorne, Vice President
J. & W. A. Elliott Co., Contractors	W. H. Hull, Minneapolis	I. A. Thorson, Minneapolis
	Treas. Bankers Trust & Sav. Bank	President N. W. School Supply Co.

We receive accounts of banks, corporations, partnerships, firms or individuals and shall be pleased to meet or correspond with those who are contemplating a change or opening new accounts.

Concerning the investment situation, John Burnham & Co. said: "Speaking in the broad sense we believe that the tendency of commodity prices is downward rather than for higher levels. While it is true that this movement has not made itself felt materially as relates to foodstuffs, yet clothing, shoes, etc., are being steadily marked down while the condition of affairs in the raw wool market forecasts serious trouble. Prices of this commodity have dropped badly, with the bulk of the crop still in the growers' hands, and banks have not been keen to extend a helping hand. Let no one think, be he capitalist or laborer, that the future industrial property is not his own immediate concern. No individual can be allowed to shift his share of the responsibility for the success or failure of the whole.

**United Effort Needed.**

"What this country must have is the concentrated unity of effort from everyone. The small minority which refuses to grant concessions now for the benefit of the large majority may later on find itself in the unfortunate position of begging favors. If this country only could learn that there is such a thing as mutuality of interest as between its various contending elements, we should be far on the road to the settlement of our most serious disputes. With a sound basis under us, raw materials in plenty and wealth far greater than that possessed by any other peoples with a tradition for energy and hustle, and a world-wide reputation for getting things done, can it be possible that we have fallen to such a low state as to endanger a future which beckens to us with extended arms simply because we are so stupid as not to know how to work together for a common end?"

**Mortgage Bankers Elect**

The Chicago Mortgage Bankers Club elected George H. Taylor, western loan agent of the Prudential Life Insurance Company, president, at the annual meeting and, F. L. Johnson, in charge of the real estate loan department of the Fort Dearborn Trust & Savings Bank, secretary and treasurer. The following additional officers were chosen: First vice president, E. H. Seeman, of E. C. Pauling & Co.; second vice president, Edgar Greenebaum, in charge of real estate loan department, of Greenebaum Sons Bank & Trust Company; secretary in place of Mr. Johnson, who still remains as treasurer; W. J. Hoppe, in charge of real estate loan department of the Union Trust Company. The following were appointed members of the executive committee: C. W. Hoff, president, University State Bank; W. J. Moore, president American Bond & Mortgage Company; Francis Lackner, of Lackner, Butz & Co.; A. W. Stanmeyer, president Wm. C. Heineman Company; and Byron Kanaley, of Cooper, Kanaley & Co.

**New Bonds Offered**

Halsey Stuart & Co. and A. B. Leach & Co. are offering in behalf of a group which they have formed an issue

of \$3,000,000 West Penn Power Company first mortgage seven per cent. bonds maturing in twenty-six years at 94½ and interest to yield 7½ per cent. This is the first long term first mortgage public utility bond which has been issued in a great many years bearing a seven per cent. coupon. The West Penn Power Company is one of the largest public utilities companies in the state of Pennsylvania.

The Louisville Gas & Electric Company sold \$3,500,000 of two and one-half year eight per cent bonds secured notes to a syndicate which includes Byllesby & Co. The notes, which are secured by \$5,250,000 of the company's general mortgage six per cent. bonds, were offered for public subscription at 99, yielding the investor approximately 8.45 per cent. Louisville Gas under the Byllesby management is one of the few larger utilities that has not experienced difficulty during the war period because of fixed rates and increasing costs.

NEW ISSUE;

**\$25,000,000**

**Government of Switzerland**

**Twenty Year 8% Gold Bonds**

Interest and principal payable in United States gold without deduction for any Swiss taxes, present or future.

Switzerland is one of the wealthiest countries in Europe. The national wealth in accordance with the present level of prices is over \$6,000,000,000, or over \$1,400 per capita, Swiss capital invested abroad is estimated at \$1,250,000,000.

The general debt of Switzerland, after deduction of railway debt, on June 30, 1920, was \$365,000,000 or only \$85 per capita.

Proceeds of this loan will be used by the Swiss Government for purchases in the United States.

Price: Par and interest to yield eight per cent.

**Wells-Dickey Company**

Established 1878

MINNEAPOLIS, MINN.

St. Paul Duluth Chicago Great Falls Regina





# THE NATIONAL BANK of the REPUBLIC OF CHICAGO

Is prepared to render exceptional service  
in exceptional times

JOHN A. LYNCH, President  
WM. T. FENTON, 1st Vice Pres. & Mgr.  
ROBT. M. MCKINNEY, 2nd Vice Pres.  
WATKIN W. KNEATH, 3rd Vice Pres.  
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THOS. D. ALLIN, Asst. Cashier

LOUIS J. MEAHL, Asst. Cashier  
WM. C. FREEMAN, Asst. Cashier  
CHAS. S. MACFERRAN, Asst. Cashier  
WALTER L. JOHNSON, Asst. Cashier  
THOS. H. O'CONNOR, Asst. Cashier  
HAROLD M. MICHAELSON, Ass't Cashier

Resources over \$42,000,000

## Bankers Turn Down Chicago's Debt Certificates

Chicago, July 27—City of Chicago finances are in disrepute. Big Chicago banks made it known last week they will refuse to buy, even at a discount, or to loan money, on the new certificates of indebtedness being issued by the city in lieu of cash payments to its creditors. The bankers declared the certificates are practically worthless to them, being merely an acknowledgement of debt, with no assurance of payment at any specified date and bearing no interest. Hence the banks do not care to buy them as an investment, nor will they accept them as collateral for loans.

### Disregard Bank Warning

The attitude of the bankers also is that the city administration is seeking by a subterfuge money the banks have refused to lend as a straight loan. They declare they long ago warned city officials that economies must be effected and public improvements curtailed until the present credit stringency has passed. But, they now say, the city administration has disregarded this advice, and so faces the necessity of paying bills by promises instead of cash. For the banks now to buy or make loans on these promises bankers say, would permit the city to issue certificates without limit.

### Not Good Collateral

"We cannot buy these certificates nor lend money on them," John J. Mitchell, chairman of the board of directors of the Illinois-Merchants Trust banking group, said. "They are simply an acknowledgement of debt. No specified time for payment is set and they bear no interest. So they could hardly be classed as a good banking investment, as no bank could tell when it would get its money back if it kept them and they would not be readily negotiable. They cannot be regarded as good security for loans. No bank examiner would regard them as good collateral. If we make any loans to holders of the certificates it will be because their credit is perfectly good and we would have made the loan anyway."

### Dawes Draws Line

W. R. Dawes, vice president of the Central Trust Company of Illinois, set forth the similar position of that bank. "If the banks bought or loaned on these certificates there would be no limit to the amount that the city could put out," he said, "and the city could use its funds for purposes for which the banks already have refused to lend more money. It is simply a left handed way of trying to borrow money that could not be got otherwise."

### Reserve Bank Improves

The Chicago Federal Reserve Bank made a considerably improved showing last week. For the first time since March, with the exception of one week, in June, the bank is out of debt to other Federal Reserve Banks, paying off last week \$16,923,500 of such obligations. Loans increased \$7,476,968, but the liquidating of borrowings from sister institutions really means a decrease in loans, as such borrowings were on rediscounted bills. The bank bought \$10,322,483 fewer bills, so that total bills on hand receded \$2,845,515. Loans secured by government paper increased

\$26,200,817 but those secured by commercial paper declined \$18,723,849.

### Gold Reserves Larger

Gold reserves increased \$18,268,526 due chiefly to a gain through the gold settlement fund. The total deposits declined \$11,681,804, although the government increased its balance by \$1,178,572. Holdings of treasury certificates receded \$3,026,500. The ratio of reserves to deposit and note liabilities combined rose to 40.74 from 38.98 per cent. in the preceding week, while the ratio of reserves to note circulation, after setting aside 35 per cent. against net deposits, rose to 43.42 per cent. from 40.62 per cent. in the preceding week.

### Stevens Analyzes Money Mart

"Money in New York is tight and the bankers there expect it to continue so until the crop moving season has been passed," declared Eugene Stevens, vice president of the Illinois Trust & Savings Bank, upon his return from the East last week. "Despite this condition," Mr. Stevens asserted, "New York bankers are not pessimistic. They have enough money to take care of legitimate commercial needs and are serene regarding the outlook for the future. While there may be some hardship commercially, it is figured that the majority of corporations have made large profits during recent years and can suffer losses now without jeopardizing their position. The present trouble is largely one of transportation. If the grain can be hauled to market, the crop moving season should be passed without difficulty. The stock and bond demand in the East is at a low ebb and the flotation of new securities is not being encouraged, except to meet essential commercial requirements."

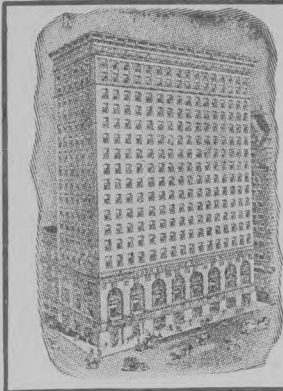
### Mitchell Likes Award

That the railroad unions will accept the labor board's award of a \$600,000,000 increase in wages and that there will be nothing approaching a general railroad strike this autumn is the consensus of opinion of the Chicago financial district. "The wage award seems to be fairly based and should be acceptable to the employees," said John J. Mitchell, chairman of the board of the Illinois Merchants' Trust banking group. "Strikes have been threatened but that is part of the game. I believe the railroad men will ponder considerably before striking, especially with general industrial conditions as they are now."

### Reynolds Gives Opinion

"The award seems to be fair and I am glad to see the railroad men get increases which will meet the increased cost of living," George M. Reynolds, president of the Continental and Commercial National Bank, said. "But now it remains for the Interstate Commerce Commission to grant increased rates to the railroads to enable them to pay these increased wages. I believe in a man being fairly paid and well paid, but I also believe he should deserve and earn such pay by giving honest and efficient service."

"If the award goes into effect, a return to government operation is inevitable unless a corresponding increase in freight and passenger rates is granted," said William T.



# The Corn Exchange National Bank

CAPITAL \$5,000,000

SURPLUS AND PROFITS \$10,000,000  
CHICAGO

**OFFICERS**

ERNEST A. HAMILL, Chairman of the Board  
EDMUND D. HULBERT, President  
CHARLES L. HUTCHINSON, Vice Pres't  
OWEN T. REEVES, JR., Vice Pres't  
J. EDWARD MAASS, Vice Pres't  
NORMAN J. FORD, Vice Pres't  
JAMES G. WAKEFIELD, Vice Pres't  
EDWARD F. SCHOENECK, Cashier  
LEWIS E. GARY, Ass't Cashier  
JAMES A. WALKER, Ass't Cashier  
CHARLES NOVAK, Ass't Cashier  
JOHN S. COOK, Ass't Cashier

**DIRECTORS**

WATSON F. BLAIR  
CHAUNCEY B. BORLAND  
EDWARD B. BUTLER  
BENJAMIN CARPENTER  
CLYDE M. CARR  
HENRY P. CROWELL  
ERNEST A. HAMILL  
EDMUND D. HULBERT  
CHARLES H. HULBURD  
CHARLES L. HUTCHINSON  
JOHN J. MITCHELL  
MARTIN A. RYERSON  
J. HARRY SELZ  
EDWARD A. SHEDD  
ROBERT J. THORNE  
CHARLES H. WACKER

FOREIGN EXCHANGE  
LETTERS OF CREDIT  
CABLE TRANSFERS

Fenton, vice president of the National Bank of the Republic.

**Great Lakes Celebrates**

The Great Lakes Trust Company had its first birthday party last Thursday, and there was cause for celebration. The bank's first year's growth has been remarkable. It now has \$10,000,000 of deposits, spread over 7,794 accounts, and has 1,283 stockholders, the largest number of all Chicago banks. President Harry H. Merrick was in proper birthday humor, and appropriately optimistic. "I cannot agree with any bankers or others who are disposed to give expression to an ingrowing pessimism," said he. "Business and financial affairs are working out all right, and all we need is a little patience. The principal trouble has been the transportation situation, and with the wage award and the forthcoming rate increase, that difficulty seems to have been removed. I look for a decided steadying of conditions and an orderly return to normal." The bank began its existence with a capital of \$3,000,000. It now has a surplus of \$600,000 and deposits approximating \$10,000,000. Mr. Merrick, who was formerly president of the Association of Commerce, was general credit manager for Armour & Co. for twenty years, and for two years prior to the founding of the Great Lakes Trust Company was with the Central Trust Company.

Directors of the Union Trust Company elected Philip Weinheimer, Wm. A. Handtman and R. K. O'Hara, assistant cashiers.

Chicago bank stocks continue firm and moderately active. Transactions were as follows, last week: Continental and Commercial new, 294@295; National Bank of Republic, 178@179; Central Trust company of Illinois, 188@190; Corn Exchange National 375@377; State Bank new, 324@325.

**WORLD'S GOLD PRODUCTION REVIEWED**

Washington—The United States Geological Survey has given out some preliminary figures showing the production of gold throughout the world in 1919. The production in the United States was \$58,285,196; Canada is reported to have produced \$14,687,000; India \$10,028,000; Australia (not including New Zealand or the islands), \$29,268,000; the Transvaal, \$171,640,123; Rhodesia and West Africa, \$18,631,070. There was a probably large decrease in the production of gold in Russia and Siberia in 1919. Some increase was probably made in the output of Central America and South America, which, however, was doubtless offset by decrease in the output of other countries. The incomplete returns now available indicate that the world's production of gold in 1919 was between \$345,000,000 and \$350,000,000. The world's production in 1918 amounted to \$380,924,500.

The Geological Survey further states that information received during the first six months of 1920 indicates a still further decrease in the production of gold in the United States and that the output for the year will probably be less than \$50,000,000. The production in Alaska, Colorado, California, Oregon, and Montana will be much less in 1920 than it was in 1919, because water is very short for placer mining and many stamp mills are closed. Canada as a whole may increase its output, although the production of the Yukon districts will be smaller than last year. The output of Russia can not be estimated. That

of Australia will show a decrease. That of South Africa and South America will probably show no radical decrease. According to the Geological Survey the indications are that the decrease in the world's production of gold in 1920 will not be so great as it was in 1919.

## Credit Inquiries

Our location and facilities enable us to keep in close touch with the credit standing of Eastern and Middle Western corporations and individuals. We invite your inquiry regarding Credit Service rendered our correspondents.

## The NATIONAL CITY BANK of CHICAGO

DAVID R. FORGAN, President

BANKS AND BANKERS DEPARTMENT

F. A. CRANDALL, V-Pres. HENRY MEYER, Asst. Cash.  
S. P. JOHNSON, Ass't Cash. R. V. KELLEY, Asst. Cash



WE offer immediate credit for B/L items representing outgoing shipments (the most convenient way of borrowing money.) We specialize in this business and make direct collection promptly on all receiving points at minimum cost. Information regarding our service will gladly be furnished by letter or call.

## THE BILL OF LADING BANK OF CHICAGO





## CENTRAL TRUST COMPANY OF ILLINOIS CHICAGO

**W**E offer our facilities to out-of-town banks and bankers desiring a complete Chicago correspondent service in domestic and foreign banking.

Our booklet, "Through Bills of Lading," with special World map, shows the advantages of a Chicago banking connection in handling foreign business.

*Correspondence Invited*

**Capital and Surplus \$7,000,000      Deposits \$60,000,000**

## Gold Situation Cause for Grave Consideration

George H. Bailey, Washington, D. C., Counsel for the American Mining Congress, in a Review of the Currency and Gold Situation Delivered Before the New York State Bankers at Asbury Park, New Jersey

The large amount of gold that flowed into this country through the accident of trade during the war placed this country in a somewhat enviable position in regard to the volume acquired of that metal. This large amount of gold has made it possible for this country to continue as a free gold market since the raising of the embargo on the export of gold in June, 1919.

The best students of international trade are of the opinion that gold must be allowed to flow into the avenues of international trade in order to create healthy financial and trade conditions throughout the world. This, of itself, would seem but natural and highly desirable, but it raises a serious question which must be given careful consideration.

The matter is complicated by our own currency being expanded to such an extent that the gold volume is necessary to maintain the legal reserve required by law to support our currency structure. A gold dollar in the vaults of the Federal Reserve Bank, serves as the basis of deposit liabilities of \$2.50, and these deposits to the credit of a member bank may serve a credit extension by that bank of from 7½ to 14 times that amount, or from \$19 to \$35. In this connection the gold reserve of the country has largely been placed in the vaults of the Federal Reserve Bank, where it is already in use to sustain the currency in circulation.

### Our Loss in Gold

Between May 1, 1919, and May 1, 1920, the loss to the monetary gold stock of the United States was \$445,000,000. This loss was occasioned by excess exportation and the consumption of gold in the manufactures and the arts greater than the amount of metal produced from our mines.

The outflow of gold continues at the same rate, and the depletion of the monetary, gold stock will, no doubt, proceed relatively. The margin of the present gold reserve is very low, and deflation, or more properly, contraction of the currency volume, therefore, is compelled.

Too rapid deflation will dislocate industry, and by curtailing production, accentuate the severity of all our economic ills. When we consider that deflation must proceed at a rate of from 20 to 35 times the loss of gold, we get an idea of the rapidity by which the volume of currency must be contracted.

### Gold in Manufactures

The manufacturers in the arts and trades used in 1919 gold of the value of about \$100,000,000. This gold was largely withdrawn from the Mint in gold bars, about \$14,000,000 of which was exported. The amount used in these arts and trades continues to be excessive as compared with former years.

The time has come when deflation in our credit and currency structure is a forced necessity, but if these excessive heavy losses are allowed still further to reduce our gold reserve, the deflation will be on a scale far too great for the country to sustain.

The production of new gold it is estimated will not exceed \$40,000,000 this year, being a decline of \$18,500,000

from 1919. This industry is being forced to extinction by continued economic pressure. Gold production has declined from \$101,000,000 in 1915. The loss in production of new gold to the reserve, added to that withdrawn for use in the arts and trades, will still further accentuate the volume of necessary currency deflation.

### Gold Mining Menaced

A healthy gold mining industry should be re-established, which is only possible by freeing the gold producers from the economic stress flow pressing on that industry. It is important that the gold mining industry be kept alive for fear that with the greatly reduced production there will be difficulty in retaining the gold standard during the coming campaign of credit restriction. In the United States the producers of gold have had to compete with the demand for labor in copper and silver mines and in other industries, and pay the high prices prevailing for all of the supplies required in mining operations, and they have been unable to realize any more than the fixed price for gold—\$20.67 a fine ounce. They have had no compensation for the rising costs, and as operations have become, to a great extent, unprofitable, production is falling rapidly. The nation's power to produce gold is now menaced, and unless economic relief is afforded, the industry will completely shut down.

### Profit at Expense of Gold Mines

The Government is selling gold without limitation for industrial consumption at the pre-war price of \$20.67 an ounce, which is less than the cost of production. The average wholesale price of all commodities for the year 1919 was 112 per cent. greater than for the year 1914. Had the price of gold been regulated by the law of supply and demand, it would have at least increased in price with the general average of all commodities in the United States. The gold producers would have received for their 1919 output, which was sold to the industrial consumers for \$58,500,000, an increase of 112 per cent., or an additional amount of \$65,000,000. To this extent the industrial consumers of gold profited at the expense of the producers of gold.

A bill designed to protect the monetary gold reserves of the United States from industrial depletion was introduced in Congress by Congressman Lewis T. McFadden, Chairman of the Committee on Banks and Banking. This bill creates the governmental machinery by which the industrial consumers of gold may pay more nearly the cost of production of their raw material, thereby lessening the subsidy which they now enjoy. The bill also provides a premium to be paid to the producers of new gold, which premium will compensate in part for the decline of the purchasing power of the dollar.

### Purchasing Power of the Dollar

As compared to 1914, the purchasing power of the dollar, in terms of all commodities in 1919, was 47 cents. The gold producer's ounce in 1914 had a purchasing power of \$20.67, whereas during 1919 the same ounce could purchase, in terms of all commodities, but \$9.70. The gold



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producer is in the same position as a person who received the same income in 1919 as in 1914, and that a \$2,000 income has shrunken in purchasing power to \$970. This is the most important reason why the gold production in the United States has declined so rapidly. Had this bill been in effect during 1919 it is estimated that the revenue, in favor of the Treasury Department and in excess of the expenditures provided under this act, would have amounted to \$14,000,000. The tax provided for in the bill on the consumers of industrial gold does not fall upon the public. It is estimated that the premium authorized in the bill will, in a relatively short period, cause an increase in the production of gold, at least sufficient to supply the demand for industrial use, and prevent the further depletion of the monetary gold reserve to this extent.

### NEW ENTERPRISE IN DEEP MINING

Houghton, Mich.—One of the most daring ventures in deep mining ever conceived is that entered upon by the Calumet & Hecla Mining Company. It involves the construction of a haulage way a mile and a half in length at a depth of 8,100 feet, connecting all of the Calumet & Hecla and Tamarack conglomerate lode shafts from the South Hecla branch to the Red Jacket shaft of the Calumet & Hecla.

The haulage way will be used for the transportation of all the richest portion of the Calumet & Hecla and Tamarack properties, the rock to be hoisted exclusively through the Red Jacket shaft, one of the world's deepest holes, extending vertically 4,900 feet into the earth. The construction work has been in progress for two years and is now about three-quarters completed. Nothing like it in extent has ever before been attempted in any mining field. The haulage way is being cut through solid rock and involves an intricate tunneling project and the best of mining engineering skill.

Calumet & Hecla is now hoisting through eight conglomerate shafts. This is a costly proposition and it gets

more so as the shafts are driven deeper. It also necessitates a heavy outlay in shaft and railroad equipment, which requires constant replacement and changes. It is believed the problem of deep mining will be practically solved with the completion of the haulage way for it eventually will do away with all shaft houses except two and surface railroad switch lines. In the haulage way will be laid a network of tracks and it probably will be the only railroad system in the world operated at such a depth.

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## A State Banker's Defense of the Par Clearance Plan

W. H. Doyle, Cashier, State Bank of Platteville, Wisconsin. An Address Before the Annual Convention of the Wisconsin Bankers Association

In the discussion of the par clearance plan of the Federal Reserve Banks, it will be well to consider thoughtfully, the defects in the clearance system it attempts to supplant, and the benefits that will result from its universal operation throughout the nation.

At the outset we must not lose sight of the fact, that the banks of this country are clearing houses, through which 95 per cent. of the business dealings and commercial transactions of the public are negotiated by means of checks. In no other country in the world has the use of bank checks assumed such tremendous proportions, and therefore, their clearance along economic and scientific lines is a problem of national interest and importance, in which the public as well as banks, are vitally interested.

### Some Practices in the Past

Prior to the inauguration of the Federal Reserve Clearance Plan, the par clearance of checks was a matter that each individual bank throughout the country had endeavored to satisfactorily solve for itself.

Independently, we were constantly hunting bank relationships, through which we would be able to clear at par for our own institutions, all checks received on other banks. Necessarily, we bent every energy to solve this vexatious clearance problem to our own satisfaction, regardless of the violation of any economic principles it involved, or who suffered the ultimate cost of clearance. The essential need, therefore, in opening up a relationship, or a series of such relationships, in order that we might secure clearance over a wide area, was that the arrangement effected, should bind the correspondents with whom we formed our alliances, to par every item we sent them for clearance, and at the same time force the correspondents to submit to an exchange deduction on every letter they sent us. It is true that we were not especially solicitous as to the expense that had to be absorbed by the correspondent banks in providing this clearance for us. When it was impossible for us to make a one-sided agreement of this kind (and the fact was impossible with some banks), we bided our time by making reciprocal arrangements until such time as we might be able to do better (and it is a noteworthy fact that many of us were interested in doing better). We were constantly hunting and trying to secure as many of these relationships as possible, in order to head off some enterprising competitor whose mind had learned to follow ours in clearance methods. The more relationships and accounts we had, the greater were the par facilities we afforded ourselves; the greater were the advantages we had over our competitors, and greater were the tolls that ticked into our coffers from these sources.

Any bank that coveted our account—and there were not

a few who coveted accounts—positively knew that they must stand and deliver on the exchange proposition, and thus the securing of reserve accounts was very largely dependent upon the ability of correspondent banks to devise additional par facilities for us, and at the same time forward us a greater volume of checks upon which we, of course, should be privileged to practice the art of deducting exchange. We are all familiar with the many iniquities banking methods and banking practices that followed in the wake of that kind of a clearance system, namely, the circuitous routing of transit items through various chains of banks in order to escape this deadly exchange toll; the kiting of checks on the part of both depositors and banks; the delay and the liability that attached to every bank concerned in the negotiation of checks, by reason of this delayed presentment; the uncertainty at all times as to the ultimate payment thereof; the great loss of interest incidentally suffered while clearance was being made through these chain link processes; the opening of new accounts solely because of the profits to be derived from exchange on checks which we might receive for collection from these new sources. These evils, together with the fictitious, padded and pyramided reserves that naturally resulted in the processes mentioned, were the outgrowth of the old methods of clearance. So long as facilities were provided for ourselves—for our own individual bank—we considered our duty done, and complimented ourselves on our foresight and ingenuity in shifting the exchange burden onto other shoulders, and evading the operation of the Golden Rule in clearance. Despite the fact that the old clearance system exemplified injustice, and permitted the devil to take the hindmost, there are still some banks that are willing to perpetuate the check clearance system that developed these pernicious evils.

### Doing Away with Handicaps

Can any thinking man in this day and age of progress—of development and efficiency in every line of business—for a moment consistently argue that any such obsolete, dangerous, unscientific, indefensible clearance method shall any longer handicap today's requirements of trade and industry? Can any thinking banker endorse and approve the continuance of that kind of check clearance; that kind of injustice and discrimination? Does he think that the growing trade and commerce of this country should any longer be handicapped in that manner? Our banks were not chartered solely for the benefits and selfish personal interests of stockholders. They were chartered and created to serve the trade and commerce of our country; to facilitate the commercial operations of our people, and we are derelict in our duty when we fail to provide facilities which will enable our institutions to

function not only in the highest interests of trade and industry, but in the highest interests of the general public.

**Modernizing Clearance**

Was it any wonder that the Federal Reserve Banks—these institutions charged with the mobilization of the banking reserves of the country, should at the earliest possible moment set about to modernize the old system of check clearance? We must admit that these two great functions—Mobilization and Clearance—cannot be dissociated. The very first requisite in the most efficient mobilization of reserves, was the establishment of an economic, scientific, check clearance plan; a system of check transportation and check redemption, which would function uniformly and universally throughout the nation, serving member and non-member banks alike, converting our great mass of check liabilities into liquid credit, and making them available for service as bank reserves in one-half the time required under the old system of clearance. It must be admitted, that any such object, that any such service as this new clearance plan contemplates, is absolutely essential, commendably meritorious from both an economic and commercial standpoint, and worthy of our fullest and heartiest cooperation as bankers. For every benefit that we enjoy, we should be willing to make some sacrifices to obtain. For the many benefits that a sound, economic, par clearance system would give, not alone our community, but every community in this land—for the great benefits that would accrue to trade and commerce, and to the public, we ought to be willing to make the very small contribution that the Federal Reserve Par Clearance System asks of us.

**Part of a Commercial Mechanism**

We must all be made to realize that we are a part of the commercial mechanism of the country, and that in the solution of economic questions, where the greatest good and the greatest service to the greatest number is of paramount importance, that we must function on broad-gauged lines and abandon narrow viewpoints. Because of the quasi-public relationship we occupy, much is due from us in the solution of banking problems of national scope and character such as this clearance problem is. We have duties and responsibilities, both express and implied, to the public and to our profession, which must not be discharged in any selfish manner. The degree of service which we are willing to give our communities; the degree of service which we are willing to render in promoting sound, economic banking, scientific methods and safe banking practices, is the test by which our real usefulness to our communities and to the public, may be measured and accurately determined.

**Cooperation Mandatory**

Our cooperation with other banks in securing a nationwide par clearance system for checks, is positively mandatory and necessary in this day and age of our industrial and commercial development. Our obligation in this regard cannot be excused under any pretext whatsoever. The personal gain that has been ours under the old system of clearance should not justify a narrow-gauged view of the problem in all of its aspects. The checks outstanding against all banks should be made to discharge the highest degree of usefulness possible. Under the Federal Reserve Par Clearance Plan, the highest degree of usefulness and efficiency has been conferred upon all checks throughout this land, and any bank that would resist this clearance plan which seeks to confer greater usefulness and greater efficiency has been conferred upon all checks throughout country; a plan that seeks to put an end forever, to a practice that has discredited and handicapped bank checks, has signally failed to function in providing services which it was created to render.

**Bank Checks Credit Bearers**

Bank checks were intended to serve as credit bearers throughout this land, discharging indebtedness at their face value. Shall we rob them of that necessary virtue? They are transfers of credit, or transfer orders from a depositor to his bank, directing the payment of definite

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sums to the payee named, or to his order. For the convenience they have afforded, and the profits to be derived from checking accounts, banks have been responsible for the use of the great mass of checks afloat today. Primarily, they were instruments designed for the use and benefit of banks, to escape the transfers of currency from hand to hand, and place to place, throughout the country. The currency method of payment was unthinkable for the large sums that our commercial transactions represented even in the early days of banking, and thus we see how the check was an instrument born of necessity, primarily invented for the use and benefit of banks in facilitating their own operations, in order to escape the cost of currency transfers coming and going; to avoid the hoarding of vast quantities of currency which cash payments would have demanded; the loss of interest on huge sums of actual money held in bank vaults for that purpose, not to mention the liability of loss through robbery, etc. To the wide use of checks—in educating the public to the true value of bank accounts—are we indebted in large measure for the tremendous banking power that has been built up in this country. Bank checks have truly served a great mission in our country's progress, and in its banking development; they are the indispensable instruments of trade and commerce, and through the operation of the Federal Reserve Clearance Plan operating uniformly and universally throughout our land, these checks can be made the most perfect currency in the world.

### Added Privileges

With handicaps removed; with discredit no longer possible; with passports to travel unmolested throughout the length and breadth of our country on missions of helpfulness and usefulness to both debtors and creditors; equipped to perform a higher degree of service than ever before, where is the banker worthy of the name, that would deprive checks of these great rights and added privileges; that would deny the public and commerce of the incalculable service that par clearance under the Federal Reserve Plan would afford us. Away with the narrow-gauged view that would penalize bank checks; that would deprive them of increased usefulness; that would rob them of increased efficiency. Out with the system that permits tribute to be exacted from the innocent holder of bank checks; too long has this old method of clearance, made it possible for this nefarious practice to be continued. To our everlasting shame let it not be said that bankers encouraged the circulation of checks—the instruments of necessity, both to themselves and the public, that they might for their own private gain place a tax thereon, camouflaged in the name of exchange.

### Need of Consistency

Checks have served us too well to deserve penalization for the great services they have wrought in our own behalf. Were our Government to impose or propose a revenue tax on bank checks, however great the necessity for revenue might be, we would cry out, and rightfully so, against the commission of an economic crime of that nature, yet we will be inconsistent enough to defend the same economic crime, when imposed upon bank checks in the name of exchange. Why is it that we will calmly approve that action? Why is it that a relatively few banks are spread-

gressional action, court actions, and other more indefensible actions, the efforts of the Federal Reserve Banks to undo some of the economic wrongs that this country fell heir to under the chaotic banking system that existed prior to the enactment of the Federal Reserve Act? It reflects no honor or credit upon us as bankers to resort to these tactics, in order that a vicious and antiquated clearance system may be perpetuated. If we are not willing to par our customer's checks, or in other words, transfer his credits free of charge, why haven't we the moral courage to tell him so, and lay a charge for the service rendered? The facts are, we cannot afford to be so inconsistent with him. We have taught our depositors for the sake of their accounts; for the sake of the profits that we enjoy on their money without interest, that the facilities and service we can offer through checking accounts, will provide them with the means of discharging their obligations everywhere, in a manner highly satisfactory to their creditors and the commercial public.

### Paying Debtors in Full

As business men we know that there can be no satisfactory discharge of indebtedness that submits a distant creditor to accept less than 100 cents on the dollar for his claim. As bankers we should know that it is the duty and legal obligation of the debtor to place in the hands of his creditor, and at the place where the debt is payable, the full value of the indebtedness in money or its equivalent. Any tender or transfer which involves the creditor in any expense in actually getting payment is not payment in full; it is on the other hand an attempt to force creditors to accept less than 100 cents on the dollar, therefore, it will be seen that banks, unwittingly perhaps, have perpetrated a wrong in inducing their customers to make use of these personal check transfers, unless we intend to clear these check transfers at par, either over the counter or through the mails. We sometimes attempt to justify the exchange deduction on the grounds that a service of this kind cannot be performed without remuneration. If a charge is to be made for credit transfers, why not lay it where it belongs? Why practice deception on the public? Why take accounts under false pretenses of service? The depositor is entitled to this transfer service; we know it; we admit it; witness the elaborate and extravagant transfer and voucher check forms that we have provided for his use; we do everything but cut each other's throats for the privilege of thus serving him; then why attempt to take from the creditor, the creditor's bank, or any other innocent holder who has assisted in the negotiation and redemption of these check transfers, a charge that you dared not attempt to collect from the party who placed the check in circulation? There is only one answer to that question, and that is,—because its easier.

### Should Checks Be Penalized?

The service that checks have performed for our customers is hardly less than the convenience, profit and service that their circulation has afforded us. No bank desires, nor could it expect all of these items to be presented over its counters for redemption in currency. You would be opposed to the redemption of your total outstanding check circulation in currency. Let's be honest and frank about it. We want our customers to pay by check,

and we know better than attempt to charge them for the privilege of paying their obligations in that manner. A significant question then is, have we encouraged and promoted the circulation of checks, in order that we might exact an exchange toll on all of those items that come back to us through the mails for redemption? We have assisted in putting them out into circulation, presumably with the avowed intention of penalizing all we possibly can of them when they return to us through the mails. This idea of getting exchange when you can, and of waiving it when you can't, on all checks that reach us in this manner, is nothing short of reprehensible practice; it's exacting tribute along the lines of least resistance; it's making the helpless submit, because they are powerless to protect themselves in most instances. It reminds us of the proverb, "The devil at home, a saint would be; the devil away from home, the devil a saint was he." Under the old clearance system, many a banker in his own bailiwick, in the matter of providing transfer facilities primarily intended for his own benefit, and incidentally for his customers' own use in making credit transfers through all the avenues of commerce, a saint would be, but when that same banker's checks came home for redemption through the mails, from one of his helpless correspondents—the Federal Reserve Banks, or some other innocent holder, the devil a saint was that banker in the laying on of exchange charges. It will thus be seen, how under the old system of clearance, there developed a subtle, dishonest, shifty practice of getting exchange when the opportunity afforded—easily exacted, because the victim wasn't present to protest—a practice which cannot be condoned or defended from any standpoint.

#### The Federal Reserve Plan

The Federal Reserve Clearance Plan is one that provides for the redemption of checks at 100 cents on the dollar everywhere through this Union, without cost to banks, or to depositors; a service that permits the checks of little banks as well as big banks to pass currently throughout the length and breadth of this land at 100 cents on the dollar without deduction for exchange. It makes every check able to liquidate an amount of indebtedness indicated by its terms; it raises the country check to the honor and dignity of functioning side by side with the city check, enabling it to discharge the same measure of usefulness, and permitting it to enjoy the same measure of value. The old system of clearance robbed the country check of its efficiency; it discredited it in the business world. The new system of par clearance enables the drawer of every good check to know, that no creditor who accepts it; that no innocent holder who assists in its negotiation and liquidation, shall be made to suffer a deduction called exchange. When we place a service of that kind at the disposal of the depositors of our banks, and give notice to the world that every good check drawn on our institutions will be honored at 100 cents on the dollar, in currency or exchange, whether presented over our counters or through the mails, then we may proudly say that we have discharged our duty to our communities; that we have performed with honor and credit, the service which we, in return for a charter granting special privileges, were created to render the public.

#### The Arguments Against Par Clearance

In closing I want to refer briefly to the argument advanced against par clearance on the grounds that it is a usurpation of authority, and an abuse of power on the part of the Federal Reserve Banks to compel us to remit in exchange at par. Uniform and universal par clearance can only be brought about by the redemption of checks in exchange at par, or currency. No nonmember bank has been compelled by the Federal Reserve Banks to remit in exchange at par. Every bank has been given the option of remitting for its own checks in exchange at par, or currency. No par clearance system can be made effective or possible, without these requirements. Is it a usurpation of authority, or an abuse of power on the part of any bank to require redemption of checks in cur-



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rency? If we raise our puny hands and refuse to serve in making nation-wide par clearance possible, by remitting for our checks in exchange at par, then we deserve to bear in silence and alone, any grief or anguish that we suffer in redeeming checks in currency over our counters.

#### Badly Shifted Dollars

Under the Federal Reserve Par Clearance Plan, millions of dollars in the form of checks that formerly cavorted around the country; that were constantly being shifted from one side of the continent to the other—north, south, east and west—through every conceivable channel, in order to dodge and escape the deadly exchange tolls to which they were subjected under the old system, are now being expeditiously liquidated into credit and made available for service as bank reserves, in one-half the time required under the old method of clearance. It is an abuse of power to make available for commercial uses these tremendous sums that under the old system performed no such meritorious service, but on the other hand was responsible for a fictitious, padded, pyramided and dangerous reserve? Think of the millions of increased interest received from balances on deposit with correspondent banks, which every bank has received its share of, as a result of the time saved saved in clearance under the new method. Is it an abuse of power for the Federal Reserve Banks, at great expense to themselves, to place this equitable, this reciprocal, this nation-wide service at the disposal of both member and nonmember banks alike, without cost, giving them the option of remitting in exchange or currency, for their own items only? It is an abuse of power to perform this economic service which enables the general public as well as banks, to participate in its benefits, and that enables the drawer of every good check to know that the check of his bank—your bank—is worth its face value anywhere in the discharge of debts and commercial obligations? I ask, will not that service—made possible only through the cooperation of all banks—give checks on your institutions an appeal they have never heretofore enjoyed? Is not that a service that will redound to the benefit of every bank? Is it not a service that will reflect credit on every bank whose cooperation made it possible?

#### Bankers' Duty During Reconstruction

Facing a period of reconstruction in the world's finances; when the observance of economic law is the bounden duty and obligation of every banker; when every ounce of our great banking power must be made available for the highest degree of service and the greatest possible usefulness, it ill becomes a minority body of bankers to band together for the purpose of resisting and defeating the operation of an equitable, scientific, constructive and economic clearance system, designed to serve as a unified transportation system in the mobilization of credit and bank reserves throughout the nation. There never was a time when sound methods and correct banking practices were so necessary. If bankers will not in these perilous times of reconstruction and readjustment, stand for the enactment and enforcement of economic laws; if they will not make some contribution to a system of banking inaugurated to eliminate economic wrongs, and to eradicate unsound and indefensible banking methods and practices, then they have defaulted in an obligation to their country

and to their profession. It took a world situation to demonstrate the worth and saving grace of the Federal Reserve Act.

#### Accomplishments of Federal Reserve System

No one will attempt to deny that the commercial and industrial stability of the nation and its banks, was preserved by the Federal Reserve Banking System, and that without it, there would have been panic and disaster throughout the land, from which no bank could have escaped, and yet, notwithstanding the great service that the system rendered every bank, we witness the refusal of a relatively few banks, (and let that be thankfully said) who are asking for a congressional investigation of the system that saved them from destruction. Why the sudden exhibition of ingratitude?—because the Federal Reserve Banks have asked them to remit in exchange at par, or currency, for their own items only. Refusing to give their cooperation to a method of clearance which will make it possible to redeem checks at 100 cents on the dollar everywhere, and by their refusal, putting themselves on record as being opposed to the redemption of their own checks at par—at the same time asking and compelling correspondent banks to provide par facilities for their own selfish use, this same minority body of bankers ask that an indictment be drawn against the Federal Reserve Banks for usurpation of authority and abuse of power. I ask you, against whom should the indictment be drawn—the accusers or the accused? It is the old question of selfish and personal interest exemplified.

#### Where Selfishness Plays a Part

Economic plans and scientific systems, sound principles and safe banking practices always have, and always will be opposed by those who think their own selfish, private interests may be affected by new or modernized methods. Must banking evils be tolerated; must the expeditious transportation and redemption of vast sums represented by checks be impeded and delayed; must checks be denied the right of travel through all the avenues of commerce, without being scalped of a portion of their value for that privilege; must the public forego, and be denied the incalculable benefits which would be theirs by reason of nation-wide par clearance—in order that the selfish, private gain; the personal interests of a few banks may be perpetuated? If we believe that the rights and interests of the greatest number are paramount, we cannot fail to endorse the par clearance plan of the Federal Reserve Banks. If we feel that we are under no obligation to make any contribution to plans inaugurated to eliminate economic wrongs; to give to our country every banking facility possible under modernized methods; to eradicate indefensible banking methods and dangerous banking practices, then indeed, limited is our conception of the duty we owe the public and our profession.

#### CARRY FUNDS TO BANK IN AIRPLANE

Jefferson, Ia.—The City Bank, a private institution, closed its doors July 21. Slow collections on farm loans, and the car shortage are given as the reasons for the action.

Jay M. Wiggins, president of the Farmers and Merchants National Bank at Jefferson went to Des Moines by airplane to secure funds to forestall an anticipated run on his bank, due to the failure of the sister financial institution.



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#### Deposits in National Banks

Washington—Among the states whose national banks had on May 4, 1920, the largest number of deposit accounts in proportion to population, Wyoming stood first with 394 depositors per 1,000 of population, and Montana was next with 349 per 1,000 of population. The twelve states whose national banks reported the next largest number of deposit accounts in proportion to population were in the order named: Idaho, 293; Pennsylvania, 289; Colorado, 280; Oregon, 275; Minnesota, 271; Iowa, 262; Virginia, 259; Vermont, 255; California, 248; South Dakota, 244; Maine, 239; Texas, 236, per 1,000 of population.

For the entire United States there were 190 deposit accounts for each 1,000 of the population, or approximately one bank account for every 5½ of the population.

The number of demand deposit accounts in 8,093 national banks in country was 12,315,000; the number of time deposit accounts was 8,065,000, making a total of both time and demand deposit accounts for the entire country of 20,380,000.

The percentage of demand deposit accounts to the total number of deposit accounts was 60.45 per cent.; the time deposits, 39.57. The percentage of the total number of time or savings accounts to the total number of all deposit accounts varies greatly in different sections. In Pennsylvania 48.09 per cent. of the accounts were time deposits; in New Jersey 40.48 per cent. were time deposits; in New York state 44.44 per cent. The only states where a majority of all deposit accounts were carried on time were Maine, where the percentage of time deposit accounts was 63.83 per cent.; Vermont, 56.99 per cent.; Massachusetts, 50.09 per cent.; Michigan, 72.85 per cent.; Wisconsin, 70.25 per cent.; Minnesota, 56.28 per cent.

In the following states the larger portion of the deposit accounts were carried on demand. In Texas, 82.55 per cent. of all deposits were on demand; Missouri, 65.43 per

cent.; Oklahoma, 87.43 per cent.; Louisiana, 82.58 per cent.; Alabama, 71.84 per cent.; Mississippi, 84.04 per cent.; Georgia, 64.91 per cent.; Kansas, 79.80 per cent.; Colorado, 68.04 per cent., and California, 73.68 per cent.

The banks in portions of New England and in the northern central portion of the country had the largest number of deposit accounts on time. In the South, Southwest and far West, demand deposit accounts largely predominated.

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### Better Bank Buildings



## Labor and the Street Railway Companies

From the Union of Indianapolis, Indiana, the Oldest Paper in the United States Devoted to the Interests of Labor

Labor is the principal beneficiary of electric traction enterprise—local and interurban—in the United States. The electric lines have enormously increased the earning power of all the people; have made it possible for millions to engage in gainful occupations; have enormously bettered living conditions by providing for the distribution of congested population. Labor takes the lion's share of the disbursement for operation of these lines—no doubt 60 per cent. of all money taken by the companies for fares being paid out in wages.

### Unjustified Antagonism

Yet the wage-earners of the country, through stolid indifference or aggressive antagonism, seem bent upon the ruin of these enterprises. For, broadly speaking, it is the attitude of the masses—the wage-earning patrons of the electric carriers—that is reflected in the position of the rate-making bodies which—very generally—decline to permit the imposition of rates that must be permitted if this tremendously necessary industry is to be saved from the very real menace of impending bankruptcy. Of course, there is a disposition everywhere to treat the rate for rapid transit as a local issue, and that is proper enough; but everywhere there is made manifest the same spirit of antagonism to any movement looking to the relief of the companies operating the lines and they are likely to be all engulfed in the same general disaster.

We take it that this spirit of antagonism is born of a disposition on the part of the individual to look out for Number One—to decline to pay a higher fare under any circumstances until it is compelled; we know that this spirit is fostered by the "straphanger" joke; a tendency on the part of the moulders of public opinion to be on the safe side of popular prejudice; and the active jawbone of the demagogue who finds the public service corporation generally a safe theme in appealing to the people and fattening on their prejudices.

Most of us have been quite willing to stand as against any argument made for an increase in fares based upon equity. But have we developed this spirit to a point where it is likely to react upon ourselves, upon the industrial and social life of communities? Isn't it quite likely that electric transportation companies whose costs of labor, fuel and material have increased at least 100 per cent.—generally much more—and whose rates were originally fixed on the pre-war cost of those commodities, must have got pretty close to the breaking point? What chance would the wage-earner have to survive at the present cost of living if his pay envelope contained this week no more than it did in 1914? Well, the parallel between the wage-earner and the public service corporation selling transportation holds absolutely good.

### Meeting Costs of Operation

The transit company may be able to practice economies impossible to the individual, but no human power will enable it to go on spending twice as much as it gets. A couple of weeks or a couple of months would finish an individual engaged in such an undertaking; financial genius and reserve resources have protracted the period for the corporations, but a man with half an eye must now see that a smash is inevitable. And you the wage-earner will pay the piper when the smash comes. Don't think that this is simply the lookout of the companies and their stockholders and bondholders. When a stock company arrives at a stage where it operates for a long period at a loss, the stock becomes a liability, the bonds worthless.

If the company becomes a bankrupt, what's the use of suing it to compel it to carry out its franchise obligations? Why sue a beggar? We must get away from the stupid obsession that, somehow, the electric line will be kept running. It won't, for the simple reason that nobody will furnish new capital. Look about you. Do you see a single mile of new track or a new car that was not contracted for before the war? There has not been a dollar of new money forthcoming for electric transit extension in this

country in at least three years. This in itself is ominous; it has already been destructive, in that it interferes with that industrial development without which this country can not survive.

### Stoppage of Expansion

But these are matters for investors, you will say. They are not, for they check the expansion that is necessary if we are to hold our own industrially; for if we stop expansion we perish. Consider the electric transportation problem from the point of view of our own individual interests as wage earners. Most wage earners in industrial and commercial centers are compelled by rental and other conditions to live at a point more or less remote from their place of employment and at a distance that would be quite impossible if it were not for electric rapid transport. Through the efficiency of the transportation companies we find it easy enough to live thirty or forty blocks from the factory or store or office, getting out of the congested and higher rent districts; millions of workers live from two to twenty miles from their employment; suburbs of large cities have been made possible for homes for wage earners by the enterprise of the electric lines.

### Advantages to the Workers

In practically every case where a worker has bought a suburban home he has paid for it by the saving in rent made possible through rapid transit to and from his work. In all of the millions of cases where the worker lives at a distance from his place of employment, and uses the electric lines, he saves many dollars every month in rent, besides having the advantage of decent surroundings, for the electric lines have virtually abolished the industrial slum and the overcrowded tenement district. Most of the betterment that has come to us in living conditions in the cities is to be ascribed to the enterprise of the builders and owners of these lines.

It is true that in ordinary times, and under normal conditions, these enterprises were profitable, but those times and conditions are done with; you know that. The question is whether you are going to block the granting of such relief as must be given the electric lines if they are to continue to supply the service they have been giving; whether we are going to resist the payment of a comparatively very small increase in fare and destroy the trolley that has made our present scheme of industrial life possible. It would be the most stupid sort of economy. This is no idle dream, this possibility, even probability, of putting hundreds of electric lines out of business.

### At Matter of Justice

Consider the situation in the light of your own knowledge of things as they are and as they used to be. We pay twice as much for fuel as we did before the war—the trolley company does, too. We pay more than twice as much for the other necessities of life—food and clothing. The public service corporation that carries us to and from work pays 60 to 150 per cent. more in wages than it did, and it pays 200 and 300 per cent. more for all material used in electric equipment.

Consider also that the electric lines, local and suburban have been subjected to a vastly greater proportionate increase of the cost of the labor and equipment than the steam roads of the country have been, yet the Government suffered a loss of more than a billion and a quarter dollars in two years of operation of the railroads. What, then, must the loss of the local and suburban electric lines, with their much greater mileage, have been? And consider the fact that the steam roads get three cents a mile for each passenger, while the electric companies haul a passenger in many communities as much as twenty miles for a single fare.

### What a Collapse of Service Entails

Of course, nobody who pays carfare is worried about people who own properties—of whom there are several hundred thousand in the country—their interest in the investment went glimmering long ago so far as dividends

(Continued on Page 36)

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### MIDLAND NATIONAL BANK MINNEAPOLIS

Resources more than \$25,000,000.00

## Trade Acceptances and Bankers Acceptances

Kirtland B. Wilson of the American Acceptance Council, in an Address Before the Delaware Bankers Association

Trade acceptances and bankers acceptances have separate and distinct functions, and there are more points of dissimilarity between them than there are points in likeness. This is well emphasized by the fact that the American Acceptance Council has found it advisable and indeed necessary to keep its educational work in these matters clearly segregated.

There are of course certain elements of likeness between the two instruments. Both are bills of exchange; both are essentially self-liquidating, and both are negotiable, assuming of course, that they conform to the requirements of the Federal Reserve Act and to the regulations of the Federal Reserve Board. Throughout this discussion I have in mind of course only such acceptances as conform to these rules and regulations. Back of the characteristic of self-liquidation, common to both, is the vital fact—giving acceptances their superior place in commerce and finance—that they are secured by goods. The only exception to this is found in bills for dollar exchange, in which case an acceptance is drawn by a bank and accepted by a bank.

#### Character of the Trade Acceptance

As for the points of dissimilarity, let us note, first, that a trade acceptance is the result of a direct transaction between the seller and a buyer of goods whereas a bankers acceptance is the result of the participation of a third party, a bank, which thereby makes a loan of its credit. Therefore, whereas in the execution of a trade acceptance it is the buyer of goods who accepts the drafts, in the case of the bankers acceptance the acceptor is a banking institution which, for a consideration permits the use of its credit. Again, a trade acceptance is always drawn by the seller of goods on the buyer; a bankers acceptance may be drawn by either seller or buyer. If drawn by the seller for account of the buyer, a commercial credit is

created; if drawn by the buyer to finance his purchase under a pre-arrangement with his bank, we have a documentary bill.

#### Point of Difference

Another outstanding point of difference is that the trade acceptance evidences a completed transaction; the bankers acceptance is a step in effecting a transaction. The trade acceptance is used to finance an ordinary sale of goods in course one communities the country over; the bankers acceptances such as takes place every day in a thousand and of transportation and in the various stages from origin to final distribution. Thus it is evident that the trade acceptance arises from only one general kind of transaction, whereas the bankers acceptance may arise out of any one of several—four to be exact—if we classify them according to the rules and regulations under which national banks may accept drafts. These four are, as you know, as follows: Drafts which arise out of a transaction involving the importation or exportation of goods; those which arise out of a transaction involving the domestic shipment of goods; those which are secured by readily marketable goods in storage and those which are drawn for the purpose of furnishing dollar exchange.

The bankers acceptance has at present its widest use as an instrument for financing international trade; the trade acceptance in its most important aspects relates to domestic business. For these reasons and because it has to do with staple goods, the use of the bankers acceptance in connection with ordinary domestic commercial transactions between buyer and seller is in a sense limited and is relatively infrequent as compared with the trade acceptance. Hence there is small cause for confusing the two instruments, either in the abstract or in actual practice."

#### INCREASE IN OIL WELL DRILLING

Oil companies' earnings are enormous and their business promises continued and rapid growth. Despite a constantly increasing supply, the ever expanding demand is threatening a deficiency of supplies. An idea of the immensity of the oil business may be had when it is considered that 12,000,000 barrels of petroleum were shipped from Mexico in May. This breaks all previous records. Six hundred million dollars were spent for drilling operations in the United States in 1919. In June of this year, 3,100 wells were drilled east of the Rocky mountains. North America produces about 85 per cent. of the world's output of crude oil. More than 80 per cent. of the equipment used in the entire world for drilling wells is furnished by Americans. Manufacturers of oil drilling equipment profess to experience much difficulty in supplying the demand.—Simons-Day Review.

#### OIL PRODUCTION IN SCOTLAND

The organization of the Scottish oil companies formed two years ago to meet foreign competition continued to bring good results and seems permanent. At the present time all these companies are absorbed by the Anglo-Persian Oil Company. Wages have in all cases reached an unprecedented level, which adds a touch of uncertainty in the present year. During 1918 considerable interest was shown in proposals to drill for petroleum, as the estimated resources of Scotland's oil-shale fields were given as sufficient to maintain the present output for 100 years. Drilling was accordingly carried on throughout 1919, but nothing was discovered to warrant much enthusiasm. Drilling is still going on in the Lothian Fields, with no apparent success. The average yield in 1919 is the same as for 1918, namely, one ton of oil-shale producing about 22 gallons of oil and 45 pounds of sulphate of ammonia.—Commerce Reports.

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INVESTMENT SECURITIES AND BONDS  
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# The Chase National Bank

OF THE CITY OF NEW YORK,

57 Broadway

CAPITAL ----- \$ 15,000,000  
SURPLUS and PROFITS ----- 22,667,000  
DEPOSITS (June 30, 1920) ----- 387,752,000

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The largest of its kind in the world.

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The Company is a \$5,200,000 institution.

Its average earnings are 8 3-4 times interest charges.

Net earnings for year ending November 30th 1920, estimated at \$635,000.00.

Annual gross earnings are approximately \$6,000,000.00.

Total bonded indebtedness only 20% of the value of the property.

Detailed information upon request.

Price 96 to Net 10%

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MINNEAPOLIS

## Stock and Bond Quotations

### MINNEAPOLIS BANK STOCKS

	Div. Rate Pct.	Bid	Asked
Northwestern National	12	255	265
First National	*12	270	275
Midland National Bank	8	210	220
Metropolitan National	6	139	144
Bankers National Bank	6	105	110
Lincoln National	...	138	143
Gateway State	8	145	150
St. Anthony Falls	8	170	175
Hennepin County Savings	12	265	275
North American	12	220	...
Mercantile State	6	110	116
Merchants & Manufacturers State	10	200	...
Central State	10	...	150
Union State	8	140	...
South Side State	12	250	...
Camden Park State	10	200	225
Minneapolis State	10	175	...
Millers & Traders State	**6	170	...

\*3 per cent. extra dividend.  
\*\*4 per cent. extra dividend.

### DULUTH BANK STOCKS

	Bid	Asked
First National	350	...
American Exchange National	290	...
City National	200	...
Northern National	170	...
St. Louis County State	200	...
Western State	300	...

### MINNEAPOLIS CORPORATIONS

	Div. Rate Pct.	Bid	Asked
Crown Iron Works, pfd.	7	...	100
Minneapolis Brewing, com.	6	60	75
Minneapolis Brewing, pfd.	6	85	...
Minneapolis Steel & Mach., com.	10	110	125
Minneapolis Steel & Mach., pfd.	7	...	100
Minneapolis Syndicate	6	48	50
Minneapolis Threshing Machine, pfd.	7	98	101
Munsingwear Corporation, pfd.	7	100	102
Northern State Power, pfd.	7	74	78
North American Telegraph	6	87	92
Northern State Power, pfd.	7	86	88
N. W. Fire & Marine	10	170	180
Northwestern Knitting, pfd.	7	100	102
Pillsbury Flour Mills	...	95	100
Real Estate Title Ins.	...	100	...
Rogers Lumber, pfd.	7	99	...
Russell-Miller Milling, pfd.	6	97	100
Shevlin-Hixon, pfd.	7	100	...
Twin City Telephone, pfd.	7	65	75

### ST. PAUL BANK STOCKS

	Div. Rate Pct.	Bid	Asked
Merchants National	10	255	265
Capital National	8	150	165
American National	6	130	140
National Bank of Commerce	6	170	175
Central Bank	5	130	...
St. Paul State	20	500	600
Ramsey County State	...	...	250
Capital Trust & Savings	10	250	...
Peoples Bank	...	115	125
National Exchange	6	130	135
Western State	...	...	150
Commercial State	...	...	150
Payne Avenue State	10	...	225
Mounds Park State Bank	...	150	...
Great Northern State	...	125	...
Metropolitan State	6	180	200

### ST. PAUL CORPORATIONS

	Div. Rate Pct.	Bid	Asked
Tri-State Telephone, pfd.	6	75	80
West Publishing, com.	10	400	...
West Publishing, pfd.	6	100	110
St. Paul Fire & Marine Insurance	12	500	...
St. Paul Cattle Loan Company	...	150	...
Foot, Schultz & Co., pfd.	...	...	100
St. Paul Union Stockyards	...	80	100

### LOCAL BONDS

	Div. Rate Pct.	Bid	Asked
Dakota Light & Power, 1st mtg.	6	8.00B	7.00B
Donaldson Realty	6	7.00B	7.00B
Duluth St. Ry. Co., 1st 5s, 1930	5	70	77
First National-Soo Bldg.	5	7.50B	6.50B
Minneapolis Gas Light (1930)	5	...	65
Minneapolis General Electric	5	80	85
Minnesota & Ontario Power	6	...	90B
Minn. Trans. Ry. Co., 1st 5s, 1946	...	85	90
Montana Power, 1st rdg. mtg.	5	78	79
Northern States Power (1941)	5	70	73
Northern States Power (1926)	6	79	83
Pillsbury-Washburn (1928)	5	79	81
Powell River	6	...	100
Red River Lumber, 1st mtg. 1924	5	7.50B	6.50B
St. Croix Power Co., 1st 5s, 1929	...	80	85
St. P. City Ry. Cable Con. 5s, 1937	5	70	75
St. P. Bridge & Ter. Ry. 1st 6s 1929	...	98	100
St. Paul Gas Light (1944)	5	67	77
St. Paul Union Depot Co., 1st, 1923	5 1/2	92 1/2	93
Shevlin-Clarke Lumber	...	6.00B	...
Shevlin-Mathieu Lum., 1st mtg., 1926	5	7.50B	...
Twin City Rapid Transit (1928)	5	80	85
Twin City Rapid Transit (1938)	5	75	85
Twin City Telephone 1st (1926)	...	7.50B	7.00B
Wis.-Minn. Lt. & Pr., 1st Ref., 1944	5	...	86 1/2

### CHICAGO BANK STOCKS

Quotations July 26, by John Burnham & Co., 41 South La Salle Street, Chicago:

	Bid	Asked	Book Value
Adams State Bank	125	130	119
Aetna State Bank	121	130	123
American State Bank	190	200	190
Austin National Bank	125	...	138
Austin State Bank	225	250	147
Bowmanville National Bank	170	200	158
Calumet National Bank	180	...	145
Calumet Trust & Savings Bank	170	...	132
Capital State Savings Bank	138	150	117
Central Manufacturing District	248	260	161
Central Trust Company	185	195	144
Century Trust & Savings Bank	123	128	126
Chicago City Bank	240	280	236
Chicago Trust Company	145	150	150
Citizens State of Chicago	162	...	138
City National, Evanston	250	...	258
City State Bank	165	180	121
*Continental & Commercial National	290	295	233
Corn Exchange National Bank	370	380	311
Cosmopolitan State Bank	130	...	135
Depositors State Bank	200	...	176
Drexel State Bank	173	180	165

Drovers National Bank	230	237	157
Drovers Trust & Savings Bank	345	...	263
Englewood State Bank	175	180	138
*First National Bank	397	403	380
First National (Englewood)	370	...	329
Fort Dearborn National Bank	220	230	158
Fort Dearborn Trust	220	...	184
Franklin Trust & Savings	195	...	198
Fullerton & Southport	130	...	129
Garfield Park State Savings Bank	150	170	135
Great Lake Trust Company	118	121	122
Greenebaum Sons Bank & Trust Company	300	310	194
Guarantee Trust & Savings Bank	170	175	157
Halsted Street State Bank	140	...	134
Harris Trust & Savings Bank	525	550	298
Home Bank & Trust Company	240	...	173
Hyde Park State Bank	170	...	163
Illinois Trust & Savings Bank	380	390	320
Independence State Bank	200	210	118
Irving Park National Bank	200	...	161
Jefferson Park National Bank	175	185	179
Kasper State Bank	280	300	168
Kenwood Trust & Savings Bank	275	295	238
Lake View State Bank	110	120	117
Lake View Trust & Savings Bank	195	...	170
Lawndale State Bank	250	...	253
Liberty Trust & Savings Bank	185	205	158
Lincoln State Bank	113	...	118
Lincoln Trust & Savings Bank	120	...	139
Live Stock Exchange National Bank	260	270	189
Logan Square Trust & Savings Bank	128	133	124
Madison & Kedzie State Bank	200	250	172
Market Trust & Savings Bank	112	116	129
Mechanics & Traders Bank	140	152	149
Mercantile Trust & Savings Bank	192	...	182
Merchants Loan & Trust Company	380	390	312
Michigan Avenue Trust Company	140	155	142
Mid-City Trust & Savings Bank	253	260	161
National Bank Republic	180	187	183
National City Bank	170	175	173
National Produce Bank	158	162	143
Noel State Bank	190	...	133
North Avenue State Bank	120	130	152
North Side State Savings Bank	155	...	137
Northern Trust Company	330	...	296

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COMMERCIAL PAPER

1208 FIRST NAT.-SOO LINE BLDG., MINNEAPOLIS

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<b>J. A. WRIGHT,</b> Chm. of Board	<b>SIMON WESTBY,</b> President	<b>R. A. WALSH,</b> Vice President	<b>A. G. HULTGREN,</b> Cashier	<b>A. E. LUND,</b> Ass't Cashier	<b>A. O. JENSEN,</b> Asst. Cashier
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## Central Bank, St. Paul, Minn.

Established 1887 OLDEST STATE BANK IN ST. PAUL

Courteous attention given to accounts and other matters of banks, bankers, corporations and individuals.

Northwestern Trust & Savings Bank....	300	...	168
Oak Park Trust & Savings Bank.....	235	250	170
Peoples Stock Yards State Bank.....	330	...	191
Peoples Trust & Savings Bank.....	275	290	192
Pioneer State Savings Bank.....	150	...	180
Prudential State Bank.....	165	...	126
Pullman Trust & Savings Bank.....	180	200	206
Ravenswood National Bank.....	100	...	139
Reliance State Bank.....	160	...	119
Schiff & Co. State Bank.....	272	297	171
Security Bank of Chicago.....	325	335	273
Sheridan Trust & Savings Bank.....	200	...	144
63rd & Halsted State Bank.....	140	...	119
South Chicago Savings Bank.....	260	...	210
South Side State Bank.....	175	...	176
South West State Bank.....	120	...	131
South West Trust & Savings Bank.....	155	165	125
Standard Trust & Savings Bank.....	163	170	163
*State Bank of Chicago.....	315	325	256
State Bank & Trust Company, Evansville	258	265	222
State Bank, West Pullman.....	160	170	151
Stockmens Trust & Savings Bank.....	170	180	155
Stock Yards Savings Bank.....	425	450	220
Stony Island Trust & Savings Bank.....	105	115	116
Union Bank of Chicago.....	135	150	132
Union Trust Company.....	300	325	247
United State Bank.....	125	...	130
Washington Park National Bank.....	250	...	144
Weirsema State Bank.....	138	...	126
West Englewood Trust & Savings Bank.	200	...	172
West Side National Bank.....	130	150	123
West Side Trust & Savings Bank.....	300	...	161
West Town State Bank.....	160	...	146
Woodlawn Trust & Savings Bank.....	266	...	190

\*Ex-Rites.

**CHICAGO SECURITIES**

Quotations July 26, by John Burnham & Co., 41 South La Salle Street, Chicago:

	Bid	Asked
American Light & Traction, com.....	123	126
American Light & Traction, pfd.....	82	83
American Public Utilities, com.....	...	10
American Public Utilities, pfd.....	...	20
American Public Utilities, pfd.....	...	20
Atlas Powder Company, com.....	160	170
Atlas Powder Company, pfd.....	78	82
Avery Company, com.....	112	119
Avery Company, pfd.....	94	97
Babcock & Wilcox Company.....	110	112
Beatrice Creamery Company, com.....	190	200
Beatrice Creamery Company, pfd.....	95	98
Benjamin Electric Mfg., 1st pfd.....	98	101
Bordens Company, The, com.....	101	105
Bordens Company, The, pfd.....	81	85
Brunswick-Balke-Coll., pfd.....	90	100
*Butler Brothers.....	42 1/4	43 1/4
By-Products Coke Corporation.....	100	104
Chicago Mill & Lumber, pfd.....	98	102
Chicago Railway Equipment.....	112	117
*Cities Service Company, com.....	317	322
*Cities Service Company, pfd.....	66	66 1/2
Commonwealth Power, Railway & Light, com.	17	19
Commonwealth Power, Railway & Light, pfd..	38	40
Consumers Company, com.....	62	65
Consumers Company, pfd.....	80	84
Creamery Package Company, com.....	98	100
E. I. du Pont de N. Company, com.....	275	285
E. I. du Pont de N. Company, debentures.....	78	80
Goodyear Tire & Rubber, com.....	119	122
Goodyear Tire & Rubber, pfd.....	85 3/4	86 1/2
Hercules Powder Company, com.....	215	222 1/2
Hercules Powder Company, pfd.....	90	95
Holland-St. Louis Sugar Company.....	16 1/2	17
Inland Steel Company.....	57	60
*Kellogg Switchboard & Supply.....	210	220
Linderman Steel.....	21	25
McCord Manufacturing Company, com.....	32 1/2	34 1/2
McCord Manufacturing Company, pfd.....	79	81
Mayer & Co., Oscar, 1st pfd.....	93	96
Mayer & Co., Oscar, 2nd pfd.....	94	97
Moline Plow Company, 1st pfd.....	84	85
Nash Motors Company, com.....	325	345
Nash Motors Company, pfd.....	94	97
National Grocer Company, com.....	130	145
National Grocer Company, pfd.....	93	97
National Motors Company.....	14 1/2	17 1/2
Northern States Power, com.....	27	33
Northern States Power, pfd.....	76	78
Northwestern Yeast Company.....	275	285
Semet-Solvay Company.....	170	180

Simmons & Co., pfd.....	92	94
Synth Company, John M., pfd.....	99	102
Soden, G. A. & Co., com. partic. rec.....	50	60
Soden, G. A. & Co., 1st pfd.....	95	98
Soden, G. A. & Co., 2nd pfd.....	100	...
Stearns Motors.....	35	36
Standard Gas & Electric, com.....	12	14
Standard Gas & Electric, pfd.....	35	37
Stover Manufacturing Company, com.....	98	105
*Stover Manufacturing Company, pfd.....	96	100
Sullivan Machinery Company, new.....	52	55
Tri-City Railway & Light, pfd.....	67	72
United Light & Railways, com.....	19	20
United Light & Railways, pfd.....	56 1/2	58
United States Gypsum Company, com.....	66	68
United States Gypsum Company, pfd.....	86	88
Utah Idaho Sugar Company.....	8 1/4	8 3/4

\*Ex-Dividend.

**SOUTH DAKOTA NOW NEEDS 3,000 CARS FOR GRAIN AND STOCK**

Sioux Falls, S. D.—A committee appointed at the recent annual convention of the South Dakota Bankers Association at Madison, has concluded gathering information on the car situation.

The following is a summary of reports received:

Number of freight cars ordered, 800; amount of grain in elevators, bu., 1,750,000; estimate of grain to be delivered to elevators within 30 days, cars, 1,500; number of stock cars ordered, 1,000; number of stock cars necessary for shipment within 30 days, 3,000.

**BANKER'S CONVENTIONS**

Montana .....	Butte .....	August 6-7
Farm Mtg. Bkrs'. Assn..	Kansas City ..	September 14-16
Inv. Bkrs. Assn.....	Boston .....	October 4-6
Am. Bankers Assn.....	Washington .....	October 18

**Income Tax Service**

Auditing Accounting Systems

**CHAS. H. PRESTON & CO.**

Public Accountants

1040-41 Plymouth Building Atlantic 2777 MINNEAPOLIS

**ERNST & ERNST**

AUDITS—SYSTEMS

WE MAINTAIN AN OFFICE AT WASHINGTON D. C. TO RENDER A MORE EFFICIENT FEDERAL TAX SERVICE

FIRST NAT'L-SOO LINE B'LD'G  
TELEPHONE NICOLLET 440  
MINNEAPOLIS

NEW YORK	BOSTON	CHICAGO	CLEVELAND
PHILADELPHIA	ST. LOUIS	CINCINNATI	TOLEDO
DALLAS	HOUSTON	DETROIT	PITTSBURG
WASHINGTON, D.C.	TOLEDO	KANSAS CITY	MINNEAPOLIS

<b>CHICAGO</b> La Salle and Monroe	<h1 style="margin: 0;">John Burnham &amp; Co.</h1> <h2 style="margin: 10px 0;">Unlisted Securities</h2> <p style="margin: 5px 0;">Public Utilities <span style="margin-left: 100px;">Bank Stocks</span> <span style="margin-left: 100px;">Bonds</span></p> <p style="margin: 5px 0; font-size: small;">We have a department for the Exclusive handling of Insurance Stocks</p> <p style="margin: 5px 0; font-size: x-small;">Private wire connections with many west and northwest cities</p>	<b>CHICAGO</b> Tel. Long Dist. 173
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<b>CHICAGO</b> La Salle and Monroe	<b>CHICAGO</b> Tel. Long Dist. 173
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## Saint Paulograms

Saint Paul is the Northwest's leading grocery market, with more than a dozen strong wholesale houses, several of them of national repute, supplying the grocery trade of a wide territory.

Groceries to the value of more than \$26,500,000 are distributed annually thru the Northwest by the wholesale houses of Saint Paul.

The past year has marked a large gain in the value of groceries wholesaled in St. Paul and a considerable increase in tonnage of groceries shipped.

*Thruout nearly half a century of continuous progress Saint Paul and its industries have felt the helpful influence of*

## THE MERCHANTS NATIONAL BANK

### Saint Paul

*"For Saint Paul and The Great Northwest"*



## New Banks and Changes

### MINNESOTA

Pipestone—L. G. Jones has been elected cashier of the Pipestone National Bank.

Winona—At a meeting of the directors of the Deposit Bank of Winona, L. J. Luhman and F. A. Lemme were elected vice presidents.

Winona—William A. Mahl has been advanced from cashier to vice president of the First National Bank, and Theodore Heck was promoted from assistant cashier to cashier.

Mantorville—At a meeting of the directors of the First State Bank, J. M. F. Cooper was elected president and J. L. Curtis, vice president.

Flom—Conrad Olson has been promoted from assistant cashier to cashier of the Farmers State Bank, succeeding O. M. Westlin, who resigned.

Tenney—E. G. Hanson has been elected cashier of the State Bank to succeed the late W. J. McAlpin. Mr. Hanson was formerly cashier of the First State Bank of Lignite, N. D.

Benson—A new bank is being organized here under the title of the Farmers National Bank with a capital of \$50,000. Charles O'Brien, S. R. Simonson, A. R. Hustad, T. S. Lee and Ole Holstad are among the organizers.

Waubun—C. W. Knauf has purchased an interest in the Farmers & Merchants State Bank. Mr. Knauf has been elected vice president. Henry Miller, vice president, will retire from active association with this bank.

Minneapolis—At a meeting of the directors of the Millers & Traders State Bank, O. L. Gulbro was elected vice president; W. J. Bliss was advanced from assistant cashier to cashier, and H. J. Jensen and Florence E. Johnson was elected assistant cashiers.

### NORTH DAKOTA

Brocket—E. C. Anderson has resigned as cashier of the Farmers & Merchants Bank.

Kensal—Bertil F. Lundeen has been elected assistant cashier of the Security State Bank.

Lehr—Harold W. Nagel has been elected assistant cashier of the Farmers & Merchants Bank.

Cooperstown—At a meeting of the directors of the Farmers & Merchants Bank, Theodore A. Marquardt was elected assistant cashier.

Greene—J. D. Taylor has been promoted from assistant cashier to vice president of the Farmers State Bank and Peder P. Dahl was elected cashier to succeed H. A. Marshall.

Linton—The Peoples State Bank has been organized with a capital of \$25,000 and will open for business soon. The following officers have been elected: R. M. Volk, president; E. T. Atha, vice president and J. R. Volk, cashier. Temporary quarters have already been secured.

### SOUTH DAKOTA

Scotland—The Bon Homme County Bank has been closed by the state banking department.

Hayti—George Hannula of Dassel, Minn., has been elected assistant cashier of the Hamlin County State Bank.

White Butte—The Guaranty State Bank is being organized here with a capital of \$15,000. Charles Bingham, Jacob Sonderoll, O. T. Olsen, W. D. Longwood and Martin Hersrud are among the organizers. Work has already commenced on a new building and the bank is expected to open for business next month.

### WISCONSIN

Plum City—Roy Harmer, cashier of the Plum City State Bank has sold his interest in the bank.

Van Dyne—Charles H. Krippene has been elected cashier of the Van Dyne State Bank to succeed F. J. Stopper, who resigned.

Woodruff—The Woodruff State Bank has been authorized to commence business with a capital of \$10,000. Charles S. Smith is president, L. Holte, vice president and Harold A. Nelson, cashier.

Gleason—The Gleason State Bank has been organized with a capital of \$15,000 and will open for business next month. W. H. Bayer is president, Robert Miller, vice president, and John King, cashier.

Milwaukee—A charter has been issued to the Twelfth Street State Bank with a capital of \$100,000. Jacob Kapp, Charles C. Knoernschild, Henry Cook and P. J. Schmitt are among the organizers.

Milwaukee—The Lincoln State Bank has been authorized to commence business with a capital of \$100,000. A. Saczerblinski is president, F. L. Drozniakiewicz, vice president, and Martin J. Daly, cashier.

Burlington—The Burlington National Bank has been chartered. William H. Ramsey of Port Washington has been elected cashier of the new bank. The bank is expected to open for business about October 1.

### IOWA

Mt. Vernon—F. W. Hewson has been elected cashier of the Citizens State Bank.

Walker—Anton Wolff has purchased an interest in the Walker Savings Bank.

Bridgewater—Edward Arnold, cashier of the Messena Savings Bank has purchased an interest in the Union Bank here.

Ida Grove—The stock of the First Trust & Savings Bank has changed hands. The controlling interest was formerly held by E. P. Smith.

Bunch—The Farmers Savings Bank has been organized. J. J. Taylor of Udell, and C. R. Wooden of Centerville, will be the president and vice president, respectively.

Liscomb—D. B. Tucker of Whitten has purchased the controlling interest in the State Savings Bank from Henry Leise. The capital stock will be increased from \$10,000 to \$15,000.

### MONTANA

Cascade—The title of the Marcum State Bank has been changed to the Stockmens Bank of Cascade. The stock of this bank was recently purchased by stockholders of the American Bank & Trust Company of Great Falls.

### NEBRASKA

Page—The Farmers Bank has been closed by the state banking department.

Ogallala—Joseph Bloder has resigned as assistant cashier of the Exchange Bank.

Dix—Fred Mattox of Kimball has been elected assistant cashier of the Citizens State Bank.

Bartlett—At a meeting of the directors of the Bartlett State Bank Raymond Pratt was elected assistant cashier.

Scotia—John J. Allen has resigned as cashier of the Farmers State Bank to accept a position with the State Bank of Grand Island.

Lincoln—The City Trust Company has been organized with a capital of \$1,500,000 to take over the City National Bank and the Lincoln Trust Company.

Grand Island—At a meeting of the directors of the First National Bank Thomas Murray was elected assistant cashier to succeed W. A. Letton, who resigned to accept a position with a bank at Dix.

# BANKS BANKS BANKS

We sell them. No publicity.

## The Charles E. Walters Company

1422-30 First National Bank Building

OMAHA, NEBRASKA

### OREGON

Freewater—A charter has been issued to the Bank of Freewater with a capital of \$60,000. The following are the officers: J. B. Saylor, president; H. S. Murray, vice president, and E. S. Rowe, cashier.

Clatskanie—The First National Bank has opened for business in temporary quarters with a capital of \$25,000. Norman Merrill is president; Henry Kratz, vice president, and Harold B. Hoyer, cashier.

The Dalles—The following are the officers of the new Wasco County Bank which recently opened for business: George C. Blakeley, president; T. H. West, vice president, and E. E. Fitzwater, cashier.

### UTAH

Layton—At a meeting of the directors of the First National Bank the following officers were elected: E. P. Ellison, president; R. Adams and Jesse M. Smith, vice presidents.

### CALIFORNIA

San Francisco—The Mercantile National Bank has voluntarily liquidated.

Willows—The title of the Glenn County Savings Bank will be changed to the Glenn County Bank.

Brentwood—The Bank of Brentwood has been purchased by stockholders of the Bank of Antioch.

St. Helena—The First Savings Bank has been organized to succeed the Savings Bank of St. Helena.

Oakley—The Bank of Oakley has been organized with a capital of \$50,000. Paul A. Anderson will be the cashier.

Lomita—A new bank has been organized here with a capital of \$25,000, under the title of the State Bank of Lomita.

### IDAHO

Arco—The First National Bank has been chartered with a capital of \$50,000 to succeed the Bank of Commerce. George F. Gagon is president and F. W. Sorgatz, cashier.

### BANKING NOTES

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

Volin, S. D.—The Farmers Guaranty State Bank will erect a new building.

Blackduck, Minn.—The Blackduck State Bank building will be remodeled.

Reedsburg, Wis.—Work has commenced on the new building of the Reedsburg Bank.

Neligh, Neb.—Work is progressing rapidly on the new building of the Neligh State Bank.

Boscobel, Wis.—The capital stock of the State Bank will be increased from \$15,000 to \$25,000.

Fairfax, S. D.—New fixtures are being installed in the Gregory County State Bank building.

Hartland, Wis.—The capital stock of the Bank of Hartland has been increased from \$15,000 to \$30,000.

St. Cloud, Minn.—The capital stock of the Zapp State Bank will be increased from \$100,000 to \$150,000.

Falls City, Neb.—The new building of the Richardson County Bank will be completed next month.

Lincoln, Neb.—The capital stock of the City National Bank will be increased from \$300,000 to \$500,000.

Denmark, Wis.—The capital stock of the Denmark State Bank has been increased from \$50,000 to \$100,000.

Deer Lodge, Mont.—The capital stock of the United States National Bank will be increased from \$50,000 to \$125,000.

Norfolk, Neb.—The stockholders of the Citizens National Bank have voted in favor of increasing the capital stock from \$50,000 to \$100,000.

Milwaukee, Wis.—The American Exchange Bank will erect a new building for its Mitchell street branch.

White River, S. D.—The capital stock of the Mellette County State Bank will be increased from \$10,000 to \$25,000.

Barton, Wis.—The stockholders of the Barton State Bank have voted to increase the capital stock from \$16,000 to \$25,000.

Melstone, Mont.—A stockholders meeting has been called to vote on the question of increasing the capital stock from \$20,000 to \$25,000.

Two Rivers, Wis.—The stockholders of the Bank of Two Rivers have voted in favor of increasing the capital stock from \$35,000 to \$150,000.

Lanesboro, Minn.—The stockholders of the Scanlon-Haberstad State Bank have voted to increase the capital stock from \$60,000 to \$100,000.

Coon Valley, Wis.—The articles of incorporation of the Coon Valley State Bank have been amended, increasing the capital stock from \$25,000 to \$50,000.

## Minnesota Banks

We invite confidential correspondence with parties interested in the purchase of a bank in Minnesota. We are in touch with two or three that are especially attractive.

No. 28684—Southern town of 1,500. Deposits are more than twenty times capital. Should easily earn 40%. Control and very fine residence available. Price on stock very low. Deal involves about \$40,000. \$30,000 will handle.

No. 28690—Town of 200 to 300 within 50 miles of Minneapolis. Deposits about \$250,000 to \$300,000. All of the stock available at a price which should easily show a return of 12% to 15% on the investment in addition to salary and profits on side deals. This is a peach of a proposition. Deal involves about \$45,000. \$25,000 will handle.

If interested, we will gladly furnish further information regarding these two and others that are very inviting.

## BANKERS SERVICE CO.

R. I. GERRISH, President  
WALTER H. NEWTON, Vice President  
F. WALLACE HINES, Special Representative

McKnight Building

MINNEAPOLIS

## CASHIER WANTED!

Young experienced country banker for newly organized bank twenty miles from Twin Cities.

Catholic preferred. Investment required. Must have good personality. Give references to former employers and furnish your business career first letter.

## C. B. ENKEMA & COMPANY

Security Building,

Minneapolis, Minn.



## SELL or BUY YOUR BANK

through my confidential service

## HENRY F. HINE

811 Metropolitan Bank Bldg., MINNEAPOLIS

## In A County Seat Town

Town well over 2,000 (perhaps 6,000), South Dakota, east of river. Deposits about one million. Very small capital considering deposits. No house nor outside real estate. Reasonable figure. Requires \$70,000. Room for 2 or 3 executives, so two bankers could collaborate on this deal.

## M. C. Briggs & Company

419 Palace Bldg., MINNEAPOLIS



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in the treatment we are giving to bank correspondents is that almost never does a client sever connections with us; instead year after year a bank becomes a faster friend.

If live stock is coming into its own in your vicinity, we can be a valuable friend to you---

Let's get acquainted.

## The Live Stock National Bank AND Sioux City Cattle Loan Co.

"LOCATED AT THE STOCK YARDS"

SIOUX CITY, IOWA

## Converted Insurance Approved by the War Risk Bureau

Washington—A total number of 152,979 applications for converted insurance have been approved by the Bureau of War Risk Insurance, according to an announcement by Director R. G. Cholmeley-Jones, who is making public at this time the figures of a preliminary report on United States Government life insurance, prepared in the insurance division of the bureau for the period ending June 30, 1920.

The total amount covered by these converted policies is \$511,821,500 and classified as to the forms of policy offered by the Government, the converted insurance is distributed as follows:

Ordinary life .....	17,462	\$77,986,000
Twenty-payment life .....	45,208	182,830,500
Thirty-payment life .....	4,184	19,859,500
Twenty-year endowment .....	71,011	168,276,000
Thirty-year endowment .....	8,925	35,353,500
Endowment at age 62 .....	6,189	27,516,000

The total amount of premiums received on this insurance, including monthly, quarterly, semi-annual and annual, was \$10,135,557.28.

### AUTOMOBILE THEFTS INCREASE

St. Louis, Mo.—There were 31,349 automobiles stolen in nineteen of the larger cities of the United States in 1919, compared with 25,613 in the same cities the previous year, according to figures compiled by the National Automobile Dealers Association and made public at the association's headquarters here. This is an increase of 22.4 per cent.

Of the 31,349 cars stolen in 1919, 23,332, or 74.4 per cent. were recovered. Cars not recovered were valued at approximately \$8,658,360.

New York again leads the cities in cars stolen, with 5,527 in 1919, against 3,340 in 1918. St. Louis was the only large city where the number was less than in 1918. This is accounted for by the fact that severe penalties have been assessed in automobile theft cases here, as high as 20 years in the penitentiary being given in some instances for the theft of a single car.

### WORKMEN'S COMPENSATION IN NORTH DAKOTA

Bismarck, N. D.—More than a half million dollars was paid into the state workmen's compensation fund during the first year of its operations.

Only \$103,055 of the income was spent for bureau maintenance and in awards to injured workmen.

This is disclosed in a partial report made public by the state bank examiner.

The report shows the bureau income for the year ending July 1 was \$526,651.94.

Of this sum, \$72,000 in cash is on hand, while more than \$350,000 is on deposit with the Bank of North Dakota.

With approximately \$427,000 on hand as a result of its first year's levy on the business of North Dakota, the compensation commission is making its second levy. The

new rates have not been made public. However, they show net increases in the case of some employers.

### SCIENTISTS' AID CUTS INSURANCE COSTS

Washington—The average cotton ginning plant in the South or Southwest is insured for about \$6,000. At the rate of \$4.50 for each \$100 the insurance premium amounts to \$270. The high rate has been based on the number of fires caused by the accumulation of static electricity in the working machinery. The Bureau of Chemistry of the United States Department of Agriculture comes to the aid of gin owners with a device for grounding the current, so effective that this year the insurance companies decreased their rates on protected plants 25 cents on each \$100 insurance. There are approximately 40,000 ginning plants in the South, and the decrease averages \$15 to each plant—a total saving of \$600,000, if all the gins were insured. It is considered likely that next year will see a reduction still greater.

Somewhat similar grounding apparatus, together with special dust-collecting fans designed by the department and installed on thrashing machines to prevent grain-dust explosions and fires, has brought an insurance rate reduction of 20 per cent. with the probability of further decrease. This is an important item where thrasher insurance rates ran as high as \$80 and \$100 for each \$1,000 of thrasher property.

### WINDSTORM LOSS ON AIRPLANE

What is believed to be the first windstorm loss on an airplane in Indiana was paid recently by the Northern Assurance on a Curtiss biplane owned by the Graham Bros. Aviation Field at Evansville, Ind. The windstorm which was described as a small tornado, covering limited area, wrecked a hanger in which were stored four airplanes and all of these were wrecked. The machine insured by the Northern Assurance had a list price of \$5,000 with \$3,000 insurance. The insurance loss was total, the only salvage being represented by the engine which was reported to be worth about \$500.

### FIRE LOSSES IN NORTH DAKOTA

Bismarck, N. D.—Fire losses in North Dakota amounted to \$1,688,998.91 during the last year, according to the report of H. L. Reade, state fire marshal. Losses, says the report, occurred in every county of the state.

The value of the buildings damaged by fire amounted to \$4,618,000 with the value of their contents exceeding \$3,376,390. A total insurance of \$6,500,000 was carried on property damaged by fire.

The fire marshal calls attention to the fact that the lesson of fire prevention must be emphasized in the state, if large fire waste is to be checked.

EDWARD H. SHERWIN,  
President

WM. WALSH,  
Secretary

# Twin City Fire Insurance Company



MINNEAPOLIS,  
MINN.

All agents today are selling **SERVICE**.  
The Company furnishing the best service  
is the most valuable to you.

**FIRE, TORNADO, HAIL, AUTOMOBILE, TRACTOR INSURANCE**

If your checks are raised  
If they are forged  
If the payee's name is changed  
If the endorsements are forged  
If your bank suffers a loss

WILL YOUR  
PRESENT CHECK  
PROTECTOR  
PAY THE LOSS?

If not, and you are interested in "THE ONLY CHECK PROTECTION THAT RETURNS THE DOLLARS TO YOUR BANK ACCOUNT WHEN YOU HAVE A LOSS" ask us about National Surety Forgery Bonds. There is a size to suit every business.

## WM. B. JOYCE & CO.

St. Paul Minneapolis

**WIDOW SUES COMPANIES FOR LARGE AMOUNT**

Worthington, Minn.—Action has been started in the courts of Iowa by Adah M. Knaack, widow of the late Gustave E. Knaack, in an effort to collect life insurance which certain companies have refused to pay to her on the ground that the death of her husband was not accidental. Knaack's lifeless body was found on the shore of Lake Ocheda here on the morning of May 28, 1919, and from all appearances the man had been thrown from his car as he was driving along the lake roadway. He carried over \$500,000 insurance on his life and as several of the large policies had been written only a few days before his death an investigation was made, as a result of which some of the companies in which the policies were held refused to pay the claims against them.

**EVERY 21 MINUTES THERE IS A FIRE IN NEW YORK CITY**

New York—City officials estimate that last year this city's blazes numbered about 24,000, or 2,000 a month, an average of one fire every 21 minutes, day and night.

It is reported that about 100 persons are burned to death in Greater New York each year and many more are seriously injured.

Most fires are due to carelessness, according to engineering experts, who say that the country as a whole burns up nearly one million dollars worth of property every day and that this constitutes a drain upon our resources.

**LIFE INSURANCE POLICIES SHOW BIG GAIN**

New York—Life insurance companies throughout the country wrote new policies amounting to \$8,700,000,000 during 1919, according to figures made public. This shows a gain of \$2,878,000,000 over the year 1918, representing a percentage gain of 49 per cent. the report said.

**DECLINE IN ORDERS FOR STRUCTURAL STEEL**

New York—There was another sharp decline in the orders for fabricated structural steel placed during June, according to the records of George E. Gifford, secretary of the Bridge Builders & Structural Society. As compared with May there was a decrease of 10,100 tons, or one and one-half per cent.

During June the report shows that contracts were placed for 90,400 tons of fabricated structural steel throughout the country, equivalent to 50 per cent. of the entire capacity of the bridge and structural shops of the United States. In May the orders amounted to 110,500 tons, or 61½ per cent. of capacity.

For the first six months of this year the total tonnage contracted for was 779,200 tons, which is equal to 72 per cent. of capacity of the plants.

The total for June was the smallest in more than a year, but the amount is still considerably above the lowest on record, which was made in January of 1919, when but 12½ per cent. of the total capacity of 180,000 tons of bridge and structural plants of the country was contracted for.

WE WILL BOND YOU



**UNITED STATES FIDELITY & GUARANTY COMPANY**

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JUDICIAL  
DEPOSITORY  
CONTRACT  
BONDS

BURGLARY  
COMPENSATION  
AUTOMOBILE  
PLATE GLASS  
INSURANCE

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Cash Capital .....	400,000.00
Net Surplus .....	301,198.24
Surplus to Policyholders.....	701,198.24

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## Recent Legal Decisions

Lack of authority of officer rediscounting paper held no defense against a purchaser without knowledge.

This is an action by the Farmers' State Bank of Hatfield, Minn., against the defendants on a promissory note, which was given by the defendant Couture to the Rolette County Bank, and by it rediscounted with the plaintiff bank. The note in question was executed on January 14, 1918, and called for the payment of \$1,300 on December 1, 1918, with interest at 10 per cent. It was indorsed in blank by the Rolette County Bank, by T. J. Clifford, president, and in addition a separate guaranty of payment and repurchase agreement, signed by Clifford, as president, and M. Scott, as cashier, was entered into. The note was forwarded to the plaintiff and a draft was drawn to cover the purchase price of this and other notes, which draft was paid on presentation. A jury was waived, and the action was tried before the district judge, who entered a judgment in favor of the plaintiff. From this judgment the defendant bank and its receiver have appealed.

The appellant's contentions concern only the authority of Clifford, the president of the bank, to rediscount the paper and to enter into the guaranty and repurchasing agreement. It is not seriously contended by the respondent that Clifford had actual authority to rediscount this paper, as it appears that the matter was never referred to the discount committee in accordance with the controlling regulations.

It is also pointed out that under the regulations of the State Banking Board a rediscount of this character is considered a loan, and that the bank was so heavily indebted at the time that the loan in question was in excess of its authority to borrow. It is not shown, however, either that the books of the bank disclosed this condition, or that the plaintiff had any knowledge thereof.

But the absence of actual authority is not conclusive against the plaintiff, provided Clifford and Scott, president and cashier, respectively, of the bank possessed ostensible authority to bind the bank by the contract of discount, indorsement, and guaranty. The appellant, however, argues that under the rule laid down in the case of First National Bank of Corunna vs. Michigan City Bank, 8 N. D. 608, 80 N. W. 766, the defendant cannot be held liable on any principle of estoppel or ostensible authority. The argument seems to us untenable, for it carries the principle of the case beyond the facts to which it was applied, and fails to take into account the subsequent expression of the court on the same subject.

It is unnecessary to emphasize the features of the present case, which distinguish it from that of the First State Bank of Corunna vs. Michigan City Bank, supra. Suffice it to say, that the notes which were rediscounted in that case were forgeries as to the makers, whereas in the instant case there is no question of the genuineness of the note, nor of the further fact that the defendant bank received from the plaintiff bank full value for the paper. In this case it further appears that the bank was practically in charge of Clifford, and that the directors exercised very little, if any, control. These facts clearly relieve the case from the operation of the principle upon which ostensible authority was denied in the case of First National Bank of Corunna vs. Michigan City Bank, supra, and bring it within a principle that has been repeatedly asserted, not only in this state, but in other jurisdictions, including the Supreme Court of the United States, upon whose authority the case of First National Bank of Corunna vs. Michigan City Bank was decided. At the time of the first decision upon this question (First National Bank of Corunna vs. Michigan City Bank) this court was impressed with the then latest authoritative expression—

that of the Supreme Court of the United States—found in Bank vs. Armstrong, 152 U. S. 346, 14 Supreme Court 572, 38 L. Ed. 470, which was deemed particularly persuasive by reason of the similarity between the provision of the national banking act there under consideration and the state banking laws. But in later decisions, the United States Supreme Court has plainly limited the effect of its former holdings, and has pointed out that the principle of the Armstrong Case does not apply where the defendant bank gets the benefit of the money loaned to it. In the Aldrich case the question was substantially the same as in the case at bar.

The repurchase agreement imposed no greater liability on the defendant than an ordinary indorsement with a waiver of presentment, demand, and notice; and, if the bank is precluded from relying upon the absence or limitation of authority on the part of its officers to borrow money under a contract of indorsement with waiver, it is equally precluded from denying the authority to enter into the contract of repurchase.

The judgment appealed from is correct, and it is affirmed.—Supreme Court of North Dakota, 178 Northwestern Reporter 138.

## Bonus for Insurance of Savings

"On becoming connected with a savings bank, one of the things that impressed me most was that, so far as I was informed about the practice of savings banks, there was no plan in vogue to induce a depositor to keep up his account or to increase his balance by regular deposits. No discrimination was exercised between a desirable account and one which was of little benefit to the bank.

"It seems to me that the savings banks might follow with profit some of the methods in use by insurance companies and commercial banks. Insurance companies devise schemes to keep their policyholders, and to accomplish a certain result, will issue a special form of policy for that purpose. For instance, the writer has had an accident policy in a local company for a number of years and on examining it recently, he found that the amount of benefits increased every year the policy was in force up to a certain limit without any increase in the premium. As a result it is to his interest to retain his insurance in that company rather than to change it to another company, because if he should change and the new company granted a policy on exactly the same terms as the original one, it would be several years before he would be entitled to the same benefits as under the original policy. Commercial banks discriminate between the good accounts and those that are not desirable by giving certain advantages or allowing interest on good accounts.

### Exercising Discrimination

"I think it would be perfectly right for a savings bank to exercise some discrimination in the matter without doing an injustice to any depositor. There are a number of plans which naturally suggest themselves, but any method would require careful examination and probably an actual trial before it could be determined whether it would be advantageous to adopt it as a permanent policy. One method has been suggested, and that is paying interest or making distribution of dividends only at the end of five-year periods to the holders of accounts at that date. While this method might accomplish good results, I think it would work an injustice to persons compelled to close their accounts during the period. It occurs to the writer that it might be possible to pay a small bonus, say one-quarter or one-half of one per cent. on the accounts from



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which there were no withdrawals during the year, or upon accounts on which there has been a regular increase in the balance from month to month or from quarter to quarter.

"It is, of course, impossible to say whether such a method would accomplish the results desired, but the object to be attained is to make it to the advantage of the depositor to maintain his account and also to increase his balance during the year—that is to say, the bank should try to hold on to the good accounts and give all possible encouragement to a depositor to add to his savings.

### Increasing Competition

"The competition for savings banks deposits I feel confident is bound to increase during the next few years. In view of the demand for additional capital to finance business enterprises and the high rates of interest which can now be obtained, many commercial banks and trust companies will be unable to resist the temptation to engage in the savings bank business because a savings department can be added to their regular business with very little overhead expense. It must also be borne in mind that the commercial banks and trust companies have an advantage in that their funds are not invested in low interest-bearing securities such as the mutual savings banks are carrying in large amounts at this time, and they can use their funds in discounting paper or investing in other securities at a higher rate of interest. Many persons, however, do not consider that commercial paper offers the same security to the depositor as first-class bonds and mortgages, and thus the greater security offered by the mutual savings banks should be emphasized as much as possible because it will be very difficult for them to compete in the matter of the rate of interest on deposits with competitors now entering the field."—From The Savings Bank Association Bulletin, New York.

### AMERICAN BRANCH BANK TO BE OPENED IN CONSTANTINOPLE

New York—The Guaranty Trust Company of New York has announced that it will open a branch in Constantinople about September 1; and that the following officials are being sent to take charge of it; Manager, Mr. Sigismund Metz; Assistant Manager, Mr. Peter Solari, and Secretary, Mr. Richard Schelles. It is understood that the Guaranty Trust Company has negotiated a lease for a building in Galata, so that it may be properly housed.

### DU PONT CORPORATION TO MAKE ARTIFICIAL SILK

Wilmington, Del.—The Du Pont Fibersilk Company, owned by the Du Pont Powder interests of Wilmington, has bought a 100-acre tract near Buffalo, N. Y., on which to build a plant for the manufacturing of artificial silk. There will be a factory with 200,000 square feet and it is expected to employ about 700 persons. It is expected to begin operations in the fall. The site is on the Niagara river.

## 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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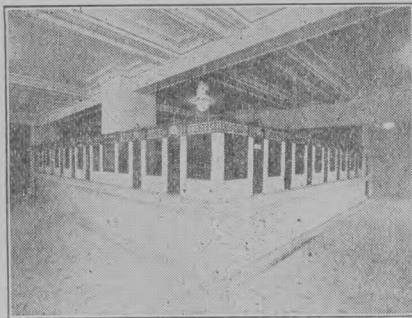
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### New York Banker's Views on Western Commercial Conditions

New York—Producers of foodstuffs and business men throughout the country who are concerned with the handling of foodstuffs in the process of getting the produce to market are expecting a drop in prices and are preparing themselves for such a change in conditions, is the opinion expressed by Rolin P. Grant, vice chairman of the board of the Irving National Bank, who has just returned to New York from a two months' trip through the grain, fruit and cattle producing sections of the Northwest and the Pacific coast.

"My impression gained from the trip," he said, "is that from one end of the country to the other people are thinking, and thinking seriously, of a very definite change in conditions. Bankers are watching and restricting credits as never before. The merchants have had their ears to the ground for some time and are buying more carefully. They have been taking advantage of what are known as summer sales to force a large reduction in their inventories. They have sensed a wide-spread feeling that the public is becoming tired of paying high prices, and are governing themselves accordingly.

"The change, first felt by the manufacturer and distributor, is now beginning to be felt by the producer, who, we thought, would not feel it for some time to come. Through the producer, labor also is feeling a touch of it. Curtailment in packing and the many difficulties attending transportation possibly may have the effect of holding prices on a high level for the time being, but it would seem inevitable that a lower range of prices will prevail.

"The people also are trying to get their financial affairs in as liquid a condition as possible. If that policy can be continued throughout this fall and a way can be evolved to handle the problems of large crops and delayed transportation, I believe we can be much more optimistic of the things that will confront us in the spring of next year."

Many of the large fruit packers on the Pacific coast, Mr. Grant said, are packing only on order, and there is great anxiety all through the fruit districts over the shortage of cars for moving the crops. In the grain districts there is trouble of one sort or another, with the freight congestion playing an important part in occasioning anxiety. He estimated that in Iowa and Kansas there were upward of 100,000,000 bushels of grain ready to be moved now, and he thought the situation would become acute as soon as the new crops were harvested.

With regard to the live stock situation, he said:

"Well-informed persons seemed to feel that the cattle industry is in a precarious condition and looked forward to high prices for beef for the next two years. The sheep industry, also has suffered.

"The condition of the grape and raisin industry is most interesting. Two years ago, in virtually every vineyard in California a notice was posted that a vote for prohibition would put that vineyard out of business. At that time, wine grapes were selling at \$14 and \$15 a ton. Now the

same grapes are selling at from \$40 to \$60 a ton, and the grape acreage is being largely increased. The demand for raisins is much greater than the supply. The wine grapes are being made into grape juice and grape jellies."

### LABOR AND THE STREET RAILWAY COMPANIES

(Continued from Page 24)

were concerned. But the most obtuse should consider his own interest, which lies in the direction of acquiescing in the payment of a higher fare in order to escape the otherwise unescapable evil of a collapse in local and inter-urban transportation.

If the situation of the company that hauls the worker does not appeal to his sense of fairness, consider the imminent possibility of having to walk to work!

And place no dependence in public ownership or control of these properties. What experts in transportation can not do to operate their own properties more cheaply and economically can not be done by men responsible only to a political party. Put away the idea that the trolley companies can and will get by somehow. They can't and won't. They must be recognized as being controlled by the same economic law that governs the individual—they must earn enough to live on or cease to live.

We do not believe that the wage earners—90 per cent. of the adult trolley patrons—understand how very close to the rocks the trolley companies are, or there would be an end to unjust opposition to the granting of compensatory rates to the electric lines.

### FOREIGN TRADE CLIMBS DURING FISCAL YEAR 1920

Washington—Eight billion one hundred and eleven million dollars represents the total value of all export shipments from the United States during the fiscal year ended June 30, 1920, the greatest value in the history of the country's foreign trade. This is an increase of \$879,000,000 over the export of \$7,232,000,000 during the fiscal year 1919, according to official figures issued today by the Bureau of Foreign and Domestic Commerce, Department of Commerce.

The imports of \$5,239,000,000 in the fiscal year ended with June exceeded by \$2,143,000,000 the imports of \$3,096,000,000 in the fiscal year 1919.

Imports in June totalled 553,000,000, an increase of \$122,000,000 over the May figures of \$431,000,000 and \$260,000,000 more than the imports of \$293,000,000 in June of last year. One-half of the June imports consists of dutiable articles, the highest proportion of dutiable imports in any month since July, 1911. Preliminary advices indicate that this is due to unusually large imports of sugar.

June exports amounted to \$631,000,000, a decrease of \$115,000,000 from May exports of \$746,000,000 and \$297,000,000 less than exports of \$928,000,000 in June of last year.

Gold imports amounted to \$151,000,000 and gold exports to \$467,000,000 in the fiscal year 1920, while silver imports totalled \$103,000,000 in value, against silver exports of \$179,000,000.



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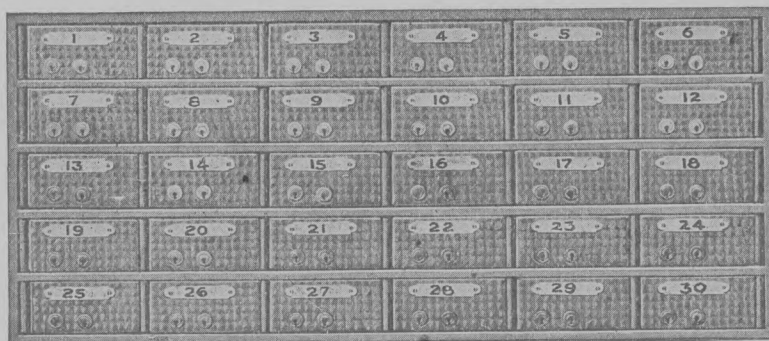
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### In Milwaukee Banking Circles

Milwaukee, July 26—If the deflation now in progress continues at the rate in the next four months that has been visible since the early part of the year, Walter Kasten, vice president of the First Wisconsin National Bank, anticipates easier money conditions after the first of next January. "The deflation now going on," he said, "is progressing in an orderly way and I think money rates have reached the peak, but do not expect them to decline for several months. Merchants are reducing their stocks, which were largely added to by recent deliveries, and manufacturers are working cautiously.

If conditions work out in the next four month as they have since the beginning of the year we should have easier money conditions by next February.

### Wisconsin State Banking Department Report

Indications that the peak of "easy times" may be past and that depression is in sight are contained in the monthly report of the Wisconsin state banking department. For the first time in years there is a decrease in the total resources of Wisconsin banks. This is shown in the abstract of reports of state and mutual savings banks and trust companies of Wisconsin at the close of business, June 30, compared with the last report on May 4. The decline is comparatively slight, only \$6,817,096, but it is a decrease not a mere fluctuation. It is reflected in the annual increase shown in the two months, more than \$100,000,000, at the May report and only \$94,884,728 for June. On May 4 total bank resources less rediscounts were \$524,451,710. On June 30, these have decreased to \$517,634,613. The largest item of decrease was moneys due from approved reserve banks, which fell \$5,000,000 and next came United States securities, dropping \$3,670,000. The only large increase was a jump of \$1,960,000 for loans and discounts less rediscounts. The amount of individual deposits held subject to check fell off from \$167,742,113 to \$156,878,631, a total of \$10,863,481. There was a drop also in demand certificates of deposits of \$449,000 and of time certificates of deposit of \$2,224,000. Savings deposits, however, grew \$6,600,000.

### Wisconsin Municipal Securities

Concerning the investment market the First Wisconsin National Bank says:

"The rate of return on Wisconsin municipal securities has been moved up to 5.50 per cent., 5.60 per cent. and 5.75 per cent. in contrast to the 4.25 per cent. to 5.00 per cent. return of last year. They have been absorbed in large blocks by the big investors. Lately, Liberty and Victory bonds have not been unloaded to so large an extent as a month or two ago. The small investors seem to have awakened to their opportunity. Many government securities are being absorbed by them. The feeling in investment circles seems to be somewhat reversed from that prevailing six weeks ago."

The Second Ward Securities—Company has issued

offerings which contains much interesting financial information. Concerning the Argentine nations five per cent. internal gold loan of 1909, the booklet says: "The Second Ward has sold, since January 1, nearly \$1,000,000 worth of these bonds, practically all of this amount in \$100 units. Selling \$1,000,000 worth of bonds is not remarkable, but selling \$1,000,000 worth of \$100 bonds is. The Argentine bonds are now being sold at about \$71 per \$100, Argentine, or £20 bond, yielding approximately 8.80 per cent.

### WEAK SPOTS IN THE McFADDEN GOLD BONUS BILL

Spokane, Wash.—In its present form the McFadden bill seems to have a poor chance of passage, is the opinion of Senator Ravenel Macbeth, secretary of the Idaho Mining Association. In a recent interview Senator Macbeth said:

"The bill would tax manufacturers \$10 for each ounce of new gold they bought to be converted into jewelry and other forms, the money so collected to be paid to the miner as a bonus for the production of new gold. It is expected to stimulate mining and to reopen many mines on which operations have been suspended owing to a lack of profit. But it would also pay a bonus on gold removed as a byproduct and it is doubtful, in my mind, if this part of the payment would be sanctioned by Congress.

"What the bill needs, it appears, is an amendment that provides for the payment of gold from mines whose predominating metal is gold.

"Since the suspension of gold mining operations, perhaps 40 per cent. of our gold comes as a byproduct. The big copper companies are heavy producers of gold, although the value of the gold in copper and other ores may be but 20 to 50 cents to the ton. They would reap millions from the bonus, but could the bonus be expected to stimulate their production? I do not believe it would increase their production an iota. And would Congress feel warranted in paying them a bonus which is a form of tax on the people? The bill would reach men in Congress who are acquainted with mining details.

"I have laid these conditions before audiences in north and south Idaho, identified with mining operations in which gold was the predominating metal and they have been quick to grasp the situation."

### BUILDING AND LOAN ASSOCIATIONS GAIN IN ASSETS

Chicago—Assets of the building and loan associations of the United States have passed the \$2,000,000,000 mark, H. F. Cellarius of Cincinnati, secretary of the United States League of Local Building and Loan Associations, announced at the twenty-eighth annual convention here July 22.

There are 7,788 building and loan associations in this country, his report showed, with a total membership of 4,289,326 and total assets of \$2,126,620,390. The gain the past year was \$228,276,044, or 12 per cent.



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### Where Has Bank of North Dakota Money Gone?

What does the Bank of North Dakota want with \$1,000,000 of borrowed money? More than \$35,000,000 in taxes and public money of various kinds, has been deposited in the Bank of North Dakota, yet here it is borrowing \$1,000,000 in Chicago and paying 7 per cent. at least for it on the plea that it wants to retain "as much money as possible" in various local banks, on which deposits it is receiving four per cent.

Also what agreement did the state bank make with the Chicago financiers when it borrowed this money? Did it agree to keep a certain sum on deposit with the Chicago bankers in consideration for getting the loan? Did it agree to keep an average deposit of, say \$500,000, on which it would draw perhaps two per cent. or three per cent. interest, in return for the privilege of borrowing money at seven per cent? Nobody but Mr. Cathro knows. And there is no way of finding out the truth.

But here is a bank into which more than \$35,000,000 of public money has been poured within a year, and it is going to Chicago to borrow \$1,000,000 for which it must pay at least seven per cent.

What has it done with the money? It isn't out in farm loans, according to its own report.

Remember, this wasn't a sale of bonds which the bank achieved, but a short time loan with the bonds given as security. The bank's capital is still owned by the depositors, so far as anybody knows or can find out. Whether the bonds given for security are the same bonds that were bought with the deposits in the bank, it is impossible to find out.

And meanwhile the state administration discreetly refuses to permit the state auditor to make an examination of the bank's books. Can you blame the state administration much?—Fargo Forum.

#### NORTH DAKOTA STATE FINANCES

Bismarck, N. D.—The quarterly report of the state treasurer, Obert A. Olson, submitted to Governor Frazier, shows the cash worth of the state at \$3,691,216.82 distributed among the various funds.

The general fund contained \$845,779.23 on June 30, the date on which the report is based. The next biggest fund is the motor vehicle registration fund which stands at \$633,206.62. The state hail insurance fund is reported as \$299,690.96.

#### BISMARCK BANK DEPOSITS

Bismarck, N. D.—Reports compiled from the five local banks show that the people of Bismarck and vicinity have over two and one-half million dollars on deposit.

The citizens of this section have in certificates of deposit and savings accounts \$2,606,939.52 in the five banks of Bismarck.

Figuring there are 18,000 people in Burleigh county, the total deposits indicate that there is deposited in the local banks \$140 for every person living in the county.

#### MINOT NORTH DAKOTA'S THIRD LARGEST CITY

Minot, N. D.—Minot's population is now 10,476, according to announcement by the 1920 census bureau at Wash-

ington, showing an increase since 1910 of 4,288, or 69.3 per cent.

North Dakota's "Wonder City" now holds third place in point of population in the state, Fargo coming first and Grand Forks second. Minot also has the distinction of making the largest percentage of gain in population during the last decade. Fargo recorded as second and Jamestown as third.

#### ARMY OF HARVESTERS NEEDED IN NORTH DAKOTA

Bismarck, N. D.—Between 15,000 and 20,000 men will be needed by the farmers of North Dakota to aid in the threshing of grain in the state during the month of August, it is estimated by attaches of the office of John Hagen, commissioner of agriculture and labor and federal employment director for the state.

There is indication that there will be enough laborers to fill the needs of farmers, it was stated. With the Kansas harvest practically finished and much wheat threshed in Nebraska, thousands of men following threshing machines are expected to come into North Dakota to finish the season in the wheat fields.

The North Dakota employment offices are in touch with offices in Chicago, St. Paul and other cities where laborers are applying for jobs in the wheat fields, and the employment offices have received many requests from farmers for workmen.

The wage scale has not been fixed. It probably will vary in different parts of the state, and will be established by the law of supply and demand after the harvest begins in the Red River valley, probably about August 10 or 15.

#### NORTHERN NATIONAL BANK OF FARGO

Fargo, N. D.—Conversion of the old Northern Savings Bank into the new Northern National Bank of Fargo has been completed and the new bank has started operations under its national charter, No. 11,786.

The bank is under practically the same management as before. The present capital is given as \$100,000 and the earned surplus and profits as \$40,000.

Directors of the Northern National Bank are C. O. Smith, president of the North Dakota Harness Company; John Martin, president of the Cass County National Bank of Casselton and the Farmers Security Bank of Chaffee; C. O. Follett, vice president of the Fargo Mercantile Company, A. W. Fowler, H. J. Rusch, B. I. Keating, and H. P. Beckwith.

The officers are: H. P. Beckwith, president; H. J. Rusch, vice president; B. I. Keating, vice president; J. L. Cline, cashier; W. H. Clemens, assistant cashier; and C. I. Reitan, assistant cashier.

The Northern Savings Bank opened for business on July 1, 1911, and was organized to take over the banking business of the Northern Trust Company. The assets of the original organization totaled \$543,948.84, while the assets of the bank at the time of conversion totaled \$2,343,438.24.

#### NORTH DAKOTA BANK ROBBED

Bismarck, N. D.—Twenty thousand dollars in cash and Liberty Loan bonds were secured by five masked men who robbed the Bank of Oberon at Oberon, Benson county, July 20. The men escaped in a big automobile, after cutting all telephone and telegraph lines leading from the town. The skillfully blowing open the safe indicated that the job was the work of experts.

### FOR INVESTMENT

County, Township and School warrants; validity guaranteed, Western South Dakota Bank.

"E 44" Commercial West, Minneapolis

# SIoux FALLS SAVINGS BANK, SIoux FALLS, SOUTH DAKOTA

Deposits Guaranteed by State Bank Guaranty Act **RESOURCES \$8,000,000.00** Member Federal Reserve System

WILLIAM ONTJES, President C. H. ROSS, Vice President D. B. JOHNSON, Vice President L. B. HALVERSON, Mngr. Farm  
 F. H. JOHNSON, Vice President C. C. BRATRUD, Vice President K. B. CRESSEY, Cashier Loan Department  
 TED H. JOHNSON, Ass't Cashier L. D. MANCHESTER, Vice Pres. F. A. FOSDICK, Ass't Cashier L. N. HOSTETLER, Auditor

## Largest Bank in South Dakota

### South Dakota Needs Millions of Dollars for Bridge Work

Pierre, S. D.—The state bridge engineer of the highway department is about the busiest man in Pierre. He is the engineer of the highway commission on state highway bridges and must also inspect and approve contracts for county bridge building.

One of the features of the present bridge situation in the state which is causing possibly more trouble than any other feature is the flood conditions which prevailed over the state the past spring. It is estimated by Bridge Engineer Kirkham that it will take an expenditure of \$5,000,000 to replace bridges destroyed and to do the new work demanded.

Mr. Kirkham is of the opinion that the bids for bridges received the last year are in most cases excessive. As proof of this he shows that the lowest bid received on the county bridge at Belle Fourche was \$45,000, and this bridge is now being constructed by the county under state supervision at a cost of \$27,000.00.

A bridge is practically completed by the state bridge department on the state highway south of Kadoka, on White river. The estimates on this by bridge companies ran from \$45,000 to \$50,000, but it has been built at a cost of \$28,000 and in about half the time asked by the bridge companies for the work.

#### TO DRAIN LAND IN SOUTH DAKOTA

Woonsocket, S. D.—During the next year more than 50,000 acres of land in Sanborn county will be drained, if plans now under consideration by the county commissioners of Sanborn county and more than 200 interested property owners are carried out.

It is estimated that the project, as outlined by the commissioners and the property owners, will cost in the neighborhood of a million dollars. Besides the land it will drain it will make far better the condition of almost every mile of highway in the county.

#### HEAVY DRAFT ON SOUTH DAKOTA BANK GUARANTY FUND

Pierre, S. D.—The state banking department is drawing upon the state bank guaranty fund for a little over a half million dollars to pay off the depositors of the Bonhomme County State Bank, which recently closed its doors at Scotland. This will take care of all call deposits, and the certificates of deposit with interest to the time the bank was closed. The payments to depositors will be made as soon as they supply the necessary showing of right to the funds, and will begin within a short time. The department will get what it can out of the assets of the bank to reimburse the guaranty fund.

#### PERSONAL PROPERTY ASSESSMENT AT SIoux FALLS

Sioux Falls, S. D.—Sioux Falls shows an assessment valuation for personal property this year of \$10,010,447, an increase of \$3,483,317 over the 1919 figures of \$6,527,130, according to the announcement of City Assessor Frank Blackman.

The larger number of automobiles, greater value of merchandise stocks and so forth are responsible for the in-

creased valuation. Automobiles this year were assessed on a uniform basis for the first time, cars of the same class and age being assessed the same amount regardless of usage.

The city board of review handles the individual property, the county board the class property and the state board the counties' figures so that individual figures are not changed after the city board of review has finally passed on them.

#### WOOL PUT IN STORAGE BY SOUTH DAKOTA GROWERS

Pierre, S. D.—Reports from the wool growing sections of the state show, that while few sales of wool are being made, a number of storage shipments are being made to Chicago and Boston houses. The growers are getting payment of 20 cents a pound on these shipments. The balance of purchase prices to be paid at the time of sale.

#### SOUTH DAKOTA BANK CHANGES OWNERSHIP

Yankton, S. D.—Lieutenant-Governor W. H. McMaster has sold his interest in the Gayville and Madison Hill State Banks to L. E. Aaseth, of Gayville, and J. V. Langdon, of Madison Hill.

Mr McMaster, together with Mr. Halstead, of Ponca, Neb., organized the Security State Bank of Gayville in 1900 and has been connected with it ever since.

### PERKINS COUNTY TITLE Co.

Bison, South Dakota

6% BANK DEPOSIT CERTIFICATES  
 8% FARM LOANS  
 10% SCHOOL AND TOWNSHIP WARRANTS  
 All guaranteed.

### 7% Gilt Edge First Mortgage 7% South Dakota Farm Loans

\$500 to \$1,000 amounts. Not to exceed 40 per cent. of actual value of land. 7% net to investors.

Interest and principal remitted for free of cost. Guaranteed Abstracts.

Write us today for particulars.

**McLAUGHLIN STATE BANK**  
 McLaughlin, South Dakota

### First National Bank

CAPITAL, SURPLUS AND PROFITS \$75,000.00

7% We offer 7 per cent First Real Estate South Dakota improved farm loans, net to purchaser.

Officers of this bank had 20 years of Real Estate loaning experience without a foreclosure, or dissatisfied customer.

**DEPOSITS \$700,000.00**

Mobridge, South Dakota

### To Banks and Bankers in South Dakota Southern Minnesota and Northwestern Iowa

seeking a valuable and dependable connection, we invite correspondence and will gladly send our representative to call upon you.

JOHN W. WADDEN, President

**SIoux FALLS NATIONAL BANK,** SIoux FALLS SOUTH DAKOTA





We're right in the center of St. Paul

You'll be pleased with our prompt, efficient service—  
and we'll be mighty pleased to serve you.

**American National Bank**  
SEVENTH AT ROBERT BREMER ARCADE

## Crop Outlook Most Favorable in Montana

Helena, Mont.—According to reports lately received by Chas. D. Greenfield, Sr., commissioner of agriculture and publicity, crop conditions in 17 counties of the state are excellent. The reports show that rains were general throughout Montana during the week ending July 17.

Almost every county reporting complains of a short age of farm labor. Many of the farmers are endeavoring to do their own work without the aid of hired help. It is reported that in sections that conditions were very uncertain up to July 5 that recent rains have insured a crop in those sections.

One of the most favorable crop reports received for four years by the Rocky Mountain Elevator Company has just been received at the company offices at Great Falls. Included in the list of towns are Benchland, Windham, Lothair, Fort Shaw, Ulm, Collins, Broadview and Power.

From one report in the Judith basin that may be termed typical, the following expression is quoted: "Most of the winter wheat is headed and is certainly looking fine." From a report north of the center of the Great Falls territory the following is taken: "The late wheat is coming on in good shape and with another rain it will make a pretty fair crop."

Reports from individual sources indicate that there has been a big improvement in the crop outlook north and west of Great Falls. There has been considerable rainfall in what is known as the Teton country, including the strip opened to settlement three years ago and from the Teton river south to within seven or eight miles of Great Falls.

After investigation of the statements sent to the press, to the effect that large areas of Park county were infested with grasshoppers and that they were damaging crops, the Livingston Chamber of Commerce has reports from every district, and these prove that the only hoppers in the county are on several farms in a small isolated locality, and even farms have been treated to arsenical bran grasshopper killer.

### FERGUS COUNTY, MONTANA, BONDS SOLD

Lewistown, Mont.—The county commissioners have disposed of \$130,000 of the road bond issue to the Bank of Fergus county and \$120,000 to the First National Bank of Lewistown at par, while the contracting firm having the contract for the federal aid highway from Grass Range to Roundup had previously spoken for \$50,000 of the bonds at par, so that the whole issue of \$300,000 is disposed of.

### WOOL CONSIGNED AT DILLON ON A 25 CENT ADVANCE

Dillon, Mont.—More than 1,000,000 pounds of the local wool clip have been consigned at an average price of 25 cents advanced. The clip here, in the neighborhood of 3,500,000 pounds, is the best in quality in a number of years, the growers being greatly pleased with the weight and fineness of the fleeces.

Though the First National Bank warehouses are fairly well filled with clips from all over the county, the amount of wool so far handled there is said to be far below the usual average. Several clips have been already shipped to Chicago and Boston market while others are being sent out as fast as they are brought into the warehouses.

### ASSESSED VALUATION OF CARBON COUNTY, MONTANA

Red Lodge, Mont.—Carbon county is worth \$23,195,253, not including properties owned by the railway, telegraph and telephone companies. The properties not included are

estimated at \$5,000,000 which brings the total valuation up to more than \$28,000,000, or \$1,000,000 more than the assessment of last year.

The county commissioners are expected to raise the valuation on county property at least \$1,000,000, according to the assessor. The valuation is divided as follows: Livestock, \$2,199,465; personal property other than livestock, \$4,363,659; real estate and improvements on the same, \$16,632,131. Livestock fell off about \$800,000 because of last year's drouth.

Property in the city of Red Lodge is valued at \$3,538,775, not including railway, telephone and telegraph properties. Fromberg is estimated at \$376,375 and Bearcreek at \$500,000.

### WEALTH OF CUSTER COUNTY, MONTANA

Miles City, Mont.—The true and full value of taxable wealth in Custer county is \$29,198,886, according to figures obtained by the county assessor. Miles City's valuation is over thirteen millions.

### THE YELLOWSTONE IRRIGATION PROJECT

Billings, Mont.—Members of the Congressional House committee on appropriations, meeting with the Yellowstone Irrigation Association and business men from Spokane on July 24, expressed themselves as much impressed with the necessity of bringing more dry land under cultivation.

The feasibility and advisability of constructing a dam across Yellowstone river at the foot of Yellowstone lake, was presented to the committee by Jerome Locke, secretary of the Yellowstone Irrigation Association. The report indicated that a dam but eight feet high would be necessary to prevent an annual damage of \$1,000,000 to the Yellowstone valley by floods; four or five hot springs, of which there are 5,000 in the park, would be submerged; the dam would add to the beauty and impressiveness of the falls and canyon during the height of the tourist season; the water would irrigate 500,000 to 700,000 acres now waste land in the Yellowstone valley.

Plans for a Northwestern Reclamation Association, to be formed at a meeting in Spokane, September 16 and 17, were furthered by the appointment of a committee to secure the signatures of the governor, senators and representatives of Montana to the call for the meeting.

### NEW ORE BODIES OF THE NORTH BUTTE MINING COMPANY

Butte, Mont.—Robert Linton, president of the North Butte Mining Company, in the Granite Mountain has just made an extended examination of the new ore bodies recently opened. While not inclined to say much as to the extent of the new ore bodies, Mr. Linton did say that never have the properties of the company looked better. He says that the production of the company has about recovered from the curtailment made necessary by the I. W. W. troubles here last April, and he expected that the present month would show a production of around 2,000,000 pounds of the red metal with good values in silver. He stated that the development work on the 3,200 and 3,400 foot levels of the Granite Mountain was bringing about very satisfactory results, the average of the ore being 4 per cent. copper. A crosscut is being started to the ore body on the 3,600 foot level. Mr. Linton said that it was intended to continue the crosscutting on the 900 foot level of the Sarsfield claim in the eastern section of the district, and said that he had every reason to believe

<p><b>FIRST MORTGAGE LOAN COMPANY</b></p>	<p><i>Farm Mortgages Investment Banking</i> <b>GREAT FALLS, MONTANA</b> <i>Commercial and Savings Banking</i></p>	<p><b>NORTHERN NATIONAL BANK</b></p>
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that ore in commercial quantities would be eventually found.

**Production of Crude Oil in Wyoming**

Production of crude oil in Wyoming is now running at the rate of more than 45,000 barrels a day, mostly from the Salt Creek field, which is supplying fully 30,000 barrels. Of the other fields, the most important are Mig Muddy and Rock Creek.

Despite slowness in unwinding red tape in connection with issuance of leases by the Government under the terms of the oil land leasing bill, progress is being made, and in consequence, production of the state is being increased. After August 25, next, the last date for filing claims with the Department of Interior, there is expected to be a substantial gain in production because of the greater number of wells which will then be released. Several leases already have been signed affecting companies in the Salt Creek field, notably Salt Creek Producers, Salt Creek Consolidated and Boston & Wyoming. These companies, and other producing companies in that field, are practically controlled by the Midwest Refining Company.

There is probably no oil company in the country in the same position as Midwest Refining in relation to crude oil supplies and its dominance over a large producing area. It is practically the only refinery in Wyoming, getting all the production of the state except a small amount which is shipped to Canada to the Imperial Oil Company's refinery at Regina. Recently there have been tank car shipments of Wyoming crude to Eastern refiners, but the total as yet is not large.

Production of Wyoming, 45,000 barrels a day, roughly equals Midwest Company's refining output. The Midwest Company has been greatly aided in its development of oil resources in Wyoming by reason of its close relation with Standard Oil. The two big refineries at Casper and Greyhull are run in conjunction with Standard Oil Company of Indiana plants, which use the Burton cracking process. The Midwest refiner products are marketed by Continental Oil Company, the Standard Oil marketing organization in the Rocky Mountain States. A large amount of Midwest gasoline is sold to Standard Oil Company of California and its wax output is being sold largely to Standard Oil Company of New York for distribution in the Far East.

The success of Midwest Refining is due to a great extent to the Salt Creek field, which represents one of the best high grade fields in this country. The best feature of Salt Creek production is that it maintains a steady output over a long period, the big initial flush production, which is characteristic of the Texas fields, being lacking. Certain wells in that field have maintained a steady output for several years and in this respect the field is regarded as more closely approximating the old Pennsylvania field than any other.—Wall Street Journal.

*Interest Paid on Time Deposits*

**DALY BANK & TRUST CO.**  
of BUTTE, Montana

(Established 1882) *Capital and Surplus \$400,000.00*

CHARLES J. KELLY, Chairman of the Board.  
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JOHN D. RYAN, Vice president R. W. PLACE, Asst. Cashier  
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DIRECTORS.  
John D. Ryan. J. Bruce Kremer.  
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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.

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**First Mortgage Loans**  
Interest and taxes collected free.  
Over 15 years' experience.  
**JOHNSON MORTGAGE CO.,**  
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**We will pay 5% for Six or Nine months  
6% for Twelve months or longer on  
our Certificates of Deposit**  
Your inquiry will receive courteous attention  
**FARMERS & MERCHANTS BANK**  
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**We Pay 6% on Certificates of Deposit**  
**FIRST REAL ESTATE MORTGAGES**  
for conservative investors always on hand  
*Write for further information*  
**FIRST NATIONAL BANK**  
POPLAR, MONTANA  
*Prompt and efficient Service in all banking matters*

**MONTANA MORTGAGES**  
*Interest Bearing Time Certificates*  
**CUSTER COUNTY BANK**  
W. C. McCLINTOCK, President  
MILES CITY MONTANA

**An Attractive Rate Paid**  
on Certificates of Deposit by a Strong Montana State Bank located in the famous Irrigated Sun River Valley.  
First Mortgages on Irrigated tracts for sale.  
Address "Y 32" Commercial West, Minneapolis

**6% paid on Certificates of Deposits**  
by a good strong State Bank in an Irrigated Valley, located in Eastern Montana.  
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**We pay 6% on Time Certificates**  
Will appreciate your business.  
**THE FIRST NATIONAL BANK**  
of DENTON, MONTANA  
*Capital, Surplus and Undivided Profits \$40,000.00*

**S T A T E B A N K** OF FLAXVILLE  
FLAXVILLE, MONTANA  
*Capital and Surplus \$35,000.00*  
**We offer 6% on our Certificates of Deposit**  
when left for six, nine or twelve months.  
LOCATED IN BEST FARMING TERRITORY IN EASTERN MONTANA

**Security State Bank, HAVRE, MONTANA**  
Capital, Surplus and Profits \$180,000 Total Resources \$1,250,000

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We hold the key to Northern Montana Business. Come with us.  
**CHOICE FARM MORTGAGES FOR SALE**  
Sixteen Years of successful loaning. No loss of interest or principal.



# ALBERTA

## PROVINCE OF IMMENSE PRODUCTION

ALTHOUGH agriculture and stock-raising form the principle industries of Alberta, the Province is also rich in mineral products. Last year approximately 6,000,000 tons of coal were mined.

ALBERTA has an agricultural production valued at \$325,000,000 a year, \$50,000,000 in cattle products and \$27,500,000 in dairy products. Two irrigation systems supply 3,000,000 acres, and ample water power is available for the development of hydro-electric energy for rapidly increasing industries.

THE CANADIAN BANK OF COMMERCE maintains 72 branches in Alberta's principal towns and cities. The branch Managers are closely in touch with local conditions.

**THE CANADIAN BANK OF COMMERCE**  
 Capital \$15,000,000      Reserve \$15,000,000

### Progress of Manufacturing in Western Canada Provinces

Winnipeg, Man.—The western provinces of Canada are generally considered as forming a purely agricultural area and in the occurrences of new land settlement increased cultivation and bumper yields the progress of this region in industry and manufacture is often lost sight of. Nevertheless, the west is making phenomenal strides in manufacture, and each week sees recorded the establishment of new industrial concerns in the progressive towns of the western provinces.

An indication of this progress which the west holds, in common with the rest of the Dominion, is the remarkable enlistment of the last decade in the ranks of the Canadian Manufacturers Association. The Dominion membership, which in 1910 numbered 2,600, now totals more than 4,100. In 1910 there were in the province of Manitoba 102 members; there are now 343. Alberta and Saskatchewan a decade ago had but 16 members between them; they now have 173. British Columbia's membership in the ten years has grown from 113 to 162. While in the decade the Dominion increase was 1,500, or approximately 58 per cent., the four western provinces combined have in the same period increased their membership by 447, or 190 per cent.

The rapid development that has taken place in western Canada during the last two decades is well illustrated by the records of progress made in the various manufacturing industries, the value of whose products in 1900 was but \$34,330,000, whereas in 1917 it was \$406,557,000.

Below is a comparative statement showing capital invested, wages paid and value of products in 1900, 1910 and 1917:

Capital Invested in Industries			
	1900	1910	1917
Alberta .....		\$29,518,346	\$63,215,444
Saskatchewan .....	\$1,689,870	7,019,951	33,114,630
Manitoba .....	7,539,691	47,941,540	101,145,033
British Columbia .....	22,901,892	123,027,521	221,436,100
Totals .....	\$32,131,453	\$207,507,358	\$418,911,207
Wages Paid			
	1900	1910	1917
Alberta .....	\$465,763	\$4,365,661	\$10,387,379
Saskatchewan .....		1,936,284	7,007,073
Manitoba .....	2,419,549	10,912,866	19,599,051
British Columbia .....	5,456,538	17,240,670	38,269,366
Totals .....	\$8,341,850	\$34,455,481	\$75,262,869
Value of Products			
	1900	1910	1917
Alberta .....		\$18,788,826	\$71,669,423
Saskatchewan .....	\$1,964,987	6,332,132	40,657,740
Manitoba .....	12,927,439	53,673,609	122,804,881
British Columbia .....	19,447,778	65,204,236	171,425,616
Totals .....	\$34,330,204	\$143,998,803	\$406,557,660

#### UNITED STATES CANADA'S SECOND BEST CUSTOMER

Washington—Canada is the second best customer the United States now has, according to figures being compiled by Federal officials, being only exceeded by England in the purchase of merchandise.

Canadians buy \$800,000,000 worth of merchandise in this country every year, more than all of the countries of South America, Africa, Asia and Oceania combined. During the

war Canadian purchases in the United States increased to an unprecedented extent. They became so large that Canada developed an adverse trade balance. The direct result is the present discount on the Canadian dollar in this country.

In years prior to the war Canadian exports had so nearly balanced her imports from the United States that the rate of exchange was at no time sufficiently serious to interfere with business between the two countries. But when the discount on the Canadian dollar, and at the same time the premium on the American dollar in Canada, rapidly rose from approximately two per cent. to as high as 12½ per cent. commerce began to show the effects of the changed conditions.

Even under conditions which existed before the war the Canadian importer of American merchandise paid a heavy customs duty which averaged 35 per cent. ad valorem. During the war the duty was increased by a 7½ per cent. war tariff. The importer in Canada was thus called upon to pay on an average of 42½ per cent. of the wholesale value of the goods from the United States. When added to this tax was imposed the burden created by the exchange situation, the problem became serious for the American manufacturer who continued to supply Canadian customers from an American plant.

While in most cases it had been possible to do business with Canada despite a 35 per cent. tariff, when it became necessary to provide the equivalent of a tax of 52 per cent. of the wholesale value of a product in the United States a solution was sought.

During the last year more than 200 American manufacturers erected or leased plants in Canada. Long before the war rendered commercial relations between Canada and this country more difficult, 350 American manufacturers had built plants there and established purely Canadian businesses to escape the tariff and to take advantage of the preferential tariff treatment given by other parts of the British Empire to goods originating within the boundaries of the Dominion.

#### PLANS FOR A CANADIAN LIVE STOCK EXCHANGE

Winnipeg, Man.—A Canadian National Live Stock Exchange to consolidate and centralize the activities of the seven exchanges now operating in cities throughout the Dominion, will be organized next January. Plans are now being formulated by a committee appointed by the convention of live stock men held here recently. The committee will submit a complete organization scheme at a general convention of live stock men to be called next January.

"The new central exchange," said George L. Armstrong, president of the Winnipeg Live Stock Exchange, "will be a clearing house for all problems of the live stock industry. Freight congestion, traffic routes and rates, practical methods of economical marketing and questions of live stock brokerage will be worked out in detail."

Delegates will be present at the January convention from

Established 1832

# THE BANK OF NOVA SCOTIA

Capital Authorized \$15,000,000

Capital Paid Up \$9,700,000 Reserve Fund and Undivided Profits \$19,393,369.94

**Head Office—Halifax, N. S.**  
Chas. Archibald, President

**Gen'l Manager's Office—Toronto, Ont.**  
H. A. Richardson, General Manager

CONDENSED STATEMENT TO THE DOMINION GOVERNMENT  
as at June 30th, 1920

LIABILITIES.		ASSETS.	
Deposits by the public .....	\$182,965,811.55	Cash and checks on other banks .....	\$36,364,511.86
Deposits from other banks .....	3,877,423.60	Deposits in central gold reserve .....	12,500,000.00
Notes in circulation .....	21,982,342.36	Due from other banks .....	6,768,438.46
Acceptances under L/C's .....	803,115.58	Government and other bonds .....	38,808,498.32
Other liabilities .....	768,536.96	Call and demand loans .....	23,844,124.76
<b>Total liabilities to public .....</b>	<b>\$210,397,230.05</b>	<b>Total quick assets .....</b>	<b>\$118,285,573.40</b>
Capital .....	9,700,000.00	Commercial loans .....	113,995,196.12
Reserve fund and undivided profits .....	19,393,369.94	Deposits with Dominion government for security of note circulation .....	533,399.12
	<b>\$239,490,599.99</b>	Bank premises .....	5,343,246.80
		Liabilities of customers under L/C's as per contra .....	803,115.58
		Other assets .....	530,068.97
			<b>\$239,490,599.99</b>

Branches in all the principal cities and towns in Canada, throughout the Islands of Newfoundland, Jamaica, Cuba and Porto Rico, in Santo Domingo, R. D., and in the cities of Boston, Chicago and New York.

Winnipeg, Toronto, Montreal, Calgary, Edmonton, Prince Albert and Moose Jaw where the seven coal exchanges are located. The city in which the central exchange will be established has not been determined. It is believed Winnipeg may be selected because of its strategic railway situation and because it is the principal market of the mixed farming country along the Canadian National Railways to the westward which bids fair in the next few years to become the live stock center of Canada.

#### SASKATCHEWAN BUREAU OF LABOR AND INDUSTRY

Regina, Sask.—The newly created Bureau of Labor and Industry of the provincial government will have as its purpose the development of the industries based upon the natural resources of Saskatchewan.

"Since labor is the foundation of industry," said Charles E. Dunning, provincial treasurer and minister in charge of the bureau, the bureau will work for good labor laws and conditions and an efficient employment system. "The clay industry will be the first to be investigated. The province is rich in fire clay. It should be making all its own bricks with a large surplus for export. Yet there are only 11 brick making plants in the province and several of these are in the hands of receivers. It is necessary to import bricks to supply the home market. The bureau proposes to put the brick making industry on its feet. It will import expert brick makers. It will introduce the best methods of manufacture. It will launch a trade unit advertising campaign at its own expense, if necessary, to emphasize the necessity among the people of supporting home industries. It will follow the same lines in building up all other kinds of industries."

"It will take up later the investigation of lumbering, pulpwood paper manufacture, coal mining, for resources, utilization of water power and all industries which depend upon natural resources and determine the best methods of promoting their rapid development. The new bureau, I believe, will become an important factor in shaping the industrial future of Saskatchewan."

#### VALUE OF THE CANADIAN SOLDIER SETTLER ON LAND

Ottawa, Ont.—What is the value of a soldier settler on the land? The Canadian Pacific Railway has answered the question with statistics. It found that the total railway revenue in the three prairie provinces from agriculture was \$163,516,318 annually, based on figures of the year ended August 31, 1916. As there were 219,105 farmers in the prairie provinces at that time, the revenue per farmer was the annual value of each farmer to the railways \$13,569.62.

The Soldier Settlement Board has made 17,003 loans and 15,000 soldiers have been established on the land. The value of these settlers to Canadian railroads, on the Canadian Pacific figures, is annually \$81,414,000.

"It is difficult to estimate the value of a soldier settler," said an official of the Soldier Settlement Board. "If he is worth \$13,569 to the railroads, what must he be worth to the country at large as a producer of foodstuffs, as a contributor to the revenue derived from taxation and as a well-balanced and orderly unit of citizenship loyally supporting

the country's institutions and contributing to its greatness?"

#### CANADA'S AGRICULTURAL WEALTH

Agricultural wealth of Canada, in 1919, has been estimated by the government at \$7,379,299,000, as follows: Agricultural production \$1,975,841,000, value of farm land \$2,792,229,000, buildings \$927,584,000, implements \$387,079,000, and farm live stock \$1,296,602,000.

That agricultural wealth is annually increasing, is obvious from the fact that each year sees increased settlement and new areas made productive, with a consequent augmentation in crop production. With settling of new territories, penetration of railroads, and other advantages which follow in its wake, land naturally increases in value, numerous farm buildings spring up, farm stock is introduced on a larger scale, and more agricultural implements are needed.

This agricultural wealth hinges on increased settlement and production. That settlement is extending, there can, of course, be no gainsaying, with the ever expanding area of cultivated land, the opening of new sections, and the flood of immigrants from all sides.—Wall Street Journal.

#### COOPERATIVE STOCKYARDS AT MOOSE JAW

Moose Jaw, Sask.—The stockyards at Moose Jaw are among the first cooperative stockyards to be established in western Canada. The board of directors held its first annual meeting recently after the yards had been in operation four months. A comfortable surplus was reported after allowing for expenses. It was decided not to pay a dividend until the company had been in business 12 months.


The yards are the result of a long agitation on the part of stockmen of the province to place the live stock business on a cooperative basis. The provincial government made a grant of one-third of the cost of the plant and the stock was subscribed by farmers and breeders.

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### BUSINESS CHANCES

Wanted by experienced banker, control of a country bank with capital from \$10,000 to \$15,000. All correspondence held strictly confidential. Address "H46" Commercial West. (45-7)

\$10,000 North Dakota country bank for sale if taken before installation of new cashier. No bonus. Address 2512 Humboldt Ave. S., Minneapolis. (45-6)

On account of crop failure requiring readjustments, cashier Montana country bank considers it advisable to sell part of his stock holding. Private investors wanting 5 to 10 shares can get attractive investment. Address "J47" Commercial West. (45-5)

### HOW SOUTH DAKOTA STOCK GROWERS CAN ADD TO THEIR WEALTH

Brookings, S. D.—If livestock men of South Dakota would replace their grade sires with purebred sires it would mean an additional profit to them of \$21,626,500, according to figures compiled from a survey taken by farm bureaus in 14 representative counties of the state.

It was found that 65 per cent. of all the sires in the herds of cattle were grades or scrubs. About 25 per cent. of the purebred sires are inferior, according to part of the reports. Thus, only 26 per cent. of the sires used would be desirable.

A part of the survey brought out figures showing the superior value of purebred sires. The average herd of 20 grade cows returned \$540 more profits during 1918, where purebred sires were used, than where grade or scrub sires were used.

There are about 946 breeding herds of cattle in the average county where this survey was conducted. The profits on 65 per cent., or 615 herds of cattle, could be increased \$540 per herd or \$32,100 per county if all purebred sires were used.

There are 65 agricultural counties in the state and adding the above increase to the livestock value of each county, would give \$21,626,500.

Three hundred and sixty-three silos have been constructed in farm bureau counties of South Dakota as a result of a few campaigns to promote their use for furnishing economical feed for livestock.

Granting that each silo holds 100 tons of silage, this would save 36,300 tons of excellent succulent rough feed for cows and young stock.

Without silos the major portion of this feed would have been wasted.

With the silo enough feed is saved to feed 12,100 head of cattle through a whole winter.

### DR. ANDERSON JOINS CHASE NATIONAL

New York—Dr. B. M. Anderson, Jr., has been appointed economist of the Chase National Bank. He leaves a similar post at the National Bank of Commerce. Dr. Anderson is known as an authoritative writer on economic and financial subjects, both in the United States and Europe. He

### BUSINESS CHANCES

#### Bank Wanted

Wanted by Experienced Banker.—Country bank with capital from \$10,000 to \$25,000. Give full particulars first letter. Address "X36" Commercial West. (45-6)

#### Eastern South Dakota Bank For Sale

Capital, surplus and undivided profits about \$17,000. Deposits \$170,000. A good dividend payer, Controlling interest and cashier's dwelling available at reasonable price. Address "B41" Commercial West. (45-7)

### HELP WANTED

CASHIERSHIP—small southern Minnesota town. Salary, \$125-\$150. Also, small investment. Should be either Scandinavian or German descent.

ASST. CASHIER—Minnesota town 2,000. Excellent people. Salary open. Must be German Lutheran. May develop into cashiership later.

Dandy Montana openings for capable banker. Salary, \$200 to right man. Will require investment of \$5,000-\$10,000. Clients highest type. Looks exceptionally good.

BANKERS SERVICE COMPANY, 634 McKnight Bldg., Minneapolis, Minn.

Wanted.—Experienced assistant cashier; bank \$200,000.00 deposits; fine territory; good town; 500 population; immediate opening. Give full particulars first letter. Farmers State Bank, Grenora, N. D. (45-5)

### HELP WANTED

Wanted.—Young man, German Lutheran preferred, for bank near Twin Cities; good opening and good chance for advancement for one who wants to make good. Address "C42" Commercial West. (45-5)

### SITUATION WANTED

Wanted.—Position in a bank; eight years' experience in Minnesota and North Dakota bank. Address "L50" Commercial West. (45-5)

Experienced bank cashier desires connection with good bank in Northwest. A business builder; can invest. Address "MS" Commercial West. (45-7)

Young man with bookkeeping and general store experience desires position in bank. Address "A40" Commercial West. (45-5)

Young man desires position as cashier in small country bank; best of references; nationality, Swedish; 21 years old; single; four years' experience as assistant cashier in country bank. Address "Z38" Commercial West. (45-5)

Bank Officials: A young married man desires to form connections with a banking firm. High school graduate with law, real estate, insurance and commercial experience; very good references. Available soon. Address "K48" Commercial West. (45-5)

is the author of three books, "Social Value," published in 1911; "The Value of Money," published in 1917, and "The Effects of the War on Money, Credit and Banking in France and the United States," published in 1919. He has also written numerous articles for scientific and financial journals.

### MITCHELL'S NEW GAS RATE HELD IN ABEYANCE

Mitchell—The 30 per cent. increase in gas rates for June, according to an announcement made by City Attorney F. W. Mitchell, will not be enforced just now.

This means that the gas consumed in the city during the month of June will be charged for at the old rate of \$1.65.

The company's general officials, located in St. Louis, Mo., notified Manager E. J. Sherwood, of the local plant, to grant the city attorney's request for a delay in the enforcement of the new rate.

No further time was set for the new rate. The simple announcement was that the June bills would be rendered on the old basis.

### WHEAT IN PACIFIC NORTHWEST

Great Falls, Mont.—H. N. Stockett, secretary of the Northwestern Grain Dealers Association has just prepared a forecast of the yield of the wheat crop of the four northwestern states, Montana, Idaho, Oregon and Washington. He places the total for the group at 107,000,000 with Washington leading, his estimate on its production being 40,000,000 bushels. It is 30,000,000 for Montana, 20,000,000 for Oregon and 17,000,000 for Idaho.

Mr. Stockett recently returned from the annual meeting of the Pacific Northwest Grain Dealers Association at Portland. His estimates is based upon conferences with the grain dealers he met there.

To guard against car shortage, Mr. Stockett says he would recommend to the farmers that they stack their grain so that the threshing can be done in due course and the wheat marketed to advantage when cars are available.

### PLANT OF VAN DUSEN MILLING CO. AT CANBY DESTROYED

The 700 barrel mill at Canby, Minn., owned by the Van Dusen Milling Company, of Minneapolis, burned July 23. The origin of the fire is unknown. Fanned by a high wind, the flames spread rapidly and the entire plant burned, including office building, warehouse, power plant and elevator. The Atlas elevator and the water tank at the depot close by also burned.

The total loss has not yet been arrived at, but the company states it will be between \$250,000 and \$260,000 on buildings and stock. The property was fully insured in old-line stock companies. It is understood there will be very little salvage.

Fortunately, the company recently purchased the 800 barrel mill of the National Milling Company, in Minneapolis, and will begin operating same immediately.

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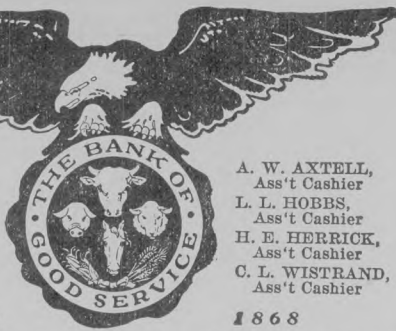
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### Review of the Live Stock Markets

South St. Paul, July 26—Numerous shipments of Dakota cattle, added to a generous run of native stuff and a sprinkling of Montanas, brought the run here for the opening of the present week up to the largest volume recorded for any session since the middle of last December. Other markets were liberally supplied and grassers predominated.

Lower price tendencies, which asserted themselves last week, were the rule at all markets and locally bidding started off 25@50 cents under close last week and often a dollar or more under high figures at the start last week. The assortment included no choice dry-feds but a few warmed-up lots salable around \$12 were on hand, comprising the best of the delegation.

Last week's high point for dry-feds was at \$15.50, duplicating the month's summit attained earlier in the period. These sales reached closer to the June peak at \$16 than any others, but were only isolated exceptions to the general rule of trade between \$7 and \$11 for beef steers. Grassers infrequently have passed the latter figure but had any choice rangers been here even with today's big run they would have passed that mark in all probability.

Mediocre to inferior steers, including many lacking qualities which would appeal to stocker buyers, were peddled out today at \$5@7 or below. Country buyers were not numerous as harvest operations were in full swing in many sections of the country and the difficulties in financing cattle purchases continue to retard investment by many farmers who have pasturage available.

Some thrifty and fairly well bred offerings were taken at \$6.50@9 today to go back to the country, these weighing from 550 to 1,000 pounds. Useful yearlings and light stockers were to be had as low as \$5.50@6 and she stock on the thin order could be bought even 50 cents to a dollar under the former figure in some cases. Fat cows and heifers sold mostly between \$6 and \$8.50 as the week opened, only a few making \$9@10 or more. Dairy cows have been selling between \$60@100 mostly with good springers most favored by buyers. Veal calves worked up sharply last week to a \$5.50@15 basis and held that level today.

Hog prices today occupied almost identically the same level as a week ago, extending from \$13.70 to \$15 with bulk of trade at \$14.25@14.50. There were mild fluctuations during the period with high point at \$15.50 at the middle. Average weights are running the heaviest of the season, between 240 and 250 pounds, indicating that the clean-up process is on.

Some expansion of sheep and lamb supplies is apparent and today witnessed arrival of first of the western wethers put on sale here this season. This bunch, consisting of four doubles averaging 88 to 96 pounds, sold at \$9@9.50.

Lambs were quotable today at \$6@14.50 with native seconds around \$10@12. Ewes sold inside the \$2@7 limits and yearlings between \$7@11. There has been no feeder trade here as yet.

#### CHICAGO

Chicago, July 26—Opening of cattle trade was slow here today with a run of 18,000 on hand. Last week's average cut of 50@75 cents remained in force with plain heavies and grassy grades further depressed. Beef steers were quotable between \$10.50@16.85. Yearlings sold late last

week up around \$17 and were in relatively best favor again today. Dressed beef prices slumped off \$1@2 in the East as well as locally the past week and this reacted to sellers' detriment in the cattle alleys. Bulk of butcher cows and heifers lost a dollar or more during the week and today were listed between \$6@15 with good cows at \$9 and much of the quota at less. Bulk of the stocker and feeder output average between 500 and 900 pounds in weight with packer buyers taking most of the heavier kinds. Sales to the country were between \$5@11.25 mainly. Canner steers earned \$4.75@7.50 and canner and cutter cows \$4.25@6.50 today. Veal calves started the week at \$6@16.50.

Fresh decline of a quarter for hogs today following the easier trend late last week established sales at \$12.75@16.25 with bulk between \$13.85@16.10. Medium and light hogs occupied ground from \$15 up generally, while heavy and coarse packing weight offerings at relatively and actually lowest positions.

Last week's average price of fat sheep was \$9.30 and trade showed 25 to 75 cents drop, while lambs were down 25@50 cents. Today's quotations were: Lambs, \$7.50@16.25; yearling wethers, \$9.50@13.50; wethers, \$7.50@10; ewes, \$2.50@8.50; breeding ewes, \$6.50@10.50; feeding lambs, \$11.75@13.75.

#### SIoux CITY

Sioux City, July 26—Declines of 50 to 75 cents in medium steer prices were noted last week, but conditions were firm today with only a light run in the yards. There has been quite an influx of grass natives and a fair showing of western rangers. Except for best fed steers current rates here are the lowest since before the war. Bulk of dry-feds sold at \$13@15, while grassers sold mostly under \$10 with a few rangers at \$11@12. Common light sorts sell down to \$7 or less. Cows and heifers are quoted at \$6@12.50. Stockers and feeders have sold mostly at \$6@9 with best heavies from the Nebraska Sandhills up to \$12 in rare cases. Hogs were steady to 25 cents lower today with range at \$13@15.50 and bulk at \$13.50 and \$14.75.

#### SOLDIERS' PART IN WESTERN CANADA DEVELOPMENT

Saskatoon, Sask.—The fertile prairies of Saskatchewan have provided farm homes for a large proportion of Canada's soldier settlers, who are proving an important factor in the rapid development of the West.

The Soldier Settlement Board, up to April 10, had approved loans of \$12,533,711 for soldier settlers in Saskatchewan out of a total of \$59,894,115 for the entire Dominion. The number of the loans was 3,162 out of 15,540.

There were on that date 2,869 soldier settlers established on farms in Saskatchewan out of a total of 13,497 throughout the Dominion and 9,266 soldiers had qualified for settlement out of a total for all Canada of 37,005. Saskatchewan also has eighty-nine men studying agriculture out of a total of 617.

Of the approximately \$60,000,000 in loans approved, \$32,704,744 was for the purchase of land; \$1,850,944 for the removal of encumbrances; \$6,569,458 for permanent improvements; and \$18,768,969 for livestock and equipment.

A report issued by the Soldier Settlement Board shows that 6,625 soldiers have taken free land under soldier grants in the four western provinces.



# GRAIN AND MILLING

Office of the Commercial West, July 28—While reports of damage by black rust continue to come from parts of the Northwest, it is agreed by crop authorities that the damage so far is only slight; in fact, as heretofore stated, no greater than the average years. During the past week the weather has been most favorable for the crops, and not at all of the kind that propagates rust. General indications are that the wheat yield will be up to the 300 million bushel estimate. The notable decline in wheat prices during the past week is evidence that the black rust scare is about over, and hereafter reports of rust are not likely to have much influence upon the market as the crop is pretty well out of danger.

## Exaggerated Reports

Reports sent out early in the week from North Dakota of damage by rust were exaggerations. There has been much contradictory evidence from reliable sources. The greatest damage in North Dakota has been done by the grasshoppers, and this evil has been combatted by a most liberal application of poison and strenuous work on the part of the farmers. A diagram of the state showing the investigations made by experts show that only in a few sections has there been any serious damage by rust and that the average yield for the state will be in the neighborhood of 17 bushels to the acre. There has been some damage by hail, in fact, hail and grasshoppers have caused the greatest ravages to the North Dakota crop. Of course, like in other years, the crop is spotted. In Minnesota the damage has been comparatively slight. In some localities where the plant had a late start, some damage has been reported.

## Financing the Coming Crop

Throughout the week there has been, according to the weather bureau, liberal rainfalls throughout the entire spring wheat belt and in fact, extending over the corn belt as far south as Oklahoma. The reports from Montana show that little damage has been caused there by the recent hot wave and that the state will have a bumper crop. One of the problems in that state is the financing of the crop that will be grown. In fact, this is a northwestern problem and is now attracting the attention of the bankers of the Ninth Federal Reserve District. So important is the matter of financing the grain growers that Chairman John H. Rich of the Minneapolis Federal Reserve Bank today issued a circular letter on the subject. In this letter he predicts that the Dakotas, Minnesota and Montana will produce a 650 million bushel yield of small grain. He calls attention to the fact that the elevator capacity is but 225 million bushels and that owing to poor transportation facilities the grain storage capacity will be greatly taxed. He notes that on July 1st there was approximately 24 million bushels of old crop grain on farms of the Northwest and in country elevators, all of a total value in excess of 50 millions of dollars. In view of the situation, Mr. Rich advises that each grain grower immediately investigate the possibility of prompt marketing of grain from his farm this fall and if necessary to provide new grain bins or other means of storing the grain on the farm so it will not deteriorate.

## In Canadian Northwest Provinces

The latest news from the Canadian Northwest provinces is more optimistic than during the past few weeks. Particularly in Saskatchewan there has been considerable rainfall which has improved wheat conditions there. It is believed that the yield in the three provinces—Alberta, Manitoba and Saskatchewan—will be about 300 million bushels. Reports however have been made placing the possible wheat crop for these provinces at 245 million bushels.

Broomhall cables from Liverpool that the tendency of prices in wheat, corn and oats is downward and that there

has been notable decline during the past week. The latest report from the International Institute of Agriculture of Rome is generally favorable as to ample bread stuffs to supply the world and indicates that there need be no alarm as to the outlook for the coming year and no occasion for anxiety over a world's wheat shortage.

## Corn

Reports from experts throughout the different sections of the corn belt are generally favorable. The crop is making splendid progress and there is promise that the yield will be a heavy one. However, the crop is far from made and the month of August is a critical month owing to the possibility of hot winds and then the frosts of September must be taken into consideration. The fact that corn has been steadily declining is evidence that the grain interests recognized that the corn crop at the present time is in a most favorable condition and that with normal weather the yield will be an abundant one. The greatest factor in prices at the present time is transportation. There is an alarming car shortage and with the diversion of cars for the caring of different commodities regardless of what efforts may be made to supply means for transportation of grain, it is apparent that the roads are facing a grave problem.

## Oats

While early in the season predictions were made that oats would be a short crop it is now generally admitted that this year's yield will be one of the largest in many years. Already the influences of the crop are reflected in the markets and prices have come down sharply. This year the United States will have more oats for export than will be demanded by the world's markets. The oat crop by P. S. Goodman is estimated at approximately 1,400,000,000 bushels or 152 million bushels greater than last year's yield.

## Rye

Harvesting of rye is started in some sections. The North Dakota acreage, 944,000 acres, promises only a fair yield. In some sections fields have been cut for hay. This year there is promise that the Michigan yield will exceed that of North Dakota and in Minnesota there is a likelihood that the crop will exceed last year's by a considerable amount. Many fields are threshing out much lighter than was expected.

## Barley

The barley crop is reported generally good in the Northwest Pacific states and fair in California. In Minnesota and South Dakota the yield will be about average. It is generally believed that the yield will exceed official estimates.

## THRESHERS FIX RATES FOR IOWA

Sioux City—The Woodbury County Threshers' Association has arranged a threshing schedule for the approaching harvesting season.

The 1920 scale adopted is as follows: Winter wheat, 10 cents a bushel; oats, five cents; barley, seven cents. The farmers are expected to furnish fuel for the engine.

Charge by the hour will be made for harvesting spring wheat. The size of the machine cylinder determines the charge. The scale is: Forty inch cylinder, \$9 an hour; thirty-six inch, \$8; thirty-two inch, \$7; twenty-eight inch, \$6; twenty-six inch, \$5.

## RATES FOR THRESHING IN MONTANA

Chinook, Mont.—Threshers of Blaine county met here recently to fix a price scale for the season of 1920.

The following schedule was adopted: wheat per bushel, 15 cents; rye, 15 cents; oats, 10 cents; flax, 30 cents; alfalfa, \$1.50; clover, \$1.50; mustard, \$1.50; set jobs, \$35.

The prices will be doubled where the entire crew is furnished by the threshing outfit.

### Van Dusen-Harrington Northwestern Crop Report

Minneapolis, July 28—The Northwest crops as a whole have apparently maintained their condition of a week ago. With the exception of a few local showers, the weather has been dry and several hot days have forced the ripening of the grain. This probably has cut down the yield to some extent, but at the same time has undoubtedly held the black rust in check.

We have examined many samples of wheat from various sections of the Northwest and find that the leaves of some were covered with rust and in a number of instances it had gone into the stems. Regardless of these rust conditions, most samples of early wheat show the heads to be well filled. In some cases the wheat was plump, while in others it was slightly shriveled. Black rust has done the most damage to late sown wheat. This was seeded hurriedly and without proper ground preparation. The heaviest damage has been done to spring wheat in the Jim River Valley in South Dakota. In North Dakota the Southern and Eastern sections are the only ones that have had rust to any degree, and it has developed very slowly. From our observation we feel that drought, blight and joint worms have caused more damage in the Northwestern wheat crop than black rust.

Durum wheat has apparently withstood the rust and should be a good crop. Considerable spring wheat has been cut in Minnesota and South Dakota. We will soon have reports on threshing returns.

Grasshoppers have done considerable damage in local districts in North Dakota, especially in the North Central part. Much of this damage could have been avoided if the farmers had recognized the danger of these pests, and if some counties had adopted the proper methods of fighting them.

Barley and oats are only fair crops in the Northern territory, with the exception of the Red River Valley districts where they are good. In the Southern territory barley and oats in many places are the best crops in years. We had a report from Southern Minnesota of a field of oats that threshed out around a 75 bushel average. Where the ground has had moisture both oats and barley are of good quality.

Rye harvesting is quite general throughout the Northwest and the movement of this grain will soon start. Most of it is of good quality.

Corn in the Northern territory is backward, but the Southern district is excellent. Barring early frosts or unusual weather conditions, we have a good crop in prospect.

Flax reports are again favorable. There are places where rain is needed in order to produce the best results, but the condition as a whole is fine. Many of our correspondents advise that they have never seen the flax look better.

Prospects are that crops in the Northwest will be very satisfactory. We will not have a bumper wheat crop, but about an average, and there will be quite a range in the quality. We feel also that the crops of coarse grains and flax will be the largest this territory has produced in several years, and will compensate, in a great measure, for any decline we have had in wheat.

#### REVENUE FROM STATE IRON LANDS

Duluth—Nearly 900,000 tons of iron ore were taken from state-owned mineral properties during the three months ended June 30, under leases to the Oliver Iron Mining Company. The company has paid to the state treasurer \$221,000 of royalties for that quarterly period.

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## Chicago Grain Prices on the Toboggan

Chicago, July 27—The lack of outside buying, combined with excellent weather conditions over the entire grain belt, led to general selling and a weak undertone in grain last week, the close being at the low point on all grains. The disposition of most of the big local traders is to sell on bulges. There was a lot of selling all week by houses which have been aggressive on that side for some time. The most aggressive selling is in the December deliveries.

### Weather Favors Crops

There was nothing in the news that was regarded as bullish. Lower temperatures prevailed over the entire belt, and there were showers at some points in Illinois that complained of dry weather the previous week.

A feature in the oats trade was the lowering of cash premiums, No. 3 white dropping from 4c over July for light weight 27 to 29 pound oats early in the week, to 2c discount today, placing them on full delivery basis, and 50,000 bushels were sold Saturday to store and will be delivered this week. Choice heavy oats, which were 9c over July at one time during the week, closed only 2½c over. This drop in premiums, combined with raising of crop estimates by Goodman to 1,400,000,000 bushels, and a decrease in outside interest, were the main depressing factors.

### Rust Closely Confined

Black rust reports from the Northwest seem to be confined mainly to eastern South Dakota and southern and central Minnesota, a territory that has been reporting rust for some time. Elsewhere crop conditions approximated perfection, the spring wheat crop is approaching maturity under favorable surroundings and winter threshing returns are bountiful.

Grain receipts at Chicago last week were 515,000 bushels smaller than the preceding week, with an aggregate of 4,163,000 bushels, heaviest losses being in wheat and corn. They were 4,075,000 bushels below last year's and 2,128,000 bushels under the average. Wheat and oats show heavy reductions from last year, while corn increased 974,000 bushels. Eastbound shipments of flour, grain and provisions decreased for the week, but flour and grain exceeded last year's while there was a loss of 3,611 tons in provision shipments.

### Declines Are Heavy

Optimism in regard to a big yield of wheat this season despite black rust helped to break the futures last week. Compared with a week ago wheat quotations at the close today were off 28c, corn 17¾c and oats were 9¼ lower. Official estimates that the Kansas wheat crop would be 37,000,000 bushels larger than had been expected last month was regarded by many traders as more than an offset for whatever damage might be done in black rust in the Northwest. Later, too, there were forecasts by a leading expert that, regardless of rust, the spring wheat yield would total as much as 300,000,000 bushels. Winter wheat was figured by him at 550,000,000 bushels. Rains in western Canada, together with a stoppage of export buying for Great Britain, tended further to unsettle the confidence of bulls.

### Bears Take Profit

A number of operators who have been bearish changed their position on wheat at the end of the week. They said liquidation has been thorough. The best buying of wheat futures was attributed to the Armour Grain Company, which was said to have changed to the buying side of the markets on the break. It is claimed by a few of the cash

handlers of wheat at Chicago that losses of spring wheat in the Northwest to date have been offset by larger yields than were counted on in winter wheat sections.

Weather conditions are regarded as the leading factors in influencing grain prices in the next few weeks. Hot weather in the corn belt for a few days will not kill the crop, and the present is the kind that old traders and farmers tell of as good corn weather. Each day brings the spring wheat crop nearer maturity, and conditions are described by one northwestern man as so uncertain that it will take thrashing returns to tell the real story.

Country offerings of wheat were larger and millers were paying relatively better prices than exporters, so that the latter did little in the way of buying. Foreign exchange is affecting the export business for the moment. Rust reports from the Northwest were less numerous, and many in the trade incline to the belief that losses to the spring wheat crop will not be extensive in the territory of the largest production.

The Kansas state crop report of winter wheat is now estimated at 147,031,000 bushels, the second largest on record, based on primary thrashing returns. Fifty counties in the northern half of the state show an average yield of 19.4 bushels per acre, and the 55 counties in the southern half around 13.3 bushels. The June estimate was 110,000,000 bushels and last year's final returns 145,795,000 bushels.

### Corn Bears Jubilant

Corn bears enjoyed a week of thrills. Stop order selling of July carried it to 3c under September at one time, the largest discount so far. At the same time brokers with changing orders at 2c under were unable to work them. No. 2 mixed corn was 2½@3c over July at the close. There is an impression among traders who are mostly bearish, that the high temperatures of the last few days have been of great benefit to the corn and more than offset any losses that resulted from firing of the tassels. Corn has made wonderful growth in the past two or three weeks. Many fields in the eastern section of Nebraska and western Iowa are five to six feet high and ready to tassel.

### Public Not Interested

There was heavy covering by leading shorts today. This was regarded as making the technical position rather weaker, although it will be no surprise to see a rise in values. It was said by close observers that the largest shorts recently believed that they were having too much company on the bear side and decided to take profits and possibly get out their lines to better advantage. It was generally claimed that outside buying power is limited and that conditions are not right for a bull movement to last very long, although corn at \$1.50 and under is not thought too high by close observers.

### Crop Progress Good

Crop advices were generally favorable, hot weather being needed to force growth, although hot winds in parts of Nebraska and dryness in section of Kansas, Illinois and Missouri were a bit too pronounced to suit the bears. Unless there is a marked change in the attitude of the public to the buying side it is generally believed that it may be difficult to maintain crop scare bulges for some time to come. Close students of conditions regard the coarse grain situation as extremely bearish in view of the excellent crop outlook, over 3,000,000,000 bushels of corn coupled with prospects that the farm reserves at the close of the season will be abnormally heavy. This, with the decreased feeding of live stock, which is expected as a result of the tight money situation, will make a heavy load on the futures for speculators to carry.

### Crop Weighs Oats Down

Oats reacted from an early week bulge on indications of somewhat larger receipts and the Goodman report and profit-taking that continued from the start. Seaboard houses were conspicuous sellers following reports that foreigners were trying to resell. Another factor aiding the selling side was weakness in the spot market, especially for lightweight oats. Outside support was lacking

The ALBERT  
**DICKINSON**  
 COMPANY  
**SEEDS**

FIELD SEEDS                      SEED GRAINS

Chicago                      Buffalo                      Baltimore  
    Minneapolis

and local sentiment was very bearish. Crop reports from the Northwest were very favorable.

#### Oats Premiums Lost

A break of 3c in premiums on cash oats, combined with the purchase of No. 3 white at  $1\frac{1}{2}$ @2c under the July, or better than a delivery basis, resulted in scattered liquidation. The weather conditions have been generally favorable for oats and the crop is in most excellent condition. A point in the oats situation made by a cash man is that in the visible supply of 3,381,000 bushels, compared with 17,968,000 bushels last year, there is 716,000 bushels at the seaboard awaiting export or distribution. Recently a cargo of 416,000 bushels of oats cleared from Portland, Me., for France, but was not reported.

#### Rye Market Lower

Persistent reports from the seaboard that foreigners were after rye and rye flower to the extent of 5,000,000 bushels were ignored by cash houses which hedged the grain in the pit and forced lower prices. Directors of the Board of Trade have decided to build a pit for traders in rye, and barley futures, who have been crowded out of their former location by the reopening of the wheat market. Trading in rye has developed to such an extent during the last year and a half that the establishment of better facilities was deemed essential.

#### Grain Trade Gossip

"A July corn season without hot and dry weather is a novelty, and has robbed the market of world-wide buying interest," said Joseph Wild, the E. W. Wagner & Co. statistician. "It would appear that pending July 20 to August 15 developments December corn is worth \$1.30 to \$1.35 as a sound low average. A turn of hot and dry for one week would not be bullish, as it would hasten the crop."

Board of trade directors elected to membership E. J. Weber of the J. W. Fernald Company, Chicago; F. T. Bedford of Penick & Ford, Chicago; Oscar H. Riggs, with Babcock, Rushton & Co., and George T. Ordway, for years with McKenna & Rodgers and later with J. A. Rodgers.

John Inglis, the oldest crop expert here, while riding a motor car in South Dakota, was painfully injured and will be laid up about three weeks.

Goodman's crop report was regarded as bearish by the trade in general. An improvement in the condition of corn, combined with an increase of  $1\frac{1}{2}$  bushels in the par yield for the month of July is expected to result in a crop showing around 3,000,000,000 bushels for August 1, according to his figures. This compares with the government's estimate of 2,779,000,000 bushels on July 1 and 2,917,000,000 bushels harvested last year. The oats crop is estimated at around 1,400,000,000 bushels or 78,000,000 bushels in excess of July 1, and compares with 1,248,000,000 bushels harvested last year. Reports show an extension of the black rust into the big spring wheat belt. Heaviest damage thus far reported has been in the dry region of North Dakota and in the grasshopper infested sections. Present condition suggests a crop of 300,000,000 bushels or 9,000,000 bushels more than a month ago, and compares with 259,000,000 bushels harvested last year, but the danger point is not yet passed. Indications are for a winter wheat crop of 550,000,000 bushels or 32,000,000 bushels larger than a month ago, but 182,000,000 bushels less than harvested last year.

### Financing of Crops a Problem

Chicago, July 27—Failure of banks to bring about the customary liquidation in grain loans in preparation for the movement of the new crop presages further financial strain, for it means that the banks have practically two crops to move this season, according to the monthly review of the Chicago Federal Reserve Bank. Withdrawal of huge amounts of capital used by the United States Grain Corporation last year in the financing of the wheat crop also is likely to be keenly felt," it adds. The car situation is still a dominant factor, and with the desired increase in available cars, bankers are expressing the hope that the shipper will be given cars as fast as the pro-

ducer, in order that the primary markets may not be deluged with grain, and both the storage and financial facilities may not be overtaxed.

#### Labor Trouble Continues

"Labor difficulties are becoming a more important consideration in transportation and financial problems. The slow liquidation of millers' drafts, which are in the main payable on arrival of cars, seems to indicate that the car shortage is being relieved, but that the movement of cars is being impeded either by the congested conditions in terminals, or slow movement of trains. Shortage of motive power, however, still is a factor. Shipments formerly completed in ten days now require from one to three months.

#### Money Demand Big

"Borrowing at banks continues of large proportions, and the same applies to the Federal Reserve Banks despite the restrictions upon credit. Crops promise to equal the average yield of the last ten years, and with prices higher than ever before and slow movement of products from the farmer to the market, a perplexing problem is created. In the credit situation little improvement is seen. The demand for credit is very large, and there is little prospect of relief from the high rates, which, however, do not seem to be a deterrent to borrowers, who are adjusting their business requirements accordingly. The banks in the Middle West are doing everything in their power to restrict unnecessary borrowing and to reduce abnormally large lines, and they are receiving the co-operation of the business interests to this end.

#### Rates at Top

"Commercial paper is being offered at the highest rate in many years and is moving rather freely, there being a demand for this class of investment. The country banks are buying some commercial paper, but the city banks are entirely out of the market. Merchants report collections generally good, but in some lines where there is pressure this is not the case. Buyers seem to realize that prompt payment is absolutely necessary to obtain credit.

#### Check Land Trade

"One noticeable influence in the credit situation is the let-up in farm land and city real estate sales. Bankers have been endeavoring to check them for some time, feeling that a sufficiently large volume of banking funds has been swallowed up in this class of transactions. Necessarily the liquidation of these lines is very slow, hence it will require considerable time to thaw out this "frozen credit." Speculation in farm lands and, in fact, in all other lines, has been checked temporarily."

### LABOR VARIOUS CROPS REQUIRE

The approximate amount of labor required to raise some of the more important crops has been determined by recent farm studies conducted by the Office of Farm Management, United States Department of Agriculture. The results show that it requires the work of one man and one horse for a 10-hour day to cut, cure, and harvest an acre of hay. Oats, wheat, barley, rye, buckwheat, and millet consume more labor; under normal conditions these grains require the labor of a man for two days and for the horse three days. Corn for the silo in the Central States consumes three days of man labor and 5.5 of horse work. Tobacco in Kentucky uses 35 days of man labor against eight days for the farm horse, but onions, as determined through studies in Ohio, sold in bunches, top the list of vegetables in the amount of man labor they require. Onions use 149 days of man work, but only 10 of horse work. Beets and carrots, also sold in bunches, come next, with 82 man-days to each acre and eight days' horse labor.

It is interesting to note that a horse, in the Eastern States, requires 12 ten-hour days per year from his master to care for him, and he contributes only three-quarters of one day to his own upkeep—hauling feed, etc. Dairy cows need 18 days from the man and two from his horse each year.

These figures are given in Farmer's Bulletin 1139, to aid the farmer in an analysis of his business. They will be useful in assisting the farm operator to estimate his labor needs for the next season.



## Future of the Federal Farm Loan Banks

Chicago—With the United States Government paying as high as six per cent. on some of its obligations and some issues of Liberty bonds sold in the market to yield about six per cent., it is unreasonable to expect Federal Farm Loan Bonds to be salable at 4½ per cent., according to the last bulletin issued by the Farm Mortgage Bankers Association. The general increase in interest rates came first and put the Federal Land Banks out of business because they attempted to maintain an arbitrary rate out of harmony with general conditions. Therefore, the suspension of the Federal Land Banks cannot be the cause of the raise in rates of interest.

### Outlook is for Small Dividends

Farmers who made Federal Land Bank loans and bought bank stock during 1918 and 1919 will suffer a serious impairment of future dividends on account of the Federal Farm Loan Board's loaning policy in 1920, the Farm Mortgage Bankers Bulletin states. In 1918 and 1919 over \$200,000,000 was loaned to farmers on a one per cent. margin, the funds being raised on bonds issued at 4½ per cent. and the money loaned at 5½ per cent. Farmers were given to understand that the one per cent. margin would pay all expenses of the Federal Land Banks and leave a heavy surplus for dividends to stockholding borrowers. Farmers were assured that the stock would be profitable. The Farm Loan Board is now furnishing five per cent. bonds to the Secretary of Treasury to finance 5½ per cent. loans, taken care of under the Platt Resolution. This cuts the margin down one-half and little or nothing will be left for dividends. If five per cent. bonds are used to finance \$32,000,000 of loans under the Platt Resolution, this reduction of half of one per cent. in the margin will cause a loss of \$160,000 a year to the dividend fund.

### Rates Too Low

This loss will reduce the future dividends of farmers who borrowed when the margin was one per cent. It would have been better for the borrowers of 1918 and 1919 if the Farm Labor Board had not made any loans in 1920. Impairment of dividends is equivalent to raising the interest rate on the original mortgage. The Farm Mortgage Bankers Bulletin claims that when the market rate of interest on bonds was raised that the rate on farm loans should have been raised and that the borrowers in 1920 ought to have been required to pay six per cent. to allow for a uniform margin of one per cent. between the bond rate and the mortgage rate if profits and expenses are pooled on all loans. Otherwise the borrowers of 1920 should be carried on the books in a series by themselves after the plan followed by many building and loan associations. The point raised by the bulletin is important because if the present practice of, pooling all profits is continued, the early borrowers have no protection against higher future interest rates.

## Doping the Farmer

That much uninformed marketing expert, self-styled, Mr. Eckhardt of the I. A. A., has invaded Iowa with his fallacious notions about marketing the farmer's grain. To his proposal that farmers should organize their own companies to handle grain in the country no objection perhaps can be made, other than the broad one that the "cobbler should stick to his last." Many cooperative companies have succeeded in making money, but they have not affected the price of grain; and whether in that pecuniary success they have gained as much as they may lose ultimately by the promotion of urban communistic ideas among farmers generally is a question they must answer for themselves, with the experience of North Dakota and the impending Nonpartisan rape of Minnesota before them as evidence.

But Mr. Eckhardt's scheme has an insidious trend. He would by the hocus pocus of a "big union" and by "strong arm" methods control or fix the "fair price" he is always chattering about; but he has nowhere at any time

given any hint as to how he will be able to establish any price at all.

Yet the farmer is more interested in a marketing system which shall make for him a universal competitive price for his grain and live stock and which shall make public at all times those authoritative prices than in the margin the dealer and commission man take for themselves. Now it will hardly be questioned than without the commodity and live stock exchanges it would be impossible for the farmer at any time or place to know what would be the "fair price" of his grain or stock as saleable commodities. To no one is the prompt fixation of prices and a wide acceptance of their authority by producers and consumers of so great importance as to the farmer; because it is that which makes his products in grain and cattle instantly marketable at the world's price at any moment he should desire to sell. If on the contrary the farmer had to wait, when desiring to sell, until he himself could learn the causes which influence supply and demand at that moment, and adjust them to his own transaction, he would forever be at the mercy of those to whom in any event he would be compelled to sell but who would as merchants only know the conditions far better than he could hope to know them at any given moment. The commodity exchanges alone can make this universal market and give prices that authority which means their instant acceptance everywhere as fact. It is this greatest of all boons to the farmer, which economic illiterates like Mr. Eckhardt, many of the A. F. B. F. leaders and other theorists would destroy and leave the farmer stranded on a trading atoll that immediately would be surrounded by sharks.—Price Current-Grain Reporter.

### LIVE STOCK GRAZING LAND CLASSIFIED

Washington—The Secretary of the Interior has just issued a summary of the activities of the department in classifying lands through the Geological Survey in June. Continued progress was apparent in the classification under the stock-raising homestead law, which makes public lands available for entry for stock-raising purposes in homesteads of 640 acres or less. Nearly 14,000,000 acres were classified under this act during the month. The areas by states are:

Arizona .....	2,048,320
Colorado .....	1,141,674
Idaho .....	1,159,870
Montana .....	5,510,816
New Mexico .....	30,000
Oregon .....	1,448,040
South Dakota .....	2,527,123

A total of more than 74,000,000 acres has now been classified as stock-raising land since the passage of the act on December 29, 1916. Nearly 82,000 applications have been received, and of this number more than 67,000 have been disposed of, the great majority of them by the designation of the lands involved.

Nearly 350,000 acres of land were classified during the month under the enlarged homestead laws, which provide for entry of non-irrigable lands in areas of 320 acres or less for dry-farming purposes. The areas by states are:

California .....	52,120
Colorado .....	49,760
Idaho .....	30,840
New Mexico .....	59,884
Wyoming .....	154,160

About 10,400 acres of land valuable for water power were included in an order for withdrawal promulgated during the month. Forty acres in Nevada were withdrawn in public water reserve.

### THE RUST SITUATION

Leading crop experts have reported black rust prevalent in localities of the two Dakotas and Minnesota. To date, it is uncertain to what extent the crop has been damaged and, while some in the trade may accept the most pessimistic views as foreshadowing a reduction in the yield from that indicated last month, it is well to bear in mind, that in other parts of the country fine progress has been made. Wheat is by no means a hot house plant. Nature has endowed it with considerable stamina to withstand vicissitudes and a uniformly favorable condition over the entire area is never experienced. It is a well-known fact, that we have good harvests of spring wheat in "rust years" and it is to be hoped that this year will be no exception.—W. C. Wiegand in Simons-Day Review.

**Special Chicago Market Letter**

Chicago, July 27—The price of wheat is declining and we believe will decline more. We expect to see wheat at \$2.00 in Chicago. The Kansas state crop report shows 147,000,000 bushels, the second largest crop of record. This compares with an early estimate of 85,000,000. It looks like a total crop of 850,000,000 bushels, which together with 150,000,000 bushels carried over from last crop gives 1,000,000,000 bushels of wheat available for this crop year. We believe this is more wheat than the country can handle and that difficulty will be found in getting the money to finance it at anything above \$2.00.

The weather has been exceedingly favorable for the spring wheat crop and against the development of black rust. Therefore the crop has very largely escaped the danger which threatened it two weeks ago.

The Canadian Northwest has good prospects for all crops as the result of recent good rains. The British government is buying wheat and wheat flour in Manchuria. Bulgaria will have a surplus of grain for export from this crop. The India crop of wheat is estimated at 377,000,000 bushels against 280,000,000 bushels a year ago.

The corn crop is making fine progress. The weather has been all that could be desired excepting a little hot weather would force the crop to maturity. The latest crop estimate is 3,000,000,000 bushels and with the weather continuing so favorable, the crop may exceed this estimate. Only an early frost can prevent the big crop. There are less hogs and cattle in the country and considerable old corn. Therefore we see nothing to prevent corn selling still lower, notwithstanding the big drop. The advice we so persistently gave to marketing old corn when the price was around \$1.80 to \$2.00 has turned out exactly as we believed it would; a stock of corn has now accumulated at the market centers.

A big oats crop is made. The latest estimate is 1,400,000,000 bushels. We believe the crop will exceed this figure and furthermore it is of excellent quality. The weather has been exceptionally favorable for maturing the entire crop, even to the very last field.

There will be only two things short this year in the grain line—money and cars.—W. G. Press & Co.

**SHORTAGE OF FREIGHT CARS IN THE NORTHWEST**

The Minneapolis Traffic Association estimates that the railroads of the Northwest will possess but 79 per cent. of their box car equipment when the crop movement is in full swing.

In former years the Northwest railroads entered the fall task of moving grain to the market with 100 per cent. equipment. Even with last year's crop below normal, they had difficulty in bringing all the grain to the markets promptly.

A survey made by the Traffic Association reveals that the railroads in the Northwest have but 123,500 box cars while their normal equipment is 181,500 cars. The survey included the Milwaukee, Northern Pacific, Great Northern, Soo Line and Minneapolis and St. Louis railroads.

Through a recent order of the Inter-state Commerce Commission, ordering Southern and Southwestern railroads to bring 25,500 empty cars into the Northwest, traffic officials confidently expect that the supply of box cars, when the big flow of grain commences, will be built up to a total of 149,000 cars, which is but 79 per cent. of the normal equipment of the Northwest carriers.

**MORE THAN 100 MILLION BUSHELS OF WHEAT CARRIED OVER**

Washington—Wheat from last year's crop carried over into 1920 totalled 109,318,000 bushels on July 1, compared with 48,561,000 bushels of the 1918 crop on hand the corresponding day last year, is announced by the Department of Agriculture.

Crops on farms, in country mills and elevators, and in points of large accumulation, all showed an increase over 1919 totals. This year farmers held 47,756,000 bushels,

against 19,261,000 bushels in 1919, the figure perhaps reflecting disturbed transportation conditions during the past year.

At the larger central storage points this year the department found 24,574,000 bushels against 9,532,000 in the same places on July 1, 1919. In country mills and elevators this year there are 36,988,000 bushels, while in 1919 there were 19,768,000.

**LATEST CLEMENT-CURTIS REPORT**

Chicago—P. S. Goodman-Clement Curtis & Co. report: Our reports show extension of the black rust up to the big spring wheat belt with its presence noted through some of the good sections. Heaviest damage thus far reported to us has been in the dry region of North Dakota and in the hopper infested sections. Present conditions show 300,000,000 bushels prospect, but danger point not yet passed. Rains in the dry area today will improve prospects. Indications are for a winter wheat crop of 550,000,000 bushels. Oats have improved since the first of the month and the par value being higher the indication is for a crop of 1,400,000,000 bushels, an increase of 150,000,000 bushels over the last report. Corn has progressed finely in the big belt, the improvement and an increase of a bushel and a half in the par suggests a crop of 3,000,000,000, showing gain of 220,000,000 over the previous reports. Our reports and those of the government on July 1, were practically the same.

**Telephone Construction**

**MINNESOTA**

Grand Marais—The Grand Marais Telephone Company plans to extend its lines at a cost of about \$150,000.

Sherburn—The Sherburn Mutual Telephone Company has been organized here. The local exchange of the Fairmont Telephone Company has been purchased for \$15,250.

**NORTH DAKOTA**

Bathgate—The Citizens Telephone Company will extend its lines.

Walhalla—The Walhalla Telephone Company will build new lines east and northwest of the city.

McLeod—The capital stock of the McLeod Telephone Company will be increased from \$10,000 to \$13,100.

Ray—The capital stock of the Williams County Mutual Telephone Company will be increased from \$75,000 to \$78,300.

New England—A new telephone company has been organized here to take over the management of the line between here and DeSart. The officers of the new company are: Oliver C. Martin, president, and O. O. Vaaler, secretary and treasurer.

**SOUTH DAKOTA**

Newell—The South Hilen No. 1 Telephone Company has been incorporated with a capital of \$3,000. C. E. Livingston, A. C. Halverson and C. J. Kendall are the incorporators.

**WISCONSIN**

Prentice—The capital stock of the Prentice Telephone Company has been increased from \$5,000 to \$10,000.

Theresa—Work on the new office building of the Theresa Union Telephone Company is progressing rapidly.

Dodgeville—The title of the New Union Telephone Company has been changed to the Commonwealth Telephone Company.

Ingram—The Service Telephone Company has been incorporated with a capital of \$10,000 by L. Van Patter, U. G. Blood and W. C. Roseberry.

**MONTANA**

Fairfield—Articles of incorporation have been filed for the Fairfield Telephone Company with a capital of \$25,000. E. A. Shilton, Oscar Holmberg and Elmer Genger are the organizers.

**MINNEAPOLIS GRAIN FUTURES**

	July 22	July 23	July 24	July 26	July 27	July 28
December	2.56 1/2	2.55 1/2	2.51 1/4	2.43 1/2	2.31	2.30 1/2
Oats	.94	.94 5/8	.91	.87 1/4	.....	.....
Rye	2.19 1/4	2.16 1/2	2.11 1/2	2.03 3/4	.....	.....
Barley	1.10	1.09	1.08	1.04	.....	.....
<b>September</b>						
	July 22	July 23	July 24	July 26	July 27	July 28
Oats	.73 1/2	.72 5/8	.71 1/2	.67 1/4	.65 1/8	.66 3/4
Rye	1.82 5/8	1.81 1/4	1.78 5/8	1.71 7/8	1.65	1.65 3/8
Barley	1.09 3/4	1.09 1/2	1.08 3/4	1.03	1.02	1.02 1/2

**CHICAGO GRAIN FUTURES**

	July 22	July 23	July 24	July 26	July 27	July 28
December	2.59	2.58	2.55	2.47	2.35	2.34
Corn	1.54	1.53 1/2	1.53	1.45 1/2	.....	.....
Oats	.92	.91 3/4	.88 1/2	.80 3/8	.....	.....
<b>September</b>						
	July 22	July 23	July 24	July 26	July 27	July 28
Corn	1.54	1.53 3/4	1.51 1/2	1.43 5/8	1.39 1/2	1.42 3/4
Oats	.77 5/8	.76 5/8	.75 3/8	.71 1/4	.69	.70 7/8



**DULUTH COARSE GRAINS**

	Oats	Rye	Barley	Flax
July 22	.96½	2.17	.....	3.48¼
July 23	.97½	2.11	.....	3.46
July 24	.92	2.05	.....	3.41
July 26	.89¼	1.94	.....	3.36½
July 27	.82	1.88	.....	3.27½

**CLOSING OATS PRICES**

**No. 3 White—Minneapolis**

July 22	.....	.93	@	.95
July 23	.....	.93½	@	.95½
July 24	.....	.....	.....	.....
July 26	.....	.84¼	@	.87¼
July 27	.....	.73	@	.76

**CLOSING FLAX PRICES**

	July 22	July 23	July 24	July 26	July 27
Minneapolis cash	3.41	3.38½	.....	3.26½	3.16
Duluth	3.48¼	3.46	3.41	3.36½	3.27½
July	3.38¼	3.36	3.31	3.26½	3.17½
September	3.49	3.44½	3.40	3.33	3.24½
October	3.50	3.46	3.42	3.35	3.24

**WHEAT RECEIPTS—CARS**

	Minneapolis		Duluth		Chicago		Winnipeg	
	Year ago	1920	Year ago	1920	Year ago	1920	Year ago	1920
July 22	153	175	107	11	18	231	101	76
July 23	198	204	132	7	35	624	87	91
July 24	242	375	53	2	41	1,850	66	161
July 26	279	205	86	8	51	805	122	77
July 27	173	200	49	9	188	446	196	66
July 28	237	205	129	6	94	585	62	66

**MINNEAPOLIS RECEIPTS—COARSE GRAINS**

	Corn cars		Oats cars		Rye cars		Barley cars		Flax cars	
	July 22	11	13	8	9	8	9	8	8	8
July 23	9	17	16	20	33	32	19	19	19	
July 24	13	27	25	32	19	25	24	24	24	
July 26	20	30	20	25	36	22	36	36	36	
July 27	11	18	11	22	36	17	15	15	15	
July 28	17	16	18	17	15	15	15	15	15	

**CLOSING RYE PRICES**

**No. 2 Rye—Minneapolis**

July 22	.....	2.19¼	@	2.20¼
July 23	.....	2.15½	@	2.16½
July 24	.....	.....	.....	.....
July 26	.....	1.99%	@	2.00%
July 27	.....	1.86	@	1.91

**STOCKS OF GRAIN AT MINNEAPOLIS**

	July 24	Week ago	Year ago
Spring wheat	282,788	293,513	650,000
1 dark northern	221,704	42,066	41,862
1 northern	1,000	.....	9,320
2 northern	3,571	301	.....
3 dark northern	1,066	.....	2,772
3 northern	.....	320,000	1,370
Winter wheat	182,733	165,880	.....
Private houses	39,022	54,092	85,753
Durum wheat	1,109,818	1,333,882	216,867
All other grades	.....	.....	.....
Totals	1,658,969	2,043,855	1,007,944
Decrease	368,033	517,329	227,332
Corn	152,382	69,587	23,209
No. 3 white oats	116,597	116,597	*24,000
Other oats	126,130	112,288	3,003,844
Barley	863,530	863,530	1,118,766
Rye	365,037	365,037	4,402,644
Flax	73,148	73,148	177,111

\*Standard white oats.

**WHEAT STOCKS AT DULUTH**

Duluth-Superior wheat stocks, July 24, and receipts by weeks ended Saturday (000's omitted in stocks):

	Wheat stocks			Receipts by grade		
	1920 bus.	1919 bus.	1918 bus.	1920 cars	1919 cars	1918 cars
1 dark nor. ....	46	32	1	14	8	3
1, 2 nor. ....	.....	.....	.....	.....	.....	.....
2 dark nor. ....	.....	.....	.....	.....	.....	.....
3 dark nor. ....	.....	.....	.....	.....	.....	.....
3 nor. ....	92	..	..	36	2	..
All other spring	433	6	1	126	5	..
1 am. dur. ....	.....	.....	.....	.....	.....	.....
1, 2 durum ....	183	128	..	65	17	..
All other durum	180	..	4	66	6	..
Winter ....	1	1	..	3	3	..
Mixed ....	89	..	..	160	32	6
Totals	1,034	167	6	467	73	9

**CROP-YEAR WHEAT RECEIPTS AT MINNEAPOLIS AND DULUTH**

Receipts of wheat in Minneapolis and Duluth from September 1, 1919, to July 24, 1920, were as follows, with comparisons in bushels (000's omitted):

	1919-20	1918-19	1917-18	1916-17
	Minneapolis	104,871	102,915	72,762
Duluth	20,739	90,181	17,045	33,769
Totals	125,610	193,096	89,807	137,929

**MINNEAPOLIS-DULUTH-WINNIPEG WHEAT RECEIPTS**

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

	Minneapolis		Duluth		Winnipeg	
	1920	1919	1920	1919	1920	1919
July 21	163	153	136	20	164	134
July 22	153	175	107	11	101	76
July 23	198	127	132	15	87	56
July 24	242	144	53	7	66	93
July 26	279	204	86	7	122	91
July 27	173	375	49	2	196	161
Totals	1,208	1,178	563	62	736	611

**STOCKS OF GRAIN AT CHICAGO**

Wheat stocks in all positions in Chicago decreased 70,000 bushels last week, oats 141,000 bushels and barley 88,000 bushels. Corn increased 174,000 bushels and rye 4,000 bushels. Details follow:

	Public	Private	Total	Last year
Wheat	30,000	628,000	658,000	2,280,000
Corn	572,000	1,868,000	2,460,000	1,308,000
Oats	50,000	690,000	740,000	6,282,000
Rye	128,000	31,000	159,000	1,413,000
Barley	153,000	216,000	369,000	1,190,000

**UNITED STATES VISIBLE GRAIN SUPPLY**

The United States visible supply of wheat increased 467,000 bushels last week, and corn 130,000 bushels, while oats decreased 17,000 bushels. Details follow:

	Last week	Prev. week	Last year
Wheat	16,616,000	16,149,000	13,255,000
Corn	6,381,000	6,251,000	3,143,000
Oats	3,364,000	3,381,000	19,317,000
Rye	2,905,000	2,852,000	10,078,000
Barley	3,235,000	2,194,000	9,010,000

**EXPORTS OF GRAIN FROM ATLANTIC PORTS**

North American exports of grain continue liberal. Details follow:

	Last week	Prev. week	Last year
Wheat, bushels	6,990,000	8,556,000	1,112,000
Corn, bushels	157,000	89,000	45,000
Oats, bushels	1,006,000	322,000	1,142,000
Flour, barrels	406,000	490,000	496,000
Rye, bushels	1,438,000	2,245,000	334,000
Barley, bushels	304,000	18,000	2,195,000

**ARGENTINE GRAIN SHIPMENTS**

Argentine exports of grain have fallen off considerably. Numerous boats clearing from ports there is ballast. Details follow:

	Wheat	Corn	Oats
This week	3,805,000	1,644,000	77,000
Previous week	5,250,000	2,401,000	318,000
Last year	3,890,000	2,449,000	84,000
Since January 1	178,076,000	105,356,000	12,255,000
Year ago	46,426,000	26,138,000	803,000

**ARGENTINE VISIBLE WHEAT AND CORN**

	Wheat	Corn
This week	4,440,000	4,000,000
Last week	6,550,000	3,600,000
Last year	4,000,000	4,000,000

**THE WEEK'S FLOUR OUTPUT**

(From The Northwestern Miller)

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

	July 24	July 17	July 26	July 27
Minneapolis	336,475	305,035	245,955	178,530
St. Paul	4,860	5,525	9,005	.....
Duluth-Superior	13,520	21,085	5,830	.....
Milwaukee	1,000	9,200	12,000	5,500
Totals	355,855	340,845	272,790	184,030
Outside mills*	132,780	.....	132,670	.....

Aggregate spring	488,635	.....	405,460	.....
St. Louis	17,800	34,000	25,100	40,000
St. Louis†	25,600	34,600	43,400	39,700
Buffalo	96,365	95,680	155,050	73,300
Rochester	7,500	7,100	9,250	700
Chicago	12,000	21,000	23,250	27,750
Kansas City	51,500	53,500	61,500	73,700
Kansas City‡	220,835	212,775	252,465	300,040
Omaha	7,530	10,485	10,100	.....
Toledo	10,800	19,000	36,090	15,650
Toledo§	19,325	26,655	56,795	38,750
Indianapolis	4,120	4,030	6,480	5,255
Nashville**	47,160	41,715	140,510	108,915
Portland, Ore.	.....	22,270	.....	.....
Seattle	19,310	15,795	8,880	.....
Tacoma	7,500	19,985	.....	10,335

Flour output for week ending July 24 at all above points shows a decrease of 10 per cent. from week ending July 17.

\*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.

**FLAXSEED RECEIPTS AND SHIPMENTS**

Receipts and shipments of flaxseed at Minneapolis and Duluth, September 1, 1919, to July 24, 1920, were, in bushels (000's omitted):

	Receipts			Shipments		
	1919-20	1918-19	1919-20	1919-20	1918-19	1919-20
Minneapolis	4,870	7,143	4,900	4,900	2,080	.....
Duluth	2,566	4,142	1,391	1,391	3,756	.....
Totals	7,436	11,285	1,881	1,881	5,836	.....

### The Wool Situation

Boston—In its latest review of business conditions the First National Bank of Boston says:

"Trading in the wool business has been desultory during the past month, while dealers have been trying to find a safe basis for operations, out of the chaos of conditions of opinions. The financial situation has restricted the market, as was predicted some months ago, and consumption of wool has been decreasing steadily, the figures for May with 66,900,000 pounds in April and 67,900,000 pounds in March. The figures for June and July, when announced, doubtless will show a progressive decline. English operators have had the same experience, to a greater or less extent, cancellations having been received in Yorkshire to a considerable amount, especially on Japanese account. In view of the market uncertainties our Government decided to suspend the July auctions and will hold only a sealed bid sale for a little over 500,000 pounds of odds and ends. Finally came the announcement that the mills of the American Woolen Company would be closed down for an indefinite period. It would appear, therefore, that the possibilities in the reduction of consumption have been closely approximated, so that any turn should be for the better. At the current series of London sales, prices opened at the Government minimum with about 70 per cent. of the offerings withdrawn on the first day, since when the tone has improved slightly. English domestic wools are reported as selling better at the fairs than had been anticipated. At the Cape and River Plate the markets have been dull at the lower levels recently established. Of chief interest in the foreign primary markets is the recent announcement that the wool auctions will be resumed in Australia the first of October, which is earlier than had generally been anticipated. It is not expected that auctions will be resumed in New Zealand much before the first of the year. The American markets appear to have been somewhat stabilized through the endorsement of a plan for financing the western wool growers, by Governor Harding of the Federal Reserve Bank. By this plan the local banks accept a draft (bill of lading or warehouse receipt attached) from the wool grower which may be rediscounted at the Federal Reserve Bank for three months, with the privilege of renewal for three months longer. The net result of this plan apparently would be to keep a considerable weight of wool, possibly 50,000,000 pounds, from the normal market channels for perhaps six months. Opinions are divided as to the future course of values, but it would seem that out of the chaotic conditions and opinions pervading the market a basis for operations is slowly being approached."

### CEASE PAYMENT OF SOLDIERS' BONUS

Bismarck, N. D.—No more claims for soldiers' bonus under the state law will be paid this year, in all probability, according to E. D. Hoskins, in charge of the bonus payments.

The estimated fund to be realized from taxation this year has about been exhausted, and unless more money is received than is expected, the claims will be carried over until next year.

There have been 1,615 claims allowed thus far, the amount being paid out approximating \$600,000.

The law provided a tax of one-half mill for the year 1919, and three-fourths of a mill for the year 1920, and each year thereafter until the bonuses are paid. There have been about 15,000 bonus claims filed.

The compensation shall be paid to soldiers only for the following purposes: To secure a home or farm home and improve, furnish or repair the same; to make payments on pre-existing indebtedness on such property or furniture; to procure farm machinery, seed grain, live stock, poultry and food, and to pay off pre existing indebtedness on the same; to establish or invest in a business or a trade, including the tools of a craftsman, or pay off pre-existing indebtedness against the same, or to secure medical aid or treatment.

Each soldier is entitled to receive \$25 per month for each month of service, under the law.



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Successors to WARE & LELAND

### GRAIN STOCKS BONDS

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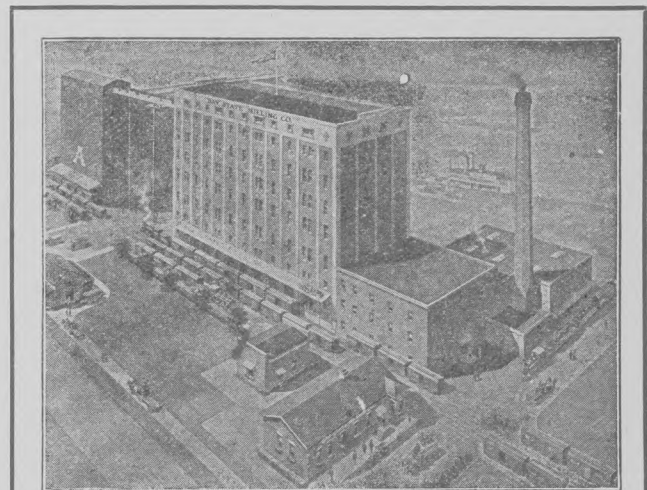
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## X BANKERS X

Throughout the Northwest recommend this firm as one of the most reliable and up-to-date concerns in the grain business. We handle on consignment the grain shipments of farmers, as well as many farmer and independent Elevator Companies. Let us know your wants—we will show you every attention.

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X Minneapolis, Duluth X



This cut shows the plant of the **BAY STATE MILLING CO.** WINONA, MINN. replacing their plant destroyed by fire in August 1911.

This plant, with capacity of 4,000 barrels daily was designed and rebuilt of reinforced concrete, *absolutely fireproof*, in just *ninety days* from the date of the above calamity, by

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MINNEAPOLIS, MINNESOTA  
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*That is our specialty*

Write us for designs and estimates.




# ESSENTIAL?

When the Regional Reserve put out the edict to loan to none but essential requirements, many unthinking and panic stricken banks decided to quit loaning altogether.

A strong reserve sounds good to all of us, but how about the farmer who must install labor saving appliances in his barn to do the work he **can't hire done**, and has got to act now, if at all?

Three paltry months are left for him to get fixed up. Then it is too late. The average farmer feels that he doesn't have to farm if he doesn't wish to. And a movement is on foot to cut out the raising of crops which require extra hired help. Such a movement is bound to raise the cost of food, and add to our present industrial unrest.

 **IF farming loses its present attractiveness, how about farm land values?**

## Moyer Barn Equipment Is Essential

1. Production can be amazingly increased with MOYER EQUIPMENT.

It is not uncommon to have money returns from a Dairy Herd, increase from 50% to 70% with MOYER EQUIPMENT.

2. Labor is heavily decreased:  
A twelve year old boy can do the barn work of two men with such equipment.
- 3: Saves high priced Feeds:  
The cows eat less feed when their stalls are provided with drinking fountains.
4. Hog losses are cut way down by MOYERIZING the hog houses.
5. Loans for MOYER EQUIPMENT are fairly liquid. The EQUIPMENT pays for itself in, from ten to twelve months.

The Reserve Board rules that Automobile Loans are essential "in Detroit." Then Barn Equipment Loans are unquestionably essential in the Ninth Federal Reserve District.

*During the war BARN EQUIPMENT was placed on the priority essential list, for steel, next to railroad requirements.*

**MOYER MFG. CO. Montevideo  
Minnesota**