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Five Dollars a Year

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405 Marquette Avenue, MINNEAPOLIS, MINNESOTA

Affiliated with *The Northwestern National Bank*

Western Municipal Bonds

FUTURE BOND ELECTIONS

- August 9**—Weld County, Colo., School District No. 4 (P. O. Windsor), \$15,000 bonds.
- August 10**—Gering, Neb., \$120,000 school building bonds.
- August 10**—Central City, Neb., \$25,000 gas plant 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 21**—Carbon County, Mont. (P. O. Red Lodge), \$80,000 school 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.
- September 21**—Omaha, Neb., \$1,000,000 municipal gas plant bonds.

FUTURE BOND SALES

- 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 9**—King County, Wash., School District No. 14 (P. O. Seattle), \$8,000 bonds; denominations \$800; 1-5½ year (optional-average); 6 per cent.; certified check 1 per cent. William A. Gaines, County Treasurer.
- August 9**—San Bernardino County, Cal., Chaffey Union High School District (P. O. San Bernardino), \$100,000 bonds; denominations \$1,000; 11 1/6 year (average); 6 per cent.; certified check \$1,000. Harry L. Allison, Clerk Board of Supervisors.
- 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 10**—Pondera County, Mont., School District No. 64 (P. O. Conrad), \$3,000 bonds; denominations \$500; 5-10 years (optional); 6 per cent.; certified check \$300. Gilbert Floberg, Clerk.
- August 11**—Montpelier, Idaho, \$18,500 street improvement bonds; 6 per cent. F. L. Cruikshank, City Clerk.
- August 11**—Chisholm, Minn., \$650,000 village hall bonds; 1-15 years; 6 per cent. C. M. Tramontin, City Recorder.
- August 14**—Rottemay, Mont., School District No. 86, \$3,600 bonds; 20 years; 6 per cent. E. W. Lindholm, Clerk.
- August 14**—Sioux Falls, S. D., \$100,000 sewer bonds; denominations \$500; 20 years; 5 per cent. Walter C. Leyse, City Auditor.
- August 14**—Sioux Falls, S. D., \$175,000 electric light bonds; denominations \$500; 20 years; 5 per cent. Walter C. Yeyse, City Auditor.
- August 14**—Sioux Falls, S. D., \$200,000 water bonds; denominations \$500; 20 years; 5 per cent. Walter C. Leyse, City Auditor.
- 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.
- August 17**—Martin County, Minn. (P. O. Fairmont), \$82,000 ditch bonds; denominations \$1,000; 3-21 years; certified check \$5,000. H. C. Nolte, County Auditor.

- August 17**—Martin County, Minn. (P. O. Fairmont), \$50,000 road bonds; denominations \$1,000; 10 years; 6 per cent.; certified check \$2,500. H. C. Nolte, County Auditor.
- September 10**—Raymond, Mont., School District No. 65, \$4,800 bonds; denominations \$1,000 and one for \$800; not exceeding 6 per cent.; 10-20 years. Address Clerk.
- September 10**—Stillwater County, Mont. (P. O. Columbus), \$100,000 highway bonds; denominations \$1,000; 10-20 years; 6 per cent.; certified check \$500. R. A. Lathom, County Clerk.

BOND NOTES

- Eugene, Ore.—No bids were received for the purchase of \$10,000 park bonds.
- Chisholm, Minn.—An issue of \$650,000 city hall bonds is being offered for sale.
- Milton, N. D.—An issue of \$28,000 school bonds has been sold to the State, at par.
- Wayne, Neb.—An issue of \$25,000 paving bonds has been sold to the State, at par.
- Winifred, Mont.—An issue of bonds has been authorized for school improvements.
- Elsie, Neb.—The State was the successful bidder for \$7,400 water bonds, at par.
- Wauneta, Neb.—The State has been awarded an issue of \$7,500 water bonds, at par.
- Milwaukee, Wis.—No bids were received for the purchase of \$5,200,000 municipal bonds.
- Roseburg, Ore.—The question of issuing \$7,000 aviation field bonds is being considered.
- Casper, Wyo., School District No. 2—An issue of \$150,000 bonds has been sold to the State.
- Humboldt, S. D.—A vote of 78 to 10 authorized an issue of \$30,000 sewerage system bonds.
- Oshkosh, Neb.—The State was the successful bidder for \$10,000 electric light bonds, at par.
- Beulah, N. D., School District No. 27—The State was the successful bidder for \$17,500 bonds.
- Superior, Neb.—Paving bonds to the amount of \$12,826.81 have been awarded to the State, at par.
- Provo, Utah—An issue of \$18,000 school bonds has been awarded to E. H. Rollins & Sons of Denver.
- Green Bay, Wis.—The city council has authorized the issuance of \$60,000 street improvement bonds.
- Balfour, N. D., School District No. 56—Bonds to the amount of \$41,000 have been sold to the State, at par.
- Clearwater, Idaho, School District No. 33—The State has been awarded an issue of \$2,500 bonds, at par.
- Woodlawn, N. D., School District No. 26—The State was the successful bidder for \$65,000 bonds, at par.
- International Falls, Minn.—An election resulted in a vote of 236 to 2 in favor of issuing \$42,000 paving bonds.
- Underwood, Minn.—A recent election resulted in favor of the proposition to issue \$40,000 school building bonds.
- Wynot, Neb.—An election was held here to vote on the question of issuing \$6,000 electric light system bonds.
- New Ulm, Minn.—Out of the \$200,000 issue of municipal power plant bonds, \$160,000 worth have already been sold.
- Murray County, Minn. (P. O. Slayton)—An election defeated the proposition to issue \$50,000 memorial building bonds.
- Carbon County, Mont. (P. O. Red Lodge)—An election has been called to vote on the question of issuing \$80,000 school bonds.
- Yakima County, Wash. (P. O. Yakima)—Ferris & Hardgrove of Spokane were the successful bidders for \$380,000 highway bonds.
- Bertha, Minn., School District No. 51—An election was held here recently to vote on the question of issuing \$35,000 building bonds.
- Washington County, Idaho (P. O. Weiser)—The Hanchett Bond Company of Chicago was the successful bidder for \$300,000 road bonds.
- Summer Lake, Ore., Summer Lake Irrigation District—Bids received for the purchase of \$260,000 irrigation bonds, are still under advisement.
- Sheboygan, Wis.—An issue of \$950,000 bonds will be offered for sale soon. The bonds will be issued for the erection of a new high school building.

**COUNTY—CITY—SCHOOL
BONDS**

BOUGHT AND SOLD *Correspondence solicited*

The Hanchett Bond Company
39 South La Salle Street **CHICAGO**

Established 1885

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

ESTABLISHED 1863



Jackson Street, between
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We Are Better Qualified.

With resources exceeding sixty-eight million dollars, a directorate composed of prominent, successful business men and a staff of experienced, practical officials who make every effort to serve clients promptly and courteously, no institution is better qualified to handle your Twin City and Northwestern business than

THE FIRST NATIONAL BANK OF SAINT PAUL
Capital and Surplus, Five Million Dollars

Western, Neb.—An election is expected to be called to vote on the proposition of issuing \$19,000 light plant bonds.
Golden, Colo.—The proposition of issuing \$100,000 paving bonds is being considered.

STATE BANK SUPERINTENDENT MAKES APPOINTMENTS

St. Paul—Herbert M. Hauck of Mankato has been appointed a state bank examiner by F. E. Pearson, state superintendent of banks. He succeeds L. J. Luhman, who resigned to become vice president of the Deposit Bank of Winona.

O. A. Dufba, of St. Paul, was appointed an assistant bank examiner to fill the vacancy caused by Mr. Hauck's promotion.

Mr. Dufba was employed in the Capital National Bank of St. Paul and the First National Bank of Minneapolis, and after being discharged from military service during the war, was employed as a civilian accountant in a Government department.

GOLD AND SILVER IMPORTS AND EXPORTS

Washington—Imports of gold for the 10 days ending July 30, 1920, were \$7,784,033 and exports \$4,964,451. Total imports from January 1 to July 20 amounted to \$141,869,675 while exports were \$210,220,994.

Imports of silver for the 10 days ending July 20 were \$2,018,881 and exports \$1,980,043. From January 1 to July 20 silver imports totaled \$60,535,769 and exports \$84,488,986.

Of the \$7,784,033 imports of gold for 10 days ending July 20, \$7,066,750 came from the United Kingdom; of the gold exports for the same period \$2,100,000 was sent to French East Indies and \$2,200,000 to Japan.

GEORGE M. BAUER PRESIDENT OF EAST SIDE STATE BANK

George M. Bauer, formerly vice president of the Exchange State Bank, and during the war in charge of the War Savings Department in the Minneapolis Federal Reserve Bank, has been elected president of the East Side State Bank of Minneapolis, to succeed John Hillebee, resigned.

BANK TRANSACTIONS

Washington—The Federal Reserve Board's weekly statement of debits to individual account covers the weekly periods ending Wednesday, July 28 and 21 of the present year and July 30, 1919. Total debits to individual account reported by 154 clearing houses, 8,252 millions, were 1,021 millions less than the week before, the New York City total alone showing a decline of 484.5 millions for the week. Considerable reductions are reported for the larger centers of the country, except Pittsburgh and Kansas City. As compared with the corresponding week in 1919 the most recent week shows a decrease of 290 millions. This decrease is confined largely to New York City, the other

153 centers showing a combined increase of 487 millions over the corresponding 1919 total.

| City | Week ending | |
|------------------|-----------------|-----------------|
| | July 28, 1920 | July 30, 1919 |
| New York | \$3,898,013,000 | \$4,382,556,000 |
| Chicago | 712,635,000 | 816,123,000 |
| Philadelphia | 328,868,000 | 349,136,000 |
| Boston | 255,729,000 | 333,990,000 |
| San Francisco | 215,119,000 | 239,562,000 |
| Pittsburgh | 213,353,000 | 209,546,000 |
| Cleveland | 176,734,000 | 205,989,000 |
| Detroit | 148,982,000 | 179,234,000 |
| St. Louis | 137,780,000 | 160,981,000 |
| Baltimore | 99,489,000 | 106,374,000 |
| Los Angeles | 94,288,000 | 106,850,000 |
| Kansas City, Mo. | 88,157,000 | 75,889,000 |
| Minneapolis | 74,148,000 | 87,490,000 |
| New Orleans | 72,434,000 | 75,886,000 |
| Milwaukee | 61,404,000 | 77,722,000 |
| Omaha | 55,861,000 | 57,186,000 |
| Denver | 42,956,000 | 40,655,000 |
| Seattle | 42,323,000 | 47,428,000 |
| Portland | 37,070,000 | 46,538,000 |
| St. Paul | 36,891,000 | 35,996,000 |
| Dallas | 30,902,000 | 36,652,000 |
| Tulsa | 30,022,000 | 29,449,000 |
| Duluth | 20,449,000 | 23,806,000 |
| Sioux City | 14,880,000 | 18,611,000 |
| Spokane | 9,094,000 | 12,527,000 |
| Sioux Falls | 5,870,000 | 6,057,000 |
| Superior | 1,947,000 | 2,180,000 |
| Winona | 1,255,000 | 1,409,000 |
| Fargo | 3,235,000 | 3,407,000 |
| Grand Forks | 1,568,000 | 1,602,000 |
| Great Falls | 1,638,000 | 1,822,000 |
| Helena | 2,049,000 | 2,368,000 |
| Aberdeen | 1,533,000 | 806,000 |
| Billings | 1,780,000 | 2,135,000 |
| Total | \$8,252,262,000 | \$9,273,073,000 |

GOVERNMENT BONDS

Price range for week ending August 2, by C. F. Childs & Co., 208 South La Salle Street, Chicago:

| United States Government Bonds | | | | |
|-----------------------------------|-------|-------|-----------|-------|
| | High | Low | Last Sale | Yield |
| First Second 4½s, 1932-47 | 95 | 90 | 92 | 4.80 |
| 2s, Consols (after April, 1930) | 101½ | 100¾ | 101½ | 1.98* |
| 4s, Old (after February, 1925) | 105¾ | 105¼ | 105½ | 2.53* |
| 2s, Panama, 1936-38 | 101½ | 100½ | 101½ | 1.89 |
| 3s, Panama, June, 1961 | 82 | 77 | 81 | 3.71 |
| 3s, Conversion (after Apr., 1943) | 83 | 79 | 82 | 3.88 |
| Liberty Loan 3½s, 1932-47 | 91.10 | 90.92 | 91.00 | 4.00 |
| Liberty Loan 1st 4s, 1932-47 | 85.70 | 85.40 | 85.46 | 5.05 |
| Liberty Loan 2nd 4s, 1927-42 | 84.76 | 84.32 | 84.40 | 5.20 |
| Liberty Loan 1st 4½s, 1932-47 | 85.82 | 85.50 | 85.60 | 5.25 |
| Liberty Loan 2nd 4½s, 1927-42 | 84.84 | 84.50 | 84.76 | 5.45 |
| Liberty Loan 3rd 4½s, 1928 | 88.90 | 88.46 | 88.68 | 6.05 |
| Liberty Loan 4th 4½s, 1933-38 | 85.28 | 84.90 | 85.10 | 5.55 |
| Victory Loan 3¾s, 1922-23 | 95.76 | 95.64 | 95.68 | 5.60 |
| Victory Loan 4¾s, 1922-23 | 95.78 | 95.64 | 95.68 | 6.65 |

*Based upon assumed maturity. U. S. Certificates of Indebtedness, 5% to 6½% basis.

| United States Territorial Bonds | | | | |
|---------------------------------------|----|----|----|------|
| 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 |
| Dist. of Columbia 3.65s, August, 1924 | 97 | 92 | 95 | 3.85 |

| Foreign Government Bonds | | | | |
|--|------|-----|------|-------|
| Anglo-French 5s, October 15, 1920 | 99½ | 97 | 99½ | 6.75 |
| Belgian Govt. 6s, January 1, 1925 | 92¾ | 91 | 92¾ | 8.10 |
| Belgian Govt. 7½s, June 1, 1945 | 98½ | 97 | 98½ | 7.70 |
| Govt. of Canada 5s, April 1, 1921 | 97¾ | 97 | 97¾ | 9.59 |
| Govt. of Canada 5s, April 1, 1926 | 89½ | 88 | 89½ | 7.40 |
| Govt. of Canada 5s, April 1, 1931 | 86¾ | 86 | 86¾ | 6.70 |
| Govt. of Canada 5½s, August 1, 1921 | 97½ | 97 | 97½ | 8.25 |
| Govt. of Canada 5½s, August 1, 1929 | 90¾ | 90 | 90¾ | 6.85 |
| City of Paris 6s, October 15, 1921 | 92½ | 91 | 92½ | 13.25 |
| French Cities 6s (Lyons, Bordeaux, Marseilles), November 1, 1934 | 84¼ | 83 | 84¼ | 7.75 |
| Jap. 4½s, February and July, 1925 | 72¾ | 71 | 72¾ | 12.50 |
| Second Series | 71 | 71 | 71 | 12.50 |
| Russian Govt. 5½s, February 14, 1926 | 28½ | 28 | 28½ | 7.55 |
| Swedish Govt. 6s, June 15, 1939 | 84¼ | 84 | 84¼ | 8.00 |
| Switzerland Govt. 5½s, August 1, 1929 | 84¾ | 84 | 84¾ | 7.60 |
| Switzerland Govt. 8s, July 1, 1940 | 103½ | 103 | 103½ | 8.90 |
| United Kingdom of Great Britain 5½s, November 1, 1921 | 95¾ | 95 | 95¾ | 9.70 |
| United Kingdom of Great Britain 5½s, November 1, 1922 | 90½ | 90 | 90½ | 7.60 |
| United Kingdom of Great Britain 5½s, August 1, 1929 | 84¾ | 84 | 84¾ | 7.25 |
| United Kingdom of Great Britain 5½s, February 1, 1937 | 83½ | 83 | 83½ | 7.25 |

†Per 1,000 rubles net.

Those who want your business, your good-will or your support

—they will come to you because they know how carefully you read the Commercial West,—so they deliver their messages to you through the advertising columns of this journal.

No matter what you need or what you wish to buy—an analysis of your requirements has been made by those actually desiring your business. Therefore, do not overlook a single advertisement.

The Commercial West is your Market Place, and those who want your business come to this market and lay their wares before you—no matter if it is merchandise, equipment or good service.

WHERE ANGELS FEAR TO TREAD

Many men who have acquired wealth so fast that it amazed them have been emboldened to try their hand at the more seasoned modes of money making, only to lose. Is Henry Ford following in the footsteps of the mining kings of Nevada and Montana who lost money in Wall Street, or is his purchase of the Detroit, Toledo & Iron-
ton a shrewd move by a clever man that augurs well for our railroads? Assuming that he has exercised the same good judgment that has made him an ultra-successful manufacturer, is it not reassuring to see him stepping into the railroad game at this critical moment? True, Mr. Ford places a bank account at the disposal of the D. T. & I. that would stagger a larger road in these days, but nevertheless it is safe to say that he thinks well of the railroad outlook to have made this purchase. Mr. Ford will probably learn a good deal about railroading that he never knew before the D. T. & I. declares a dividend and he may discover that the usual shipper's viewpoint on the subject of rates is based on a rather shallow knowledge of the facts. But it would be well if more business men, more manufacturers and shippers would participate actively in the management of the railroads—it would tend to enlarge the community of interest. Mr. Ford will have this greater advantage, he will be the owner and manager in one, an uncommon situation since the days of Harriman and Hill.—Railway Age.

THE COAL MINING SITUATION

Washington—Production of bituminous coal during the first 175 working days of 1920 has been 293,550,000 net tons, which is 17,000,000 tons behind that produced in the same period in 1917 and 37,000,000 tons behind 1918, but is 45,300,000 tons ahead of 1919.

For the week ended July 24, 1,767,000 tons of anthracite coal were mined, as compared with 1,700,000 for the previous week, and 1,500,000 in the week of July 10. While

the production of hard coal is on the increase the weekly production for the week ended July 24 is less than that produced in the same week of 1919, when it was 1,803,000 tons.

Commercial stocks of bituminous coal in the United States on June 1, 1920, are estimated at 20,000,000 net tons. This was considerably less than stocks carried on October 1 of the years 1916 and 1917, and was very much less than the stocks accumulated at the close of 1918. In the three months from March 1 to June 1, 1920, stocks decreased 4,000,000 tons, or 17 per cent.

ARGENTINE WOOL REMAINS UNSOLD

Washington—Argentina has 200,000,000 pounds of coarse grades of wool, which cannot be marketed at present because of falling off in demand, according to Buenos Aires dispatch. Quantity will be increased during shearing season in July and August.

FRANCE BANK'S TRAVELERS' CHECKS

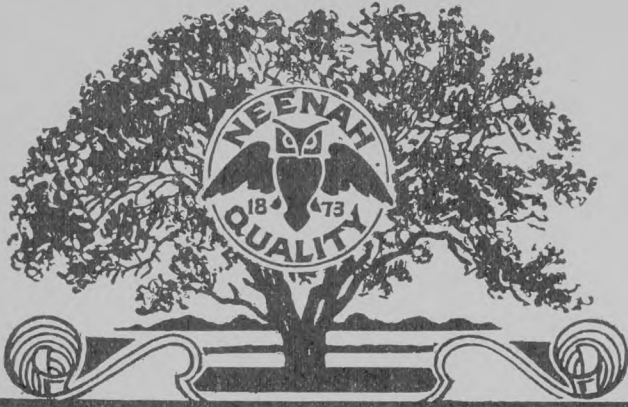
New York—Travelers' checks guaranteed by the Bank of France are now issued for the first time by the National City Bank as the result of an arrangement between that institution and the Compagnie Francaise de Tourisme (the French Government Touring Bureau). It is expected that the new checks will prove a convenience to American travelers in France, as they will be cashed anywhere in that country.

CITIES SERVICE COMPANY

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Monthly Distribution No. 18

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SATURDAY, AUGUST 7, 1920

A Business League of Nations

As a result of the recent conference of some 500 business men from France, Great Britain, United States, Belgium and Italy an International Chamber of Commerce is now being organized in Paris. Temporary headquarters are established at 33 rue Jean-Doujon. Dr. Edward Dolleens, professor of political economy at the University of Dojin is temporary secretary of this body, which might be called a business league of nations, and is directing the work of the organization. David A. Skinner, secretary of the Chamber of Commerce of the United States, is assisting.

The constitution provides for a board of three directors and three alternates to be selected by each of the countries represented. The American directors are John H. Fahey of Boston, William H. Booth of New York and Edward A. Filene of Boston. The alternates are Harry A. Wheeler of Chicago, William Butterworth of Moline and Owen D. Young of New York.

The principal work outlined for this International Chamber is stated as follows:

To make import and export trade easier.

Safeguard international trade against unnecessary waste and fraud.

Standardize international documents, practices and laws affecting commercial intercourse.

Remove international friction, much of which begins with commercial differences.

Increase the total production of the world, and make the product available to the people of the world.

Increase the mutual profit in international transactions thereby promoting international friendship which is the basis of peace.

Cultivate personal friendship between business men and bankers of different nations, thus reducing prejudice and misunderstanding.

To hasten the utilization of hydro-electrical power in every possible way.

To hasten the carrying out of the measures which tend to have mineral fuel used in the most scientific and economic way.

To develop to the utmost the coal resources of the world.

The special consideration of allied nations to the distribution of excess products to allied nations during the period of reconstruction is urged in a resolution.

The conference also adopted a resolution calling for the establishment of a customs tariff of the allied nations according to a common nomenclature. This resolution further recommends to the interested Governments the establishment of a technical commission to unify customs regulations in the allied countries.

The revoking of import and export prohibitions as soon as the international conditions of each country allows, was advocated in another resolution.

An important action was taken by the International Chamber in establishing a central bureau of international statistics for the purpose of collecting, centralizing, analyzing and interpreting statistical information for the business interests of the world. To that end a degree of uniformity, a classification of statistics and methods of determining value was recommended to the various nations.

Whether or not we succeed in establishing a political league of nations we are in a fair way to have a league of business interests, which should go far towards accomplishing the results sought by statesmen, which is the permanent peace of the world. If only part of the program outlined can be carried out, or these various activities partially developed, it would be a tremendous power for international friendliness and should tend to discourage much of the hostilities that may arise. This International Chamber should be able to avoid a return to the tariff wars that have stirred up so much trouble and animosity in years gone by. If large business concerns can cooperate in one country and work under friendly competition without resort to warlike methods, the same results can be reached through international cooperation. This will indeed be a most important step forward in the world's progress, if the promises of this international body can be realized.

Maybe this organization will prove to be the saviour of the starving peoples of the world if it can increase the total production of all countries and through development of adequate transportation, distribute these products where needed.

This should be the logical body to conserve the interests and general welfare of the peoples of smaller nations, especially those who are behind in industrial development. The former habit of exporters of different nations sending large quantities of goods into the class of countries mentioned, where such action throws thousands of people out of employment, has been an important source of international trouble in the past. Primitive peoples producing certain products by hand labor, and this practice dating back for centuries and maybe for thousands of years, cannot be overturned in a day without trouble. To rob such people of their jobs and their daily rations without providing them with some useful means of employment, is a blunder which wise international economics would not countenance.

Building Costs Almost Prohibitive

Every one appreciates the reason for extreme dullness in building operations due to excessive costs of labor and material. Home building is almost at a standstill in many large cities and only such construction is under way as necessity demands. A recent report from the Bureau of Information of the Federal Department of Agriculture cites instances which illustrate the prohibitive costs in building homes. This is part of a report made to the United States Senate on housing and building material

costs. Both in Eastern and Western cities modest priced houses cost nearly three times as much to build today as they did before the war.

These increases in building costs, amounting in many instances to 200 per cent. during the last five, six or eight years, only tell part of the story. Added to this big increase in the financial burden of building is the grief in obtaining material and in getting a full day's work from labor. Numerous delays in shipping material on account of scarcity of railroad equipment and further trouble in keeping men on the job and the inefficiency of labor all tend to discourage building operations. One of the results is the high prices obtained for ordinary houses in many of the larger cities and the willingness of renters to pay fancy rentals, rather than undertake to build under present adverse conditions.

Most large cities are underbuilt, as regards homes. Such operations were mostly suspended during the war, so that all materials and labor could be used for war purposes. Now it is the excessive costs, the stringency in credits, and the worries due to the struggle to get labor and supplies that is holding building operations in check.

Federal Frozen Exchange Thaws Out

As the result of severe criticism by the press the United States Post Office Department has finally abandoned its practice of selling foreign money orders on the pre-war basis of exchange. This was referred to by one periodical as "frozen exchange" and it is certainly unworthy of the Federal Government to take advantage of the ignorance of people buying money orders from the post office to charge them pre-war rates when exchange on all foreign countries was way below normal.

The new rates are as follows. on Great Britain, \$4 for one pound; on the Netherlands, 38 cents for one florin; on Sweden, 24 cents for one krona; for Denmark and Norway, 20 cents for one krona; for France, Belgium and Italy, \$1 for 10:30 francs.

While these rates are slightly higher than present market quotations they are an attempt to approximate the present rate of foreign exchange on the principal countries. Recent quotations of foreign exchange of the countries mentioned are as follows: Great Britain \$3.79, Netherlands 34 cents, Sweden 21 cents, Denmark and Norway 16 cents, France and Belgium about eight cents, and Italy 5½ cents. This incident furnishes a fair example of the snail-like pace of reforming the Postal Department under the baleful influence of Burleson.

Vast Increase in Foreign Trade

The total value of all exports and imports which constitute the foreign trade to the United States during the fiscal year ending June 30, 1920 was over 13 billions of dollars, according to reports from the Department of Commerce. This is even greater than was estimated a month ago, and compares with about 10 billions in foreign trade for the corresponding period ending June 30, 1919. Exports last year were over eight billions and imports considerably over five billions.

The London Board of Trade recently issued reports on the foreign trade of Great Britain for the first six months of 1920. If this record is maintained for the rest of the year, England will show a foreign trade for the calendar year of about 13 billions of dollars, if we convert British pounds into American dollars at present market quotations, for sterling exchange. This is against around eight billions for 1919. If exchange on London was at the normal level England would report a foreign trade of about 15 billions of dollars for the calendar year.

For a nation which suffered in man-power and took over such tremendous obligations in the way of war debts as did England this recovery and expansion in her foreign trade is most remarkable. England has great war problems to wrestle with, but she is not allowing them to interfere with the development of her foreign trade. Prior to the war, England held first place among the nations in volume of foreign trade, but during the war America forged ahead on account of supplying the allies with such vast amounts of food products and war material. Now the two nations are about tie for first place in regard to the volume of foreign trade. Developments from now on will be watched with great interest to see which world power takes the lead.

Railroads Given Generous Rate Increase

By the action of the Interstate Commerce Commission last week, in granting one and one-half billion dollars additional revenue to the roads by increase in rates, railroads of this country are placed in the most advantageous position they have occupied for many years. Freight rates are increased from 20 to 40 per cent. according to location, passenger rates 20 per cent., besides increases on excess baggage and sleeping car and parlor tickets. This is the largest rate increase ever granted to the carriers.

By this action the Federal Government is now in a position to demand the highest measure of service from the railroads, just as soon as this assistance is made available. The various states can also place their standards of service very high and will have good grounds for insisting that the railroad managers provide ample equipment, extensions and service to meet all demands. When this increased revenue is available and equipment can be had the roads will be in a strong position and the Government will be also in an excellent position to see that the roads provide service.

Business interests have finally been thoroughly aroused on this question of lack of service, with the vast losses piling up, simply because railroads could not provide cars or motive power to move the products. It is a safe forecast that this action will do more towards bringing about universal prosperity in this country than any other one thing that has occurred for a long while. What we need everywhere is service not only from the railroads, but in all lines of activity and it is the lack of service and crippled service in so many ways, that fret and worry us all, and keep the cost of living high.

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

On the top of Mt. Washburn in Yellowstone Park we met a western Indian trader who had climbed up that 10,000 foot Hill of Difficulty in a new Oldsmobile car. He apologized for his seeming extravagance by saying that as soon as he got home he would sell the car to an Indian for what he himself had paid for it. "You couldn't sell a Ford to an Indian," he said, looking at our car. They want something tony and high power. "The Indian," he said, "is a good mechanic. Every young fellow goes to an automobile school as soon as he gets his first government money and with the next installment he makes the first payment on an automobile. We sell him the machine, take his note for the balance and collect it from the government officer who administers the Indian's money."

* * *

"The Indians are bright people," he says—"as bright as white men, and as a rule more honest and likable. But they are easy going, too generous, too ready to spend and too careless of the future. Few of them know how to farm well nor do they care to know. Our tribe own their lands in severalty and live in houses; but they mostly rent their farms to white farmers and live on their rentals in a doless kind of a way. The government draws the rental contracts, collects the rent in March and September and pays the Indians monthly. This is done to keep the whites from cheating the Indians and the Indians from squandering their money. Left to themselves the Indians would be beaten in the deal."

This man thinks the government's paternal policy is keeping the Indian farmer a child; and that the red man in a house is not much if any nearer self support than the red man in a tepee. He believes the Indian should be put into immediate possession of his property and left to do with it as he wills. This done there would be a great big feast followed by a long sore famine. But only hunger, he says, will make an Indian work.

* * *

Columbus, Mont., is negotiating for land adjoining the city for use as a park. This is a part of a tract owned by a Crow Indian and shiftlessly left unimproved. This same Indian recently refused \$50,000 for his holdings on the reservation, and his father is worth \$100,000. He is said to be one of the sitting type of Indian without pride in his personal appearance but with plenty of pride of race. This pride includes the idea that manual labor is degrading to a male Indian, a doctrine that dies hard with the aboriginal American.

* * *

A physician of Columbus speaking of these Indians said: "I don't know but they get as much out of life as we do. They have all they want to eat and they don't have the trouble we do."

"I know some hogs," I said, "that have all they want to eat and they never worry. Do they get any more than we? You know, doctor, the best enjoyment comes from trying to make the world better and fitter to live in. How much more would you enjoy life if you sat in a blanket around a pot instead of working your head off and worrying about the welfare of the people of Columbus?"

An Optimistic Note From the Treasury Department

Washington—In a statement issued to the Press July 30, the Comptroller of the Currency said:

"The action of the Federal Reserve Banks in restricting extension of credit for unessentials and luxuries and in encouraging increased production of commodities most needed, has been distinctly beneficial and has, it is believed, been a material influence in reducing the high cost of living far and wide. Although the application of the brakes seems to have had a jarring effect upon some nervous systems, and has occasioned unfounded fears of a money panic and commercial crisis, there are in our country, abundant reasons for confidence and encouragement as to the future.

No Excuse for Pessimism

"Those inclined to pessimistic views as to our financial situation probably do not know, or do not appreciate the immensely significant fact that our Federal Reserve Banks have, at this time an unused lending power of \$750,000,000, and that if occasion required the board could, by waiving reserve requirements on deposits and notes only 10 per cent., increase the unused lending power to two and a half billion dollars, which is twenty-five times as much as all the national banks of the country (which constitute a large majority of the membership of the Reserve System) were ever borrowing at any one time on bills payable and rediscounts prior to 1913, the maximum of such borrowings at any time up to 1913, having been only \$100,000,000.

"In the face of such figures and facts as these the fear expressed in some sections that there may not be money enough available to move the crops seems manifestly absurd. It will be recalled that in 1913, before the establishment of the Federal Reserve System, the stringency and uneasiness which prevailed at crop moving time was instantly relieved by the announcement of Secretary McAdoo that the Government was prepared to deposit fifty million dollars of cash in the banks of the South and West to help move the crops. The Federal Reserve Banks can, at this time, as I have shown above, based upon their present gold reserve, supply 15 times as much as the fifty

million dollars which was so effective in 1913, wholly without waiving or reducing their reserve requirements.

Lending Power of the Federal Reserve Banks

"It is also reassuring to know that this unused lending power of the Federal Reserve Banks is twice as great as the aggregate amount of all the emergency currency issued in 1914, upon the outbreak of the European war, involving the greatest financial crisis in the world's history. Such figures as these ought to be sufficient to allay fears entertained by pessimists as to the financial condition of this country at this time.

Exorbitant Interest Rates

"I will also add that there is not, and has not been, in my judgment, the least justification for the excessive and burdensome interest rates, running up to 10, 12 and 15 per cent. and higher which have been exacted by some of the banks in New York City, the principal financial center of our country. New York is the only city of consequence in the world where such interest rates exist and are tolerated. They do not prevail in London or Paris, Berlin or Rome, Peking, Hong Kong or Tokio, or in any of the leading cities of our own country, San Francisco, St. Louis, Kansas City, New Orleans, Atlanta, Dallas, Chicago, Minneapolis, Cleveland, Richmond, Baltimore, Philadelphia or Boston.

"These excessive interest rates and the publicity given them have increased the uneasiness in financial circles and have been a contributing cause rather than a consequence of the upsetting of security values, and of the excessive and unjust rates which corporations and others have been required to pay for money in recent months. The banks which have charged their customers these excessive rates,—at times as high as 15 per cent. or more—have themselves at the same time been liberally accommodated with millions of dollars by the Federal Reserve Banks at average rates of considerably less than six per cent."

NEW WISCONSIN BANK OPENS

Woodruff, Wis.—The new Woodruff State Bank has been opened for business with Harold O. Nelson as cashier. Deposits on the first day exceeded all expectations, running over \$25,000. The institution is capitalized for \$10,000.

A Letter to Federal Reserve Bankers in the Ninth District

Careful husbanding of credit resources in the Ninth Federal Reserve District, provide funds for moving the crops now being harvested and to reinforce strict supervision of rediscount operations is the aim of the Minneapolis Federal Reserve Bank. Roy A. Young, governor of the Minneapolis Federal Reserve Bank, has set out a letter to all member banks in which he says:

"During the last nine months the Federal Reserve Bank of Minneapolis has been under an unusually heavy strain in meeting the demands that have arisen through the necessity of aiding the production, and distribution of agricultural products, the raising and marketing of livestock and the commercial activities in connection with these operations. This bank was able without outside aid to meet the demands which have arisen, until January 1, of the current year. Since that date it has been an almost continual borrower from other Federal Reserve Banks in order to maintain its legal reserve, and its borrowings have ranged in amounts of \$1,000,000 to \$25,000,000.

Erroneous Misunderstanding

"Erroneous impressions as to the functions of a Federal Reserve Bank seem to exist among some banks and in the minds of the business public. Primarily this is a reserve institution. It was not the intent of the law that we should finance continuously any particular industry, but rather it was the purpose of the law that the rediscount facilities of this Federal Reserve Bank should be used for reasonable demands (such as those arising in planting or harvest time) or during the existence of an emergency. This bank has experienced since its organization, the demands arising out of the movement of six crops and it has functioned smoothly, promptly and satisfactorily, gradually increasing its advances to member banks from April to September of each year, and experiencing prompt liquidation with the movement of the crop to market in October and November. In the fall of 1919, however, largely because of unforeseen transportation difficulties an emergency was created by the slow moving of traffic. The customary liquidation in October, November and December did not occur and as a result our resources have been freely used by a large number of member banks during a period of more than a year. This institution has demonstrated during this period its ability to function satisfactorily for the benefit of agriculture, commerce and industry and to meet the emergency that has existed.

"Our ability to meet this credit situation was due in no small way to the close cooperation between this institution and its member banks and the ready willingness of the latter to work in accord with this bank in eliminating capital, investment and speculative loans, and loans based on nonessentials. This bank desires to thank its members for the cooperation and assistance thus afforded.

Prospects For Good Crops

"At this date all indications point to good crop yields. While it is not expected that farm products will move to market as rapidly as in a normal year, there are assurances that the movement will be better than that of last fall. Bankers will have first call upon the proceeds of the shipment of the new crop and the movement of livestock this fall. If they do not secure sufficient liquidation from their customers to retire their obligations with us and with their city correspondents and build up stronger reserves, we feel that they will be remiss in the duty that rests upon them in preparing for the agricultural and livestock requirements of the coming year.

"At this time it appears highly desirable that the Federal Reserve Bank should make provision for the future by the reduction of the volume of credit extended to its members, and thereby insure its ability to meet the demands that will result from the planting and harvesting seasons of the coming year.

Careful Watch Over the Markets

"We propose establishing accurate records of the shipment of agricultural and livestock products from each sec-

tion of this district to the markets. When those products have moved, we shall insist upon liquidation from every member bank in this district that has had occasion to use our rediscount facilities, and it will only be under unusual circumstances that member banks will be warranted in making applications for rediscount during the period between crop moving and spring planting. This should not inflict a hardship upon necessary business, agriculture or industry, as we feel that with good crops, the resources of our member banks will be sufficient to take care of the requirements of such borrowers during the winter months.

Warning as to Loans

"Unusual inducements are sure to be offered to all banks to grant accommodations to borrowers for loans of a capital, speculative or investment nature. Nevertheless, while this strain and the inflated condition of credit continues, it is unmistakably apparent that member banks in the Ninth Federal Reserve District should continue their policy of confining their loans to short time obligations, and even under this policy the credit extended should amount only to that which is necessary to aid the production, manufacture and distribution of necessary goods and commodities."

A LETTER OF WARNING SENT OUT BY BANKERS ASSOCIATION SECRETARY

Secretary Richards of the Minnesota Bankers Association has just sent out to members a letter in which he says:

"Fraudulent check operators, forgers and swindlers are always abroad in the land and each bank must exercise unusual caution if losses are avoided.

"A party who signs his name Charles Miller and Charles Brown is passing worthless checks on the American National Bank, Little Falls, in different parts of the state. Checks are for \$10.00, \$15.00 and \$25.00, written on a green pocket size form. No description of operator has been obtained.

"A pair of crooks using fraudulent checks on the Metropolitan National Bank of Minneapolis and the Fletcher National Bank of Indianapolis, Ind., have been doing a lucrative business for some little time, but have suspended, at least temporarily, for one is safely in jail in Indianapolis, and the other is jailed in Minneapolis. Their plan was simply the old scheme of establishing an acquaintance by opening an account, doing a sufficient amount of business to become known, after a fashion, and then to hit the bank to the limit of their ability.

"While the writer has no intention of undertaking to tell the bankers how to conduct their business and would regret to be so understood, he ventures to suggest that, as a general proposition, a new account cannot be considered an asset unless the customer is positively known and the exercise of a greater degree of caution in this particular will save many losses.

AN EFFORT TO MAKE BETTER BANKERS

For the benefit of the young men and women in the banks which are members of the Minnesota Bankers Association a new plan has been adopted which provides them with a fine opportunity to engage in the educational facilities offered by the American Institute of Banking.

There has been organized the Minnesota State Chapter of the A. I. B. The first annual convention of this chapter will be held at Minneapolis next winter and it is expected that these meetings, which will be held annually, will be attended by the real live bank officers and employes of the banks of Minnesota.

Membership in the Minnesota State Chapter carries with it the privilege of the educational facilities of the A. I. B. and by this connection every member can obtain this instruction at a cost which is one-third less than the regular enrollment fee.

Service Is The Thing

Mr. Edmund Pennington, president of the Soo Line, expresses his judgment that "the amount that higher freight rates will add to the cost of commodities will be offset many times over, as better transportation conditions do away with the heavy costs which our present inadequate equipment has put on the whole business structure."

An opinion of this kind from a source so dependable should be heartening to the American shipping and consuming public. The \$1,500,000,000 which the new freight and passenger rates are expected to add to railroad revenues—if intrastate rates are made to conform to interstate rates—must come out of the pockets of those whom the railroads serve, directly and indirectly, but it is contemplated that the public shall be compensated for every dollar of this additional payment in the improved railroad service thereby to be procured.

It is indispensable that there be better transportation service. More will be required to pay for it now than would have been the case if the railroad problem had been wisely handled in the last decade or so, but if those who contribute of their money get in full what they pay for, there will be no good reason for complaint.

The government may be said to have turned over a new page in its dealings with the common carriers. It has enacted the Esch-Cummins bill into a law which is a notable departure in many respects from the policies of the past. It has established a merchant marine policy which dovetails somewhat into the railroad policy. It has officially recognized that the carrier companies must have sufficient revenues to enable them to pay satisfactory wages to their employes, to build up and extend their physical properties, and to give the holders of legitimate railroad securities a reasonable return on investments made in good faith.

Perceptible improvement in transportation facilities is not to be attained over night. There is a great deal of unnecessarily lost ground to cover. There is a vast deal of construction to be done. State and Federal policies are to be harmonized and co-ordinated. All these things will require time, and much effort of brain and brawn. Even the making out of new schedules to conform with the order of the Interstate Commerce Commission is a formidable job.

The big, vital thing, however, is that the ways and means have been stipulated formally whereby the companies may go briskly ahead with the business of bringing service facilities up to traffic demands.—Minneapolis Tribune.

MINNESOTA STATE BANKS HAVE HALF A BILLION DOLLARS OF RESOURCES

St. Paul—Minnesota state banks are safe and sound, F. E. Pearson, state superintendent of banks, in a late interview said.

"The statements of June 30 as a whole, show that Minnesota state banks have their affairs well in hand. Interest rates are bound to be high for some time to come, but after the new crop credits should be much easier."

Mr. Pearson referred to a combined cash reserve of \$55,851,004 which is \$21,308,702 in excess of the legal requirement. "Although many banks are heavy borrowers at the present time," he added, "it is interesting to note that 637 out of the 1,184 institutions listed had no bills payable for rediscount on the date of the report."

Calling attention to an increase of \$70,000,000 in deposits during the year, the superintendent said that only \$5,000,000 of the gain was made during the first half of this year.

The summary under the last call covered 1,184 Minnesota state banks, savings banks, and trust companies against 1,148 on the call of June 30, 1919. The principal items follow: total resources \$545,266,951, gain \$90,925,440; deposits \$470,981,785, gain \$69,802,562; loans and discounts \$472,027,709, gain \$99,969,038; investments in United States bonds \$30,446,847, decrease \$12,196,411, and bills payable and rediscounts \$17,646,663, gain \$13,296,734.

Minnesota banks have combined resources of \$1,160,000,000, Mr. Pearson said, after adding to the foregoing state bank totals that of \$615,000,000 credited to 319 national

banks in the state. The resources of banks in the United States now total \$51,000,000,000, he added, 22,000 state banks being credited with \$29,000,000,000 and 8,000 national banks with \$22,000,000,000 of resources.

LINCOLN TRUST OFFERS SECURITIES ON NEW HOTEL IN ST. PAUL

The Lincoln Trust & Savings Bank of Minneapolis, is offering \$550,000 seven per cent. gold bonds on the Commodore Apartment Hotel, St. Paul. These bonds are in \$100, \$500 and \$1,000 denominations and mature serially during a period of 10 years commencing January, 1923. Equal payments of \$55,000 per annum are stipulated, leaving no balance to refinance at the end of the ten year period. The bonds are callable at 102 and accrued interest.

This new hotel is to be 140 apartments, and it is estimated that the net revenue rentals will be two and one-half times the annual interest charge. The bonds are a direct obligation of the Eastern Finance Company and are guaranteed by its president, George H. Filbert, who is also owner of the Buckingham Apartments Hotel in Minneapolis.

BALANCE IN MINNESOTA'S STATE TREASURY

St. Paul—Minnesota began August business with a balance in the state treasury of \$1,541,065 more than August of last year, according to a statement issued by the treasury department. The balance this year is \$9,686,923 as contrasted with last year's balance of \$8,145,858.

Of the balance there is more than \$1,000,000 in the permanent trust fund, approximately \$1,500,000 in the school fund, which will not be apportioned until October, and \$4,303,511 in the revenue fund. The state soldiers' bonus fund showed a cash balance of \$815,535 which, it was explained, just sufficed to cover outstanding checks.

State receipts during July were \$4,522,679 and disbursements totalled \$4,474,487, according to George La Fond, treasury accountant.

M. & ST. L. BUYS 20 ENGINES, 1,700 CARS

Purchase of 20 locomotives to be delivered this fall has been announced by the Minneapolis & St. Louis railroad and plans also have been made for the addition of 1,700 freight cars to the road's equipment.

The 20 locomotives are being built by the American Locomotive Works, and will cost approximately \$1,350,000. Fifteen of them are mikado freight locomotives and five are Pacific type passenger engines.

The Minneapolis & St. Louis expects early delivery of 250 gondola cars, which are being built in New Jersey under an order issued by the Government in 1918.

NEW EQUIPMENT FOR THE GREAT NORTHERN

St. Paul—One thousand refrigerator cars, bringing the total refrigerator equipment up to 4,700 cars, have been ordered by the Great Northern railroad, according to announcement recently made. Twenty million dollars worth of notes, it was announced also, due September 1, will be paid off and no new issue of obligations floated. The company has borrowed \$25,000,000 from the Government which, with \$5,000,000 to be added by the company, will be used to liquidate the notes.

BANK RATES ADVANCE IN TWIN CITIES

Another half point advance in interest rates was announced Monday by Twin City banks. The going rate is now 7½ per cent. with loans against Liberty bonds as collateral at seven per cent. Commercial paper brokers still quote paper at eight per cent.

MINNEAPOLIS EASTERN RAILWAY EARNINGS

St. Paul—Gross earnings of the Minneapolis, Eastern Railway Company were \$20,220 for the first half of 1920, compared with \$20,899 for the corresponding period last year. The slight decrease was shown on the company's return to the Minnesota Tax Commission under the state five per cent. railroad gross earnings tax law.

Wm. A. Read & Co.

INVESTMENT SECURITIES

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Philadelphia

Rail Rate Increase Benefits Bonds

Chicago, August 3—At last investment bankers see the light of day, and anticipate the beginning of an era of public prosperity and greater activity in securities, now that the Interstate Commerce Commission has acted. There should be more constructive interest in railway securities as better than the expected has happened. The rate increases allowed are not only above expectations, but exceed by far what the petitioners hoped for since they are granted almost as much as they asked, a requirement unparalleled in the history of the Interstate Commerce Commission whose composition, judging by the allowance, has changed importantly.

Action Is Historic

This change in investment conditions is predicated wholly on the greatest single advance of transportation rates in the history of government regulation which was granted to the railroads of the United States in an unanimous order of the Interstate Commerce Commission on Saturday. The increases are allowed to enable the roads to meet the increased costs of operation produced by the war partly to rehabilitate and expand equipment and to finance the recent \$618,000,000 employes' wage raise. The railroads were given substantially all the increase in rates they had requested to enable them to earn the 5½ per cent. for service and an additional ½ of 1 per cent. for improvement charges, making a total of 6 per cent. provided by the transportation act.

Officers of all the transcontinental railroad systems were in Chicago all last week considering plans for putting in effect the rate increases authorized by the Interstate Commerce Commission and assembling their tariff machinery preparatory to a rush job of figuring in the advanced charges as soon as they were announced from Washington.

Forgan Gives Analysis

Concerning the Interstate Commerce Commission's rate award and higher wages to rail employes, David R. Forgan, president of the National City Bank, said: "The country in confronted with the necessity of readjusting its operating costs so as to pay for the increased freight rates which the new \$6,000,000 wage award to railroad workers necessitates. This is by no means an easy task as the award itself is probably without parallel in transportation history and will probably result in increasing living expenses to a much greater extent than the amount of the higher shipping charges. The public will not begrudge the railroad men this increased pay, however, if the workers will only show their gratitude by hustling hard to give an honest day's work for the highest wage that the railroad men of any nation ever received. That is the least the men can do under the circumstances and the country has the right to expect such increased efficiency forthwith. Any man who loafs on his job or any union that countenances a reduced industrious output under the circumstan-

ces which exist today is helping to make living more difficult in this hour of intense human strain."

Utility Bonds Affected

"Utility bonds have been hard hit by the Federal income tax law, which exempts interest on municipal bonds, but does not exempt interest on utility bonds," said B. E. Sunny, president of the Chicago Telephone Co. "Many large holders of utility bonds who have had to pay part of the normal tax and a sur-tax have had their income so reduced that they have sold out and bought municipals. Furthermore investors who previously bought utility bonds in blocks of \$25,000, \$50,000 and \$100,000 are not now in the market for new issues, which adds greatly to the difficulty of the utility companies in getting new capital for extensions and additions. There are only 400,000 tax payers in Chicago, while there are more than 600,000 gas, electric light and telephone customers, and the number who use surface and elevated lines is still greater.

A Tax On Public

"If the exemption in favor of municipal bonds is because the interest is paid by the people, it is obvious that a still larger number of people would be affected by an exemption in favor of utility bonds. The difference of three or more per cent. in the interest payment goes immediately into the charge for the service and is paid by the public. Justice and equity demand that the bonds of the utility companies should be classed with municipal obligations and the interest thereon made tax exempt also."

Wahl Is Exchange Feature

Trading in Chicago stocks last week reverted to mid-summer dullness, but there were signs of diminishing liquidation. Prices declined generally in mid-week, but firmed up somewhat at the close. Wahl common featured trading on the exchange with the 2½ point rise on a moderate amount of dealings. The buying was in response to the company's statement on earnings, profits for the first six months of this year being equal to the entire profits of the year 1919.

Armour Leather Supported

The pool which is holding a large percentage of the common stock of the Armour Leather Company developed considerable activity in that issue. More than 10,000 shares were traded in and the price was moved up fractionally, despite the weakness shown by leather stocks on the New York lists.

Beaver Board preferred was up three points on small transactions. This undoubtedly represents manipulation. Briscoe Motor was conspicuous in a decline to 38 on sales of 300 shares from the last previous sale at 43¾. Chicago City and Connecting Railways preferred at 7 was 3½ points below the last previous sale at 10½. On small sales Great Lakes Dredge & Dock declined four points, American Radiator three, Chicago Title & Trust and Hartman two each, Godschalk Sugar 1¼. United

Iron Works gained a point. Wrigley rights were traded in for the first time at 4½.

Bonds More Active

Bonds were more active and \$5,000 Peoples Gas fives sold fractionally lower at 58½, \$3,000 Commonwealth Edison fives were slightly lower at 78¼ and \$66,000 Armour seven per cent. notes sold between 95½@95⅞. Chicago City and Connecting Railway sinking fund fives were weak, \$13,000 selling between 38 and 38½. \$18,000 Chicago City Railway first mortgage fives sold at 60, a decline of seven points. Chicago Railways consolidated mortgage fives "B" sold at 33, a decline of 5½ points. Swift first mortgage fives sold at 84, a drop of a point.

Curb List Dull

Continued dullness characterized transactions in the Chicago unlisted securities market. Price changes have been narrow, most issues displaying a steady tone, slight advances and declines being noted in a few. Butler Bros. sold off about a point and Burroughs Adding Machine was down five points. Creamery package common sold 99@101 and closed at 100. Consumers common was unchanged. Great Lakes Dredge & Dock sold off four to 64; Inland steel to 58. Kellogg Switchboard was neglected and closed at 215@217. United States Gypsum common sold from 63@66 and closed at 65. Sugar stocks were quiet and weak. The motor stocks were also soft because of the decline in the listed motors. Implement issues were without special feature. Avery common was steady at 113 bid and 117 asked. Small offerings were in evidence at 97. Moline Plow preferred was easier at 83@85. Public Utility sales were as follows: Cities Service common 321@315; preferred, 65½@66; United Light & Railways common 17@18, preferred 56@57; American Light and Traction common 122@123; Standard Gas & Electric common 12½@13, preferred 35½@36½.

Armour Plan Ratified

Stockholders of Armour & Co. ratified the plan submitted for the increase of its authorized capital stock from \$160,000,000 to \$400,000,000. The plan provides for an authorized issue of \$300,000,000 common stock divided equally into class A and class B stock for an increase in preferred stock from the present authorized amount of \$60,000,000 to \$100,000,000.

Harvester Melon Planned

The International Harvester Company gratified La Salle street by the announcement that every year it will give its employes 60 per cent. of its profits after seven per cent. has been paid on the invested capital. This extra compensation will be paid part in cash and part in stock. The plan probably is the most comprehensive profit-sharing program undertaken by a large industrial corporation. Some idea of what the plan will mean to employes may be had for the fact that for 1919 the company had a balance of about \$12,000,000 from earnings after paying dividends on its capital stock. This division of profits, which is termed an "extra compensation and stock ownership plan," is open to all employes of the company in the United States and Canada, with certain limitations with regard to length of service.

Stockholders of Wilson & Co., the Chicago packing concern, received notice that they will receive back the 200,000 shares of common stock which for five years have been deposited in a voting trust. The entire issue of common stock was put into a five year voting trust on July 29, 1915. Under the agreement the voting trust terminated last Thursday.

Wrigley Profits Large

In connection with the offer to stockholders of the Wm. Wrigley Jr. Company of 10 per cent. of new common stock at par \$25 it is learned that the company's net profits for the first half of 1920 are substantially the same as a year ago. In 1919 the company earned \$4,139,297 after taxes for the full year, which left a balance applicable to the common equivalent to 36.68 per cent., or approximately 99 per share.

An offering of secured seven per cent. convertible sinking fund gold notes of the Shaffer Oil and Refining Company is being made by H. M. Bylesby & Co. at 97⅞ to yield about eight per cent. The notes run three years and the proceeds will be used for new equipment in the company's plans, which it is estimated will increase earnings \$2,000,000 annually.

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Here is a solid investment, readily marketable on the New York Stock Exchange, and one in which the income is free from Normal Federal Income Taxes.

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Resources over \$42,000,000

Chicago Banker Sounds a Note of Caution

Chicago, August 3—Wm. T. Fenton, vice president of the National Bank of the Republic, sounds a note of caution to those who are inclined to believe that money is going to be plentiful in the near future. "While there is slight possibility that the money stringency in the fall will reach an acute stage, nevertheless there is real need for caution until the peak of crop moving has passed," Mr. Fenton said.

Loan Liquidation Slow

"In view of the very slow, in fact almost imperceptible improvement in transportation the liquidation of commodity loans has been a slow process. Although speculative loans have been largely eliminated, legitimate business needs have taken up the slack, with the result that the accumulation of surplus funds for agricultural demands has been much more contracted than in normal years. It must be remembered that in addition to financing a record volume of trade at record prices, as well as a record volume of new security, the bank has had to contend with the large amount of credit frozen in transportation tie-ups in the holdover from last year's crops and in the goods left on merchants shelves.

Asks Credit Curtailment

"Failing a radical improvement in the railroad situation, and, with only a remote possibility of an early decline in the general price level, the obvious remedy lies in individual curtailment in all but essential credit demands.

"While an increase in the gold holdings of the country or a further degree of credit expansion would relieve the situation, it may be pointed out that the former is highly impossible in view of the large gold imports earlier in the year, while the latter is contrary to the constructive and farsighted policy of deflation adopted by the Federal Reserve Board. While the policy may seem unpleasant to some there is no doubt that time will completely vindicate its wisdom."

Bank Assessments Rise

Completion of the 1920 assessed valuation on personal property of the big Chicago banks of the financial institutions in general in the loop district by the board of assessors shows two remarkable increases over the figures of 1919, while in the majority of cases the higher figures fixed run in proportion which might be expected with the assessment made on one-half of the full valuation instead of one-third as last year. In the case of the Corn Exchange National Bank, \$6,000,000 was added to the assessed value over 1919, the figure being fixed at \$15,000,000, compared with \$9,000,000 last year. The assessed valuation of the Merchants Loan & Trust Company also was increased nearly \$3,000,000 over last year, the finding in its case being \$15,400,000 for the present year, compared with \$12,540,000 for 1919.

Continental Heads List

About \$1,250,000 was lopped off in the case of Illinois Trust & Savings Bank, the figures being \$15,650,000 for the present year, as compared with \$16,900,000. The Standard Trust & Savings Bank also got an assessed valuation of \$30,000 less than last year. As in former

years the Continental & Commercial National Bank leads off in the field with an assessed valuation of \$29,025,000, as compared with \$28,595,000 last year. Its nearest competitor is the First National Bank with a valuation of \$22,400,000, an increase of \$900,000 over 1919. In a few instances the assessed valuation were fixed at the same figures as of 1919.

If history repeats itself all of the banking institutions may look for relief at the hands of the board of review, which will convene during the first part of this month to revise the valuation fixed by the assessors. Remarkable cuts were made in many instances by the reviewers last year and similar changes are expected to be made for 1920 inasmuch as the assessor's figures run generally higher.

Lewis Appraises Situation

David R. Lewis, vice president of the Continental & Commercial Trust & Savings Bank, looks for no immediate relief in the high rate for money. "I do not see any hope or any relief in the money market until after January, when the crops are marketed," he said. "If we had the funds we could make the choicest loans that have ever been offered to us at rates of interest the like of which we have never had before. Money going at 7½ and 8 per cent. is in wide contrast with the condition which has prevailed in this city at this time for many years, when we were glad to put out our funds at 4 and 4½ per cent. We can now loan all the money we could get to the most substantial concerns at 8 per cent. We are not making any loans to others than our regular customers and we are compelling borrowers wherever it is possible to reduce their loans."

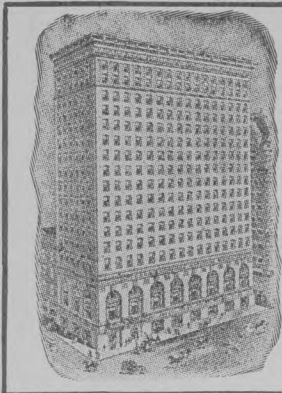
Credit is Conserved

Conservation of credit resources by the Federal Reserve Banking System in preparation for the autumn demands for crop moving purposes was again indicated in the weekly statement of the Chicago Federal Reserve institution, which showed slight increases in loans to member banks, but this expansion was counteracted by a contraction in commercial bills bought in the market. The statement showed a decline in gold reserves of \$1,499,080 and a decrease in total reserves of \$1,371,340. Total loans expanded \$1,780,307, those on commercial paper increasing \$5,251,912, but those on government obligations declining \$3,171,605. Bills bought receded \$1,299,869, so that bills on hand increased only \$480,433. With the loan expansion the member bankers' reserve account expanded \$1,964,757.

Deposits Cut Down

Total gross deposits declined \$4,934,666, government deposits receding \$1,033,199. Note circulation decreased \$4,130,740, total earnings assets increased \$432,438 and the ratio of reserves to deposit and note liabilities combined was 40.69, compared with 40.74 per cent. in the preceding week, while the ratio of reserves to note circulation, after setting aside 35 per cent. against net deposits, was 43.19 compared with 43.42 per cent. in the preceding week.

Chicago bank stocks were in fair demand. Continental and Commercial closed at 299 bid and 302 asked, and Na-



The Corn Exchange National Bank

CAPITAL \$5,000,000

SURPLUS AND PROFITS \$10,000,000
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FOREIGN EXCHANGE
LETTERS OF CREDIT
CABLE TRANSFERS

tional City sold at 170. First National closed at 398 bid and 403 asked. There was also good inquiry for the stock of outlying banks.

Trade Outlines Averted

Granting the plea of the railroads and bankers for an increase in freight rates has averted trade dullness. There were distinct signs of a slowing down in manufacturing last week. In very few lines is production up to schedule and in practically all lines it is being hampered by one influence or another. The automobile industry is the outstanding exception, although in some plants there is a notable let-up; in others, however, output is approximately at plant capacity, most of the finished cars traveling to market on their own power. Some difficulty is still being experienced in the automobile industry in obtaining raw material, but as a rule plants are rather heavily stocked, and have ample reserve of most material, while there is a distinct sign of softening in the steel market.

Texas Offers Opportunity

George Waverly Briggs, vice president of the City National Bank of Dallas, Tex., in an address at the luncheon of the Chicago Association of Commerce last week said Texas offered Chicago one of the best markets, particularly for manufactured goods, of all descriptions. He said the Lone Star State was a field worthy of Chicago's maximum business efforts. "Texas is less than one-fourth developed," Mr. Briggs said. "It presents a field for the next generation for Chicago business enterprise. The commercial tides of the Southwest are now running at flood."

Spanish Law Drastic

Spain has passed a law, though not yet in force, that will require any foreign bank doing business in that country to pay a tax of 1 per cent. on its capital stock. The statute, framed to aid Spain to retain her war riches, would make banking in that country by foreign financial institutions out of the question. The law reduces the tax if the foreign banks establish branches in Spain. "The effect of this law will be to drive all foreign banking agencies without established branches out of Spain," Walter C. Lichtenstein, manager of the foreign trade department of the First National Bank said.

Mitchell Foresees Changes

The price of food is coming down, according to John J. Mitchell, president of the Illinois Trust & Savings Bank. Mr. Mitchell, discussing the crop financing situation pointed to the decided slumps in the prices of oats, corn, wheat and flour as indicative of a lowering movement. He said there would be no difficulty in financing the new crop but he urged the farmers, however, to hold their new crop grains in their granaries until the old crops can be moved to the market.

The Fidelity Trust and Savings Bank was opened for business last Saturday at Wilson Avenue and Broadway. E. C. Hart, formerly vice president of the Mid-City Trust and Savings Bank, is president. The capital and surplus of the new bank is \$440,000.

The Chicago chapter of the American Institute formally celebrated the opening of its new headquarters in the Iroquois Building last week with a house warming party. George M. Reynolds was among the speakers.

At a meeting of the Administrative council of the American Bankers' Association last week in Chicago, plans

were perfected for the annual convention, which is to be held in Washington, October 18 to 22. A complete redraft of the constitution and by-laws was unanimously adopted.

James S. Rodie has resigned as auditor of the Standard Trust & Savings Bank to accept a position of a similar nature with the American State Bank of Detroit.

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We offer for sale, Government, Municipal, Railroad, Public Utility and Industrial Bonds.

Statistical information which we are able to obtain in reference to securities, will be furnished to correspondents upon inquiry.

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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.

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Correspondence Invited

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Facts About the Operation of Federal Reserve Banks

John H. Rich, Chairman of The Minneapolis Federal Reserve Bank, Comments Upon the Attitude of Some Critics

It seems to me rather curious that the severest of the critics of the Federal Reserve Bank of Minneapolis and of the Federal Reserve System, are representatives of banks that are not members of the Federal Reserve System. They are, therefore, men who cannot enjoy this intimate contact which is possessed by between 800 and 900 member banks in this district, with whom the relations of the Reserve bank have been highly successful. If there is a sound basis for criticism, it is rather curious that it does not come from members, rather than non-members. The former would have, if anyone has, a basis and reason for complaint, if any such basis or reason existed.

Critics Cover Large Territory

It seems to me that some of our critics cover too much territory. The Federal Reserve System was not created, as one critic intimates, to maintain the price of wool. It is a mistake to suppose that it has any special relation to the production and sale of tractors or the automobile business, or that, as another critic seems to think, its duty is to keep the production of food stuffs up to the current demand. The Federal Reserve System was not constructed to direct, control or assist any particular class or kind of business. Those who believe that the Federal Reserve Bank ought to stand in such a relation as this to any certain industry or any branch of National activity ought to be told that the Federal Reserve Bank is a reserve bank, and that these are matters concerning the production and distribution of goods which will have to be handled in the future the same as in the past and in accordance with sound economic and business principles. It is true, of course, that all business and all the productive activities of the people have received and are now obtaining through member banks the very powerful and valuable assistance of the well organized Federal Reserve System.

Where Blame for Inflation Belongs

Those who are inclined to blame the Federal Reserve System for inflation, and who even go so far as to lay upon it the responsibility for the fever of speculation and extravagance that has beset the general public for the past year or more, need to be told that price and not currency inflation is at the root of this trouble. They might look over the unmistakable evidence of radical price inflation which was general in the early part of the war and has continued since, and the equally undisputable evidence that the so-called currency inflation did not begin until there had been a radical rise in commodity prices. It would be interesting to know how some of these critics intend to deflate the currency without deflating prices. Obviously, it takes substantially more money to finance wheat at the present price of \$2.32 than it did at the old price of \$1.00. There is no satisfactory evidence that the so-called inflation of currency has gone further than to provide the country with sufficient of the medium of exchange to handle its exchanges on the present commodity price basis. It is equally obvious that speculation, wild cat schemes, and the fever of spending, were the product of the bad individual judgment of many thousands

of citizens, and not in any sense the direct or indirect product of any activity, policy or act of the Federal Reserve banks or the Federal Reserve Board.

A Gloomy Critic

A rather gloomy non-member bank critic lays the blame for "wild cat speculation" and "unheard of inflation" upon the Federal Reserve Board in the following language:

"They have been so busy trying to increase the membership of the Board among the state banks and trying to wake the state banker who is eligible up to the idea that if he joins the Federal Reserve System he will make more money because he can borrow more money—and that is the wrong principle to inculcate in America—they have been so busy sending their agents out through every city in this country, and hiring postoffice deputies and express agents in various communities to enforce the collection at par of checks, that they neglected the really great things of financial worth in this country. Now we are like a ship upon a stormy sea, with the captain drunk in the cabin and the man at the wheel just waking up to the direction that the boat is going."

If I thought there was any truth in this view I should be genuinely apprehensive. A well informed critic might have saved himself these expressions if he had known that any active campaign for membership in the Federal Reserve System ceased several months ago. Activities in connection with par collection of checks are purely incidental to the main operations of the Federal Reserve Bank and constitute nothing more than an attempt to carry out the provisions of the Federal law adopted by Congress. These items hardly constitute a basis for the conclusion that we are like a ship upon a stormy sea, since they comprehended incidental matters and in no respect refer to the main purpose of activities of the Federal Reserve Bank or to the really valuable elements of its service.

Proceeding with this critic, we read:

"There is not a good financier on the Federal Reserve Board. They had two of them, one of them was named Warburg and the other was named Strauss, and, whether it was because their names had a German accent or not, somehow or other they were permitted to get off the Board, and since then the one really halfway capable man has been known as the Governor of the Board."

The Proof of the Pudding

To these observations I can only suggest that the proof of the pudding is in the eating. The Federal Reserve Board has so directed, coordinated and controlled the operations of the 12 banks which are under its exclusive direction, that financial stability was maintained in the United States throughout the war, and during a period of the greatest emergency that this country has ever faced. The tremendous strain on credit that has occurred during the past 12 months has been met with a high degree of skill, and the Federal Reserve Board has supplied the one element that has permitted the country to come through without disaster—namely that of coordination and

effective leadership—without such leadership the commercial banks would at the present moment be contending with the problem of trying to drain off an ocean of demands on credit through the little garden hose of their individual and unsupported resources. It is most surprising that any critic who hopes to enjoy the good opinion of the financial world should voice criticisms such as those, which are utterly at variance with the experiences of member banks in the Federal Reserve System, and for that matter, of many hundreds of state banks that could not have met these emergency conditions with anything approaching a fair degree of success if it had not been for the indirect support that the Federal Reserve System has afforded. It is the result that counts, and it is childish to contend that any such results as these could have been obtained except through the leadership of the highest skill, backed by moral courage of no mean caliber.

Evidence of Ignorance

Such statements as these indicate a profound ignorance of the real problems that have confronted the Federal Reserve System during the past year, and a hopeless lack of anything approaching a broad-gauged and comprehensive knowledge of the true relation between the financial stability which this country unquestionably enjoys and the wisely directed machinery through which this stability has been created.

It seems to me that I recall that the same critic who is so captious in regard to individual members of the Board, but excepts former Vice-Governor Warburg and former Vice-Governor Strauss, was equally captious some months ago when he was distressed by the thought that Wall Street would dominate the Board through these same Vice-Governors. It is regrettable that two men of such distinguished ability should have left the Board, but it has not been apparent that the success of the Federal Reserve Board's policies of the success of the Federal Reserve Banks and their very trying every day operations, has been in any way impaired.

Assertions vs. Facts

There is an equal failure to correlative assertions with facts in the criticism that the Federal Reserve Board has lacked the courage to say "no" (presumably as to the extension of credit) but has raised the interest rates instead. Such criticism fails to recognize the fact that the discount rate of the Federal Reserve Bank is the price of borrowed money to a member bank and not the price of money to the borrower. It is surprising to learn that the Federal Reserve Board has lacked courage to say "no." If this be true, I have a curiosity to know what authority or influence has caused the well known contraction of speculative loans, the curtailment of demands upon credit that has been in progress for months past, and the so-called apportionment of credit which has been so vitally important in maintaining a balance in this reserve district between the demands of the borrower and the ability of the banks supported by the Federal Reserve Bank to meet these demands. It is well known that the policy of retrenchment and curtailment was one formulated by the Federal Reserve Board and carried into effect by the highly successful cooperation between the Federal Reserve Bank and its members.

Constructive Criticism Invited

Sound, constructive and temperate criticism of the Federal Reserve Bank of Minneapolis is something that I have always encouraged and invited. I believe such criticism is most essential in disclosing imperfections that are inevitable in the operations of any large organization. They are helpful and valuable. That much can hardly be said of the expressions of a kind of critic, who has become fairly typical, whose facts are largely assertions; whose conclusions are not based upon sound and exact information; or whose interest or enthusiasm over some particular purpose, scheme or propaganda, obscures his mind and closes his eyes to the elements in the functioning of the Federal Reserve System which are essential for the pro-

tection of banks, business and the public, and which, irrespective of criticism, have been highly successful.

Things Some Critics Overlook

The best founded criticism of the Federal Reserve Bank of Minneapolis is one which is rarely expressed by its critics. It arises from the fact that for sometime past and at the present time, the Reserve bank is too little of a reserve institution and too much a factor in the general credit situation, both as to member and non-member banks. It is well known that large credits running into many millions of dollars have been afforded indirectly to non-member institutions, and that in some respects non-member banks have enjoyed very substantial benefits without contributing to its reserves held or its capital stock. That they could not obtain assistance from any source but from banks that were borrowers at the Federal Reserve Bank, was recognized as was the emergency that made assistance necessary. These extensions have been wholly unavoidable and were imperative to provide for financing agricultural production and maintaining financial stability. Where such extensions have occurred, it may be assumed that they have been rapidly confined to food production and the demands of necessary business. The emergency which has created this condition is, it is to be hoped, passing over, and as it terminates, the Reserve bank will undoubtedly return to the status of an essentially reserve institution and will become a less active factor than during the period of very unusual business and financial conditions that has continued since the early part of the war.

Seventeenth Annual Convention Montana Bankers Association

Butte—The seventeenth annual convention of the Montana Bankers Association is to be held in this city August 6 and 7. Among the speakers on the program are C. F. Kelly, president of the Anaconda Copper Mining Company, C. F. Richardson, vice president of the Citizens State Bank of Roundup; J. Bruce Kremer of the Metals Bank and Trust Company of Butte; W. J. Johnson, president of the association and president of the First National Bank of Lewistown; Roy A. Young, governor of the Federal Reserve Bank of Minneapolis; A. A. Franzke of the Montana Development Company; George L. Ramsey, vice president of the Montana Great Lakes-St. Lawrence Tidewater Association; E. C. Elliott, chancellor of the University of Montana; H. S. McGraw, Superintendent of Banks, State of Montana; John H. McIntosh, manager of Associated Industries of Montana; and C. T. Jaffray, president of the First National Bank of Minneapolis.

NEW BANK FOR MEXICO CITY

Washington—Trade Commissioner Cunningham has reported to the Department of Commerce that a new bank is to be formed in Mexico City under the title of *Compania Generale Credito S. A.* Its capital will be 500,000 pesos, one-half of which will be subscribed by a former official of the Carranza administration and the balance by a wealthy American capitalist in Mexico City. The bank expects to open its doors some time this month.

CHINA'S FIRST STOCK EXCHANGE

New York—The first Chinese stock exchange has been opened at Shanghai. The exchange, which has a capital of 5,000,000 taels (more than \$5,000,000) has at present four departments dealing in stocks, cotton and cotton yarn, provisions and oil. It is planned to include dyes, chemicals, piece goods, grain and other commodities as venture progresses. There are 103 brokerage firms listed at opening of exchange.

IMPORTS OF CANE SUGAR

Washington—Imports of cane sugar for fiscal year ended June 30, 1920, were 3,388,790 tons, valued at \$686,901,118, compared with 2,603,560 tons valued at \$308,982,457 for previous year.

Federal Reserve Board Reviews Business Conditions

No Cause for Pessimism in Evidence, Though There Can Be Improvement in Many Industries

Washington—The latest Federal Reserve Bulletin in its review of general business and financial conditions, says:

"Uncertainty and the continuance of industrial transition have been the characteristic features of the month of July in the business field. Some districts report that the price-cutting movement begun in May and continued through June is slowing down, while in other districts reduction of prices is reported still in progress. Industrial activity in many lines has been shortened in consequence of lowered demand, cancellation of orders and general readjustment. In some districts, however, production continues upon old orders which are still on the books, despite the fact that new business has fallen off. In the agricultural regions, improved crop conditions and the development of a more confident tone in business are reported to have brought about a turn distinctly for the better. Speculation in commodities is in many parts of the country reported to have been greatly reduced and in some practically eliminated. There is a general feeling that extravagant buying is at least less extreme and dangerous than it was some time ago, while labor in many parts of the country is reported as increasing in efficiency and a better spirit of cooperation exists between employer and employee.

From the Credit Standpoint

"From the credit standpoint there is general expression of the belief that the unessential demands have been reduced and that even where there has been no lessening in the volume of loans the advances that are being currently made are in a much greater proportion than those which grow out of bona fide commercial and agricultural necessities than at any time for many months past.

Transportation Unsatisfactory

"Transportation continues to be perhaps the least satisfactory phase of the month's development, and while there has been some improvement in a number of parts of the country it is still true that there is great congestion and that in consequence of it an undue and unnecessarily severe strain has been brought to bear upon credit for the purpose of making possible the carrying of goods which would otherwise have gone to market and would have been liquidated."

The Northwest a Bright Spot

"Probably the most hopeful element in the outlook during the month has been the continued improvement in crop prospects in general, and the special improvement seen in certain important agricultural lines. The 9th District (Minneapolis) reports both winter and spring wheat in a healthy condition, with the prospect of a yield considerably above normal and an indicated yield of 186,000,000 bushels of spring wheat, 7,500,000 bushels of winter wheat and 273,500,000 bushels of oats. The 10th District (Kansas City) estimates a combined crop of winter and spring wheat of 260,000,000 bushels, with oats at 185,000,000 bushels and corn at 400,000,000 bushels. In the middle west generally the crop output is improving and in many sections corn "never looked better." Wheat and oats also hold out excellent prospects.

On the Pacific Coast

"On the Pacific Coast spring wheat is now estimated at about 50,000,000 bushels or 10,000,000 bushels more than 1919. The special local crops, such as beans, sugar beets and others are particularly promising, but the rice crop has received serious injury. Favorable weather during the past month has considerably improved the condition of deciduous fruits in the Northwest. Oranges will be considerably lower than last year, lemons about the same. The price of vegetable oils has declined considerably.

Live Stock Conditions

In live stock conditions appear to be exceptionally good the country over. District No. 10 (Kansas City) reports

excellent pasturing conditions but states that prospects for any material increase in the supply of animals during the autumn and winter are not encouraging because of the length of time required to build up the industry after the inroads suffered during the war. The 11th District (Dallas) reports excellent range conditions, with stock making satisfactory progress practically throughout the district and prices materially higher at the close of June. In other parts of the country the live stock situation is also encouraging. Receipts of cattle at 15 primary markets during June were 1,290,265 head, corresponding to an index number of 128, as compared with 1,209,656 head during May and 1,122,762 head during June, 1919, the respective index numbers being 120 and 111. Receipts of hogs amounted to 2,746,390 head during June, corresponding to an index number of 125, as compared with 3,128,249 head during May, and 3,061,838 head during June, 1919, the respective index numbers being 142 and 139. Receipts of sheep for June were 1,006,528 head, as compared with 796,160 head during May and 1,116,003 head during June, 1919, the respective index numbers being 74, 58 and 82. In the 10th District (Kansas City) the movement of live stock to the markets in June was less than in May and less than in June of last year, but trade in cattle was more encouraging to shippers than in any previous month of this year. Purchases of cattle by packers during June were smaller than in May or in June of last year, but prices have improved in most branches of the business, except sheep. In the 11th District (Dallas) there was a heavy movement of cattle and hogs to market during June, figures in some lines reaching record proportions. Prices at Fort Worth registered a sharp recovery during June and this tended to enlarge subsequent shipments, the influx of animals weakening the market so that by the opening of July much of the gain recorded has been lost. The hog market, however, reached the highest point since last November. Gross receipts both of cattle and calves were larger than in May or than in June, 1919, while hogs and sheep fell off as compared with both preceding periods.

The Coal Situation

"The coal outlook is closely connected with the entire manufacturing situation but particularly with iron and steel prospects. In District No. 3 (Philadelphia) the car supply is still inadequate, the general situation is discouraging and both domestic consumers and plants face a serious situation. The output in Pennsylvania and West Virginia is 50 per cent. of normal, while in Ohio, Indiana and Illinois it is still smaller. Exports of coal which have been mentioned as one cause of the present difficulty are an inadequate explanation, the real source of trouble being insufficient production in relation to demand. Our output for the nation at large is now about 9,000,000 tons of coal per week, but current demands show a need for 11,000,000 tons. Prices have been advanced. In the Birmingham district (District No. 6, Atlanta) coal production is still lagging, strikes at domestic mines being partly responsible. There is also an undercurrent of unrest among the coal miners in Pennsylvania with local labor troubles. In District No. 4 (Cleveland) the movement of coal is unsatisfactory, shipments to the Northwest up to July 1 being more than 5,000,000 tons below the corresponding figure a year ago, and there has been little increase during July. Coke shortage is widespread and the high price of coke has been an important factor affecting the activities of many iron and steel plants. Spot coke has been selling from \$18 to \$20 at the ovens. Production of bituminous coal during June was 44,462,500 tons, corresponding to an index number of 120, as compared with 39,059,000 tons during May and 38,547,000 tons during June, 1919, the respective index numbers being 105 and 104. The production of anthracite coal for June amounted to 7,754,000 tons, compared with 7,631,000 tons during May and 7,251,000 tons during June, 1919."



O l d F o r t B e n t o n 1 8 8 1



BEFORE the Big Grass Country became famous for its live stock, Fort Benton was a fur trading post, and later a supply station for northern military trading posts. Then came the cattle men. 1880 saw the beginning of

THE STOCKMEN'S NATIONAL BANK

of Fort Benton, Montana.

Under the name of The Bank of Northern Montana, in 1881, this was the first bank of the Territory of Montana to appear on the books of *The Northwestern*.

5,000 miles from the Gulf, Fort Benton is at the head of Missouri River navigation.

In the territorial days, as many as 50 steamboats a season unloaded at the levee. Freight was delivered overland in all directions, and even into Canada.

With the coming of rail transportation, the country received its greatest stimulus. The Stockmen's National grew steadily in size and strength. Its resources are now nearly two and one-half million dollars.

For nearly 40 years its close relationship with *The Northwestern* has continued.

Several decades of "Northwestern Service" have strengthened the bond between such banks and *The Northwestern*;--the success of the latter, indeed, is due to the fact that as new accounts are opened, it accords them a consideration which arises from the desire and expectation that they will still be found on its books half a century hence.



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Railroad Rate Order of the Interstate Commerce Commission

Notable Advance in Freight and Passenger Rates Portends Improvement in Transportation Conditions

Washington—The greatest single advance of transportation rates in the history of Government regulations, \$1,500,000,000, was granted to the railroads of the United States in a unanimous order of the interstate commerce commission July 31. The rates, allowed to enable the roads to meet the increased cost of operation produced by the war, partly to rehabilitate and expand equipment and to finance the recent \$618,000,000 employes' wage raise, are:

Western freight rates, 35 per cent.; Eastern freight rates, 40 per cent.; Mountain Pacific freight rates, 25 per cent.; Southern freight rates, 25 per cent.; Milk rates, 20 per cent.; Southern freight fares 20 per cent.; excess baggage charges, 20 per cent.; pullman sleeping and parlor car rates, 50 per cent. surcharge.

The railroads were given substantially all the increase in rates they had requested to enable them to earn the 5½ per cent. for service and the additional one-half of one per cent. for improvement charges, making a total of six per cent. provided by the transportation act. The roads will put the increased rates into effect by September 1, when the six months Government guaranty period expires.

Roads to Be Made Selfsustaining

The commission's decision has long been awaited by shippers, manufacturers and businessmen generally throughout the United States. It is intended to put the railroads on their feet. Since their return to private ownership, the roads have incurred deficits totalling approximately \$500,000,000 according to estimates here. This loss has piled up since March 1, when the Government turned the lines back to private management. It must be made good by the Government.

The rate authorization also applies to electric interurban lines and certain passenger and freight steamship companies, operating mainly on the Great Lakes and in the coastwise trade.

The increased rates will add approximately \$3,000,000,000 to commodity prices only, according to the economic principle laid by former Rail Director Walker D. Hines, who declared that freight rate increases are reflected from three to five fold in commodity prices. Railroad officials contradict this saying that reflection will be less than twofold.

The commission figured the increase will pay the roads 5½ per cent. on their investment after paying all operating charges including the \$626,000,000 recently added to the yearly wage bill by the railroad labor board.

Valuation Placed at \$18,900,000,000

The commission decided to use the figures \$18,900,000,000 to represent the railroad investment. The railroads in their petition for increased rates reported their investment as \$20,040,572,611. The commission thus pared \$1,140,572,611 from the claims of the railroad officials.

If the new rates fail to enable the roads to pay 5½ per cent. on their investment, the Government under the

guaranty clause of the transportation act, must make up the deficit out of the public treasury.

Better Service Assured

The one-half of one per cent. increase added to cover equipment and better service generally speaking amounts to approximately \$94,500,000 a year. Roads are required to file semi-annual statements with the commission, listing equipment purchased and explaining expenditures for betterments.

Approximately 1,000,000,000 persons ride on the railroads each year. The fund for equipment and betterment is intended to insure their comfort.

100,000 Freight Cars Needed

The roads estimate that they now need 3,000 passenger cars and 2,000 locomotives. Freight cars needed are placed at 100,000.

Shippers and manufacturers in all parts of the country for months have complained of inadequate rail facilities. Many could not ship their products.

The decision followed hearings by the commission in April, May and June. For several weeks members of the commission have worked night and day trying to adjust the conflicting claims made at the hearings by shippers and railroad officials.

Differentials Adjustments Planned

For the benefit of shippers of some important basic commodities, the commission gave some directions for the establishment of new rates and adjustment of differentials between the three groups.

Among the commodities so mentioned were coal, petroleum, lumber, fruits and vegetables, sand, gravel, slag, livestock, packing house products, iron and other ores, and grain, together with grain products.

The term differential is used in connection with railroad rates to represent a system of fixing rates by which manufacturers in one section can compete on equal terms in the same market with manufacturers in another section.

The freight increase total is estimated at \$1,134,000,000 on the basis of six per cent. on the \$18,900,000,000 placed by the commission on the properties of all the roads. The increase of 40 per cent. in the East is estimated to yield approximately \$750,000,000. The 25 per cent. granted Southern roads is estimated to yield about \$100,000,000, while the Western and mountain Pacific roads will get an increased return of about \$284,000,000 on freight rates.

To the increase of \$1,134,000,000 to the nation's freight bill will be added an increase in passenger rates aggregating \$233,827,982; an increase in Pullman rates aggregating \$43,639,344; an advance in excess baggage rates approximating \$1,420,999, and an advance in milk rates of about \$5,000,000.

The increases may become effective upon five days' notice given by the carriers to the commission and the public and they must be put into effect before January 1, 1921. Since the Government guaranty to the roads expires September 1, it is generally expected that the advances will be put into force before that date.

The Forests and Finance

Premier Taschereau, at a recent banquet in Quebec in his address referred to the subject of the destruction of the Canadian forests and indicated that his government would give all possible encouragement to the movement for the preservation of existing forests and the reforestation of denuded areas.

Premier Taschereau was wise in dealing in one of his initial addresses with this theme. The financial prosperity of his province is to a considerable extent dependent on the preservation of the forest. The great bulk of its area is good for nothing else. In recent years highly important industrial corporations have been created to utilize the timber of these areas. Under destructive methods much of this activity will come to an end within fifty years.

Care of Forests

In Manitoba the question of the preservation of the forest is not so all important but there is no province or city in Canada which can afford to remain indifferent to this issue. In most cases these forests have been inherited from earlier generations, but in many instances they have been acquired in recent periods. One good result of the introduction of such a system in Canada would be the distribution of responsibility for the care of the area. The supervision of the forests of Canada cannot be efficiently carried on from Ottawa or even from the various capital cities. Experts are aware that different methods must be used in each district and different regulations must be made to meet these requirements.

Wisdom of Reforestation

The pulp companies which are dependent on the maintenance of the forests for the continuity of their business and which in the past have done much destructive work, are turning their attention to this subject and expending some money for the purposes of reforestation. The Abitibi company has this year sown the seed to produce two million trees and increased quantities will be sown annually hereafter. With reference to the size of the forest holdings of some of the Canadian companies it may be stated that the recent amalgamation gave to the Rior-don pulp company an area larger than that of Belgium.

Municipal Ownership of Forces

With reference to the ownership of forests by cities and municipalities, so common in Europe, it may be noted that the county council of the county of Simcoe, in Ontario, recently bought 1,000 acres of sand plains in the district north of the town of Barrir for the purposes of reforestation. This is said to be but the beginning and large additional areas will be bought later. The provincial government not only supplies the seedlings but plants them free of cost. It will also care for the plants but will charge this cost up to the country. The trees as they mature as well as the land will remain the property of the country, becoming a source of revenue for all time. This system secures what is most necessary, the cooperation of two bodies, a central one and a local one.

Every thoughtful person is aware that Manitoba in the future will do much more in forest culture and tree planting than it has in the past. This will mean untold millions in money and even more in the matter of more pleasant living conditions.—The Manitoba Free Press.



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George N. Peek, President of the Moline Plow Company

Each local community is a group of people, the several units of which have a right to exist only as they serve the rest in some well defined capacity. People need food and clothing—therefore farmers and merchants. People need health—therefore doctors, and so forth throughout the system. Each man depends on all the rest and each has an inalienable right to demand from all the rest the standard of service set by the best communities.

The greatest element in rural community service is agriculture because it contributes both the demand and supply that make the community necessary. The town is as large as its trade radius—as large as its capacity for service. This thought must be considered the essence of this discussion. Where the farms of a community are served with all that farms need (roads, equipment, labor, information, communication), it is certain that it will be supplied with all the town needs and certain also that the whole community will have reached the superior limit of wealth and happiness. This Utopia will arrive when every unit of service has done its duty. Every unit of service will have done its duty when each unit and the community as a whole recognize that duty and insist on its performance.

Community Service Banking

New countries require for development more money than they produce. For a century money has flowed into our rural communities, first from abroad, latterly from the more highly developed districts. It has flowed through the funnel of our money markets. This funnelling offered just such a negation of the principle of community service and resulted in just such a centralized control as the framers of our Constitution feared.

Frequently local banks have had neither the capital nor the accumulated surplus to finance local needs. The financial function has largely been performed through the granting of long credit terms to local merchants by highly centralized corporations, which borrowed the necessary funds in the money markets through city banks. Investor, city bank, manufacturer, and dealer all had to be served by a profit. This is the most tortuous, wasteful and expensive method in common practice. It has enormously increased the cost of products by reason of the heavy tribute sapped from the local community in favor of the money markets. It has retarded the development of local bankers, no less than of local merchants. It has been a blow aimed straight at the heart of the vital element of the nation.

Heretofore, it found justification in necessity. Such is far from the case now. Today, in no small measure the money which the manufacturer borrows to finance the rural community is the rural community's own surplus invested in the city bank.

The development of rural America has built up local surpluses. The war hastened emancipation of America from dependance on foreign capital. The establishment of the Federal Reserve was intended to assist local banks to serve local needs beyond their own capital and surplus. All these changes have made local financing of local needs possible.

There are still lessons to be learned and difficulties to be overcome, but the first step in overcoming them is to induce general recognition of the local bank's long neglected duty of community service.

Local Funds Should Be Invested Locally

To complete community banking service, the community must support the bank no less than the bank the community. If I own a farm in County A, I am derelict in my duty if I send my surplus away to an oil field. This surplus can better a local merchant's service, bring in a picture show, assist the sale of school bonds, or improve the roads, usually at an equal or better direct return than is possible abroad. Most important of all, it will increase by leaps and bounds the value of my farm, the

comfort and happiness of my family, and the welfare of the community and the nation. All these things I can do by supporting and co-operating with my local bank. If I go abroad with my surplus I am dividing heavily with a distant and centralized financial control. I am not helping any other community as much as I am hurting my own. The principle just stated is not difficult of recognition. Is there a reason for delay in its application? Yes, and the reason is not far to find.

More communities would support the banker if the mutual duty of service were recognized by more bankers. Some local bankers are suffering a hang-over from old conditions. They are crabbed and call it conservatism. Their eye is on an immediate profit so large as to shame even the charges assessed under the old centralized system instead of on the far larger profit of constructive building. The thought of constructiveness is far from their ken. Money is so much in demand that they construe their function as a dispensation of favors.

As a matter of fact they are simply trustees of the accumulated community surplus charged with a duty to administer it wisely for the welfare and safety of the people whom they serve. The performance of this duty is no more a favor than a physician's service to the sick or a merchant's sale of goods. Citizens generally and farmers especially dread a visit to the bank. We have heard of more than one banker who set forth with pride the fact that he goes not to the Federal Reserve. All this is wrong to the edge of destruction. Such a banker is not performing the duty of service. Worse—he is preventing some one else from performing it.

The banker has the privilege of being the leader in the building of his community. Too many choose to act as the chief obstruction. Just as he has greater power for progress, he has greater power to oppose it. There can be no concession to non-service at the very heart of the obligation to serve. Whether it be to stock a merchant, to equip a farm, or to discover and fulfill any other community need, the banker's duty, not only to his personal interest but to the community that serves him, is to foresee and foster that need from inception to fulfillment.

Local funds should be invested locally. Local banks must finance local needs.

Best Serving of Community Welfare

A community is served with merchandise in one of two ways:

- (a) The retail merchant remits cash.
- (b) The goods are received on manufacturer's terms and retailed on credit terms.

In the first case, the community surplus is utilized to finance the transaction through the local bank. In the second, the manufacturer borrows the necessary finance from a city bank. Since the city surplus is largely an accumulation of funds from its correspondents, both have the same final result of using local surplus to finance local needs, but as between the two, one is simple, direct, and economical, while the other is intricate, wasteful and expensive since it is clogged with middlemen and multiplicity of handling charges. These charges are all, of course, a grave handicap to retailer and consumer and tend to impair retail service and increase cost of the product.

When the local surplus is insufficient for all uses, the decision as to which classes of commodities shall be handled by either method is largely in the hands of local banks. One would confidently expect, therefore, to find the necessaries of life and those fundamental things which go to build and strengthen the community all financed in the direct and economical method, leaving producers of luxuries and deferrable uses to wait for their money.

Precisely the reverse is largely the case. As an example; in this time of minimum croppage due to an unprecedented labor shortage the instant necessity for farm power units and other agricultural labor saving devices



FOR lack of farm help, hundreds of thousands of America's most fertile acres are reported as being offered for rent, seeded down to grass, or simply abandoned!

The farmer is doing his best to meet the situation. In many instances, the cooperation of the local banker with assistance in financing the purchase of Case Power Farming Machinery would largely compensate for the handicap of labor shortage and enhance the prosperity of the farmer, the banker, and the community as a whole.

Case Kerosene Tractors and the great line of Power Farming Machinery

built by the J. I. Case Threshing Machine Company are durable and dependable. They are profitable and practical. They are *right* agriculturally as well as mechanically. They are built by men who are as familiar with the requirements of the open fields as with the technique of the drafting room and the precision lathe.

Large crop yields make good banking, and Case Power Farming Machinery multiplies the farmer's power of productiveness.

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is vital. Yet now, as always, these articles are being distributed on long credit terms while producers of the articles less necessary in the upbuilding of the community by one device or another contrive to get cash for their product.

This is wrong. The food of all industry is cash and credit. The former is the more nourishing and substantial. During the long trying period of American development, credit terms were necessary and manufacturers of implements bore the heat and burden of that day. At the hour of fruition—of accumulated local surpluses—producers of luxuries came in and demanded cash, leaving necessities to remain on the old wasteful basis.

The time has come, as between these two, for a change of diet. The new farm power units require so much heavier investment than the old-time implements that manufacturers of farm operating equipment can no longer "carry" rural America between spring and harvest. Therefore, not only because it is desirable from an economic standpoint, but now because it is unavoidably necessary; the supply of each community with vitally necessary farm operating equipment must be financed by local banks.

When credit is scarce and cash is scarcer the available supply must be rationed. The accumulated local surplus is a trust in the hands of local banks. They are now confronted with the problem of how best to acquit themselves of their responsibility and apportion the short supply for the safety and welfare of the community. The considerations upon which a decision must be based are stated in the preceding paragraphs. At last analysis, they are fundamental not only to the welfare and prosperity of the community but to the very safety and stability of the nation. Most local banks will realize this. Some, trained by custom to serve first the promise of immediate profit, will not. Every community has a right and a duty to insist on a correct decision.

Local banks must preserve the community welfare by an apportionment of any insufficient local surplus in a wise discrimination among community uses which shall preserve unhampered the continuous supply of vital necessities.

Get a Banker and Support Him

The heart of every community interest is the bank. Every local problem should be taken there. Every local unit should give the bank a chance. More, every company that sells goods in the community owes it a duty. Apart from this duty, the building of its own business depends on building the community. The majority of companies now represent the old wrong method. Their powerful support perpetuates it. It is their duty to install the new and it is vastly to their interest to do so. They should see that their dealer establishes a relation with his bank. They should make it easy and profitable for him to do so. They should overcome initial resistance by substantial expressions of their own faith.

If all this were done tomorrow, most banks would recognize and gladly assume their profitable duty. Some would not. Those who would not should be approached on such arguments of substantial interest as these. Failing there the community cannot abide delay. It must have a banker. If it has only a money lender, it should get a banker and support him.

Dr. Alderson Predicts Extensive Development of Western Oil-Shale Beds

New York—Dr. Victor C. Alderson, president of the Colorado School of Mines, has returned to this country after several weeks' investigation of the oil shale industry in Scotland and England. While abroad Dr. Alderson was made a member of the Institute of Petroleum Technologists.

The fundamental fact disclosed by Dr. Alderson's investigations is that the retort used in the Scottish shale oil industry is not suitable for the rich oil shales of the United States. Of the fourteen different types of retorts used in the English shale refineries possibly one might be suitable for handling American shale.

Another important development in Dr. Alderson's investigation is that the English shale has an excess of sulphur, which must be eliminated before that shale can be commercially handled. In his opinion, there are sufficient deposits of oil shale in England to last for centuries, but the excess of sulphur is a serious obstacle in its development.

Scottish shale yields about twenty barrels to the ton, which is about half of the yield from American shale. Despite this inferior quality and the fact that wages are high for mining shale, the men receiving 17 shillings and six pence a day, and that mining is conducted by hand, there is a net profit of about 50 cents a ton on Scottish shale.

The political and economic importance of oil is paramount in England and energetic efforts are being made to develop the Empire's resources. The Anglo-Persian Oil Company, in which the Government has a two-thirds interest, is building a large refinery at Swansea, Wales, which is to operate on crude from the Persian fields. The Anglo-Persian Company has taken over the Scottish shale oil refineries. It has arranged to give those plants a supply of liquid crude to augment their shale supplies. This has the effect of giving a greater degree of stability to the shale industry in that country.


Dr. Alderson anticipates an extensive development of the oil shale beds of Colorado, Wyoming and Utah, where the richness of the shale would allow of profitable return.

At present costs crude oil can be produced from shale at \$1.85 a barrel in Colorado and Utah, where there are 5,500 square miles of oil shale, which with a yield of one barrel of oil to one ton of shale would produce a practically unlimited supply of oil. One ten-foot of seam of shale, yielding one barrel to the ton, would give 15,488,000 barrels of oil to the square mile. The 5,500 square miles of oil shale in Colorado and Utah at that rate would produce 255,000,000,000 barrels. Production of petroleum from wells in this country to date has been obtained from 4,109 square miles, with an estimated yield of 2,280,000 barrels of oil to the square mile.

REISCHBANK CLEARANCES THE PAST YEAR

The statistical department of the Reichsbank publishes the statement of its clearing-house departments for the year 1919, covering operations through its 33 branches. In 1919 it handled 16,660,000 pieces of exchange, representing a total value of 182,677,000,000 marks, as against 73,634,000,000 marks in 1913.

To Bankers:

HE Moline Plow Company's Dealers' Contract is an expression of our earnest conviction that our own success depends on our constructive development of the two chief elements of community service—Retailer and Bank.

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We shall be glad to answer the inquiries of any bank or merchant.

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Bankers:—THE DOMINION BANK; THE IMPERIAL BANK OF CANADA

Forces Operating to Influence Future Prices of Commodities

A Review of the Commercial Situation by The Mechanics & Metals National Bank of the City of New York

Tendencies continue to point to a halt in the general advance of commodity prices, and it is widely felt that in some commodities there will be further declines. The shortage of credit, the increase in European production, the likelihood of a falling off in government borrowing, and consequently in the currency and credit inflation built upon it, and the present attitude of the public towards paying high prices, all point in this direction. It has been frequently stated that the railroad congestion, by restricting production, and making goods scarce at the points at which they are wanted, will sustain if it does not actually increase prices. This is doubtful. The effect of the congestion has been to cut sharply the earnings of many industries, to compel the temporary closing down of plants, to put men on part time or to throw them out of employment. All this reduces the purchasing power, and hence reduces the demand for goods.

Forces Operating for Lower Prices

An idea of the forces operating to bring lower prices may best be derived by recalling the forces which originally made prices high. It was not through a shortage of supply that the first price advances came in this country, but through an increase in demand. It was the European call for food and munitions in 1915 and 1916 that brought higher prices for iron and steel and foodstuffs; it was the bidding of the farms and munitions factories for labor to turn out an increased supply of goods that raised wages and compelled other manufacturers to advance wages to hold their labor; it was the increased prosperity of the munition makers and farmers and the higher purchasing power of labor that increased the demand for all goods in the country, and consequently their price. When we entered the war, it was the inflation brought about by the government's methods of borrowing that increased the prices of goods. Following the armistice, it was the demands from Europe and from our own country for goods for replacement that sustained and further advanced prices.

There has been much talk of the "great shortages of goods," but statistical comparisons show that these "shortages," when analyzed, have not in most cases been shortages in comparison with previous supplies, but shortages only in relation to the greatly increased demand. Demand is now falling off. The wild scramble for goods regardless of price, has come to a stop.

Freight Rates and Living Costs

At the present, when abnormal profits have been the rule, it is more than doubtful whether the freight rate increase could be fully passed on to the consumer. In some cases most of it doubtless will be; but in others most or all of it will come out of sellers' profits. Freight rates, wage increases and other advances in the cost of

production can be passed along to the consumer, and more than passed along, at a time of inflation. In a period of deflation the burden must be assumed by producers.

A higher freight rate, bringing greater revenues, would enable the railroads to increase their facilities, and therefore in the longer future it would work actually to reduce the cost of living. The country has had enough of inadequate railroad service, car shortages and freight embargoes, which have held up business all around by delays in deliveries of raw materials, forced increased borrowing in a time of credit scarcity, cut down production, thrown men out of employment, and made goods scarce at the points at which they are wanted for consumption. Officialdom is awakening to the gravity of this problem, but the belatedness of the awakening has done untold injury.

Labor's Efficiency

A hopeful development has been the reports of manufacturers in nearly all industries of a general improvement of labor's efficiency in the last four or five months. Labor's inefficiency of a year ago, combined with its strikes, its continual demands for more wages and shorter hours, its general restlessness, was assigned to a score of different causes, to an after-war let-down, to the agitation of self-seeking leaders, to radical ideas, Bolshevik propaganda, a new philosophy, etc. Doubtless these elements played their part, but the main cause was the old-fashioned familiar cause of demand exceeding supply. Workers, skilled or unskilled, efficient or inefficient, could get jobs without difficulty; they were under no fear of being laid off; there was no reason why they should exert themselves. But with a change in the situation has come a change in attitude. It is interesting to notice that in the trades which have been depressed, which have gone on part time or have laid off men, the improvement in efficiency has been most marked. The recent action of the Pennsylvania railroad in dropping 12,000 men from its payrolls should have the effect of bettering the quality of railway labor generally. Increased efficiency will do much to compensate manufacturers for lower prices and smaller volume of sales.

NATIONAL BANK OF CUBA DEPOSITS

New York—As an evidence of the prosperity of Cuba, J. T. Monahan, vice president of the National Bank of Cuba in New York, the local associate bank of the National Bank of Cuba, has announced that in the first six months of the year the National Bank of Cuba, which is the depository and fiscal agent of the Cuban government, had increased its deposits by \$90,000,000. Deposits, according to the general balance sheet of June 30, were \$194,506,648, compared with \$145,597,274 at the end of 1919. The National Bank of Cuba now has 123 branch agencies.

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Distorted Views of Russian Peasants as to Value of Money

A Worth-while Editorial From the Columns of The Northwestern Miller

A recent news item from Russia puts this phrase into the mouths of the Russian peasants, in reference not only to the money of their own distraught country, but to money of any kind. Money, they point out, is of practically no use to them, as there is little or nothing they can buy with it.

The futility of wealth on a desert island has long been a favorite theme for philosophers and editors of humorous columns; but Russia is by no means a desert. It is an immensely fertile agricultural country, which even now, despite all that it has suffered from domestic violence and ill-judged foreign interference, appears to be raising vast crops of grain. According to the traditional theory, the existence of such great quantities of foodstuffs should be sufficient to give money a real value, the worth of currency being determined by that of the natural wealth on which it is based.

Disruption of Normal Trade

The worthlessness of money in Russia appears to be due chiefly to the fact that all the normal bridges between buyer and seller have broken down. The farmer, for example, has more grain than he can possibly use, but he cannot find any way to bring his surplus to those who urgently need it. Not only has the railroad service disintegrated, but the whole system of marketing has disappeared. The farmer is no longer able to sell his produce to a buyer he does not know, in a city he has never visited, and he cannot buy any more than he can sell. His immediate neighbors, the only people with whom he can do business are in exactly the same plight as himself; they are oversupplied with unmarketable grain, and absolutely without any of the essential products which do not come solely from the farm.

What Gives Money Its Value

The whole structure of such an elaborate commercial system as exists, for instance, in the United States today has been built up for the fundamental purpose of bringing together the seller and the buyer. The seller may be located on a prairie farm, and the buyer in an eastern seaport; they may never have met, and scarcely have communicated directly with each other; and yet one can make his purchase with the complete assurance that what he has bought will be delivered to him in full accordance with the agreement, and the other can make shipment without the slightest anxiety as to the receipt of payment. It is, above all else, this commercial certainty which gives money its value; and when all this machinery has broken down, as in Russia, the inevitable result is to make both money and the actual commodities themselves practically worthless.

Preachers of False Economics

It is frequently proposed by political organizations which are stronger in oratory than in economics to do away

with much of this commercial machinery, to revert to a simpler system, and to attempt to bring the producer and the consumer into closer relations with one another. The Nonpartisan League, for example, is perpetually denouncing the grain exchanges on the ground that they separate the farmer from his customer; and one element in the Socialist party has long advocated what it calls a return to a communal system of doing business.

Russia Offers a Useful Lesson

The example of Russia today shows what happens when a nation, potentially rich both in man power and in natural resources, undertakes to get along without the machinery of commerce. Its currency becomes worthless, its foodstuffs rot, and its people starve. It may be granted that the methods of trade evolved by generations of experience in such a country as the United States still fall far short of being ideal, but any attempt to get along without them, or greatly to simplify them, would inevitably result in disaster. The real wealth of a nation lies, not alone in what it produces, but in its ability to distribute that produce according to the needs of its people.

Starving Because of Lack of Distribution

Russia annually produces nearly as much wheat as the United States, and yet is poverty-stricken and starving; this fact is worth pointing out to any one who thinks that wealth depends on the land alone. The American farmer is made well-to-do and often rich by the very agencies he so commonly denounces; if they should fail him, even for a little while, he would find himself not far from where the Russian farmer stands today. The full realization of this fact, and of the interdependence of all the elements involved in providing bread for the American people, would go far toward putting an end to the hostility of farmers, and particularly of their political organizations, toward the machinery whereby alone their products are made of value.

FOREIGN DEPOSITS IN SWISS BANKS NOT TO BE TAXED

The lower house of the Swiss Legislature has voted against the proposed law to tax foreign deposits in Swiss banks, thus changing its position taken in a previous session. The upper and the lower houses of the legislature are now in accord in refusing to pass the measure.

BANKERS WILL HELP DEVELOP SOUTHERN ILLINOIS

Carbondale, Ill.—Bankers of thirty-two southern Illinois counties embraced in the Southern Illinois Development association, which was organized a few weeks ago, at a meeting here agreed to underwrite the association for \$75,000 for a period of three years—\$25,000 a year. The purpose of the association is the development of southern Illinois in all lines of endeavor.



BUREAU OF CANADIAN INFORMATION

The Canadian Pacific Railway, through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In the complete Reference Libraries maintained at Chicago, New York and Montreal is complete data on natural resources, climate, labor, transportation, business openings, etc., in Canada. Additional data is constantly being added.

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A World Vision and a World Task

Philadelphia—John H. Mason, president Commercial Trust Company, Philadelphia, and ex-president Trust Company section, American Bankers Association, on his recent return from Europe, supplied to the press this statement:

"Are we interested in the restoration of France, Belgium and Central Europe, or can we just ignore them and think of ourselves?"

"After a visit to the battle areas of France and Belgium and then through the beautiful chateau district of France, and parts of that wonderful country not knowing any of the scars of war, my contention is that we are more vitally interested, not only in our former Allies returning to normal, but also Germany and Austria and all the others.

France and England "Coming Back"

"Many persons are asking me 'Will France and Great Britain come back?' Why, of course they will, but only in time. The leaders of those two countries are quite awake to the problems of today and in an orderly and normal way are endeavoring to solve them. They have not the slightest thought that they can be solved in a year or two,—they expect it to take generations, and if we in our impatient way can only adopt the same idea that it will take time for the world to right itself, we will play a more important and stronger part in the 'come back' of the world. M. Millerand, the French premier, recently stated that the battle area of France comprised about 11,250 square miles, which is just about the size of the state of Maryland, and that 30 per cent. of this area was in crops this year. I think this fact more than any other answers the question 'Will France come back?' In my opinion England with all her training and experience as a great international power will, beyond all question, regain her place as the financial center of the world. With the greatest appreciation of my country, I am more than ever impressed with the fact that we have not as yet had the experience and training to become international-

ists and that in some ways we are not even nationalists, but are rather prone to be localists. World problems must be solved by world vision and the British are more sound and experienced in this field than any other nation.

A Country Worth Seeing

"I would urge every American banker who possibly could do so, to travel over the war area of France and Belgium. You may read, you may hear others talk, but you cannot visualize except by seeing, and as you motor through Ypres, the battle field of the Somme, out through Soissons and Rheims, you are awed with the destruction and devastation, and yet right within a stone's throw of these battle fronts, you will find here and there a French peasant back at the place he once called home, living in a hut, surrounded by flowers and trying to cultivate what fertile land he is able to find. It is truly a wonderful spirit. From these fields go on down to Chateau Thierry and Belleau Woods where the American soldier played his part. At these points there was little or no bombardment but just a fierce, hard fight and nature has healed practically all of the scars so that one can hardly realize there was ever a battle there. As far as the eye can reach, there is nothing but beautiful crops, exquisite flowers, with the placid winding of the Marne, which played such a conspicuous part in the world war. I am quite sure the experience of all those who may make the trip will be practically similar to mine, that there is little or no personal discomfort to the traveler of today in either France, Belgium or Great Britain."

BRIDGE BUILDING AND ROAD IMPROVEMENT PROGRESSES

Milbank, S. D.—Grant county is making good progress in bridge and good road construction. Thus far this season 34 bridges have been constructed or are in course of construction. More highway improvements are being made this year than during any former year.

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High Prices of Lumber Checks Building Operations

Forest Service Reports to Senate on Housing and Lumber Prices

Washington—Abnormally high lumber prices were in part responsible for the arrest of the housebuilding movement within the last few months, according to a report recently submitted to the Senate by the Forest Service of the United States Department of Agriculture.

During the latter half of 1919 and the early months of 1920, says the report, lumber prices in the United States increased more sharply and to far higher points than were ever known before. In March, 1920, average mill prices had increased 300 per cent. and more over 1914. While the costs of production and distribution of lumber likewise increased, the rise in lumber prices was wholly disproportionate. "Present prices, though somewhat lower, are still excessive and yield profits unjustified by costs," say the report.

"A shortage in housing accommodations that is almost world-wide has brought home vividly the close relation of building to the comfort, health, and general welfare of the public. When for any reason construction falls below normal, overcrowding, high rents, lowered standards of living, and other evils follow."

Makes Construction Venturesome

Lumber prices, however, do not tell the whole story. Difficulty and delay in securing material and the impossibility of getting many of the grades desired tend to make the construction of a home at the present time a highly uncertain and speculative venture and take it out of the reach of large numbers of people.

According to figures of the United States Housing Corporation, the report states, normally 30 per cent. of the number of buildings constructed are dwellings. In 1919, however, dwellings were only 15 per cent. Even before the war one million families in the United States desired houses. In 1919 only 70,000 houses were built, when 500,000 were required to meet the demand. In 1918 house construction was still less than in 1919.

As examples of the increase in the cost of lumber, it is stated that the Pittsburgh home builder of 1913 paid \$27 per thousand board feet for No. 1 common dimension framing. In 1920 he paid \$72. Sheathing lumber No. 2 common yellow pine cost \$26 in 1913 and \$80 in 1920. Yellow pine finishing lumber increased from \$42 to \$140. If plain oak finish was used instead of Southern pine it cost \$85 in 1913 and \$260 in 1920. Yellow pine siding rose from \$36 to \$120; B and better flat grain flooring from \$38 to \$142; plain oak flooring cost, in 1913, \$70 per thousand feet, and in 1920 \$290; and quartered oak rose in the same period from \$102 to \$352.

A Few Striking Examples

The total cost of houses has increased proportionately, the report states. "A frame house built in Washington, D. C., in 1917 for \$6,250 is now being duplicated from

original plans at a cost of \$12,250. A St. Paul architect reports that a house was built for \$4,240 in 1915, not including plumbing, heating, and wiring, and that a house built from the same plans in October, 1919, cost \$7,724, while for identical plans in February, 1920, the cost rose to \$11,820, or 179 per cent. over the 1915 price. The lumber and millwork costs in 1920 were \$5,039, or \$799 more than the total cost of the house in 1915. All of the items increased in 1920 over 1915, but with the exception of an insignificant item for a bond the percentage increases for lumber (304 per cent.) and millwork (222 per cent.) were the highest. On a six room frame house built in Washington, D. C., for \$4,771.60 in 1913 bids on identical plans in May, 1920, total \$11,465.50.

"The lumber for a ready-cut, one-story, five room house which was listed at \$883 in 1915 had been raised to \$3,272 in April, 1920, a total increase of 270 per cent.," says the report. "Another company dealing in ready-cut houses listed the material for a two-story seven room house at \$1,995 in 1915 and now lists it at \$5,606.90, an increase of 181 per cent."

Can Not Afford to Pay Prices

Some kinds of industrial construction can go forward regardless of uncertainties and cost, but ordinary home-builders can not afford to pay the lumber prices which are now asked.

This condition of affairs is partly due, the report points out, to the depletion of the timber supply of the country. One after another the great softwood forests of New England, the Lake States, and the South have been attacked, and successively diminished. For the last 20 years or more material from long-leaf pine from the south has held a dominant place in the market, but the end of the stand of southern yellow pine is now in sight and within ten years' time the south will produce no more lumber than it will need to satisfy its own demands. They only remaining large supply of softwood timber in the country is that of the Pacific coast and already this is being called upon to make up the deficit in the eastern markets caused by the failure of forest regions closer at hand to supply adequate amounts.

It is pointed out by the report that there is enough land in the country not adapted for any other uses to produce an ample amount of timber for all the needs of the country, if it were stocked with trees. At the present time forest fires cause immense damage each year and prevent young timber which is already on the land from making its best growth or from producing timber of good quality. The only way in which an extreme shortage of lumber with all its attendant evils and restrictions on development can be avoided, the report insists, is by the adoption of a well coordinated policy of timber growing which will combine the efforts of the Federal government, the states, and private individuals, with emphasis laid first of all on stopping the destruction wrought by forest fires.

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The Money and Credit Situation

General Conditions Reviewed by The Editors of the National City Bank Monthly Bulletin

New York—The result of the efforts of the Federal Reserve authorities and cooperating bankers to accomplish some degree of deflation is disappointing, but it must not be thought that nothing has been accomplished. The first task was to stop the inflation which had been steadily going on for the past year, and in view of all conditions perhaps that is as much as could be hoped for. The insufficiency of railroad service has been an almost insuperable obstacle to enforced liquidation. It would be worse than folly for bankers to press customers who are in possession of abundant assets and are anxious to turn them but unable to do so because of transportation difficulties. The situation is one to be dealt with intelligently, patiently and constructively.

It must be remembered in connection with all talk about seasonal fluctuations that when business is running at the limit of activity all the time seasonal fluctuations largely disappear. Trade and industry have been active almost without variation during the past year. The movement of last year's crops was not accomplished last year, but has been going on ever since they were harvested and is not completed yet.

Inflation and the Rise of Prices

The great increase of loans which took place last fall was not due to the seasonal demand, but to the rise of prices, which in turn was due to the demand for commodities and labor in excess of the supply. The banks were financing a competitive struggle over a limited supply of labor, material and goods. The policy of restricting credit should have been emphasized earlier, but, as is well known, banking authorities abstained from vigorous steps throughout most of last year out of consideration for the people who had borrowed to buy Liberty bonds and notes and were still in the banks.

It is well to refresh the memory frequently as to the expansion of bank credit since 1914. The loans and discounts of all national banks on June 30, 1914, aggregated \$6,430,069,000, and on November 1, 1918, ten days before the armistice, they were \$10,096,940,000. Since the latter date the figures for each statement are given below:

| | |
|--------------------------|-----------------|
| December 31, 1918 | \$9,918,294,000 |
| March 4, 1919 | 9,916,187,000 |
| May 12, 1919 | 9,904,821,000 |
| June 30, 1919 | 10,574,838,000 |
| September 12, 1919 | 11,085,462,000 |
| November 17, 1919 | 11,560,242,000 |
| December 31, 1919 | 11,786,227,000 |
| February 28, 1920 | 11,994,523,000 |
| May 4, 1920 | 12,288,582,000 |

Bank Rediscounts

Rediscounts of national banks with Federal Reserve banks are not included in the above. These amounted on May 4, 1920, to \$952,000,000; on June 30, 1914, the Reserve banks had not begun business. The total increase of loans of national banks from June 30, 1914, to May 4, 1920, was \$6,810,513,000, or about 100 per cent. The increase from June 30, 1919, to May 4, 1920, was \$1,713,000,000, not including rediscounts. The aggregate loans of state banks and trust companies are somewhat greater than those of the national banks, and have probably increased in about the same proportion, but the figures are not available. The total increase of bank loans in the past year is probably between \$4,000,000,000 and \$4,500,000,000.

Of course prices and wages have gone up! That amount of new purchasing power could not be turned into the markets without driving them up. And see the futility of it! This new credit has been granted upon the theory

that it was necessary to aid production, but production is but slightly larger, so far as records are available, than a year ago. Higher wages have been granted to compensate for higher prices, but prices have been forced still higher in consequence.

The movement of loans and of the general wage and price level since 1914 has been closely together, and it will go on together unless a resolute effort it made to hold it in check. Nothing is to be gained for anybody by continued traveling in this cycle.

Attitude of the Public Changing

The most hopeful feature of the situation is the fact that the public seems to be finally impressed that expansion must stop and that business must be handled within existing lines of credit. Expansion has been so much the order of the day, and higher wages and prices so readily obtained, that it has been difficult to change the attitude of mind, but common sense tells sensible people that such a riot of inflation cannot go on indefinitely, and that every interest will be served by halting the movement. It will be stopped when production catches up with demand or demand is held down within the normal capacity of the industries. It is the attempt to buy more goods than there are, build more houses than there is material for, hire more men than there are and do more business than the railroads can handle, that forces up prices and calls for more credit. The country cannot make up for all the lost construction of the war-time at once, and is the less able to do so because it is working shorter hours and spending more for current consumption than formerly.

The harvest is well over, except in the northern section, but owing to the car shortage there is but slight movement for grain as yet and but little demand for credit on that account. The country banks have financed the farmers with some help from the centers, and while a more rapid movement of the crop would make new demands on the centers it would liquidate the country banks and enable them to pay their indebtedness. The tight condition everywhere, however, is tending to restrict building operations, land sales, new investments and other outlays not absolutely necessary and of the kinds which absorbed a large amount of credit last year. This is the influence which must be counted on to slowly clear up the situation.

A noteworthy feature of last year has been the depletion of country bank balances in the centers and the increase of their loans. It is an unusual circumstance for bank loans to go up and bank deposits to go down at the same time, as they have done since the beginning of 1920.

The Credit Situation

Notwithstanding the stringency of credit and the heavy price declines that have occurred in some lines, the situation has been very free from insolvencies. A few important houses have been obliged to ask for extensions and in several instances committees have been appointed, but in all of these instances creditors have been satisfied that the parties were solvent and would be able to continue business. In some lines where there has been a very rapid expansion of production, as in silk manufacture, a good many small, new concerns who started with little capital, have been obliged to cease operations, but their liabilities have not been large enough to occasion any disturbance. The general opinion among well-informed people is that the business structure of the country is far stronger than at any time of crisis in the past, and that a disturbing number of insolvencies is not likely to occur.

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YOUR money is the result of successful effort—the effort perhaps of years. You do an important thing when you deposit your money in a bank, and you express high confidence in the bank.

Leading bankers, merchants and manufacturers for over half a century have been showing high confidence in The National Park Bank by depositing their money with us.

Our growth is the result of this confidence of the business world in our bank—a bank that has cultivated an appreciation of merchandising problems and has tried to be helpful in upbuilding the business interests of our country.



214 Broadway

THE NATIONAL PARK BANK

OF NEW YORK

Established 1856

Resources over \$275,000,000

High Yield Short Time Gold Notes

A Direct Obligation of a \$5,000,000 Corporation

The largest of its kind in the world.

Dated Feb. 2, 1920

Due Feb. 1, 1922

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%

Drake-Ballard Company

ESTABLISHED 1880

Investment Bankers

Palace Building

Minneapolis

Kalman, Matteson & Wood

MUNICIPAL AND CORPORATION BONDS

Pioneer Building
ST. PAUL

McKnight Building
MINNEAPOLIS

Stock and Bond Quotations

MINNEAPOLIS BANK STOCKS

| | Div. Rate Pct. | Bid | Asked |
|---------------------------------|-------------------|-----|-------|
| Northwestern National | 12 | 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 | 125 |
| 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 | 101 |
| 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 | .. | 7.00B |
| Minn. Trans. Ry. Co., 1st 5s, 1946 | 5 | 85 | 90 |
| Montana Power, 1st pfdg. 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 | 5 | 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 August 21, 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 | 130 | 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 Mfg. 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 Co. | 145 | 150 | 150 |
| Citizens State of Chicago | 162 | .. | 138 |
| City National Evanston | 250 | .. | 258 |
| City State Bank | 165 | 180 | 121 |
| *Continental & Commercial National | 293 | 297 | 233 |
| Corn Exchange National | 370 | 380 | 311 |
| Cosmopolitan State | 130 | .. | 135 |
| Depositors State Bank | 200 | .. | 176 |
| Drexel State Bank | 173 | 180 | 165 |

| | | | |
|-------------------------------|-----|-----|-----|
| Drovers National Bank | 230 | 237 | 157 |
| Drovers Trust & Savings | 345 | .. | 263 |
| Englewood State Bank | 175 | 180 | 138 |
| *First National Bank | 397 | 403 | 380 |
| First National (Englewood) | 370 | .. | 329 |
| Fort Dearborn National | 220 | 250 | 158 |
| Fort Dearborn Trust | 220 | .. | 184 |
| Franklin Trust & Savings | 195 | .. | 198 |
| Fullerton & Southport | 130 | .. | 129 |
| Garfield Park State Savings | 150 | 170 | 135 |
| Great Lakes Trust Co. | 115 | 120 | 122 |
| Greenbaum Sons Bank & Trust | 300 | 310 | 194 |
| Guarantee Trust and Savings | 140 | 175 | 157 |
| Halsted Street State | 140 | .. | 134 |
| Harris Trust & Savings | 525 | 550 | 298 |
| Home Bank & Trust Co. | 240 | .. | 173 |
| Hyde Park State Bank | 170 | .. | 163 |
| Illinois Trust & Savings | 380 | 390 | 320 |
| Independence State Bank | 200 | 210 | 118 |
| Irving Park National Bank | 200 | .. | 161 |
| Jefferson Park National | 175 | 185 | 179 |
| Kasper State Bank | 280 | 300 | 168 |
| Kenwood Trust & Savings | 275 | 295 | 238 |
| Lake View State Bank | 180 | 120 | 117 |
| Lake View Trust & Savings | 195 | .. | 170 |
| Lawndale State Bank | 250 | .. | 253 |
| Liberty Trust & Savings | 185 | 205 | 158 |
| Lincoln State Bank | 115 | .. | 118 |
| Lincoln Trust & Savings | 220 | .. | 109 |
| Live Stock Exchange National | 220 | 270 | 189 |
| Logan Square Trust & Savings | 128 | 133 | 124 |
| Madison & Kedzie State | 200 | 250 | 172 |
| Market Trust & Savings | 112 | 116 | 129 |
| Mechanics & Traders | 140 | 152 | 149 |
| Mercantile Trust & Savings | 192 | .. | 182 |
| Merchants Loan & Trust | 340 | 390 | 312 |
| Michigan Avenue Trust | 140 | 155 | 142 |
| Mid-City Trust & Savings | 253 | 260 | 161 |
| National Bank Republic | 180 | 187 | 183 |
| National City Bank | 167 | 173 | 173 |
| National Produce Bank | 158 | 162 | 143 |
| Noel State Bank | 190 | .. | 133 |
| North Ave. State Bank | 120 | 130 | 152 |
| North Side State Savings Bank | 155 | .. | 187 |
| Northern Trust Company | 330 | .. | 296 |
| Northwestern Trust & Savings | 300 | .. | 168 |

LANE, PIPER & JAFFRAY (INC.)

COMMERCIAL PAPER

1208 FIRST NAT.-SOO LINE BLDG., MINNEAPOLIS

CORRESPONDENTS

BLAKE BROTHERS & CO., NEW YORK & BOSTON
MCCLEUNEY & COMPANY, ST. LOUIS
W. T. RICKARDS COMPANY, CHICAGO

| | | | | | |
|---------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|-------------------------------------|---------------------------------------|
| J. A. WRIGHT, Chm. of Board | SIMON WESTBY, President | R. A. WALSH, Vice President | A. G. HULTGREN, Cashier | A. E. LUND, Ass't Cashier | A. O. JENSEN, Asst. Cashier |
|---------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|-------------------------------------|---------------------------------------|

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.

| | | | |
|---|-----|-----|-----|
| Oak Park Trust & Savings | 235 | 250 | 170 |
| Peoples Stock Yards St. | 330 | ... | 191 |
| Peoples Trust & Savings | 25 | 290 | 192 |
| Pioneer State Savings | 150 | ... | 120 |
| Prudential State Bank | 165 | ... | 126 |
| Pullman Trust & Savings | 180 | 200 | 206 |
| Ravenswood National Bank | 100 | ... | 139 |
| Reliance State Bank | 160 | ... | 119 |
| Schiff & Co. State | 272 | 297 | 171 |
| Security Bank of Chicago | 325 | 335 | 273 |
| Sheridan Trust & Savings | 200 | ... | 144 |
| 63rd & Halsted State | 140 | ... | 119 |
| South Chicago Savings | 260 | ... | 210 |
| South Side State Bank | 175 | ... | 176 |
| South West State Bank | 120 | ... | 101 |
| South West Trust & Savings | 155 | 165 | 125 |
| Standard Trust & Savings | 163 | 170 | 163 |
| *State Bank of Chicago | 315 | 325 | 256 |
| State Bank & Trust Co. Evansville | 165 | 165 | 222 |
| State Bank W. Pullman | 160 | 170 | 151 |
| Stockmen's Trust & Savings | 170 | 180 | 155 |
| Stock Yards Savings | 425 | 450 | 220 |
| Stony Island Trust & Savings | 105 | 115 | 116 |
| Union Bank of Chicago | 135 | 150 | 132 |
| Union Trust Company | 300 | 325 | 247 |
| United State Bank | 125 | ... | 130 |
| Washington Park National | 250 | ... | 144 |
| Weirsemma State Bank | 138 | ... | 126 |
| West Englewood Trust & Savings | 200 | ... | 172 |
| West Side National | 130 | 150 | 123 |
| West Side Trust & Savings | 300 | ... | 161 |
| West Town State Bank | 160 | ... | 146 |
| Woodlawn Trust & Savings | 266 | ... | 190 |

*Ex-Dividend.
*Ex-Rites.

| | | |
|---------------------------------------|----|-----|
| Standard Gas & Electric, pfd. | 35 | 37 |
| Stover Mfg. Co., com. | 98 | 105 |
| *Stover Mfg. Co., pfd. | 96 | 100 |
| Sullivan Machinery Company, new | 48 | 50 |
| Tri-City Railway & Light, pfd. | 67 | 72 |
| United Light & Railways, com. | 17 | 19 |
| United Light & Railways, pfd. | 56 | 58 |
| U. S. Gypsum Company, com. | 62 | 64 |
| U. S. Gypsum Company, pfd. | 85 | 87 |
| Utah Idaho Sugar Co. | 8 | 9 |

*Ex-Dividend.

INDICTED FOR AMERICAN-CANADIAN MAIL FRAUD

New York—Frederick A. Clawson has been indicted by a Federal Grand Jury on a charge of using the mails to defraud in connection with the sale of stock of the American-Canadian Corporation, a \$5,000,000 concern of which he was the organizer.

It is asserted in the indictment that Clawson stated that he had contracts aggregating \$53,000,000 for the construction of ships.

Clawson, who used to occupy expensively furnished offices at 115 Broadway, now is working in an uptown garage.

BANKER'S CONVENTIONS

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

CHICAGO SECURITIES
 Quotations August 2, by John Burnham & Co., 41 South La Salle Street, Chicago.

| | Bid. | Asked. |
|---|------|--------|
| American Fork & Hoe Co., com. | 102 | 108 |
| American Fork & Hoe Co., pfd. | 103 | 110 |
| American Laundry Co., com. | 65 | 75 |
| American Laundry Co., pfd. | 100 | 115 |
| American Lt. & Tr. com. | 120 | 123 |
| American Lt. & Tr. pfd. | 82 | 84 |
| Avery Company, com. | 112 | 119 |
| Avery Company, pfd. | 94 | 97 |
| Beatrice Creamery Co., com. | 190 | 200 |
| Beatrice Creamery Co., pfd. | 95 | 98 |
| Benjamin Elec. Mfg. 1st pfd. | 100 | 105 |
| *Bordens Co., The, com. | 97 | 101 |
| Bordens Co., The, pfd. | 82 | 87 |
| Brunswick-Balke Coll., pfd. | 90 | 100 |
| *Butler Brothers | 41½ | 42½ |
| By-Products Coke Corporation | 100 | 104 |
| Chicago Railway Equipment | 112 | 117 |
| *Cities Service Co., com. | 310 | 315 |
| *Cities Service Co., pfd. | 65½ | 66 |
| Columbia Sugar Company | 17 | 18 |
| Commonwealth Power Railway & Light, com. | 17 | 19 |
| Commonwealth Power Railway & Light, pfd. | 39 | 40 |
| Consumers Company, com. | 62 | 65 |
| Consumers Company, pfd. | 80 | 84 |
| Creamery Package Co., com. | 98 | 100 |
| E. I. DuPont de N. Co., com. | 275 | 285 |
| E. I. DuPont Debentures | 78 | 80 |
| Goodman Mfg. Co. (par \$50) | 45 | 55 |
| Goodyear Tire & Rubber, com. | 113 | 115 |
| Goodyear Tire & Rubber, pfd. | 84 | 85 |
| Holland-St. Louis Sugar Co. | 15¾ | 16½ |
| Inland Steel Company | 57 | 60 |
| Kellogg Switchboard & Supply | 210 | 220 |
| Linderman Steel | 21 | 25 |
| McCord Mfg. Co., com. | 32 | 34 |
| McCord Mfg. Co., pfd. | 79 | 81 |
| Oscar Mayer & Co., 1st pfd. | 93 | 96 |
| Oscar Mayer & Co., 2nd pfd. | 94 | 97 |
| Michigan Sugar | 12 | 12½ |
| Moline Plow Co., 1st pfd. | 83 | 85 |
| National Grocer Co., com. | 130 | 145 |
| National Grocer Co., pfd. | 93 | 97 |
| National Motors Co. | 14½ | 17½ |
| Northern States Power, com. | 28 | 32 |
| Northern States Power, pfd. | 76 | 78 |
| Northwestern Yeast Company | 275 | 285 |
| Semet-Solvay Company | 170 | 180 |
| Simmons & Co., pfd. | 91 | 94 |
| Smyth Co., John M., pfd. | 98 | 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 | ... |
| Standard Gas & Electric, com. | 12 | 14 |

BISHOP, BRISSMAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS
*Member of American Institute and
 Minnesota Society of Accountants*
Audits—Credit Investigations—Systems
Expert Assistance—Income Tax Reports

| | | |
|-----------------------------------|---|---------------------------------------|
| ST. PAUL Globe Building | FARGO, N. D. Fargo National Bank Building | MINNEAPOLIS Wilmac Building |
|-----------------------------------|---|---------------------------------------|

A. F. WAGNER
CERTIFIED PUBLIC ACCOUNTANT
*Member American Institute of Accountants
 and Minnesota Society of Public Accountants*
Security Building **MINNEAPOLIS**

ERNST & ERNST
AUDITS—SYSTEMS
WE MAINTAIN AN OFFICE AT WASHINGTON D. C.
TO RENDER A MORE EFFICIENT FEDERAL TAX SERVICE

FIRST NAT'L-500 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 |

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

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by selling them thru our United States Government Bond Department, which pays the highest market rate and gives the advantage of several days' interest over Eastern service.

On day of receipt we will pay you in cash the full value with accrued interest, less a small brokerage charge. Proceeds deposited in Twin City, Chicago or New York banks as desired.

Quotations furnished by letter or wire on request.

MERCHANTS TRUST AND SAVINGS BANK Saint Paul

Municipal and industrial bonds and farm mortgages bought and sold

New Banks and Changes

MINNESOTA

Morris—At a meeting of the directors of the Citizens Bank L. H. Ickler was elected president to succeed the late Harold Thorson.

Osakis—J. H. Wendell of Minneapolis has been elected cashier of the newly organized Farmers State Bank. The new bank is expected to commence business this month.

Menahga—G. R. Lee, formerly cashier of the First National Bank of Osakis has purchased an interest in the First National Bank here and has been elected cashier.

Sumter—The Farmers & Merchants State Bank which was recently chartered with a capital of \$10,000 has opened for business. A. H. Schultz is president and R. E. Kow, cashier.

Edgerton—At a meeting of the directors of the State Bank A. H. Jansen was advanced from cashier to vice president and C. H. Kellar was elected to succeed Mr. Jansen as cashier.

Holloway—N. E. Kiester and H. A. Schimnowski of Pipestone have purchased the interest of A. D. Schendel in the Farmers & Merchants State Bank. Mr. Schendel was formerly president of this bank.

Silver Creek (P. O. Hasty)—The Ulland Mealey Carley Company of Minneapolis has purchased an interest in the First State Bank. At a meeting of the directors the following officers were elected: S. J. Mealey, president; C. A. Hanneman, and J. R. Carley, vice presidents, and R. E. Nord, cashier.

NORTH DAKOTA

Mandan—At a meeting of the directors of the Farmers Equity State Bank John Timmerman was elected cashier to succeed Frank D. Herder, who resigned.

SOUTH DAKOTA

Spearfish—F. F. Harris of Sundance, Wyo., has been elected cashier of the American National Bank.

Gayville—Louis Aaseth of Gayville and J. V. Langdon of Mission Hill have purchased the interest of W. H. McMaster in the Security State Bank.

Mission Hill—W. H. McMaster has disposed of his interest in the Mission Hill State Bank to J. V. Langdon, the former assistant cashier and Louis Aaseth of Gayville.

WISCONSIN

Frederic—Harry W. Buck has been elected assistant cashier of the Farmers State Bank to succeed Charles Peterson.

New London—At a meeting of the directors of the bank of New London J. G. Hildebrand was elected president and M. P. Gallea, vice president.

Belgium—The Citizens State Bank which is being organized here with a capital of \$40,000 will succeed the Belgium State Bank. Henry J. Adam, formerly cashier of the Port Washington State Bank has been elected cashier.

Royalton—The State Bank has been chartered with a capital of \$15,000. John Sullivan, F. I. Dean, F. B. Stratton, William Craig and Xury Mitchell are the incorporators. The new bank will open for business about September 1.

Wauwatosa—The Wauwatosa State Bank has opened for business with a capital stock of \$40,000. The following are the officers: Gilbert J. Davelaar, president; Stephen J. Brouwer, vice president and Henry A. Digman, cashier.

Suamico—At a meeting of the directors of the newly organized Suamico State Bank the following officers were elected: Robert B. Vickery, president; Timothy Burke, vice president and H. A. Schroeder, cashier. The new bank is expected to open for business about September 1.

IOWA

Yorktown—F. L. Hall has been promoted from cashier to vice president of the Yorktown Savings Bank.

Galata—At a meeting of the directors of the First National Bank Ralph Wardrobe was elected cashier.

Walnut—F. T. Priester has been elected cashier of the newly organized Farmers State Savings Bank, which will open for business this month. Mr. Priester was formerly assistant cashier of the American State Bank here.

MONTANA

Bynum—N. M. Wertin has resigned as assistant cashier of the First State Bank.

Havre—C. I. Prouty has resigned as assistant cashier of the Montana National Bank.

Butte—The directors of the Metals Bank & Trust Company announce the election of the following officers: Charles J. Kelly, chairman of the board; James E. Woodward, president; Charles C. Swinborne, vice president; R. W. Palce, cashier and W. C. Rae, assistant cashier. This bank succeeds the Daly Bank & Trust Company.

NEBRASKA

Hebron—W. D. Galbraith will resign as cashier of the Thayer County Bank.

Gilead—Gilbert Frey has purchased an interest in the State Bank. At a meeting of the directors Mr. Frey was elected cashier.

Randolph—At a meeting of the directors of the First National Bank F. S. Stegge was elected vice president and E. A. Hoffman, cashier.

Auburn—Guy Rhodes has been elected assistant cashier of the Auburn State Bank. Mr. Rhodes was formerly with the Platte Valley State Bank of Scottsbluff.

Mascot—Articles of incorporation have been filed for the Farmers State Bank with a capital of \$10,000. F. P. Bloom will be the president and R. E. Miller, cashier.

Minatare—Application has been filed for a charter for the Farmers State Bank with a capital of \$20,000. H. T. Johnson will be the president, W. Van Riper, vice president and F. O. Hershman, cashier.

Peters—The following are the officers of the newly organized Peters National Bank: R. C. Peters, chairman of the board; M. D. Cameron, president; J. R. Cain, Jr., C. J. Galssen and W. S. Waston, vice presidents; Elmer Lindquist, cashier and R. D. Miller, assistant cashier.

OREGON

Cottage Grove—George M. Hall has disposed of his interest in the Bank of Cottage Grove to N. E. Glass.

WASHINGTON

Omak—W. E. Weeks has been elected cashier of the Citizens State Bank. Mr. Weeks was formerly cashier of the State Bank of Peck, Idaho.

Winona—C. K. Bell has been elected cashier of the Bank of Winona to succeed J. H. Detling. Mr. Bell was formerly assistant cashier of the State Bank of Connell.

CALIFORNIA

Los Angeles—The Home Savings Bank and the Hibernian Savings Bank have consolidated under the title of the Home & Hibernian Bank.

Pasadena—John Willis Baer, formerly with G. W. Van Dusen & Company of Minneapolis, Minn., has been elected president of the Union National Bank.

DON'T WORRY

About the sale of your bank—Just tell your troubles to us—*We sell them.*

The Charles E. Walters Company

1422-30 First National Bank Building

OMAHA, NEBRASKA

IDAHO

Peck—J. A. Haggemiller has been elected cashier of the State Bank to succeed W. E. Weeks, who resigned. Mr. Haggemiller was formerly assistant cashier of the First National Bank of Clarkston, Wash.

ILLINOIS

Springfield—The Commercial Trust & Savings Bank has opened for business at 319 East Monroe street.

BANKING NOTES

Cudahy, Wis.—The Cudahy State Bank has moved into its new home.

Newton, Iowa—The First National Bank has moved into a new building.

West De Pere, Wis.—The new building of the State Bank has been completed.

Reedsburg, Wis.—The building of the Reedsburg Bank is being remodeled.

Mitchell, S. D.—The building of the Mitchell National Bank is being remodeled.

Holdrege, Neb.—The Citizens State Bank has moved into its new building on Fourth avenue.

Cavalier, N. D.—The interior of the Merchants & Farmers Bank building is being remodeled.

Fall Creek, Wis.—The capital stock of the State Bank will be increased from \$15,000 to \$30,000.

Eagle, Wis.—The capital stock of the Bank of Eagle has been increased from \$15,000 to \$25,000.

Millwood, Wash.—The Millwood State Bank will erect a new building at a cost of about \$12,000.

Thief River Falls, Minn.—The new building of the First & Peoples State Bank is nearing completion.

Pierz, Minn.—Plans have been completed for the erection of a new building for the Pierz State Bank.

Melstone, Mont.—The capital stock of the Melstone State Bank has been increased from \$25,000 to \$30,000.

Marion, Wis.—The capital stock of the Farmers & Merchants Bank will be increased from \$10,000 to \$25,000.

Marshalltown, Iowa—The Marshalltown State Bank has moved into its new building which was erected at a cost of about \$200,000.

Casper, Wyo.—The Wyoming National Bank has awarded the contract for the erection of its new building, which will cost about \$300,000.

Duluth, Minn.—The newly organized Minnesota National Bank has secured a building on West Superior street, which will be remodeled for the banks use.

International Falls, Minn.—At a meeting of the stockholders of the International State Bank it was voted to increase the capital stock from \$30,000 to \$50,000.

Mt. Auburn, Iowa—A meeting of the stockholders of the Mt. Auburn Savings Bank has been called to vote on the question of increasing the capital stock from \$15,000 to \$25,000.

GOVERNMENT LOAN TO THE GREAT NORTHERN

Washington—Approval of three new loans to railroads aggregating \$18,915,000 was announced July 29 by the Interstate Commerce Commission.

A loan of \$17,910,000 to the Great Northern was approved to enable the road to purchase locomotives, steel ore cars, freight cars and for additions and betterments which will directly promote the movement of freight cars.

The Central of Georgia received \$815,000 for the purchase of additional equipment and the Atlanta, Birmingham and Atlantic \$200,000 to aid in meeting \$475,000, due July 19.

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Town of about one hundred in north central section of state. Capital \$10,000, footings about \$100,000, earning 20 per cent. Bank has no "other real estate" and there is no house in the deal. We can offer the entire issue of stock at about inventory value. Unsatisfactory paper will be taken out. The deal involves between \$12,000 and \$15,000; terms will be given, if desired. Let us hear from you immediately, if interested. Better wire us regarding this. File No. 28695.

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Outlook for Losses Must be Considered

Fire losses thus far in 1920 are showing where some of the "great profits" of 1919 were shadows instead of substance. The losses for June were nearly \$26,000,000 as against \$20,500,000 the previous June. The half year losses are \$164,500,000 as against \$131,000,000 the first six months last year. The present year's losses to date are heavier by twenty millions than in the heavy loss year of 1918.

There are here and there signs of moral hazard losses showing through but it may be taken as the real explanation of the increase that the advanced level of higher values is at last taking effect in connection with an era of carelessness and discouragement. We have not probably yet reached the crest of high cost losses nor has the acute stage been reached financially when moral hazard is fully developed.

If losses reach their normal proportion to covered values and no allowance is made for increased expenses it is plain that companies will have to be sympathized with in their problems rather than criticized in their technical details. With losses on a \$330,000,000 basis for 1920 as against a five year average of about \$250,000,000, the outlook is not very encouraging. The "profits" of last year are the life savers of this year.—Insurance Field.

BARRED FROM DOING BUSINESS IN MINNESOTA

St. Paul—The right of the Old Colony Life Insurance Company of Chicago to do business in Minnesota has been refused by the State Insurance Department.

Refusal of a license to a company said to have \$3,000,000 of insurance business in the state is based on alleged failure of the company to pay a claim arising out of the forest fires in the Moose Lake district in 1918.

The official records of the insurance department show that insurance policies were issued to Mr. and Mrs. Arvid Perela of Kettle River.

Mrs. Perela was a victim of the forest fire which destroyed also the Perela homestead, and farm buildings. The forest fires occurred before the policies had been delivered to the Perela family. The company, citing a clause in its policy which makes it necessary for a policy to be delivered before going into effect, refused payment of the policies.

WELL KNOWN INSURANCE MAN DEAD

After an illness of only four days, Charles W. Sexton, 2321 Blaisdell avenue, prominent nationally in the insurance world, and identified with insurance and banking interests in Minneapolis for 40 years, died August 1 in Northwestern hospital. He had been a resident of Minneapolis since 1884.

Mr. Sexton at the time of his death was president of the Charles W. Sexton Company, with offices in Minneapolis, Portland and Winnipeg, which he organized. He was vice president of the Ryan Agency, Ltd., of Winnipeg, chairman of the executive committee of the Minneapolis Fire & Marine Insurance Company, attorney in fact for underwriters of Lloyds at Minneapolis, and a director of the First

National Bank of Minneapolis and the Minneapolis Trust Company. He was formerly a director of the St. Paul Fire & Marine Insurance Company. He was treasurer of the Lafayette Club, Lake Minnetonka, of which he was one of the organizers, and was a member of the Minneapolis Club, Minneapolis Athletic Club, Minnikahda Club, Minneapolis Automobile Club, Heron Lake Lodge, Long Meadow Gun Club, and other organizations. He was prominent in Masonic circles, and was a thirty-second degree Mason.

Charles W. Sexton was born at Forestville, N. Y., July 21, 1854.

HAIL INSURANCE IN NORTH DAKOTA

Bismarck, N. D.—The state auditor's office sees a big year ahead in writing hail insurance warrants. It is estimated now that there will be 15,000 hail insurance warrants to be written in the auditor's office.

It now appears that there will be more than 10,000 hail losses for which claims are made on the state fund, and, in at least one-half the cases double warrants must be issued to joint-owners or losers.

BUILDERS ORGANIZE MUTUAL COMPANY

Sioux Falls, S. D.—For the benefit of members of the Master Builders Association, a state organization, a mutual liability insurance company was perfected at a recent meeting in Sioux Falls.

According to W. A. Snitkey, president, the company will be ready to write insurance within 30 days.

Main offices of the new company will be located at Aberdeen.

With a membership of 156 the association last year represented a payroll of \$1,952,000. This payroll represents a liability insurance premium of \$72,000.

The policies to be issued by the company will be in accordance with the usual standard form and will conform to the state compensation act, it was announced.

Mr. Snitkey was chosen president yesterday while Herman Stotle, of Redfield, and S. H. Collins of Huron were selected secretary and assistant secretary respectively.

It was voted to hold the next meeting at Madison September 8.

WAGES FOR FARM LABORERS IN SOUTH DAKOTA

Watertown, S. D.—The average wages paid for farm help throughout the harvest in Codington county will be \$4 a day for haying and \$4.50 a day for harvest with a 10-hour day, it was stated by L. V. Ausman, agent of the Codington county Farm Bureau here.

He declared that the farm bureau in this county, in keeping with the decision of most of the farm bureaus throughout South Dakota, has determined not to send out any harvest hands who demand more than \$5 a day and has taken the stand that farmers who intend paying more than this amount should secure their help independently of the farm bureau.

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President

WM. WALSH,
Secretary

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Larger Demand for High Grade Asbestos Causes Prospecting in United States

Washington—The demand for asbestos spinning fiber has in late years grown unusually strong, and this demand, coupled with the fact that the United States is largely dependent on Canada for high-grade asbestos, has enabled the asbestos syndicate of Canada, which controls most of the world's supply, to fix prices for the raw material that are so high as to make the manufacture of textile fabrics of asbestos by those outside of the syndicate unprofitable. Thus American manufacturers who do not own Canadian mines are at a great disadvantage. For these reasons much attention has been given to the search for spinning fiber in South Africa and in the United States to meet the increasing demand.

Arizona Most Promising Deposits

Arizona is the most extensive producer in the United States, although its output of spinning fiber is not large as compared with that of Canada. The growing interest taken in Arizona fiber by asbestos manufacturers in the United States is encouraging. The total quantity of asbestos sold in the United States in 1919 was 1,002 tons, of which 420 tons came from Arizona, where there are two promising areas, one in the Grand Canyon and the other about 40 miles northwest of Globe. The route to the deposits in the Grand Canyon has recently been changed, and a small output was made in 1919. Part of the output was sold to customers in America, and the remainder was sent to Japan. Nearly all the asbestos mined in Arizona, however, comes from the region northwest of Globe, where the Arizona Asbestos Association, on Ash Creek, and the American Ores & Asbestos Co., in the Sierra Ancha at the head of Pocket Creek, are the principal operators. A number of smaller producers and shippers considerably increased the total output in 1919.


Total Output in 1919 and 1920

The total output for the United States in 1919 was about as follows: Arizona, 420 short tons, chiefly spinning fiber; California, Georgia, North Carolina, Maryland, and Wyoming, 582 short tons, most of it of low grade. Wyoming reports the sale of a small quantity that had been mined in 1918. The production of 1920 will be larger than that in 1919, and the most notable feature of the production is the fact that most of the fiber produced in Arizona is of spinning grade. Nearly 237 short tons was shipped from mines in Arizona alone during January, February, and March, 1920. If mining is continued at this rate throughout the year the output of Arizona in 1920 will be about 1,000 tons.

Imports

The asbestos imported into the United States in 1919 amounted to 135,270 short tons, valued at \$7,369,000. More than 99 per cent. of the asbestos imported into the United States comes to compete with our domestic fiber, greatly to the advantage of the Canadian producer.

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Recent Legal Decisions

Adjudication that bankrupt not insolvent is not *Res Judicata* as to validity of petitioning creditor's claim. South Dakota laws as to obligations taken for patent rights does not apply to purchase of patented articles.

Action on a note by the Granite City Bank against Sigrid Tvedt and another. Directed verdict for plaintiff, and, from an order denying a new trial, Sigrid Tvedt appeals. Order affirmed.

Action upon a promissory note in which the court below at the conclusion of the trial directed a verdict for plaintiff for the amount claimed with interest. Defendant appealed from an order denying a new trial.

It appears from the record that on the 21st day of March, 1916, defendants made and delivered to one E. D. Aldrich their certain promissory note for the sum of \$2,000, due and payable on the 1st day of October, 1916. Aldrich in the due course of business and for value indorsed and transferred the note before maturity to plaintiff, and plaintiff is now the owner and holder of the same. The action was brought to recover upon the note. Defendant Thomas Tvedt was not served and is in no way involved in the action. The answering defendant, Sigrid Tvedt, interposed by her answer two separate defenses, namely: (1) That the note was made and delivered in the state of South Dakota, in consummation of a transaction had in that state, the place of residence of all the parties; that the note was given for a patent right and is void and unenforceable by reason of the failure of the payee to indorse or cause to be indorsed on the face thereof the fact that it was so given, as required by the statutes of that state; and (2) that the validity of the note was in litigation in certain bankruptcy proceedings against the answering defendant pending in the Federal court for the district of South Dakota, and was there adjudged invalid and void for the failure of compliance with the laws of that state in the respect stated.

On motion of plaintiff the second defense was stricken from the answer and no evidence thereof was offered on the trial. The court ruled that the evidence failed to establish the first defense, and a verdict for plaintiff was directed accordingly. Both rulings were excepted to, and the assignments of error present them as the only questions urged in support of the appeal.

The facts made the basis of the second defense, so stricken out by the court, are fully set out in the answer and are not in dispute. It appears that some time prior to the commencement of the action involuntary bankruptcy proceedings were initiated against defendant in the Federal court of South Dakota on the petition of plaintiff herein, in which it was alleged and stated that plaintiff was a creditor of defendant, and that she was insolvent and unable to pay her debts. Defendant appeared in the proceeding and by her answer put in issue the alleged indebtedness to plaintiff, the petitioning creditor, and also the allegations of her insolvency, and demanded, as she


had the right under section 19a of the Bankruptcy Act (United States Comp. St. § 9603), a jury trial of the issue of insolvency. Her demand was granted by the court, and that issue was thereafter in the due course of procedure duly submitted to a jury. The jury found that defendant was not insolvent, and judgment dismissing the proceedings was thereupon duly rendered and entered by the Federal court.

The contention of defendant that the judgment in that proceeding is *res judicata* of the question as to the validity of the note in suit is not sustained. It seems clear that the judgment can have no such effect. The question was not in fact litigated in that proceeding, defendant had no right to a trial of that feature of the bankruptcy proceeding before the jury (3 Ruling Case Law, 208), and the trial was limited to the single issue of insolvency. With that question determined in favor of defendant, the proceedings were at an end, and nothing remained but to dismiss them; which was accordingly done. The validity of the note was not involved in the issue tried, nor was the determination thereof necessary to a decision of the issue of insolvency. The question would probably be different in a case where an adjudication of bankruptcy is made, for that conclusion, presumptively at least, would include a finding of the existence of creditors and perhaps the validity and extent of their respective claims. *Brandenburg, Bankruptcy* (4th Ed.) § 648. But the trial and determination of the preliminary question of insolvency in this case went no further and embraced no other specific issue, presumptively or otherwise.

The facts are also undisputed as to the first defense, which the trial court held not sustained by the evidence. It appears that the Williams Investment Company, a corporation of South Dakota, with its place of business at Sioux City, that state either owned or had the exclusive sale in certain territory of a patented article or device known as "Wolf's Automatic Fire Extinguisher and Thermostat." The answering defendant, Mrs. Tvedt, was engaged in mercantile business at Sherman, South Dakota, in the management of which she was assisted by her son, Thomas Tvedt, codefendant in the action. The son was anxious to get into some other occupation, and his mother was willing to lend her assistance in that respect. They finally came in contact with Aldrich, who was the agent and representative of the Williams Company, and subsequent negotiations between them resulted in the contract involved in this action, the basis of defendant's first defense. By the terms of the contract Thomas Tvedt was appointed the exclusive agent of the Williams Company for the sale of the patented articles in certain specified territory, partly in South Dakota and partly in Minnesota, for the definite period of 24 months. In consideration of which, the contract reads, Tvedt thereby purchased of the Williams Company 1,000 of the patented articles, thus equipping himself for the performance of the contract and

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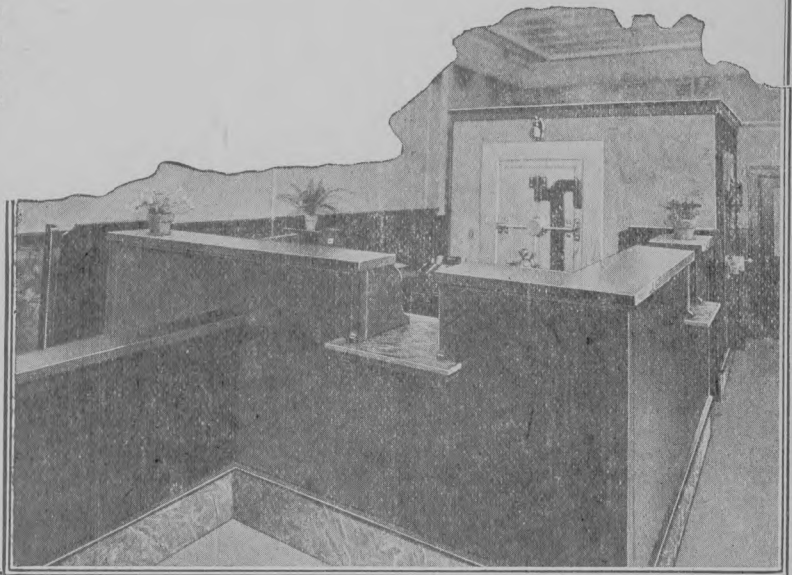
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the exercise of the exclusive agency granted to him. The purchase price of the articles was fixed at \$15 each; the note in suit represents a down payment thereon of \$2,000, the balance being payable as the articles were subsequently ordered by Tvedt and at the rate of \$12 each, which the company agreed to ship as the orders came in, f. o. b., at Sioux Falls. The contract was signed in the name of the Williams Company, by Aldrich, its agent, and by Thomas Tvedt and his mother, defendant herein.

The answer contains no suggestion of a breach of the contract by the Williams Company, or that the patented articles were not as represented or of the value agreed to be paid therefor. The sole claim in this branch of the case in that the contract amounted to the sale of a patent right, or of an interest therein, and that by reason of the noncompliance with the South Dakota statute the note in suit, given in part performance thereof, is null and void. If that view of the contract be the correct one, the contention that the note is null and void is sustained by the Supreme Court of that state in Citizens' National Bank vs. Rowe, 36 S. D. 151, 153 N. W. 939, where the point was directly decided. The decision is fully supported by the authorities, eight Corpus Juris 154, § 162. The law of South Dakota controls the rights of the parties. But the trial court held the contract not within the statute, and it that conclusion be sound there must be

(Continued on Page 50)

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


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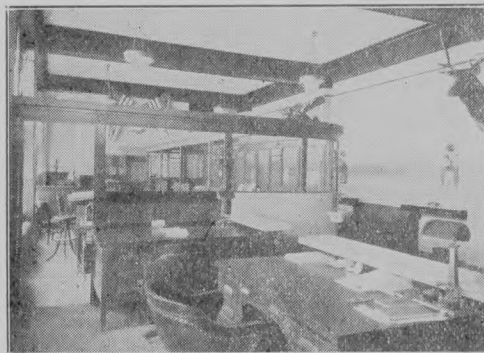
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Foreign Trade of 1920 Compared With Figures for 1914

An Analysis Prepared by the Statistical Department of The National City Bank of New York

It is now possible, with the complete figures of the total trade of the United States in the fiscal year 1920, to compare the trade of the first fiscal year following the war with that of the last fiscal year preceding the war. These figures which present this analysis of the foreign trade at the present time, compared with that of the fiscal year 1914 which ended just before the outbreak of the war, indicate tremendous gains, though it must be remembered that in nearly all cases a considerable part of the gains are due to higher prices. In practically all instances, however, there is a large advance in the quantity of the merchandise both imported and exported.

Imports as a whole which stand at \$5,239,000,000 for the fiscal year 1920, show an increase of 177 per cent. over the fiscal year 1914, when they were \$1,894,000,000. Exports, which stand at \$8,111,000,000, show an increase of 243 per cent. over 1914, when they stood at \$2,365,000,000. Of domestic exports only, excluding the foreign merchandise re-exported, the total stands in 1920 at \$7,950,000,000, or 241 per cent. over 1914, when the total was \$2,330,000,000. Re-exportation of foreign merchandise shows large gains, the total for 1920 standing at \$160,000,000 against \$35,000,000 in 1914.

Imports of Raw Materials

Manufacturing material showed the largest increase on the import side, and food and manufactures the big increases on the export side. The value of the raw manufacturing material imported jumped from \$634,000,000 in 1914 to \$2,160,000,000 in 1920, an increase of 241 per cent. This increase occurred in many lines of articles, but especially in india rubber, raw silk, raw cotton, wool, hides and skins, and tin. Of the 10 principal manufacturing articles imported of a character which can be reduced to a uniform basis of pounds, namely, cotton, wool, silk, fibers, rubber, hides and skins, tobacco, tin, copper, and gums, the quantity, measured in pounds, increased a little less than 50 per cent. when comparing the 1920 imports with those of 1914, while the total value of the same articles increased to a much greater extent.

Our Imports of Cotton and Silk

These increases in manufacturing material are in many cases extremely large, and illustrative of the great activity of the manufacturing industries of the country. Raw cotton, for example, imported in 1920 shows a total of

slightly more than 340 million pounds against 123 million pounds in 1914; wool shows a total for 1920 of approximately 420 million pounds against 238 million in 1914, and raw silk, despite the very high prices of 1920, which are three times as much as in 1914, aggregated in the fiscal year 1920 46 million pounds, stated in round terms, against 29 million in 1914, while the unexampled demand of the people of the United States for silk and silk goods are evidenced by the fact that the sum paid for raw silk imported in 1920 was in round terms \$430,000,000 against \$98,000,000 in 1914.


Large Importation of Rubber

Of india rubber, the increase in quantity was equally startling, the total quantity imported in the fiscal year 1920 having been considerably over 600 million pounds against 132 million in 1914, this increase being largely due to the demand for use in conjunction with the automobile industry, though it is proper to add that exports of rubber manufacturers grew from \$12,000,000 in 1914 to approximately \$70,000,000 in 1920. Hides and skins also show a tremendous increase in our demand upon foreign countries, the quantity imported in the fiscal year 1920 amounting to about 800 million pounds against only 561 million in 1914, while the value of the 1920 imports of this class was in round terms \$375,000,000 against \$120,000,000 in 1914.

Our Exports

On the export side the startling changes occur in manufactures and foodstuffs. Manufactures ready for use show a total of exports amounting to approximately \$2,850,000,000 against \$725,000,000 in 1914, being nearly four times as much in value in 1920 as in the year before the war. To what extent this enormous increase is due to higher prices cannot be closely determined, though a comparison of the export figures of 1920 with those of 1914 show very large increases in quantities in all of the important articles in which quantities are shown in the official reports of exports. Cotton cloths, for example, show a total of about 875 million yards exported against 415 million in 1914; tin plates 450 million pounds against 106 million in 1914; sheets and plates of iron and steel, 2,300,000,000 pounds against 834 million in 1914, and boots and shoes 20 million pairs in 1920 against 9,900,000 pairs in 1914. Foodstuffs also show very large increases in total values of exports, advancing from a little less than \$500,000,000 in 1914 to over \$2,000,000,000 in 1920.

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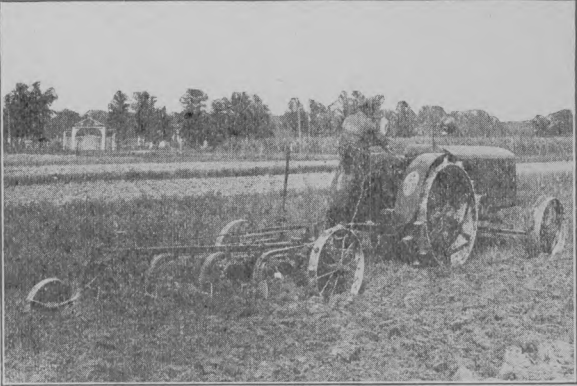
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Our location is such as affords Banks of the Northwest prompt service on all items sent us.

Comment on the Latest Bank of North Dakota Statement

According to the most recent bulletin, bearing date of July 15, the Bank of North Dakota had in "cash and due from banks" the sum of \$12,302,358.33. Even if you permit Mr. Cathro to take \$3 out of the cash drawer for his day's meals, that would leave \$12,302,355.33—quite a comfortable sum, one would say. Yet despite this balance, the Bank of North Dakota negotiated a loan of \$1,000,000, from Chicago bankers, on which it pays seven per cent. interest. Just why this million dollars was borrowed, it is impossible to guess, and under the dark and mysterious policy of conducting our public affairs inaugurated by Governor Frazier, taxpayers are denied any information regarding the finances of our new state industries.

One might guess that the funds of the bank had been exhausted by loans to farmers, but the report itself disclosed that such is not the case. Even including the loans made to land speculators and the friends and relatives of league employes, the total amount loaned to pay farm mortgages has been but \$2,759,385.30.

One of the big items is "Bills receivable, rediscounts and public transfers." The last named item is the most interesting one. Taxpayers will recall that the bank is empowered to make loans to any state industries, by a mere book transfer. "Public Transfers" may therefore cover up loans to various state enterprises, such as the state mill or the Drake mill. These "loans" may aggregate as much as \$2,895,575, or any part of that sum. Only Providence and Mr. Cathro know.

Also it would be very interesting to know how much of the \$12,300,000 in "cash and due from other banks" is on deposit outside the state. How much of it is in New York banks to be loaned to Wall street speculators? How much of it is kept on deposit with these Chicago bankers at maybe two or three per cent. in return for that \$1,000,000 loan at seven per cent? Experienced bankers can see no valid reason for keeping anything but a nominal deposit with Eastern banks, yet it has been charged that the state bank has as high as \$10,000,000 on deposit outside the state. Whether this is true, or not, The Forum doesn't know. Whether these big deposits are used to grease the financial pathway of Messrs. Lemke, Townley, Waters, and the rest of the gang, in their personal ventures, The Forum doesn't know. And there is no way of finding out as long as we have a Rubber Stamp sitting in the governor's chair, willing to obey implicitly the orders of the gang. But we do know that in these days of tight money a banker would go quite a long way to please a man who controlled a \$10,000,000 deposit. He might even buy some sisal trust stock, or finance a moribund newspaper. In this connection, Mr. Waters' activities as a sisal stock peddler, are interesting and pertinent.—Fargo Forum.

SUMMARY OF THE NORTH DAKOTA CROP SITUATION

Fargo—The Forum during the past week has collected

data as to crop conditions in each county of North Dakota. Summing up the situation then, the reports show:

That North Dakota will have a good, average yield of early wheat, a good crop of rye, flax and barley.

That the late grain yield will be cut considerably by black rust.

That the potato crop will be generally good if needed rains are forthcoming.

That the hopper situation is not particularly serious now with the exception of in a few counties, such as Bottineau and Renville and in the northwest section, and a few counties in the central portion of the state.

That the Slope country is going to harvest the best crop it has produced in several years.

That with good rains the northwestern section of the state will be able to harvest a fair yield on the average and good yield in some sections.

That cutting of the early wheat which is under way now in some sections will be general within a week or ten days.

RAILROADS IN NORTH DAKOTA PAY \$175,000 TAX

Bismarck, N. D.—Railroads operating in North Dakota have paid approximately \$175,000 income tax under the state law.

The payment of the tax, it is said, marks the first case of the payment of large sums of taxes imposed by the legislature of 1919 which have been paid without a lawsuit.

The Soo lines, it is understood, paid the income tax under protest, while the Northern Pacific, Great Northern and Chicago, Milwaukee and St. Paul lines paid the tax without protest. The amount paid by the Northern Pacific is understood to have been the largest amount, slightly exceeding that of the Great Northern.

The legislature in 1919 enacted an income tax law which provided an income tax to be paid by individuals, and in addition a tax of three per cent. on the net income of corporations, firms or joint stock companies.

COOPERATION IN MARKETING WOOL IN NORTH DAKOTA

Fargo, N. D.—Forty-eight thousand pounds of wool from Barnes county and 33,000 pounds from Cass county, or a total of 81,000 pounds, was shipped to Fargo last week to be held in warehouses until prices warrant sale.

The shipments were made through the work of the newly organized North Dakota Federation of Wool Growers of which J. W. Haw of Fargo, is secretary.

Other counties are expected to join the North Dakota federation and it is predicted that within a short time every county in the state will be a member.

By the concentration or pooling of all of the North Dakota wool in Fargo it is thought there will be between 1,000,000 and 2,000,000 pounds, which will enable the state federation to secure competent grades and build up grading lines of wool in large quantities to attract buyers.

A minimum charge will be maintained by the federation for storage, insurance, grading, salesmanship, resacking and shipment.

BUILDING AT SIOUX FALLS

Sioux Falls, S. D.—Although there was little visible new building during July, there was a total of 37 building permits issued for construction of \$76,220 worth of buildings in Sioux Falls, according to the report of George B. Harris, building inspector.

Of this number 15 were residences ranging in value from \$1500 to \$6000 and the largest single item for the new heating plant for the All Saints school which is to cost \$11,000.

We pay
6% on Certificates of Deposit
for six months or a year.

Deposits guaranteed under State Guaranty Law.

We have on hand and offer for sale, first mortgage real estate loans at 6%.

Our carefully made loans secured by cattle are choice, liquid 6% investments for banks.

Your inquiry invited

SECURITY STATE BANK

NEW ENGLAND, N. D.

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
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Largest Bank in South Dakota

South Dakota's Rank As An Agricultural State

Pierre, S. D.—South Dakota, one of the chief agricultural states of the great Northwest, produced over \$625 per capita of new wealth, according to the statement sent out by Charles McCaffree, immigration commissioner, and who has recently been elected secretary of the Sioux Falls Chamber of Commerce. This state has ranked first in per capita production of agricultural products for the past 15 years and some idea of its standing is gleaned from the final Government report of 1919, on which Mr. McCaffree bases his statement. This report shows the following figures:

| | Bus-Tons. | S. Dak. | U. S. |
|----------|------------|---------|-------|
| Corn | 91,200,000 | 29.6 | 26.13 |
| Wheat | 30,175,000 | 13.6 | 14.3 |
| Oats | 53,650,000 | 34.9 | 32.4 |
| Barley | 19,250,000 | 26.64 | 25.6 |
| Rye | 6,500,000 | 16.9 | 14.8 |
| Flaxseed | 1,160,000 | 8.96 | 7.3 |
| Potatoes | 4,500,000 | 82.4 | 92.5 |
| Hay | 1,558,000 | 1.75 | 1.56 |
| Wild hay | 3,728,000 | | |

After satisfying all needs for home consumption South Dakota exported in 1919 over \$400,000,000 worth of farm products, the main items of which were:

| | |
|------------------------------|---------------|
| Corn | \$ 20,857,000 |
| Wheat | 124,800,000 |
| Oats | 22,115,000 |
| Barley | 25,117,000 |
| Flaxseed | 1,377,000 |
| Potatoes | 8,000,000 |
| Dairy, poultry, fruits, etc. | 50,000,000 |
| Livestock | 154,631,000 |

This constitutes for our estimated population of 640,000 over \$625 for each man, woman and child.

The last assessment shows a total of \$2,095,154,276.66. This amount, if equally divided, would give \$2,993.00 for each person or \$14,965.40 for each family (taking five as the average per family) throughout the state.

South Dakota takes justified pride in the wealth that is secured each year in increasing quantity from its soil. Probably no other item shows the potentialities for wealth of its farm lands as the increase in its bank deposits from year to year. In 1910 its bank deposits were \$87,783,967.78. In 1920 these are \$285,617,276.66, an increase over 1919 of \$79,121,202.77. If you were to divide our 1920 deposits equally among the population of the state, you would be able to give each man, woman and child over \$400.

AVERAGE PRICES FOR SOUTH DAKOTA RANGE HORSES

Pierre, S. D.—A number of horses have been rounded up on the ranges of the northwest counties of the state and sent to market as a trial out on prices.

Carload lots of this class of horses were sold on the St. Louis market at an average of \$32.67 per head, which is about what the range owners can look to as the average price.

Of course, this average is subject to variations on different days of the market, but it is believed that the general run will not be much greater than this.

VALUE OF PROPERTY IN DAVISON COUNTY, SOUTH DAKOTA

Mitchell, S. D.—Davison county's real estate and personal property this year is worth \$35,757,602, according to

the final report of the county commissioners, who have been sitting as a board of review.

The valuation placed on county property, in spite of exemptions, is \$6,373,018 higher than that turned in last year.

Real estate in the county is valued at \$29,479,189 this in the county is assessed at \$6,278,413 against \$5,795,390 in 1920.

DEPOSITORS IN BON HOMME COUNTY BANK TO BE PAID IN FULL

Sioux Falls, S. D.—John Hirling, state superintendent of banks, who recently took control of the Bon Homme County Bank, after it had failed, has given notice that depositors will be paid in full. Such sum as may be lacking after the assets of the bank have been transformed into cash, will be made up from the state bank guaranty fund. Latest estimates place this amount at \$240,000.

SOUTH DAKOTA ACQUIRES PLEASURE RESORT

Custer, S. D.—The final act of transferring Sylvan lake, a fine summer resort near here, to the state of South Dakota has been completed and the lake now takes its place as a state resort. The recent special session of the legislature authorized the purchase of the lake and hotel and other buildings for the sum of \$58,000. It is agreed by those familiar with the lake and other property that the state got a real bargain.

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

Metals Bank and Trust Company of Montana

Butte, Mont.—The Daly Bank and Trust Company has been changed to the Metals Bank and Trust Company. The new order became effective August 1.

The capital stock of the institution has been increased from \$100,000 to \$200,000 and the surplus to \$200,000. The directors have been increased from five to nine in number. All of these changes were authorized at a stockholders' meeting at the Daly bank.

Added to the directorate are Cornelius F. Kelley, president of the Anaconda Copper Mining Company, and Thomas A. Marlow, president of the National Bank of Montana of Helena.

Charles S. Swinborne, for many years cashier of the bank, is made vice president. Ralph W. Place, formerly assistant cashier, becomes cashier. William C. Rae is named as assistant cashier.

The expiration of the trust provisions of the Marcus Daly will cause the Daly bank holdings to be distributed among Mr. Daly's heirs, one of whom has since died, causing a further division for the stock. Under these circumstances the Daly family concluded to sell its holdings to men who are actively engaged in business enterprises in the state and who have the financial strength to not only safeguard the deposits of the bank, but likewise, because of their business activities, to enlarge its scope of usefulness to the community and build it into a larger institution. This group of men included John D. Ryan, C. F. Kelly, Chas. J. Kelly, J. Bruce Kremer, L. O. Evans and Harry A. Gallo-way of Butte, James E. Woodard, formerly of Lewistown, now of Butte, Thomas A. Marlow and Norman B. Holter of Helena.

The Daly Bank and Trust Company of Butte was established in 1882 under the name of Hoge, Brownlee & Co., bankers. In February of 1901, the bank was incorporated, and it was at this time that John D. Ryan was elected a member of the board of directors and was made vice president and managing officer of the bank. In February of 1902 Mr. Ryan was elected president of the bank, and ever since that time he has been an officer and director. In 1907 the late John G. Morony became president of the bank. He was succeeded in December of 1911 by Charles J. Kelly, who has been president of the bank since that time up to the present time when he was elected chairman of the board and James E. Woodard, president of the Bank of Fergus County at Lewistown, succeeded him as president of the Metals Bank and Trust Company.

The new directorate of the Metals Bank and Trust Company is as follows:

John D. Ryan, Cornelius F. Kelley, Thomas A. Marlow, Charles J. Kelly, James E. Woodard, J. Bruce Kremer, Harry A. Gallwey, L. O. Evans and Charles C. Swinborne.

BEEF SUGAR FACTORY FOR FORSYTH

Forsyth, Mont.—A group of Yellowstone Valley bankers and business men are developing plans for the construction of a sugar beet factory at Forsyth which will have a capacity of 85 tons of sugar daily.

The organizers and directors of the new company, which is to be known as the Montana Sugar Company, include such well known men as the following: President, Major John E. Edwards, president of the Bank of Commerce, Forsyth; vice president, Henry Schlueter, vice president of the First National Bank of Rosebud; secretary, W. A. Dennison, cashier of the American National Bank of Forsyth; treasurer, E. F. Meyerhoff, president of the First National Bank of Forsyth; R. S. Nutt, president of the Yellowstone Valley Bank & Trust Company of Sidney, Montana; and C. N. Luke, vice president of the Miles City National Bank of Miles City.

It is stated by officers of the new company that they have already contracted with farmers in the valley for the growing of beets on between 5,000 and 6,000 acres of suitable land, which will be ample to take care of the needs of the plant. The refinery proposed to be built will cost \$1,500,000 and will have a daily slicing capacity of 600 tons. Based on the average yield of sugar per ton of beets—284 pounds—the refinery will have a daily capacity of 85 tons of sugar during the sugar making season.

The Montana Sugar Company, it is announced, will have a capital stock of \$2,000,000, divided into 200,000 shares of \$10 par value each.

MONEY IN MONTANA STATE BANKS

Helena—According to figures compiled by state bank examiner H. S. McGraw, residents of Montana have on deposit in 286 banks in this state the sum of \$91,898,809.

All banks in the state other than national banks have total resources of \$124,136,543.73 according to the call of June 30. The call shows that the banks of the state are in excellent condition.

TO PROMOTE IRRIGATION IN MONTANA

Helena—An irrigation survey is to be made of Montana this summer by the state irrigation commission.

Looking to adoption of a general plan for reclamation of 60,000,000 acres of Montana land, engineers of the commission are now in the field for survey which will take 60 to 90 days to complete.

Investigations of every water supply and areas contiguous which may be reclaimed by irrigation will be made and the method of operating the irrigation commission law of Montana will be explained by the engineers at public meetings to be held in various centers.

GOOD OUTLOOK FOR COPPER

Butte, Mont.—President C. F. Kelley and Vice President B. B. Thayer of the Anaconda Copper Mining Company were in the city recently attending to various matters connected with the company's affairs, after which they went to outside districts to inspect company property. In Great Falls Mr. Thayer, who has been in Chile, South America, on several occasions, looking over the construction and mining work of the Andes Copper Company, controlled by the Anaconda company, had a conference with Manager Wallace of the Andes company, who is making his first visit to America since his appointment to the position of manager of the company. The work going on in Chile was carefully gone over and Mr. Thayer expressed himself as well satisfied with the progress of the work there.

Mr. Thayer, in speaking of the work going on at the Great Falls smelter, said that practically all the plants were operating to capacity and that the quality and quantity of zinc being turned out was very satisfactory. He said that he found the Great Falls plant all in good order. Mr. Thayer says that the market conditions for copper were improving, and he looked for a good demand for the red metal this coming fall.

AUCTION OF WYOMING PUBLIC LANDS

Washington—Two thousand five hundred acres of irrigable and grazing lands in Johnson county, Wyo., are to be sold to the highest bidder at Buffalo, Wyo., commencing at 1 a. m., October 11, according to announcement made by the commissioner of the general land office.

These lands are the remaining tracts formerly comprising the old Fort McKinney reservation, and cannot be sold at less than the appraised price. The lands run from grazing lands appraised at \$5 per acre to "cultivable and irrigable" lands averaging \$10 per acre valuation, but in some instances appraised at \$22.50 per acre. Detailed de-

FIRST MORTGAGE LOAN COMPANY

*Farm Mortgages
Investment Banking*
GREAT FALLS, MONTANA
*Commercial and
Savings Banking*

NORTHERN NATIONAL BANK

scription and appraised valuations of each tract may be had on application to the register and receiver of the land office at Buffalo, Wyo.

NEIHART MINES RESUME OPERATIONS

Butte—All the silver properties in the Neihart district are again in operation after some being closed down for several weeks on account of a strike among the miners. In the Silver Belt mine of the Neihart Silver Mining Company there has been uncovered a vein of four feet of ore which runs 35 per cent. lead and fifty ounces in silver. The discovery was made on the 200-foot level. The property is being worked under the contract system, and the results being secured are said to be very gratifying.

SOUTH DAKOTA'S SCHOOL FUND

Pierre, S. D.—Over \$27,000,000 was in the permanent school fund of this state at the close of the last fiscal year.

The summary of the trial balance of the state land department June 30 showed the total to be \$27,434,983.83.

Of this \$13,523,789.41 is in the shape of outstanding payments on land sales. The largest amount of this is in Marshall county, with \$1,984,789.81, and Spink is next with \$1,275,048.12.

Outside of the amounts due on land sales, investments in bonds in the different counties of the state amount to \$13,911,194.44, which two sums make up the total amount of the fund.

The interest and income fund at the close of the year amounted to \$1,403,756.03.

This will be distributed to the different counties for their school funds in December, but before that time the collections for August 31 and November 30 will be made, and the fund is likely to go over \$1,500,000 before it is sent out to the counties, giving them a good-sized boost in the matter of their school expenditures for the next year.

REAL ESTATE VALUATION OF YANKTON

Yankton, S. D.—There was a gain of nearly \$1,000,000 in the real and personal property assessable in the city of Yankton during the last year, according to the annual report of City Assessor J. P. Resner, filed with the city commission.

Real property and structures this year totalled \$3,786,380 and personal property \$1,562,795, a grand total of \$5,349,175.

For the year 1919 the real property and structures figured at \$3,209,130 and the personal property \$1,193,090, a total of \$4,402,220. The gain for 1920, therefore, was \$946,955, or nearly \$1,000,000.

To this, of course, is to be added the income from the taxation of telephone and telegraph lines, railways, etc.

STOCKMENS NATIONAL BANK
COLUMBUS, MONTANA

Capital and Surplus \$55,000

Adjoining the Stillwater Valley and known for its stock raising and large grain production.

We pay 6% interest on Time Certificates of Deposit
Correspondence invited.

DALY BANK & TRUST COMPANY of BUTTE

Announce the change of name to

METALS BANK & TRUST COMPANY

BUTTE, MONTANA

Increase in capital stock from \$100,000 to \$300,000 with directors as follows:

JOHN D. RYAN
CORNELIUS F. KELLEY THOMAS A. MARLOW
CHARLES J. KELLY J. BRUCE KREMER
H. A. GALLWEY L. ORVIS EVANS JAMES E. WOODARD
CHARLES C. SWINBORNE

Officers

CHARLES J. KELLY, Chairman of the Board
JAMES E. WOODARD, President R. W. PLACE, Cashier
CHARLES C. SWINBORNE, Vice President W. C. RAE, Assistant Cashier

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
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Your inquiry will receive courteous attention

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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

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Prompt and efficient Service in all banking matters

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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
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Address "B 7" Commercial West, Minneapolis

We pay 6% on Time Certificates

Will appreciate your business.

THE FIRST NATIONAL BANK

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Capital, Surplus and Undivided Profits \$40,000.00

STATE BANK 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.

MANITOBA

CANADA'S OLDEST PRAIRIE PROVINCE

FROM the days of 1821, when Nicholas Garry founded the village on the Red River which bore his name—now the City of Winnipeg—down through the years to the present time, Manitoba has been a prominent factor in the life of Canada.

ALL the produce from the vast agricultural West passes through Winnipeg, its capital, which is one of the great wheat centres of the world. In recent years the annual average wheat yield of the Province has exceeded 50,000,000 bushels.

REALIZING the commercial importance of Manitoba and its possibilities for future growth, The Canadian Bank of Commerce has established 33 branch offices throughout the Province, each one of which offers complete banking facilities.

THE CANADIAN BANK OF COMMERCE

Capital \$15,000,000 **Reserve \$15,000,000**

Oil-Shale in Canada to be Utilized

The recent explorations of Dr. M. Y. Williams, of the Dominion geological survey in Northern Ontario, which led to the discovery of large deposits of oil shales on the Abitibi and Mattagami rivers south of Hudson Bay, adds another Canadian locality to the potential oil producing areas of the world. Oil shales have been found in other parts of Canada and the albertite deposits in the Maritime Provinces are among the richest and largest in the world.

Albertite is a solidified mineral pitch, dark black in color like hardened coal tar. It is different from the oil shales of Northern Ontario, which are bituminous limestones. The largest deposit of pure albertite occurs in Albert county, N. B. They yield between 90 and 120 gallons of oil and 80 and 90 pounds of ammonium sulphate per ton. The shale has been tested and proven commercially valuable. In Nova Scotia there are also valuable deposits, and in Newfoundland there are wide areas covered with oil impregnated shales.

Oil Shales in Scotland

It is in Scotland that the production of oil from shales has reached its greatest development. The deposits are situated near Edinburgh and have been developed for seventy years. The industry has flourished during that time, and the annual production consists of 20,000,000 gallons of burning oils, 5,000,000 gallons of naphtha, 22,000,000 gallons of lubricating oils, 25,000 tons of paraffin wax and 54,000 tons of sulphate of ammonia. The refineries make special oils for lighthouses and have valuable contracts with the Admiralty for supplying fuel oil for British warships.

Shale beds are mined exactly like coal deposits. In Newfoundland and New Brunswick the deposits outcrop on the surface and can be quarried rather than mined. On the Abitibi river, if transportation ever makes development of the shales possible, there will be little difficulty in quarrying or mining as the outcroppings on the river bank are exposed as high as 30 feet in some sections.

When taken out of the mine the shale is crushed into coarse blocks about the size of an ordinary brick. It is then fed into large hoppers placed above the retorts, but connected with them so that they can be automatically fed. A single retort of the type used in Scotland extracts the total oil and ammonium contents from 14 tons of shale every 24 hours.

The retorts are fired by gases from the distilling works. The gases given off from the shale are drawn into collecting chambers and passed through ordinary water-cooled pipe condensers made from four-inch pipes arranged in vertical stacks. Ammonia water and crude oil are collected in the condensers and drawn into tanks while the oil rises to the surface and is drawn off to other tanks.

This is a general sketch of the processes followed in extracting the petroleum products from the shales. Shales vary greatly in different localities, not only in their geological aspects but in the percentages of the various products

they contain, and variations of the process are necessary.—Financial Post.

CANADA'S EXPORTS TO THE UNITED STATES

During the three-year period ending May last, Canada's exports to the United States amounted to \$1,335,000,000, with imports from that country valued at \$2,312,000,000 leaving an adverse balance of \$976,460,000. The prevailing high premium on New York funds has not so far checked the tendency of this balance to increase. At the same time there is a gradual but consistent contraction of Canada's favorable balance of trade with other countries. For the twelve months ending May last, many exports declined slightly, while imports increased 38 per cent. A scrutiny of the principal articles imported will show decided increases in the value of chocolate, motor cars, tobacco, sugar, silks, ribbons, musical instruments, jewelry, furs, books, cotton and wool. It is also noticeable that imports of meats and breadstuffs—typical products of the Dominion—have increased.—Commercial Letter of the Canadian Bank of Commerce.

New Canadian Bank of Commerce Officers

Toronto—Sir John Aird and Sir Thomas White were appointed vice presidents of the Canadian Bank of Commerce at a meeting of the board of directors on July 23. The former has been general manager of the bank since 1915, and the latter was elected a director last November. Sir Alexander Mackenzie, of Dio de Janeiro, president of the Brazilian Traction, Light and Power Company, was also elected a director. The promotion of Sir John Aird, who continues to hold the position of general manager, comes after 41 years' service with the bank, he having entered its employ in November, 1878, as a shorthand writer in the general manager's office.

In June, 1888, he was appointed manager of the Seaforth branch; in November, 1890, assistant manager Toronto branch, and in September, 1899, manager at Winnipeg. In 1908, the bank then having 69 branches in the three prairie provinces, it was decided to form a department of head office at Winnipeg to supervise this business and Sir John was promoted to be superintendent of Central Western Branches, retaining as well the management of the Winnipeg branch. In May, 1911, the number of branches in his district having in the interval increased to 114, he was appointed assistant general manager, and in September, 1915, became general manager. In June, 1917, he was included in the list of birthday honors by His Majesty the King in recognition of his services in an advisory capacity to the Canadian Government during the war. During his connection with the Canadian Bank of Commerce it has grown from an institution with 30 branches and total assets of \$17,989,000 to one with 527 branches and total assets of over \$442,000,000. When he entered its service the bank had only three branches outside Ontario (Montreal, New York and Chicago), while today it is represented all over Canada and has branches as well in London, Eng.,

THE BANK OF NOVA SCOTIA

Established 1832

Capital paid up, \$9,700,000; Surplus and Undivided Profits over \$18,000,000. Total Assets over \$220,000,000.

Head Office—Halifax, N. S.
General Manager's Office—Toronto, Ont.



Charles Archibald, President
H. A. Richardson, General Manager

With our chain of 329 branches in all the principal cities and towns of 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 we are fully equipped to render excellent banking service.

PRINCIPAL BRANCHES IN WESTERN CANADA

| | | | | |
|--------------------------|-------------------|---------------------|----------------------|-----------------------|
| BRITISH COLUMBIA | ALBERTA | SASKATCHEWAN | MANITOBA | ONTARIO (West) |
| Vancouver | Calgary | Heward | Saskatoon | Winnipeg, Main St. |
| Vancouver, Granville St. | Calgary, West End | Kinistino | Saskatoon, West Side | Port Arthur |
| Victoria | Edmonton | Melfort | Spring Valley | Kenora |
| New Westminster | Lethbridge | Moose Jaw | Star City | Fort William |
| | | Parkside | Stoughton | Winnipeg, St. James |
| | | Prince Albert | Swift Current | Winnipegosis |
| | | Rouleau | Tisdale | |
| | | Regina | Wilcox | |

CORRESPONDENCE INVITED

the United States, Newfoundland, Merico and the West Indies.

NEW DIRECTORS OF THE SINCLAIR CORPORATION

New York—The Sinclair Consolidated Corporation has announced an increase in its board of directors to twenty-three members, the creation of an executive committee of ten members and the designation of a finance committee of eight, the latter to include several men who are not directors of the company.

Among the new directors are: John A. Spoor of Chicago, chairman of the board of directors of the Chicago Junction Railways and Union Stock Yards Company, and Elisha Walker of Blair & Co., New York. Both of these men will serve on the executive committee and Mr. Walker will serve on the finance committee.

The new board of directors consists of the following: C. A. Braley of Kansas City, Edward H. Clark of San Francisco and New York, William E. Corey, chairman of the Midvale Steel Company; C. E. Crawley of Tulsa, Joseph M. Cudahy of Chicago, J. Fletcher Farrell, treasurer; Samuel L. Fuller of Kissel-Kinnicutt & Co., D. L. Hooper and W. H. Isom, vice presidents; Daniel C. Jackings, managing director of the Utah Copper Company; E. R. Kemp of Tulsa, William P. Phillips of J. and W. Seligman & Co., Mark L. Requa, formerly general director Oil Division, U. S. Fuel Administration; E. W. Sinclair, president Exchange National Bank, Tulsa; H. F. Sinclair, president; John A. Spoor, Frank Steinhart, president Havana Electric Railroad, Light and Power Company; Colonel William Boyce Thompson, Elisha Walker, A. E. Watts, vice president; Harry Payne Whitney of New York, Albert H. Wiggin, chairman Chase National Bank, New York; R. Thornton Wilson of A. T. Wilson & Co., New York.

The executive committee is composed of Messrs. Corey, Farrell, Fuller, Sinclair, Spoor, Thompson, Walker, Whitney, Wiggin and Watts.

The finance committee is composed of Messrs. Carey, Phillips, Sultz, Sinclair, Tinker, Walker, G. T. Stanford and P. W. Thirtle.

LONDON BANK OPENS BRANCHES ON CUNARD STEAMSHIPS

New York—What is supposed to be an innovation in banking has been announced. The London Joint City and Midland Bank, the largest private bank in the world, has opened branch offices on the three big Cunard liners, Aquatania, Mauretania and Imperator.

The banking service which these new branches will give is expected to save time and trouble for American travelers going abroad. According to the announcement of the London Joint City and Midland Bank's agents, financial matters which formerly needed attention before sailing can now be attended to on the voyage.

CATHREA & FARRER

Barristers, Solicitors, etc.
(H. L. Cathrea W. M. Farrer, B. A., B. C. L.)

Special department for collections

Office in Bilbrough Block

SWIFT CURRENT, SASKATCHEWAN

Reference: Union Bank of Canada



Are You or Your Friends
Going West?

If you or they visit Spokane as tourists or investors it will be a pleasure for us to extend every possible courtesy.

THE OLD NATIONAL BANK
OF SPOKANE

Civilization, Like an Army, Moves on Its Stomach

Prosperity—civilization itself—depends upon an adequate supply of food. With sufficient food come contentment, development, progress and success; without it, hardships, panicky conditions, serious loss.

If sufficient man-power and capital were brought to bear upon the fertile farms of Canada the spectre of food shortage would speedily disappear.

Civilization's first duty to itself is to bring these great, productive areas under cultivation. No undertaking will pay greater dividends in Cash, Contentment and CONFIDENCE.

If personally interested in a farm opportunity in Canada write Department of Immigration and Colonization, Ottawa, Canada.

Business Want Department

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

Rates for advertisements in this department are 4 cents per word each insertion. Words displayed in capitals, 8 cents per word. Initials, name, address, location and abbreviations count as one word, each. Copy paraphrased, twenty-eight cents per line. **CHECKS, CASH OR POSTAGE STAMPS MUST ACCOMPANY ALL ORDERS.** All answers to advertisements under key numbers must be accompanied by two-cent stamp. Address Commercial West Co., Minneapolis, Minn.

BUSINESS CHANCES

Wanted control in bank; South Dakota, Minnesota, Wisconsin or Iowa small bank preferred. Address "N51" Commercial West. (46-6)

Controlling interest, or less, for sale in North Dakota bank capitalized at \$10,000. Address "P52" Commercial West. (46-7)

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)

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

BANK OPENINGS!

CASHIER—Minnesota opening close to Twin Cities. A-1 clients. Must be immediately available, also German Lutheran, or Catholic. 30 shares stock available. Salary around \$200. If you are above the average, see us at once.

CASHIER—Newly organized southeastern South Dakota bank. Investment \$15,000—\$25,000 required—side moneys. Salary open. Looks very good.

HAVE CITY openings for posting and adding machine men, also experienced transit men.

BANKERS SERVICE COMPANY,
634 McKnight Bldg., Minneapolis. (46-6)

HELP WANTED

Wanted.—Young bookkeeper and assistant for western North Dakota bank in Scandinavian community; give age, nationality, experience, references and salary desired. Address Banker, 1301 Southeast 6th St., Minneapolis, Minn. (46-6)

Wanted.—A young man with banking routine experience capable of acting as general utility man in a bank with three million footings. State age, experience and salary expected. Address "T55" Commercial West. (46-8)

SITUATION WANTED

Experienced bank cashier desires connection with good bank in Northwest. A business builder; can invest. Address "M8" Commercial West. (45-7)

Young man, 22, with high school and college training, wants position in bank. Can speak German. Best of references. Address "R53" Commercial West. (46-9)

Young experienced assistant cashier desires position as cashier in small country bank; best of references; nationality, Norwegian. Address "S54" Commercial West. (46-7)

CRITICISM OF COMPTROLLER WILLIAMS' STATEMENT

New York—Comptroller of the Currency Williams' invidious reference to the New York banks in the matter of charging high interest rates, is viewed by the New York bankers, says the Wall Street Journal, as another instance of the Comptroller's way of pillorying Wall Street, for effect. In the first place, it must be understood that the Comptroller's remarks regarding "excessive and burdensome interest rates, running up to 10, 12 and 15 per cent. and higher," bear reference to loans to customers, and not to call money rates. There may have been instances, here and there, where some small banks have charged excessive rates to customers, but the rank and file of borrowers at the large banks know quite well that they have been treated consistently and fairly. Such borrowers will scarcely be impressed by the Comptroller's remarks.

The bankers point out that the Comptroller pursued the same method of making sweeping accusations a few years ago regarding usurious rates but it was subsequently shown that the chief offenders in this regard were the country banks. However, it is not difficult for Comptroller Williams to confuse the public mind in view of the published high call money rates, although the same are not involved. As a matter of fact, it has been said that as a means of checking excessive speculation, Federal Reserve officials rather favored the recent high call money rates.

Bankers believe that Comptroller Williams is lacking in consideration for the part played by the New York banks in bringing about an improvement in the credit situation over the past several months. They say it is unfair to attempt to defame the whole New York bank community just because of one or two possible insignificant instances of abuse.

Stress is laid on the point that the recent deficit in The Clearing House reserve shows what happens if money rates here are lowered to a level inconsistent with what they are in the interior. Money rates were slightly easier a few weeks ago and some interior bankers, thinking that we were in for a period of midsummer dullness, made early withdrawals of eastern balances, which materially cut

into the local reserves. Bankers say that in order to keep control of a reasonable supply of loanable funds here and to prevent a squeeze in the fall, high money rates must be maintained at this center. It is not a local matter but rather one of country-wide credit scarcity.

RECENT LEGAL DECISIONS

(Continued from Page 41)

an affirmance, for no other defense is presented. We sustain the ruling of the trial court.

Section one of the statute in question (chapter 140, Session Laws South Dakota 1905), provides that—

"Every person who takes any obligation in writing for any lightning rod, or any of its attachments, or for any patent right, or right claimed to be a patent right, or for payment of premium or assessment for mutual hail insurance, shall, before such writing is signed by the maker, stamp or write in red ink across the face of such written obligation, in plain legible writing, or print, the words: Given for a lightning rod; or, given for a patent right; or, given for premium or assessment for mutual hail insurance, as the case may require. Such obligation, so stamped, shall not be negotiable."

Section two declares a violation of the provisions of section one a misdemeanor and imposes as a penalty a fine or imprisonment, or both fine and imprisonment, in the discretion of the court.

That the statute has no proper application to this contract seems clear. In point of substance the contract amounts to nothing more than the sale of 1,000 Wolf automatic fire extinguishers, "for which a patent has been applied for and allowed." The statute deals with sales of patent rights, or rights claimed to be patent rights, and the language thereof contains no suggestion of an intention to include obligations given on the sale of patented articles of trade. No interest in the patent was transferred or attempted to be transferred by this contract, and none was thereby acquired by the defendants. Affirmed, Supreme Court of Minnesota, 177 Northwestern Reporter 767.

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Young people with pep and personality are being trained in a year round school, to WORK.

Besides the cultural studies, they are given heavy work in Correspondence (Shorthand--Dictaphone--Typewriting) and accounting--use of adding machines, etc., besides the theory and practice of D. E. Bookkeeping.

If you have a requirement for help, send it in. We can satisfy you with any student we recommend.

Mention our year round course to the young man or woman who feels "too old for high school."

"We reciprocate."

WINDOM COLLEGE,

MONTEVIDEO, (Commerce) MINNESOTA

If you want to
Buy or Sell a Bank

Get in touch with

THE J. W. OVERSTREET CO.
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St. Paul Union Stock Yards Co. say it is

"A market equipped to handle every animal produced in the Northwest"

Let us say that we are a bank equipped to handle every money transaction required to produce any animal in the Northwest.

So Ship Here and Bank at the

STOCK YARDS NATIONAL BANK

1897—South St. Paul's Pioneer Bank and Still in the Lead—1920

South St. Paul, Minn.

Review of the Live Stock Markets

South St. Paul, August 2—July business at the stockyards closed with the heaviest week's run of the season in the cattle division, a light run of hogs and an increased showing of sheep. For the month there were big deficiencies in all classes as compared with the same month last year, total carload arrivals falling about 1,900 cars below the July, 1919 figures.

Similar reductions in runs were reported at other markets. In the case of cattle and sheep the deficiencies were due in large part to the fact that offerings from the range country have not yet begun to come in liberal numbers, whereas a year ago drouth prematurely forced in thousands of cattle and sheep. The reduced hog runs may be attributed to the facts that production has not been on as large a scale as a year ago and that a larger percentage of the available material had been sold at the end of June this year than a year earlier.

With grassy cattle predominating the past week and the first considerable representation of Dakota, Montana and Canadian stuff of the season on hand, buyers hammered values and forced discounts of 50 to 75 cents and in places more. Only isolated lots of dry-feds had the merit to sell at \$12.25@14.25, whereas top the preceding week had reached \$15.50, within half a dollar of the season's peak in June.

Steers off grass ranged all the way from \$6 to \$12 but near the close a big majority sold between \$7@10 with the common and inferior stuff down to \$5 or under. Cows and heifers seldom hit \$10@11 while \$6@8.50 rates applied to bulk. Bulls ruled some stronger and moved largely at \$5 to \$7.75. Stocker and feeder prices were inclined lower and action was slow with tight money to bar free trading. Output to the country was at \$5 to \$10 for steers generally while \$4@6.50 took she stock. Dairy cow business has been dull with few above \$60@90. Veal calves advanced to \$15.50 top with low end hanging at \$5.50.

Hog prices have been shifting within the \$13.50@15 range with receipts contracted in volume as usual at this season. The recent average and bulk sales basis has been around \$14@14.50. Coarse, heavy hogs are meeting usual midsummer discrimination.

Some reports of cholera are being received from this territory but as a whole the porcine health situation in the Northwest is satisfactory. Hot weather continues to exact reather heavy toll of stock in transit but shippers are taking precautions which are cutting losses.

Although receipts of sheep and lambs the past week showed liberal gains there was not much increase in stuff on sale. A big share of the run consisted of stuff on through billing from Idaho and Washington.

Lambs of native origin were sold between \$6 and \$13.50 while a string of western yearling wethers cashed at \$9.00. Native ewes sold at \$2.50 to \$7 with wethers quotable at \$4 and \$8 and yearlings from \$6 to \$10. No

feeding lambs were sold but these are nominally quotable around \$11@13.

CHICAGO LIVESTOCK

Chicago, August 2—August opens with prospects of liberal cattle marketing as range movement has been retarded owing to the excellent grass conditions in the West as contrasted with those of a year ago when drouth forced premature liquidation. July trade closed with all but best beef and butcher stock inclined lower. Discounts anywhere from 75 cents to \$1.50 were noted the past week with heaviest reductions for kinds salable down from \$14.50. Bulk of steers of better than low and canner grades sold between \$13@16.50 with others down to \$7@9. Medium and common she stock lost a dollar while better types had less severe cuts. The \$5.50@14.75 spread was extreme for she stuff above cutter sorts. Stocker and feeder demand was dull with prices at \$5@11.75. Veal calves late in the week sold at \$7@17.

Hog price trend was directed mildly higher with receipts seasonable. Top figures were around \$16 with light and medium droves at \$15@16.10 and the heavy and packing grades at \$13.75@15.65.

Sheep and lamb prices developed some weakness with top western lambs around \$15.25 and best natives at \$14.65. Culls sold down to \$7.50. Yearling wethers were listed at \$9@13, aged wethers at \$7.50@10, ewes at \$3@9, breeding ewes at \$6.50@10.75 and feeder lambs at \$11.50@13.

SIOUX CITY LIVESTOCK

Sioux City, August 2—Last week's cattle run included a sprinkling of dry-feds good enough to earn \$15@16 but the showing of rangers from Nebraska and South Dakota increased. Grass steers were quotable at \$7@12 and grass cows and heifers at \$6@8.75, with cutters and canners at \$3.50@5. A few lots of feeders of range type sold up to \$11.25, but these were exceptional. Stock steers and calves ranged between \$4.50 and \$9 with she stock going back to the country at \$4@7.50. Hog supplies have been dwindling as at other markets. Late hog trade was at a range from \$13.50 to \$15.85, with bulk at \$14.25@15.50. Sheep and lamb runs continue very meager here and top lambs registered up to \$15.50 with best ewes at \$7.50.

COTTON CROP PLACED AT MORE THAN TWELVE MILLION BALES

Washington—A cotton crop of 12,519,000 bales this year was forecast August 2 by the Department of Agriculture, basing its estimate on the condition of the crop July 25, which was 74.1 per cent. of normal.

A production of 11,450,000 bales was forecast from the condition June 25, which was 70.7. Production last year was 11,329,755 bales and the condition on July 25 a year ago was 67.1. The ten year average condition on July 25 is 75.6 per cent.

GRAIN AND MILLING

Office of the Commercial West, August 4—Violent fluctuations in prices of wheat in today's markets indicate uncertainty as to the final amount of wheat that will be harvested this year. Reports have been of such conflicting character from the spring wheat sections, and the rumors of army worms, blight, etc., so plentiful that it is a difficult matter to judge of what is truth and what is fiction. From parts of South Dakota have come numerous reports of ravages by the cut-worm. From North Dakota come reports of damage by heat, and Canada has supplied a lot of uncertain information as to the crops suffering from drouth, and contradictory reports that late rains have assured a splendid yield.

Snow and Goodman Reports

How well crop experts agree is shown by the August 1 estimates supplied by a number of Chicago experts. Snow, of Bartlett-Frazier, estimates the winter wheat crop at 543,000,000 bushels and the spring wheat at 290,000,000 bushels; Goodman, of Clement, Curtis Company, places the winter wheat crop at 550,000,000 bushels, and the spring wheat at 283,000,000 bushels, while Cromwell of Wagner & Co. estimates the spring wheat crop at 258,000,000 bushels. There is a difference of only five million bushels between the estimates of Snow and Goodman as to the aggregate crop, the former placing the total at 843,000,000 bushels and the latter at 838,000,000 bushels.

Rain Needed

In the Northwest wheat growing sections very little rain has fallen during the past two weeks, and while there has been only a few exceedingly warm days, the wheat has been going through a rapid ripening which leaves the quality of the grain an uncertainty. However, fields which have been carefully examined show a well-filled head and plump kernels.

Yields in Kansas

The latest report issued by the Santa Fe railroad claims that wheat in Kansas is threshing out at from 20 to 35 bushels to the acre. The fact that both cash wheat and futures dropped to the lowest mark in three years is evidence that the trade is convinced that the wheat yield will be a large one and up to the most optimistic reports and estimates so far made.

World's Wheat Situation

In a summary of the world's wheat situation Harris, Winthrop & Co. estimate production for the 1920-21 season at 2,615,000,000 bushels, compared with 2,531,000,000 bushels last year, both including the carryover from the previous crops. In 1919-20 the net consumption was 2,379,000,000 bushels. Total available supplies promise to exceed last year's by 84,000,000 bushels and consumption of 1919-20 by 236,000,000 bushels and to come within 7,000,000 bushels of equaling the world's normal requirements.

Flour Prices

With the fluctuations in wheat, flour went up today 30 cents a barrel above the quotations of yesterday, the price being \$12.40 for standards. One factor in prices which will no doubt be considered for months to come, is that of transportation. While freight rates will go into effect in the 26th inst. that are intended to eventually enable the roads to give better service, it will be a long time before the carriers will be equipped properly to give prompt service.

Corn

There has been no reason so far, even though there have been many adverse reports, to believe otherwise than that corn will yield large this year. Now is the critical time and for the next four weeks the weather will have a great deal to do with the size and the quality of the crop. The most alarming reports have come from Missouri and from Illinois. In these two states there are dry areas where the crop will be light, in fact many fields have

been cut for fodder. Rain is much needed in Indiana, Illinois, Missouri and in parts of Iowa and Nebraska. Generally west of the Missouri river the corn is in splendid condition and if chinc bugs and cut worms keep out of the fields and the weather continues normal the yield will come close to a record one.

Oats

Oats in Nebraska average 40 to 45 bushels to the acre according to threshing returns. Throughout the entire southern oats-growing country the yield has been good, Kansas reporting yields ranging from thirty to ninety bushels to the acre, and Oklahoma showing an average of from 35 to 40 bushels to the acre. B. W. Snow places the oats yield for the United States at 1,350,000,000 bushels, and Goodman makes his estimate 62,000,000 bushels greater, both going far above the final estimate for last year.

Rye

Rust has not seriously affected the rye crop, damage done being from other causes, grasshoppers, and winter killing. As harvesting progresses the yields are proving excellent, and the crop promises to be up to the estimates of the Government made July 1st. The cash rye market declined, the prices keeping pace with wheat, last week the decline showing a 30 cent fall.

Barley

Barley will be an average crop in Minnesota, and close to average in the Dakotas. The yield in the northern Pacific states has been excellent, with a fair yield only in California.

Flax

The Archer-Daniels Company in a letter issued July 31 said:

"Our domestic seed markets have shown sharp declines of late caused, we think, mainly by the inability of our country speculators to furnish the margins called for. When this speculative flax is cleared away, we cannot think farmers will press sales against a growing crop six weeks before its maturity at a decline of about \$3 per bushel from the high price of the year."

Van Dusen-Harrington Northwestern Crop Report

Minneapolis, August 4—The harvesting of barley, oats and wheat is almost completed in many sections of southern Minnesota and South Dakota, and will soon be general in the Northern districts. The weather during the past week has been quite warm and too dry for the best results in late wheat, which is now filling. There have been a few local rains but more moisture is needed. Corn in some districts would also benefit by rain.

No doubt, effects of the dry, hot weather will show up later when the returns are reported. This is especially true in North Dakota, northern Minnesota and northern and eastern Montana.

The spring wheat crop will vary greatly both in weight and quality. Rust and heat have affected the late wheat to a considerable extent.

There is a large acreage of Durum wheat. This has withstood the hardships without much damage and indications are for fine yields of good quality.

There is no scarcity of farm labor, except in a few places. The wages demanded as a rule, are extremely high. In many places farmers are paying \$7.00 to \$8.00 per day with board.

The early returns on oats in the Southern territory are very good. Barley is not quite as favorable, but where there has been sufficient moisture both of these crops are heavy. There are spots in northwestern North Dakota and eastern Montana that will not have enough oats

for their local needs, and this will necessitate buying from other territory.

We have received a few reports this week of damage to flax. These came from the dry districts in northern Minnesota, western North Dakota and northern and eastern Montana. The flax crop in South Dakota is generally excellent. In eastern North Dakota it is the best in years. With favorable weather most of the flax will be out of danger from frosts by the middle of August.

The tone of our reports this week indicate that small grains have lost to some degree their condition of a week ago. This applies principally to the late grains. The whole territory is so very spotted that it is impossible to make any estimates of the yields, but many of the very optimistic reports are from those who have visited principally the good districts. As stated in our report of a week ago, prospects are for an average spring wheat crop, better than an average Durum crop, and excellent totals of barley, oats and corn.

Special Chicago Market Letter

Chicago, August 3—Trading in wheat for future delivery commenced July 15 with the price at \$2.75. August 2 it sold as low as \$2.06½. This illustrates the big decline experienced in all grains. When prices for grain were very much higher sentiment was almost unanimously bullish and much higher prices were confidently predicted. At the bottom of the break sentiment was almost unanimously bearish and much lower prices were predicted. The bulls had all sold out and many had gotten short and the bears sold grain as if it must go to nothing. This is customary in speculation and probably explains why the majority lose. We were very bearish on grain at much higher levels but we believe the big declines have discounted much of bearishness of the situation. When the big majority were bulling corn around \$1.80 to \$2 we were pointing out that there was 50 cents a bushel loss in feeding corn to live stock. The decline put corn down to where there is a profit in feeding. It will be time enough to sell corn still lower when this crop is nearer made. It is still two weeks behind normal and important and extensive areas of the corn belt, particularly Illinois and Indiana, are in urgent need of soaking rains. Without rain the crop will deteriorate. A soaking general rain followed by hot weather would be ideal and probably assure a record corn crop, but the question is what will the weather be? The average of the reports of local crop experts indicates about 835 million bushels of wheat, about 3,000 million bushels of corn and about 1,380 million bushels of oats. There is no new feature probable in the oats situation because the crop is made, therefore the oat market may be expected to follow the lead of corn. Corn will continue to be a domestic proposition because Argentina will sell Europe all the corn she needs and have some left to sell even to us. Wheat will be governed partly by domestic and partly by European conditions. The latest estimate on the requirements of Italy and France are much larger than previous estimates and it looks as though \$2.00 a bushel for wheat in Chicago is a fair price at which the crop may be marketed if the farmers do not rush wheat to market in a flood larger than the various markets can handle. We think the scarcity of railroad equipment will tend to keep the movement down to reasonable proportion and thereby help sustain values.—W. G. Press & Co.

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Exporters **J. Rosenbaum Grain Co.** *Importers*
COMMISSION MERCHANTS
Milling Wheat a Specialty **CHICAGO**

Chicago Grain Futures Demoralized

Chicago, August 3—Demoralization prevailed in the Chicago grain market with the most sensational break in wheat that the trade has ever known under legitimate conditions. Cash wheat dropped 50@57c and futures were off 49@52½, with December down to \$2.06, while cash wheat was \$2.31 for No. 1 red and hard winter. It was a week of liquidation from start to finish, with several small rallies at times, but they were followed by a rapid shading of values. Unless the country stops selling wheat, lower prices seem inevitable as the grain trade views it, and with lower prices for wheat, it is expected corn, oats and rye will follow.

Money Curbs Speculation

Severe slashing of grain and provision prices resulted to a considerable degree from tight money conditions. Disturbing financial and industrial developments, notably indications of strain in the automobile business, had such a bearish effect on cereals that the week started with an immediate cut in the value of wheat, which suffered a nearly complete collapse, accompanied by evidence of distress selling largely due to heavy margin calls. A depressing influence was a setback in foreign exchange, which did much to bring about a radical falling off in the export demand. Chief among other bearish factors were reports that contrary to recent widespread belief no great impairment of the spring wheat crop season would result from black rust.

Declines Are Drastic

Drastic declines have been suffered in grain values from the high level on war bulges and those following. In January, 1920, cash wheat sold at \$3.49 for No. 1 northern. Corn sold at \$2.35 in August, 1917. Oats brought \$1.29 last month. Rye sold at \$2.95 in March, 1918. In July, 1919, hogs sold as high as \$23, mess pork at \$55.75, lard at \$35.25, and short ribs at \$29.37½.

Grain receipts at Chicago last week were 5,972,000 bushels, or 1,629,000 bushels more than the previous week, 5,628,000 bushels below last year's and 1,530,000 bushels under the five-year average. Corn receipts were 1,801,000 bushels, a decrease of 158,000 bushels for the week and an increase of 830,000 bushels over last year. Oats increased 834,000 bushels, being 2,404,000 bushels, or 958,000 bushels short of last year, while wheat increased 858,000 bushels and was 1,216,000 bushels, or 4,127,000 bushels short of last year. Primary receipts of all grain last week were 18,067,000 bushels, against 17,430,000 bushels the previous week, and 33,413,000 bushels last year.

Traders Are Bullish

The trade generally is looking for lower prices, but with a break of 47@57½ cents in wheat, 17@20¼ cents in corn, and 7@19½ cents in oats the question agitating the minds of the trade is how long will liquidation last, and how low will prices go before the end of the selling movement is reached. Liquidation has been drastic and there has been heavy pressure on the selling side from professional interests. Rye declined 18½@28 cents, barley 12 cents, pork \$1.52½@2.02½, and short ribs 75@82½ cents compared with a week ago. Flour prices are off \$1.50 per barrel on spring wheat flours in practically two weeks.

Low Levels Expected

The grain trade seems to have reached the decision that it is not a question of what grains are worth, but of what

you can get for them. There has been liquidation and short selling on an enormous scale and the action of the markets has caused a reversal of sentiment. The trade is bearish now after a break of 65 cents in wheat, 47 cents in corn, and 38 cents in oats from the high point within 30 days, as they were bullish around the top. The trade is looking for wheat to sell below \$2 and December corn to eventually \$1.

Liquidation Is Free

July corn and oats were under heavy liquidation, and the oats expired at 69 cents or 2½ cents from the lowest on the crop and 39 cents below the highest. July corn finished 50¼ under its best mark and 11½ cents above its lowest mark. The rye option was 44 cents lower from its high mark.

Crops are looking too good over the greater part of the country for the outside trade to get bullish, and the decline in prices is said to be the only thing there is to buy grain on. This so far has not attracted any new orders, and has discouraged old holders into liquidation. Until liquidation is over and good new buying develops, the trade is looking for lower prices for grains, although rallies due to oversold pit conditions are expected from time to time.

Rains Break Corn

Corn was sold mainly on private reports of rains downstate and in Iowa, Nebraska and Missouri. Weakness in the spot market and the break in wheat aided the bears, who had no bullish news to contend with. A year ago corn prices started on their sensational decline, which carried the December down from \$1.73 on July 29 to \$1.16½ early in September. For the next two weeks the corn and small grain markets are expected to be influenced largely by the weather and the crop news. This is especially so with corn, which has arrived at the critical stage where the grain trade is watching the weather closely. There has been heavy liquidation and an elimination of the outside buying trade. With an indisposition on the part of the public to take hold of the grain markets until something more tangible can be shown as an inducement for buying, for the present the general disposition is to sell on bulges.

Oats on Toboggan

Scattered longs in July oats started to liquidate in a market last Saturday almost bare of support and prices dropped rapidly at the close, being only 7½c over the September against 9½c the previous day. Deferred deliveries were sold by the local element in sympathy with corn, and bought by strong commission houses, showing stubborn resistance to pressure. A feature was the active buying of December and selling of September by two large commission houses. A drop of 55c has been made in No. 2 white oats from the record level within a short time. It is the most severe break that the grain trade has known under similar conditions.

Country Sells Oats

Country offerings of oats to arrive were more liberal and houses with country connections were the best sellers of futures. A local trader has figured that, taking the reports of export sales of oats the last twelve months, the aggregate was over 200,000,000 bushels, while actual clearance for the twelve months ended June 30 were 33,945,000 bushels, compared with 98,361,000 bushels the previous year.

Rye Under Pressure

Rye again was under liquidation in sympathy with the break in wheat and a weak spot market. July rye went out at \$1.90, showing a break of 35c from the high point a few weeks ago. There were cancellations the last few days of 500,000 bushels sold to the seaboard. Hedging sales in volume developed and September declined sharply, support being lacking. New rye arrived here last week and sold at \$2.14½ and \$2.16, grading No. 1 and 2. It came from Illinois. Last year the first ear came from Iowa and sold at \$1.66.

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 Chicago Buffalo
 Minneapolis Baltimore

In reviewing the wheat situation W. C. Weigand, with Simons, Day & Co., says there are great possibilities of eventually lower prices. Economy on the part of the European consumers may tend to furnish the consumer in the United States with cheaper bread, as the world's demand will make the price.

Grain Trade Gossip

R. O. Cromwell, in a report to E. W. Wagner & Co., from Grand Forks, N. D., estimated the spring wheat condition of the country at around 74, with an indicated crop of 258,000,000 bushels, or 33,000,000 bushels less than suggested by the Government in July 1 returns and compared with 209,000,000 bushels harvested last year.

Howard B. Jackson, vice president of the United States Grain Corporation at Chicago, has about finished his work and will resume his position as senior member of Jackson Bros. & Co. Frank G. Jackson and Edward Hymess have been admitted to partnership in Jackson Bros. W. J. Farrell, chief grain inspector, and Charles P. Squire, manager of the United States Grain Corporation, are now associated with the Jackson house.

In a summary of the world's wheat situation, Harris, Winthrop & Co., estimate production for the 1920-21 season at 2,615,000,000 bushels, compared with 2,531,000,000 bushels last year, both including the carryover from the previous crops. In 1919-20 the net consumption was 2,379,000,000 bushels. Total available supplies promise to exceed last year's by 84,000,000 bushels and consumption of 1919-20 by 236,000,000 bushels and to come within 7,000,000 bushels of equaling the world's normal requirements.

New members elected by the Board of Trade last week were: William F. Halpin, E. H. Bagley, Howard H. Logan, of Chicago and Otis A. McFall, Memphis. A Board of Trade membership sold at \$10,500 net to the buyer.

There will be no labor troubles at the grain elevators of Chicago. An agreement with the labor union was signed in which concessions on both sides were granted and a satisfactory contract arranged.

Conditions and Prospects in the Copper Industry

Washington—The principal features of the American copper industry during the year 1919 are shown in an advance statement on the production of copper in the United States Geological Survey, Department of Interior.

The smelter output in 1919 was about 1,310,972,000 pounds, a decrease of 597,561,000 pounds from that of 1918. The production of refined primary and secondary copper from domestic and foreign ore and metal was 1,863,580,000 pounds, which was 612,497,000 pounds less than the production of 1918. Refined primary copper amounting to 326,043,000 pounds was produced from ore or other material imported from foreign countries, principally Chile, Peru, Mexico, and Canada.

The discrepancy between the smelter production and the refinery production is due to the fact that 562,000,000 pounds of blister copper and other material was in process of refining at smelters and refineries or in transit on January 1, 1919, and though it was smelted in 1918 it was not refined until 1919.

Imports of Copper

In 1919 the imports of copper in all forms amounted to 429,388,000 pounds, and the exports of copper in all forms amounted to 516,628,000 pounds, which was 231,062,000 pounds less than the exports in 1918 and 616,205,000 pounds less than those in 1917. The exports in 1919 were less than in any year since 1907.

On January 1, 1919, the stocks of refined copper were 180,000,000 pounds, and on January 1, 1920, they were 631,000,000 pounds, an increase during 1919 of about 451,000,000 pounds. The stocks on January 1, 1920, were several times greater than they have ever been before.

In addition to the stocks of refined copper in hand about 310,000,000 pounds of blister copper and material

was in process of refining at smelters and refineries or in transit on January 1, 1920. This estimate does not include blister in foreign smelters destined for the United States for refining nor material in transit to the United States from such smelters.

Domestic Consumption

The apparent domestic consumption in 1919 was about 876,564,000 pounds, which is 785,106,000 pounds less than that in 1918 and less than the domestic consumption in any year since 1914.

Under the peace-time conditions the demand for copper was small and the average price soon fell from 24.7 to about 15 cents a pound. This price was far below the actual cost of the production of a very large part of the previous year's output. All smelters and mines were forced to decrease production. Some were shut down entirely; others were operated at the minimum capacity that would keep the organization intact and the equipment in proper order. Much of the copper in stock could not be profitably held, and the placing of a large part of it on the market kept the price down, though it showed a tendency to rise when the readjustment set in.

The price during the year showed many fluctuations but averaged only 18.6 cents a pound, which was about 24 per cent. less than the average price in any year since 1915, though the cost of labor and supplies had risen as much as 150 per cent. during that time.

The labor troubles in other industries decreased the demand for copper, increased the cost of supplies used by the copper industry, and materially increased the cost of production.

Prospects for 1920.

It is hard to foresee what improvement can be expected in 1920 but the quantity of copper sold in the early part of 1920 indicates that the year will be better than 1919. Any improvement, however, will be temporary and no stability or security can be found until existing troubles are settled and industry and trade become more stable. The prosperity of the copper industry is peculiarly dependent upon the establishment of stability in other industries, and before the industry can receive any great stimulus the condition of labor and of trade generally, not only in America but in Europe, must be greatly improved.

DIVIDENDS FOR WEAK ROADS AFAR OFF

Vast amounts of money will be needed by the railroads to place them in a position where they will be able to handle the commerce of the nation efficiently, while forthcoming freight rate increases assure better transportation. It will be necessary to rehabilitate the railway system. Old equipment must be repaired and much new equipment purchased to enable the roads to carry the freight that will earn for them the promised 5½ or 6 per cent. on the invested capital. While a new area for railroads is beginning and the future looks decidedly better, dividends for many of the impoverished roads will be a question of years.—W. C. Wiegand of Simon Day & Co.

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LETTER

Tax What We Spend, or Tax Profits and Incomes?

Charles E. Lord in *The New York Times*, Sunday, June 6, 1920

In the passage of her new revenue measure, Canada has once more demonstrated her ability to dispose of her post-war problem in advance of us. While her new measure is open to improvement in some respects, it is, nevertheless, a piece of practical and constructive legislation and reveals a freedom from undue consideration of political expediency which is stimulating.

The Dominion's first problem of social unrest was courageously met, intelligently handled and seems on the way to definite solution along lines likely to prove equitable to all. Her problem of taxation and adjustment of Government finances is now in similar shape. There is more than a jest in the query: "Why not move to Canada?" She has at least shown an intelligent courage and political standards which seem in advance of ours.

Making Comparison

Compare her action with the statement of a member of our American Congress that the proper course to pursue as regards taxation is recognized but that the people, particularly the farmer and the laborer, must be educated to approve it in advance before Congress will act; or the letter of a United States senator who writes:

"The present revenue law as it stands is an abomination, and is a conspicuous illustration of the legislative product of a Congress charged with the duty of raising enormous revenue, on the one hand, and painfully apprehensive of an aroused public displeasure which will find expression at the polls. We, therefore, so camouflage our legislation as to make it appear on the face of things that only those possessed of enormous wealth and large incomes are unduly burdened.

"The people, long subject to indirect taxation through our tariff laws, seem perfectly willing to accept without question any scheme of taxation, however oppressive to them in ultimate results, which, on the face of things, seems to be otherwise.

"When they do become conscious of the fact that theirs is the burden under any form of taxation, and that such burden is aggravated under a system like ours, we may hope for a scheme of direct taxation more equally distributed and therefore more equitable and just."

Swallowing Gilded Pills

The thought back of such statement is apparently our familiar dictum "Safety first," particularly individual safety and the party and political safety which feels that the pill of taxation must be gilded before the people will swallow it, underrating both patriotism and intelligence, and stressing the spirit of envy and cupidity which may be led to believe that a proper way to meet our individual responsibilities to our Government is to attempt each one of us to shift our share of the burden to some other fellow's back and to delude ourselves with the belief that in so doing we are not, each one of us, already bearing a larger burden than is at all necessary to accomplish the purpose of financing the Government's needs.

Abstract Theories and Human Nature

Grave college professors, learned and painstaking, impressed with the beauties of abstract theory, but as usual underestimating the element of human nature, have seriously recommended to the Treasury Department and to Congress revenue measures based on taxing endeavor; and legislators, with a keen appreciation of the unpopularity of taxes, have gladly experimented with a method which might seem to the unthinking to place the burden of taxation upon a limited number of people, carrying with it, as it does, the fascinating possibility of appealing to the least worthy and most selfish instinct of the voter—instincts more or less common in all of us and upon which have been based many conspicuous political fortunes.

Utilizing Practical Plans

It is to the credit of Canada that she has, to an extent, subordinated such considerations and has had the courage to apply a measure of taxation on consumption, relieving

some of the burden on endeavor, even if she has gone only part way and not yet reached the full measure of sound legislation at which she will in all probability eventually arrive. She has at least made the attempt to control and define her expenditures, to provide income enough to meet them without adding a floating debt, to base a portion of her revenue on a substantial foundation, and to recognize the justice and practical expediency of taxing consumption as well as effort and risk. In doing so much, she has at least shown an ability to meet her problem in a practical way, which so far we, long regarded as a practical people, have lacked. Are we much longer to refuse to meet our similar problem clear-eyed and sanely with a determination, first, to insist upon an economical administration of our Government expenditures; next, a basing of our revenue upon what is sure, stable and productive; then, a levying of taxes that will rest where they are intended to fall; and, further, a freeing of initiative and enterprise, together with a restoration of competitive forces which have been in the past the occasion of our rapid growth and development, not only physically but in the increased well-being and happiness of all elements in our citizenry? Signs are not altogether wanting to show that such an awakening to civic consciousness and practical common sense are at hand.

Our Camouflaged Taxation

If these signs mean anything, they mean that we are beginning to appreciate the results of our present camouflaged taxation, and that American common sense, practical habit and intelligence are seeking to be rid of makeshift war taxation and find a practical, sound, American way of meeting our obligation, recognizing that we do not regret the occasion for these taxes, that we went willingly into the war in defense of our honor and principles, have paid the price in blood, the most priceless thing we have, and would not shirk the money price, and that it is not a question of the obligation but of how it shall be met, in a manner just to all and with an application which will not add unnecessarily to the burden.

Getting on the Right Track

Can such a way be found? Certainly. When we begin to tax what people spend instead of what they save, we are on the right track. All the physical activities of life are reflected in buying and selling, and a tax on the turnover of commodities is based on something more substantial than a tax on income or profits. Such a tax rests where it is intended to fall, and does not lend itself to concealment or a shifting of the burden as does the taxing of endeavor and risk through taxing income and profits. It will take the place of so much of the present taxation as is directed at those elements and reduce the high cost of living because the loading of prices to meet an undetermined tax, regarded as contributing 25 per cent. of the present inflation of prices, only a portion of which added percentage reaches the Government, will be replaced by a definite tax which in its most cumulative form from producer to consumer will rarely reach even three per cent. on the final retail price, all of which goes to the Government.

Prospective Benefits

The freeing of initiative, the restoration of normal competition, the release of natural resources, the decrease of accounting expenditure, the assurance of the incidence and reliance, the lessening of back debt of the taxpayer, the decrease in borrowing by the Government and the ending of the taxpayer's flight into tax exempt securities are benefits which will follow the suggested method of taxation and, as they are being more or less commented on in the press, need not be elaborated upon here.

Leaving aside such considerations, however, and taking up the question of social justice, it is apparent that a small, definite consumption tax, such as one per cent. on the turnover of commodities, means that the man in humble circumstances bears little tax because his pur-

chases are small in amount, while as the scale of living rises and more is spent for luxuries a correspondingly heavier tax is borne. There is an elemental justice in this, as every citizen should contribute something to the support of his Government, and measuring that contribution by the total consumption of all commodities, you are getting at the measure of real differences—the difference between what one man consumes, or spends, and another.

A Method That Works for Injustice

The present method works directly for injustice. Take the instance of three men who for a given year have the same income and pay the same tax; (1) An inventor, the sale of whose invention may represent many years' labor, but is all taxable as one year's income; (2) a business man who with a moderate capital by effort may have earned an income which, only by loading prices, will permit him, after paying taxes, to put aside any reserve for future contingencies; (3) a capitalist, his capital invested without risk bringing him an income without effort, who pays no more tax than the two other men, and at the end of the year finds himself with his capital intact continuing to produce indefinitely, while the inventor has parted with his invention and the business man finds himself without adequate protection against a growing risk. It is such considerations that prompt the suggestion to free from surtaxes so much of income as is earned by effort or service and apply them only to that portion of income which is earned by capital alone.

Release the Operation of Natural Loans

If we admit that it is desirable to adopt a method of taxation which will free endeavor, release the operation of natural laws, rest where it is intended to fall and define the taxpayer's liability so that he may understand it, and if we recognize that having adopted an income tax amendment to our constitution we are committed to a taxation of incomes, then it seems as if the solution lies in a proper adjustment between income and consumption taxation which may be accomplished by (1) a base tax resting upon consumption in the form of a tax of one per cent. upon the turnover of commodities from producer to consumer, collectible monthly or quarterly from the vendor upon his gross sales as recorded upon his books, compelling the keeping of a proper record, and leaving it to him to absorb the tax or pass it along as an addition to his invoice; (2) a normal tax at a fixed rate upon corporate and individual incomes above a definite exemption; (3) surtaxes upon unearned income as measured by the capital which produces the income and allocated by a definite formula; (4) certain excise taxes, such as the existing tobacco taxes, supplemented by customs duties on imports and certain other special taxes, but eliminating the present excess profits tax on corporations, the surtaxes on earned income and certain of the most objectionable and least productive of the present so-called luxury taxes.

Not a Political Question

The question is not a political one, in the customary sense, as the present taxes were levied by a democratic majority to meet the emergency of war, and continued by a republican majority, after that emergency had passed, and both parties seem alike to distrust the understanding of the average voter. The test, therefore, seems to be of the ability of our democracy to function properly on a matter of economics, to see clearly, think intelligently and act decisively without artificial bias or carefully cultivated class prejudices to a sound conclusion, supporting leaders who will guide them along the path of continued prosperity and progress.

PEAT FIRES PERIL TIMBER IN NORTHERN MINNESOTA

St. Paul—Peat fires in northwestern Minnesota are causing extensive damage according to State Forester W. T. Cox.

There are scores of fires smouldering on the edge of the Red River valley on the border of the timber land, according to the statement of the forester. That country is newly settled and drained and the drying peat when on fire makes a serious menace. The ranger and his crews

are enforcing the fire permit regulation and fighting to keep the fires from spreading.

MINNEAPOLIS GRAIN FUTURES

| | July 29 | July 30 | July 31 | Aug. 2 | Aug. 3 | Aug. 4 |
|------------------|----------|----------|---------|----------|----------|----------|
| Wheat— | | | | | | |
| December | 2.30 3/4 | 2.22 1/2 | 2.12 | 2.13 1/2 | 2.29 | 2.31 1/2 |
| September | | | | | | |
| | July 29 | July 30 | July 31 | Aug. 2 | Aug. 3 | Aug. 4 |
| Oats | .65 7/8 | .65 3/8 | .64 1/4 | .65 3/8 | .67 3/8 | .67 |
| Rye | 1.62 | 1.54 3/4 | 1.49 | 1.53 1/4 | 1.63 1/2 | 1.62 3/4 |
| Barley | 1.00 | .95 1/2 | .96 | .98 | 1.01 | 1.03 |

CHICAGO GRAIN FUTURES

| | July 29 | July 30 | July 31 | Aug. 2 | Aug. 3 | Aug. 4 |
|------------------|----------|----------|----------|----------|---------|----------|
| Wheat— | | | | | | |
| December | 2.33 1/4 | 2.23 | 2.11 | 2.13 1/2 | 2.29 | 2.30 |
| September | | | | | | |
| | July 29 | July 30 | July 31 | Aug. 2 | Aug. 3 | Aug. 4 |
| Corn | 1.40 3/4 | 1.37 3/8 | 1.34 3/4 | 1.37 1/2 | 1.42 | 1.42 1/2 |
| Oats | .69 7/8 | .69 | .67 7/8 | .69 3/8 | .70 3/4 | .71 |
| December | | | | | | |
| | July 29 | July 30 | July 31 | Aug. 2 | Aug. 3 | Aug. 4 |
| Corn | 1.25 5/8 | 1.23 5/8 | 1.20 1/4 | 1.22 1/2 | 1.26 | 1.23 3/4 |
| Oats | .69 5/8 | .69 | .67 3/4 | .69 1/2 | .70 1/2 | .70 1/4 |

DULUTH COARSE GRAINS

| | Oats | Rye | Barley | Flax |
|----------|------|----------|--------|------|
| July 29 | | 1.81 7/8 | 1.15 | 3.28 |
| July 30 | | 1.79 1/2 | 1.10 | 3.30 |
| July 31 | | 1.74 3/4 | 1.05 | 3.30 |
| August 2 | | 1.82 1/4 | 1.05 | 3.20 |
| August 3 | | 1.90 | 1.00 | 3.26 |
| August 4 | | 1.88 | | 3.45 |

CLOSING OATS PRICES

No. 3 White—Minneapolis

| | |
|----------|-------------------|
| July 29 | .73 7/8 @ .76 7/8 |
| July 30 | .73 1/2 @ .76 1/2 |
| July 31 | .69 1/4 @ .71 1/4 |
| August 2 | .69 @ .70 |
| August 3 | .70 @ .71 |
| August 4 | .70 @ .71 |

CLOSING FLAX PRICES

| | July 29 | July 30 | July 31 | Aug. 2 | Aug. 3 | Aug. 4 |
|------------------|----------|----------|---------|--------|--------|----------|
| Minneapolis cash | 3.19 | 3.23 1/2 | 3.19 | 3.18 | 3.28 | 3.28 1/4 |
| Duluth | 3.28 | 3.30 | 3.30 | 3.20 | 3.26 | 3.45 |
| September | 3.24 | 3.28 | 3.24 | 3.23 | 3.29 | 3.41 |
| October | 3.26 1/2 | 3.30 | 3.27 | 3.26 | 3.32 | 3.43 |
| November | 3.26 1/2 | 3.31 | 3.27 | 3.26 | 3.34 | 3.44 |

WHEAT RECEIPTS—CARS

| | Minneapolis | | Duluth | | Chicago | | Winnipeg | |
|----------|-------------|----------|--------|----------|---------|----------|----------|----------|
| | Year | 1920 ago | Year | 1920 ago | Year | 1920 ago | Year | 1920 ago |
| July 29 | 204 | 205 | 200 | 6 | 28 | 585 | 109 | 66 |
| July 30 | 191 | 173 | 47 | 7 | 128 | 716 | 111 | 37 |
| July 31 | 149 | 173 | 37 | 7 | 206 | 716 | 89 | 37 |
| August 2 | 432 | 402 | 59 | 2 | 213 | 678 | .. | .. |
| August 3 | 214 | 382 | 31 | 9 | 375 | 1,084 | 108 | 57 |
| August 4 | 161 | 238 | 121 | 1 | 223 | 637 | 229 | .. |



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Minneapolis, Duluth X

MINNEAPOLIS RECEIPTS—COARSE GRAINS

| | Corn cars | Oats cars | Rye cars | Barley cars | Flax cars |
|----------|-----------|-----------|----------|-------------|-----------|
| July 29 | 17 | 14 | 16 | 15 | 12 |
| July 30 | 16 | 13 | 18 | 22 | 23 |
| July 31 | 22 | 23 | 24 | 11 | 24 |
| August 2 | 25 | 33 | 39 | 26 | 14 |
| August 3 | 5 | 11 | 13 | 4 | 8 |
| August 4 | 10 | 15 | 14 | 6 | 2 |

CLOSING RYE PRICES

No. 2 Rye—Minneapolis

| | | |
|----------|------|-----------|
| July 29 | 1.78 | @1.80 |
| July 30 | 1.74 | @1.76 |
| July 31 | 1.67 | @1.69 |
| August 2 | 1.65 | @1.68 |
| August 3 | 1.81 | ½ @1.83 ½ |
| August 4 | 1.81 | ½ @1.83 ½ |

STOCKS OF GRAIN AT MINNEAPOLIS

| | July 31 | Wk. ago | Yr. ago |
|---------------------|------------------|------------------|----------------|
| Spring wheat | | | |
| No. 1 dark northern | 279,137 | 282,788 | 550,006 |
| No. 1 northern | 11,704 | 221,704 | 31,317 |
| No. 2 northern | 152 | 1,000 | 9,320 |
| No. 3 dark northern | 996 | 3,571 | |
| No. 3 northern | | 1,066 | 3,790 |
| No. 2 hard | | | 1,370 |
| Private houses | 197,687 | 182,733 | |
| Durum wheat | 23,155 | 39,022 | 64,441 |
| All other grades | 917,059 | 1,109,818 | 191,926 |
| Total | 1,401,203 | 1,658,969 | 852,170 |
| Decrease | 242,632 | 368,033 | 155,774 |
| Corn | 16,677 | 55,344 | 20,763 |
| No. 3 white oats | 175,855 | 125,024 | *30,120 |
| Other oats | 46,903 | 89,514 | 3,100,643 |
| Barley | 510,820 | 581,295 | 1,117,460 |
| Rye | 192,028 | 229,203 | 4,640,566 |
| Flax | 48,546 | 53,893 | 178,504 |

*Standard white oats.

WHEAT STOCKS AT DULUTH

Duluth-Superior wheat stocks, July 31, 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 dk. nor.....] | | | | | | |
| 1, 2 nor.....} | 21 | 25 | 1 | 8 | 7 | 3 |
| 2 dk. nor.....] | | | | | | |
| 3 dk. nor.....} | | | | | | |
| 3 nor.....} | 39 | .. | .. | 31 | 1 | 1 |
| All other spring.. | 303 | 23 | 1 | 75 | 3 | .. |
| 1 am. dur.....] | | | | | | |
| 1, 2 dur.....} | 154 | 109 | .. | 42 | 5 | .. |
| All other durum.. | 226 | 8 | 5 | 45 | 5 | .. |
| Winter | 1 | 1 | .. | 1 | 4 | 1 |
| Mixed | .. | .. | .. | 148 | 18 | 1 |
| Totals | 744 | 166 | 7 | 350 | 43 | 6 |

CROP-YEAR WHEAT RECEIPTS AT MINNEAPOLIS AND DULUTH

Receipts of wheat in Minneapolis and Duluth from September 1, 1919, to July 31, 1920, were as follows, with comparisons, in bushels (000's omitted):

| | 1919-20 | 1918-19 | 1917-18 | 1916-17 |
|---------------|----------------|----------------|---------------|----------------|
| Minneapolis | 106,520 | 104,615 | 74,293 | 104,811 |
| Duluth | 21,176 | 90,272 | 17,046 | 34,210 |
| Totals | 127,696 | 194,887 | 91,339 | 139,021 |

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 28 | 237 | 205 | 129 | 8 | 62 | 77 |
| July 29 | 204 | 200 | 200 | 9 | 109 | 66 |
| July 30 | 191 | 205 | 128 | 6 | 111 | 66 |
| July 31 | 149 | 173 | 37 | 7 | 89 | 37 |
| August 2 | 432 | 402 | 59 | 2 | .. | .. |
| August 3 | 214 | 382 | 31 | 9 | 108 | .. |
| Totals | 1,427 | 1,567 | 584 | 41 | 479 | 246 |

*Holiday.

STOCKS OF GRAIN AT CHICAGO

Wheat stocks in all positions in Chicago decreased 75,000 bushels last week, corn increased 7,000 bushels, oats 269,000 bushels, rye 12,000 bushels, and barley 2,000 bushels. Details follow:

| | Public | | | Private | | Total | Last year |
|--------|---------|-----------|-----------|-----------|------|-------|-----------|
| | 1920 | 1919 | 1918 | 1920 | 1919 | | |
| Wheat | 25,000 | 381,000 | 406,000 | 5,110,000 | | | |
| Corn | 561,000 | 1,206,000 | 2,467,000 | 940,000 | | | |
| Oats | 295,000 | 704,000 | 1,009,000 | 6,805,000 | | | |
| Rye | 154,000 | 17,000 | 171,000 | 1,621,000 | | | |
| Barley | 151,000 | 220,000 | 371,000 | 1,003,000 | | | |

UNITED STATES VISIBLE GRAIN SUPPLY

United States visible supply of wheat increased 871,000 bushels last week and oats 422,000 bushels. Corn decreased 229,000 bushels. Details follow:

| | This week | Prev. week | Last year |
|--------|------------|------------|------------|
| Wheat | 17,487,000 | 16,616,000 | 20,903,000 |
| Corn | 6,152,000 | 6,381,000 | 2,461,000 |
| Oats | 3,786,000 | 3,364,000 | 20,481,000 |
| Rye | 2,555,000 | 2,905,000 | 9,866,000 |
| Barley | 3,034,000 | 3,235,000 | 8,711,000 |

EXPORTS OF GRAIN FROM ATLANTIC PORTS

North American exports of grain continue liberal. For some weeks the aggregate of wheat and flour has been averaging around 10,000,000 bushels. Detail follow:

| | This week | Prev. week | Last year |
|-----------------|-----------|------------|-----------|
| Wheat, bushels | 7,033,000 | 6,990,000 | 3,067,000 |
| Corn, bushels | 43,000 | 157,000 | 9,000 |
| Oats, bushels | 867,000 | 1,006,000 | 2,319,000 |
| Flour barrels | 619,000 | 406,000 | 999,000 |
| Rye, bushels | 2,014,000 | 1,438,000 | 229,000 |
| Barley, bushels | 359,000 | 304,000 | 2,450,000 |

WORLD'S WHEAT EXPORTS

World's exports of wheat continues very heavy. Details follow:

| | This week | Prev. week | Last year |
|-----------------------|-------------------|-------------------|-------------------|
| Wheat | | | |
| America | 8,140,000 | 8,773,000 | 10,092,000 |
| Argentina | 4,458,000 | 3,805,000 | 1,744,000 |
| Australia | 752,000 | 1,496,000 | 2,645,000 |
| Others | | | 80,000 |
| Total, bushels | 13,350,000 | 14,074,000 | 14,561,000 |
| Corn— | | | |
| America | 34,000 | 140,000 | |
| Argentina | 1,070,000 | 1,644,000 | 2,116,000 |
| Others | | | 119,000 |
| Total, bushels | 1,104,000 | 1,784,000 | 2,235,000 |

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 31 | July 24 | Aug. 2, | Aug. 3, |
|------------------|----------------|----------------|----------------|----------------|
| | | | 1919 | 1918 |
| Minneapolis | 296,045 | 336,475 | 269,160 | 242,820 |
| St. Paul | 5,425 | 4,860 | 10,520 | .. |
| Duluth-Superior | 19,545 | 13,520 | 5,850 | .. |
| Milwaukee | 9,300 | 1,000 | 9,200 | 9,000 |
| Totals | 330,315 | 355,855 | 295,130 | 251,820 |
| Outside mills* | 104,975 | .. | 115,575 | .. |
| Aggregate spring | 435,290 | .. | 410,705 | .. |
| St. Louis | 23,100 | 17,800 | 30,100 | 39,800 |
| St. Louis† | 32,600 | 25,600 | 50,400 | 58,200 |
| Buffalo | 70,970 | 96,365 | 125,460 | 72,400 |
| Rochester | 5,100 | 7,500 | 9,400 | 2,750 |
| Chicago | 20,000 | 12,000 | 22,250 | 26,500 |
| Kansas City | 62,500 | 51,500 | 80,900 | 75,100 |
| Kansas City‡ | 232,145 | 220,835 | 260,535 | 344,570 |
| Omaha | 6,535 | 7,530 | 12,365 | .. |
| Toledo | 7,600 | 10,800 | 40,000 | 27,560 |
| Toledo§ | 21,285 | 19,325 | 44,330 | 51,330 |
| Indianapolis | 4,175 | 4,120 | 5,965 | 6,480 |
| Nashville** | 50,545 | 47,160 | 138,315 | 120,275 |
| Portland, Oregon | .. | .. | 18,375 | 10,820 |
| Seattle | 10,370 | 19,310 | 000 | 7,270 |
| Tacoma | 10,100 | 7,500 | 000 | 7,925 |

Flour output for week ending July 31 at all above points shows an increase of 3 per cent. from week ending July 24.

*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.

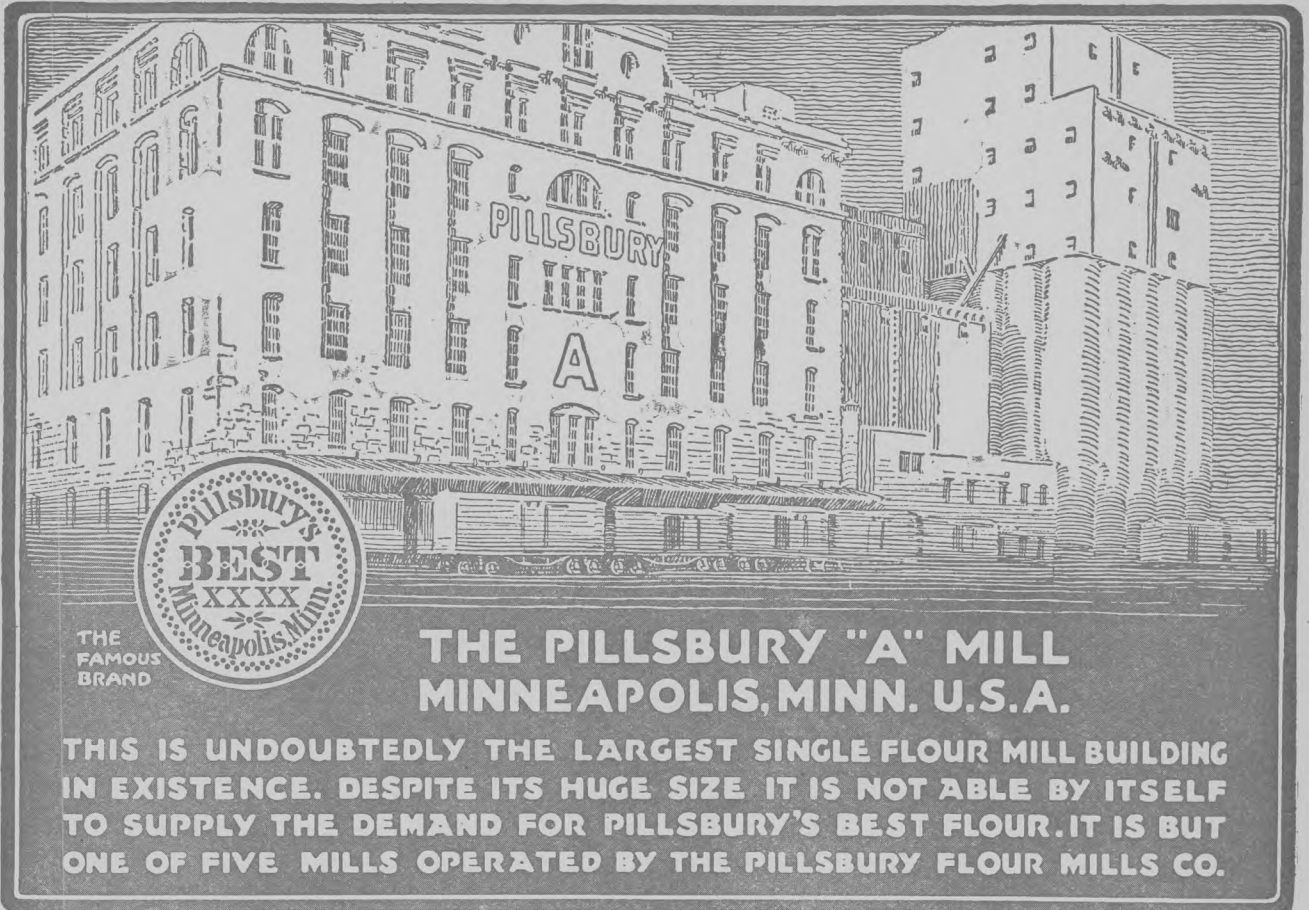
**Flour made by southeastern mills, including Nashville.

FLAXSEED RECEIPTS AND SHIPMENTS

Receipts and shipments of flaxseed at Minneapolis and Duluth, September 1, 1919, to July 21, 1920, were, in bushels (000's omitted):

| | Receipts | | Shipments | |
|---------------|--------------|---------------|--------------|--------------|
| | 1919-20 | 1918-19 | 1919-20 | 1918-19 |
| Minneapolis | 4,994 | 7,202 | 491 | 2,090 |
| Duluth | 2,709 | 4,235 | 1,494 | 3,801 |
| Totals | 7,703 | 11,437 | 1,985 | 5,891 |

LARGEST FLOUR MILL IN THE WORLD



THE FAMOUS BRAND

**THE PILLSBURY "A" MILL
MINNEAPOLIS, MINN. U.S.A.**

THIS IS UNDOUBTEDLY THE LARGEST SINGLE FLOUR MILL BUILDING IN EXISTENCE. DESPITE ITS HUGE SIZE IT IS NOT ABLE BY ITSELF TO SUPPLY THE DEMAND FOR PILLSBURY'S BEST FLOUR. IT IS BUT ONE OF FIVE MILLS OPERATED BY THE PILLSBURY FLOUR MILLS CO.

WHERE PILLSBURY'S "BEST" IS MADE

**USE
RED CROWN
GASOLINE**

It starts easily even in
the coldest weather.

And it will deliver all
the power your engine
was designed to develop.

For sale everywhere.

STANDARD OIL COMPANY
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Chicago Illinois



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

The Barnett & Record Co.

MINNEAPOLIS, MINNESOTA
DULUTH, MINNESOTA
FORT WILLIAM, ONTARIO

That is our specialty
Write us for designs and estimates.

All the power you pay for—

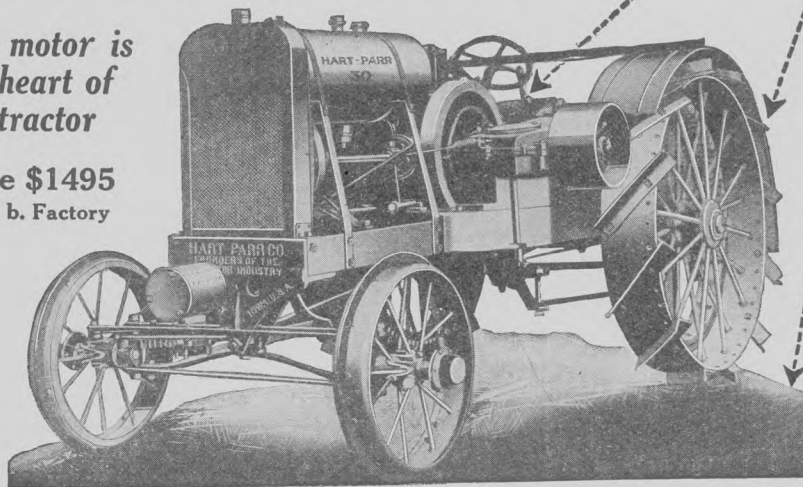
The Hart-Parr 30 tractor develops thirty horsepower at the belt. Practically all the power of our wonderful motor is available at the belt because the belt pulley is direct connected—no extra gears to consume power.

Official tests prove that only about twenty per cent of the power is lost between the motor and the drawbar in the Hart-Parr 30.

In the Hart-Parr 30 you get all the power you pay for.

*The motor is
the heart of
the tractor*

Price \$1495
f. o. b. Factory



Drawbar Horsepower

is the power developed by the motor:

- Less the power lost in the transmission,
- Less the power necessary to propel the tractor,
- Less what is used by friction of lugs or wheels in the ground,
- Less the power necessary to drive the lugs into the ground.

Official tests

At the Iowa State Agricultural College, Ames, Iowa, the Hart-Parr 30 was given an official test and developed 3160 pounds pull—24.8 drawbar horsepower.

At the big Ohio State University competitive drawbar test, the Hart-Parr 30 developed 3220 pounds pull—26.5 drawbar horsepower.

The tremendous power of the Hart-Parr 30 has enabled Hart-Parr 30 dealers to secure the bulk of the business in their respective territories in the face of any competition.



Many of the old Hart-Parrs that plowed the virgin prairies of the Northwest are still in use today. The great grand-daddy of all Tractors was old Hart-Parr No. 1, built in 1901.

BANKERS

Your recommendations for a man to represent us in your community will be appreciated. You can back the Hart-Parr dealer with full assurance that the tractor will make good.

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A POWERFUL STURDY THREE-PLOW KEROSENE TRACTOR

HART-PARR 30

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